

## **INDEPENDENT AUDITORS' REPORT**

### **To the Management Committee of BNP Paribas- Indian Branches**

#### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of the BNP Paribas - Indian Branches ('the Bank'), which comprise the Balance Sheet as at March 31, 2015, the Profit and Loss Account, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

2. The Bank's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with accounting principles generally accepted in India, including the Accounting Standards specified section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, provisions of section 29 of the Banking Regulation Act, 1949 and the Reserve Bank of India (RBI) guidelines and circulars applicable to the Bank. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the applicable provisions of the Companies Act, 2013, the Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time, the accounting and auditing standards and matters which are required to be included in the audit report under the aforesaid provisions. We conducted our audit in accordance with the Standards on Auditing ('the Standards') specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Bank's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on whether the Bank has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Bank's management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949, the Companies Act, 2013 in the manner so required for the banking companies and the RBI's circulars and guidelines and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Bank as at March 31, 2015 and its profits and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
8. As required by sub section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory.
  - (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank, and
  - (c) The financial accounting systems of the Bank are centralised and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by the branches. The audit is also carried out centrally as all the necessary records and data required for audit are centrally available.
9. Further, as required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books. Since the financial accounting systems of the Bank are centralised, accounting returns for the purpose of preparing financial statements are not required to be submitted by the Branch.
  - (c) The Balance Sheet, the Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
  - (e) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Bank has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Schedule 12, notes 30 and 42 to the financial statements.
- ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Schedule 12, notes 30 and 42 to the financial statements.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For Kalyaniwalla & Mistry  
Chartered Accountants  
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Mumbai, June 25, 2015