

लाखों लोगों को मुस्कुराहट देने के 100 साल.
100 years of making millions smile.

वार्षिक रिपोर्ट
2007-08
Annual Report

100 YEARS
banking with passion

बैंक ऑफ़ बड़ौदा
Bank of Baroda
India's International Bank

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निदेशक-मंडल / BOARD OF DIRECTORS *



बाएं से दाएं - श्री रंजीत कुमार चटर्जी, श्री मिलिन्द एन. नाडकर्णी, श्रीमती मसर्रत शाहिद, श्री अमरजीत चोपड़ा, डॉ. अतुल अगरवाल, श्री मौलिन ए. वैष्णव, श्री एस.सी.गुप्ता - कार्यकारी निदेशक, **श्री एम.डी.मल्या** - अध्यक्ष एवं प्रबंध निदेशक, श्री वी.सन्तानरामन - कार्यकारी निदेशक, श्री जी. सी. चतुर्वेदी, डॉ. दीपक बी. फाटक, श्री मनेश पी. मेहता, श्री ए. सोमसुन्दरम, डॉ. धर्मेन्द्र भंडारी

L to R - Shri Ranjit Kumar Chatterjee, Shri Milind N Nadkarni, Smt Masarrat Shahid, Shri Amarjit Chopra, Dr. Atul Agarwal, Shri Maulin A Vaishnav, Shri S. C. Gupta - Executive Director, **Shri M. D. Mallya - Chairman & Managing Director**, Shri V. Santhanaraman - Executive Director, Shri G C Chaturvedi, Dr. Deepak B. Phatak, Shri Manesh P Mehta, Shri A somasundaram, Dr. Dharmendra Bhandari

*as of 31st March, 2008

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श्री एम.डी.मल्या
अध्यक्ष एवं प्रबंध निदेशक
Shri M. D. Mallya
Chairman & Managing Director



श्री वी.सन्तानरामन
कार्यकारी निदेशक
Shri V. Santhanaraman
Executive Director



श्री एस.सी.गुप्ता
कार्यकारी निदेशक
Shri S. C. Gupta
Executive Director



श्री अमिताभ वर्मा
Shri Amitabh Verma*



श्री ए. सोमसुन्दरम
Shri A. Somasundaram



श्री मिलिन्द एन. नाडकर्णी
Shri Milind N. Nadkarni



श्री रंजीत कुमार चटर्जी
Shri Ranjit Kumar Chatterjee



श्री अमरजीत चोपड़ा
Shri Amarjit Chopra



श्रीमती मसर्रत शाहिद
Smt. Masarrat Shahid



श्री मौलिन ए. वैष्णव
Shri Maulin A. Vaishnav



डॉ. अतुल अगरवाल
Dr. Atul Agarwal



डॉ. धर्मेन्द्र भंडारी
Dr. Dharmendra Bhandari



श्री मनेश पी. मेहता
Shri Manesh P. Mehta



डॉ. दीपक बी. फाटक
Dr. Deepak B. Phatak

* w.e.f 10th June, 2008.

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टीम बड़ौदा / TEAM BARODA



श्री एम. डी. मल्या - अध्यक्ष एवं प्रबंध निदेशक, श्री वी. सन्तानरामन - कार्यकारी निदेशक तथा
श्री एस. सी. गुप्ता - कार्यकारी निदेशक, कार्पोरेट महाप्रबंधकों, अंचल एवं क्षेत्रीय प्रमुखों के साथ.

Shri M. D. Mallya - Chairman & Managing Director, Shri V. Santhanaraman - ED and
Shri S. C. Gupta - ED with Corporate General Managers, Zonal and Regional Heads.

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महाप्रबंधक General Managers

एम. बी. सामंत	M. B. Samant
आर.के. गर्ग	R.K. Garg
जे.के. चंदर	J.K. Chandar
बी.ए. प्रभाकर	B.A. Prabhakar
एस.पी. अग्रवाल	S.P. Agarwal
एस.सी. कालिया	S.C. Kalia
जी.जी. जोशी	G G Joshi
असित पाल	Asit Pal
वी.के. वर्मा (डॉ.)	V.K. Varma (Dr.)
रामदास शेणाय के.	Ramadas Shenoy K
पी.एस. जोशी	P.S. Joshi
डी. सरकार	D. Sarkar
के. एन. सुवर्णा	K.N. Suvarna
अजय कुमार	Ajai Kumar

वी. शेषाद्री	V. Seshadri
एन. रमणी	N. Ramani
एस.के. श्रीवास्तव	S.K. Srivastava
दीपांकर मुखर्जी	Dipankar Mookerjee
ए.के. गुप्ता	A.K. Gupta
आर. के. बंसल	R.K. Bansal
जी. नागमल रेड्डी	G. Nagmal Reddy
एस. एस. मूंदड़ा	S.S. Mundra
नन्दन श्रीवास्तव	Nandan Srivastava
एन. आर. बद्रीनारायणन	N.R. Badrinarayanan
एस. के. भार्गव	S.K. Bhargava
बी.एल. श्रीवास्तव (डॉ.)	B.L. Srivastava(Dr.)
मीनल भगत (सुश्री)	Minal Bhagat (Ms.)
के. वी. वच्छराजानी	K.V. Vachhrajani

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लेखा परीक्षक Auditors

रे एंड रे
सनदी लेखाकार

Ray & Ray
Chartered Accountants

जी. बासु एंड कं.
सनदी लेखाकार

G. Basu & Co.
Chartered Accountants

जी. पी. कपाड़िया एंड कं.
सनदी लेखाकार

G. P. Kapadia & Co.
Chartered Accountants

बी.सी. जैन एंड कं.
सनदी लेखाकार

B. C. Jain & Co.
Chartered Accountants

गुप्ता नायर एंड कं.
सनदी लेखाकार

Gupta Nayar & Co.
Chartered Accountants

ए. सचदेव एंड कं.
सनदी लेखाकार

A. Sachdev & Co.
Chartered Accountants

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प्रधान कार्यालय

बड़ौदा हाऊस, माण्डवी, वड़ोदरा 390 006.

बड़ौदा कार्पोरेट सेन्टर

सी-26, जी-ब्लॉक, बान्द्रा-कुर्ला कॉम्पलेक्स, बान्द्रा (पू.), मुंबई 400 051.

निवेशक सेवाएं विभाग

आठवां तल, बड़ौदा कार्पोरेट सेंटर, सी-26, जी-ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पू), मुंबई 400 051.

रजिस्ट्रार एवं अन्तरण एजेंट

मैसर्स कार्वी कम्प्यूटरशेयर प्रा. लि. 46, एवेन्यू 4, स्ट्रीट नं. 1, बंजारा हिल्स, हैदराबाद 500 034.

Head Office

Baroda House, Mandvi, Vadodara 390 006.

Baroda Corporate Centre

C-26, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.

Investor Services Department

8th Floor, Baroda Corporate Centre, C-26, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.

Registrars & Transfer Agent

M/s. Karvy Computershare Pvt. Ltd. 46 Avenue 4, Street No.1, Banjara Hills, Hyderabad 500 034.

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CHAIRMAN'S STATEMENT



Moving Ahead to Create Sustainable Growth...

Bank on the path of consolidating its position as a premier Public Sector Bank.

M. D. Mallya
Chairman & Managing Director

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Dear Stakeholder,

Despite the fact that the year 2007-08 was a tough and challenging year for the banking industry on account of rising inflationary tendencies, sustained monetary tightening and consequent pressures on margins and profitability, the Bank could very well maintain its growth momentum and overall progress set in the recent past. Touching its global clientele base at 33 million, the Bank comfortably achieved the global business level of Rs 2,58,735.45 crore by the year-end. I am also happy to report that the Bank achieved all the SOI (Statement of Intent) targets pertaining to business, profitability and asset quality that it had committed to the Government of India for 2007-08.

New Initiatives

In the pursuit of becoming a "multi-specialist bank", the Bank took a slew of business oriented and customer-centric initiatives. The spree of CBS rollout covering over 1,700 branches in India and overseas, accounting for more than 90.0 per cent of the Bank's total business, and expansion of ATM network to touch the count of 1,100 continued in the year 2007-08. The Bank launched biometric ATMs and took many other technology-

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driven initiatives such as online payment of direct taxes, Baroda Easypay and online Railway booking facility. During 2007-08, the Bank opened a record number of 125 branches, merged four branches and opened two Gen Next Branches focusing on young IT professionals in Pune and Bangalore.

Amidst various sales and marketing campaigns during the year, the total number of Retail Loan factories reached 15 and SME Loan Factories 27. The Bank believed that, in tune with the spirit of "multi-specialist banking", the product offerings should largely cater to the varied life cycle and life style needs of different customer groups. In this backdrop, a number of new assets and liability products were launched. Adding further to the stream of new wealth management products, the Bank entered into tie-up arrangements with India Infoline Ltd. for offering to its customers online e-trading facility in equity and derivatives, and with a few more global asset management companies for distribution of mutual fund products.

Fully aware of its social role, the Bank contributed materially to the cause of the rural development of the country in terms of major initiatives taken in rural and agricultural banking. The Bank identified 500 villages for 100.0 per cent financial inclusion and adopted many rural areas for their integrated and overall development.

2007-08 Highlights

+ Rs. 250,000 Crore
Global Business Size

+ 24%
Worldwide Business Growth

+ Rs. 1435 Crore
Net Profit

+ 33 Million
Global Customer Base

+ 1700
CBS Branches

+ 1100
ATMs

Business Performance Highlights

The Bank continued scaling new heights of business size recording global business growth of 24.07 per cent during 2007-08. Its domestic deposits increased by 22.82 per cent and domestic advances rose by 25.63 per cent. The priority sector credit more than comfortably attained the mandatory requirement and formed 47.10 per cent of the Bank's net credit. The Bank recorded a growth of 31.11 per cent in SME credit with farm credit increasing by 28.0 per cent and Retail credit by 17.97 per cent despite a noticeable deceleration in credit growth at the banking industry level.

During 2007-08, the Bank's overseas business grew by 24.56 per cent primarily due to a substantial increase of 35.70 per cent in overseas advances. The overseas business contributed 20.0 per cent to total business and 23.8 per cent to net profit. The level of net profit at Rs 1,435.52 crore for the year 2007-08 reflected a robust year-on-year growth of 39.9%.

On the front of asset quality management, while the Gross NPA in domestic operations stood at 2.18 per cent at end-March 2008, the same for Overseas Operations was just 0.55 per cent. The global Net NPA was pegged at 0.47 per cent by the year-end 2007-08 in line with the promise given by the Bank to its stakeholders.

The Centenary Year

On the 20th July 2007, the Bank entered its Centenary year. In its quest to become a world-class bank with global best practices, the Bank is, now, well poised to take-off with the most modern business and HR systems and processes. The Bank has already initiated myriad HR interventions with special thrust on internal talent discovery, upgrading the managerial skills through training, and improving the motivational level of the employees of the bank. The Bank engaged the services of a world-class HR Consultancy firm for the next-generation leadership management in the Bank.

The foundation for a comprehensive web-enabled HR System called HRnes was laid as one of the key innovative projects in the Bank. Your Bank also

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completed the process of KHOJ-II identifying talent in various critical functional areas like Credit, Forex, Treasury, I.T. , Marketing and Retail Banking.

The Challenges Ahead- Regaining the Leadership Position

Backed by the great vision of the founding father, Maharaja Sayajirao Gaekwad III, your Bank has a rich heritage of many flagship achievements, pioneering endeavours and an undisputedly strong place in the Indian Banking industry today. The Bank has seen many ups and downs over a period of 100 years but stood undaunted to surmount all hurdles, coming out with flying colours and reinforcing its strong fundamentals. The world was convinced time and again that this is the Bank with impregnable foundation and immense potential to forge ahead to contribute to the nation's economic growth.

Business transformation is an unabated process with regular adjustments in business strategies in accordance with the market demands and Bank's set objectives. The Bank has built up a strong business regime touching the global business level of Rs 2,58735.45 crore. The future business growth has to be broad based and sustainable on basic banking principles of expansion and consolidation. Cost Control and technological advancement as enablers in dispensation of best quality customer service shall be the focal point of the Bank's business plan.

I am sure, in the back of HR reforms and continuous improvements in various systems, processes, and structures in the Bank, the Bank shall make an immaculate concerted effort to regain the market leadership in the banking industry in near future.

Our Corporate Goals & Strategy

"To leverage technology as an enabler for providing superior customer experience and broad-based business expansion with cost consciousness". Our strategies to achieve our corporate goals and objectives will be as follows :

- Primary thrust on protecting the NIM by improving the CASA share.
- Improving the share of Retail/SME business in total business without compromising the asset quality.
- Leveraging technology/re-branding exercise to extract maximum benefits, recruitment of specialised marketing staff.
- Targeting on improving non-interest income through innovative Wealth Management Products.
- Special focus on improving "relations" with the existing corporate customers as well as efforts to add new quality customers to the Bank's Book.
- Thrust on business process reengineering to reduce the "transaction costs".
- A dedicated effort to add 2.5 to 3.0 million quality customers to Bank's book in FY09 and in subsequent years.

In our future journey, I solicit your continued cooperation and patronage.

M. D. Mallya
Chairman & Managing Director

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