بنك أبوظبي التجاري

ADCB

Abu Dhabi Commercial Bank

(Incorporated in the United Arab Emirates with Limited Liability)

INDIAN OPERATIONS

BALANCE SHEET AS ON MARCH 31, 2009

(Rs '000s)

	Schedule	**As on March 31, 2009**	As on March 31, 2008
CAPITAL AND LIABILITIES			
Capital	1	**632,687**	632,687
Reserves and Surplus	2	**600,209**	436,567
Deposits	3	**5,086,162**	4,138,640
Borrowings	4	**0**	300,000
Other Liabilities and Provisions	5	**235,326**	259,123
TOTAL		**6,554,384**	5,767,017
ASSETS			
Cash and Balances with Reserve Bank of India	6	**555,653**	431,045
Balances with Banks and Money at Call and Short Notice	7	**2,401,181**	1,805,248
Investments	8	**1,947,012**	1,616,653
Advances	9	**1,373,145**	1,620,870
Fixed Assets	10	**65,094**	66,196
Other Assets	11	**212,299**	227,005
TOTAL		**6,554,384**	5,767,017
Contingent Liabilities	12	**2,424,884**	2,095,660
Bills for Collection		**1,275,413**	1,217,503
Accounting policies and Notes on accounts	17		

The Schedules referred to above form an integral part of the Balance Sheet

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

(Rs '000s)

	Schedule	**Year ended March 31, 2009**	Year ended March 31, 2008
I. INCOME			
Interest Earned	13	**477,986**	647,270
Other Income	14	**53,212**	67,436
TOTAL		**531,198**	714,706
II. EXPENDITURE			
Interest Expended	15	**200,201**	266,688
Operating Expenses	16	**131,485**	266,857
Provisions and Contingencies		**35,870**	(108,506)
TOTAL		**367,556**	425,039
III. PROFIT/(LOSS)			
Net Profit for the year		**163,642**	289,667
Loss brought forward		**(6,651)**	(223,900)
TOTAL		**156,991**	65,767
IV. APPROPRIATIONS			
Transfer to Statutory Reserves		**40,911**	72,418
Remittable Surplus Retained in India for CRAR		**116,080**	0
Balance carried over to Balance Sheet		**0**	(6,651)
TOTAL		**156,991**	65,767
Accounting policies and Notes on accounts	17		

The schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date

For and on behalf of
BORKAR & MUZUMDAR
Chartered Accountants

Sd/-
Dilip Muzumdar
Partner

For
ABU DHABI COMMERCIAL BANK
Indian Operations

Sd/-
Anthony D'Souza
Country Manager - India

Place: Mumbai
Date: June 24, 2009

بنك أبو ظبي التجاري

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Abu Dhabi Commercial Bank

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INDIAN OPERATIONS

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

(Rs '000s)

		Year ended March 31, 2009	Year ended March 31, 2008
Cash flows from operating activities			
Net Profit/(Loss) before tax		**247,522**	367,215
Adjustment for:			
Depreciation charge for the year		**3,866**	3,697
Depreciation on investments		**4,158**	1
Provision on funded NPA's (Net of Write offs/Write backs)		**(37,836)**	(34,011)
Other Provisions		**1,467**	1,898
Profit on sale of fixed assets		**(24)**	0
Loss on sale of fixed assets		**5**	59
		219,158	338,859
Adjustments for :			
(Increase)/Decrease in Investments		**(334,518)**	(181,037)
(Increase)/Decrease in Advances		**285,561**	447,618
Increase/(Decrease) in Borrowings		**(300,000)**	(1,800,000)
Increase/(Decrease) in Deposits		**947,521**	(599,268)
(Increase)/Decrease in Other Assets		**(45,757)**	(33,094)
Increase/(Decrease) in Other liabilities and provisions		**(25,263)**	(56,567)
Income Tax (paid)/refund received		**(23,417)**	864,279
Net cash generated from / (used in) operating activities	**A**	**723,285**	(1,019,210)
Cash Flows from investing activities			
Purchase of fixed assets		**(2,794)**	(2,818)
Proceeds from sale of fixed assets		**50**	22
Net cash generated from / (used in) investing activities	**B**	**(2,744)**	(2,796)
Cash Flows from financing activities			
Infusion of Funds from Head Office		**0**	0
Net cash flows generated from financing activities	**C**	**0**	0
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**720,541**	(1,022,006)
Cash and Cash Equivalents at the beginning of the year		**2,236,293**	3,258,299
Cash and Cash Equivalents at the end of the year		**2,956,834**	2,236,293

(Note: Cash and Cash Equivalents represents Cash and Balance with Reserve Bank of India and Balances with Banks and Money at Call and Short notice)

As per our report of even date

For and on behalf of
BORKAR & MUZUMDAR
Chartered Accountants

Sd/-
Dilip Muzumdar
Partner

For
ABU DHABI COMMERCIAL BANK
Indian Operations

Sd/-
Anthony D'Souza
Country Manager - India

Place: Mumbai
Date: June 24, 2009

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Abu Dhabi Commercial Bank

(Incorporated in the United Arab Emirates with Limited Liability)

INDIAN OPERATIONS

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON MARCH 31, 2009

(Rs '000s)

	As on March 31, 2009	As on March 31, 2008
SCHEDULE 1 - CAPITAL		
I. Capital		
i) Start-up Capital	**2,000**	2,000
ii) Amount received from Head office (Refer Note III.16)	**630,687**	630,687
TOTAL	**632,687**	632,687
II. Amount (Face Value) of Deposit kept in the form of securities with the Reserve Bank of India u/s 11 (2) of the Banking Regulation Act, 1949	**262,500**	237,500
SCHEDULE 2 – RESERVES AND SURPLUS		
I. Statutory Reserves		
i) Opening Balance	219,397	146,979
ii) Additions during the year	40,911	72,418
	260,308	219,397
II. Capital Reserves		
Balance as per last Balance Sheet	**14,711**	14,711
III. Remittable Surplus retained in India for CRAR		
i) Opening Balance	77,551	77,551
ii) Add: Transfer from Profit & Loss Account	116,080	0
	193,631	77,551
IV. Revenue and Other Reserves		
i) Opening Balance	131,559	129,215
ii) Additions during the year*	0	2,344
	131,559	131,559
V. Balance in Profit and Loss Account	**0**	(6,651)
TOTAL	**600,209**	436,567

* Represents transitional adjustment during the previous year on account of first time adoption of AS-15 (Revised) on Employee benefits issued by ICAI

	As on March 31, 2009	As on March 31, 2008
SCHEDULE 3 – DEPOSITS		
A) I. Demand Deposits		
i) From banks	8,425	5,345
ii) From others	1,062,051	664,667
	1,070,476	670,012
II. Savings Bank Deposits	**1,099,146**	953,535
III. Term Deposits		
i) From banks	0	0
ii) From others	2,916,540	2,515,093
	2,916,540	2,515,093
TOTAL	**5,086,162**	4,138,640
B) I. Deposits of branches in India	**5,086,162**	4,138,640
II. Deposits of branches outside India	**0**	0
TOTAL (I + II)	**5,086,162**	4,138,640

(Rs '000s)

	As on March 31, 2009	As on March 31, 2008
SCHEDULE 4 - BORROWINGS		
I. Borrowings in India		
i) Reserve Bank of India	**0**	250,000
ii) Other banks	**0**	50,000
iii) Other institutions and agencies	**0**	0
II. Borrowings outside India	**0**	0
TOTAL	**0**	300,000
Secured Borrowings included in I & II above	**0**	250,000
SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS		
I. Bills payable	**28,711**	**12,505**
II. Inter-Office adjustments (Net)	**0**	0
III. Interest accrued	**83,173**	123,443
IV. Deferred Tax Liability	**20,014**	16,584
V. Others (including provisions)	**103,428**	106,591
TOTAL	**235,326**	259,123
SCHEDULE 6 – CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	**6,571**	7,415
II. Balances with Reserve Bank of India		
i) In Current Account	**549,082**	423,630
ii) In Other Accounts	**0**	0
TOTAL	**555,653**	431,045
SCHEDULE 7– BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE		
I. In India		
i) Balances with banks		
a) In Current Accounts	**14,814**	9,441
b) In Other Deposit Accounts	**2,000,000**	1,750,000
ii) Money at call and short notice		
a) With banks (including with RBI under LAF)	**250,000**	0
b) With other institutions	**0**	0
TOTAL	**2,264,814**	1,759,441
II. Outside India		
i) In Current Accounts	**44,655**	45,807
ii) In Other Deposit Accounts	**0**	0
iii) Money at call and short notice (Including with H.O.)	**91,712**	0
TOTAL	**136,367**	45,807
TOTAL (I + II)	**2,401,181**	1,805,248

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Abu Dhabi Commercial Bank

(Incorporated in the United Arab Emirates with Limited Liability)

INDIAN OPERATIONS

SCHEDULES FORMING PART OF THE BALANCE SHEET AS ON MARCH 31, 2009

(Rs '000s)

	As on March 31, 2009	As on March 31, 2008
SCHEDULE 8 – INVESTMENTS		
I. Investments in India (Book Value)	**1,983,665**	1,651,821
Less: Provision for Depreciation	**(36,653)**	(35,168)
Net Investments in India	**1,947,012**	1,616,653
Break-up:-		
i) Government securities	**1,426,267**	1,554,305
ii) Other approved securities	**14,837**	22,758
iii) Shares	**0**	0
iv) Debentures and Bonds	**29,508**	28,182
v) Subsidaries and/or Joint Ventures	**0**	0
vi) Others (includes deposit with SIDBI & NHB)	**476,400**	11,408
TOTAL	**1,947,012**	1,616,653
II. Investments outside India	**0**	0
TOTAL (I +II)	**1,947,012**	1,616,653
SCHEDULE 9 – ADVANCES		
A) i) Bills purchased and discounted	**723,070**	1,020,364
ii) Cash credits, overdrafts and loans repayable on demand	**441,866**	333,699
iii) Term loans	**208,209**	266,807
TOTAL	**1,373,145**	1,620,870
B) i) Secured by tangible assets*	**617,806**	585,689
ii) Covered by Bank/ Government Guarantees	**739,378**	988,276
iii) Unsecured	**15,961**	46,905
TOTAL	**1,373,145**	1,620,870
C) I. Advances in India		
i) Priority Sectors	**342,292**	211,846
ii) Public Sector	**0**	0
iii) Banks	**0**	0
iv) Others	**1,030,853**	1,409,024
TOTAL	**1,373,145**	1,620,870
II. Advances outside India	**0**	0
TOTAL	**1,373,145**	1,620,870
* (Includes Advances against Book debts)		

(Rs '000s)

	As on March 31, 2009	As on March 31, 2008
SCHEDULE 10 - FIXED ASSETS		
I. Premises		
i) At cost as on March 31 of the preceding year	58,497	58,497
ii) Additions during the year	0	0
iii) Deductions during the year	0	0
iv) Depreciation to date	(1,089)	(1,045)
TOTAL	**57,408**	57,452
II. Other Fixed Assets(including furniture and fixtures)		
i) At cost as on March 31 of the preceding year	80,228	77,610
ii) Additions during the year	2,794	2,818
iii) Deductions during the year	(486)	(200)
iv) Depreciation to date	(74,850)	(71,484)
TOTAL	**7,686**	8,744
GRAND TOTAL (I + II)	**65,094**	66,196
SCHEDULE 11 – OTHER ASSETS		
I. Inter-office adjustments(net)	**0**	0
II. Interest accrued	**63,718**	86,817
III. Tax paid in advance/tax deducted at source (net of provisions)	**41,253**	98,285
IV. Stationery and stamps	**2**	2
V. Others	**107,326**	41,901
TOTAL	**212,299**	227,005
SCHEDULE 12– CONTINGENT LIABILITIES		
I. Liability on account of outstanding forward exchange contracts	**1,812,944**	1,555,300
II. Guarantees given on behalf of constituents:		
a) In India	**85,864**	97,635
b) Outside India	**200,908**	140,068
III. Acceptances, endorsements and other obligations	**30,276**	7,886
IV. Other items for which the Bank is contingently liable: Income tax/Interest tax disputed and in appeal not provided for is estimated at	**294,892**	294,771
TOTAL	**2,424,884**	2,095,660

Abu Dhabi Commercial Bank

(Incorporated in the United Arab Emirates with Limited Liability)

INDIAN OPERATIONS

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

(Rs '000s)

		Year ended March 31, 2009	Year ended March 31, 2008
SCHEDULE 13 – INTEREST EARNED			
I.	Interest/discount on advances/bills	**175,739**	148,965
II.	Income on investments	**119,969**	142,328
III.	Interest on balances with Reserve Bank of India and other inter-bank funds	**162,048**	198,230
IV.	Others (includes Interest on Income Tax refunds)	**20,230**	157,747
	TOTAL	**477,986**	647,270
SCHEDULE 14 – OTHER INCOME			
I.	Commission, exchange and brokerage	**18,411**	27,672
II.	Profit on sale/redemption of investments	**850**	0
	Less: Loss on sale/redemption of investments	**(119)**	(13)
III.	Profit/(Loss) on revaluation of investments	**0**	0
IV.	Profit on sale of land, buildings and other assets	**24**	0
	Less: Loss on sale of land, building and other assets	**(5)**	(59)
V.	Net profit on exchange transactions	**27,034**	30,494
VI.	Income earned by way of dividends etc. from subsidiaries/ company and joint ventures abroad/in India	**0**	0
VII.	Miscellaneous income (Including Recoveries in Bad Debts written off Rs. 4,000 Thousands) (Previous Year Rs. 9,303 Thousands respectively)	**7,017**	9,342
	TOTAL	**53,212**	67,436

(Rs '000s)

		Year ended March 31, 2009	Year ended March 31, 2008
SCHEDULE 15 - INTEREST EXPENDED			
I.	Interest on deposits	**195,473**	215,786
II.	Interest on Reserve Bank of India and Inter-bank borrowings	**4,728**	50,902
III.	Others	**0**	0
	TOTAL	**200,201**	266,688
SCHEDULE 16 - OPERATING EXPENSES			
I.	Payments to and provisions for employees	**54,067**	58,150
II.	Rent, taxes and lighting	**13,729**	12,281
III.	Printing and stationery	**1,949**	1,701
IV.	Advertisement and publicity	**478**	353
V.	Depreciation on bank's property	**3,866**	3,697
VI.	Directors' fees, allowances and expenses	**0**	0
VII.	Auditors' fees and expenses	**380**	378
VIII.	Law charges	**1,938**	481
IX.	Postages, telegrams, telephones, etc.	**4,487**	4,019
X.	Repairs and maintenance	**8,617**	8,209
XI.	Insurance	**4,716**	5,425
XII.	Other expenditure (Includes Bad Debts Written off of Rs. 15,799 Thousands) (Previous year Rs. 155,952 Thousands)	**37,258**	172,163
	TOTAL	131,485	266,857

SCHEDULE 17 - ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009.

I. BACKGROUND

The accompanying financial statements comprise of the accounts of the Indian branches of Abu Dhabi Commercial Bank ('Bank'), which is incorporated and registered in United Arab Emirates with limited liability.

II. ACCOUNTING POLICIES

1. Accounting Convention

The accompanying financial statements have been prepared in accordance with the generally accepted accounting principles on the historical cost basis and conform to the statutory provisions and practices prevailing within the Banking Industry in India as also Accounting Standards ('AS') prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable.

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of financial statements and the reported income and expense during the reported period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimated. Any revision to accounting estimates is recognized prospectively in the financial statements

2. Transactions Involving Foreign Exchange

2.1. Foreign Currency Assets, Liabilities and Contingent Liabilities on account of guarantees, acceptances, endorsements and other outstandings are translated at the balance sheet date at rates notified by the Foreign Exchange Dealers' Association of India (FEDAI). Foreign Exchange Positions including spot and forward contracts are revalued monthly at the rates notified by the FEDAI. The resultant gain or loss is recognised in the Profit and Loss Account.

2.2. Income and Expenditure items in foreign currency are translated at the exchange rates ruling on the date of the transactions.

2.3. In case of those foreign currency deposits, which have been swapped, the swap cost is treated as Interest (period) cost and amortized over the period of transactions as per FEDAI guidelines.

3. Investments

3.1. Classification

In accordance with the guidelines for investments laid down by the Reserve Bank of India (RBI), the Bank classifies its investments into the following categories:

i. Held to Maturity
ii. Available for Sale
iii. Held for Trading

3.2. Valuation

3.2.1. Held to Maturity

Investments under this category are carried at acquisition cost, unless it is more than the face value, in which case the premium is amortized over the period remaining till maturity. Diminution other than temporary, if any, in the value of such investment is determined and provided for on each investment individually.

3.2.2. Available for Sale and Held for Trading:

Investments under these categories except for Treasury Bills are marked to market. Net appreciation, if any, under each of the six classifications under which investments are presented in the Balance Sheet, is ignored and net depreciation is provided for. In addition, further provision is made for depreciation based on management's estimate of potential depreciation. Treasury Bills are valued at cost.

3.3. Cost of Investments excludes broken period interest paid on acquisition of Investments.

3.4. The market value of investments is ascertained based on the price of security as available from the trades/quotes on the Stock Exchange or prices declared by the Primary Dealers Association of India (PDAI) jointly with the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

3.5. Market value of investments, where current quotations are not available is determined as per the norms laid down by the RBI which are as under:

3.5.1. Value of unquoted Government securities is derived based on the yield-to maturity (YTM) rate for Government securities of equivalent maturity put out by FIMMDA/PDAI.

3.5.2. Value of unquoted bonds, debentures and preference shares where interest/dividend is received regularly, is derived based on the YTM rate for Government securities as suitably marked up for credit risk applicable to the credit rating of the instrument.

3.5.3. Value of unquoted bonds, preference shares and debentures where dividend/interest is not received regularly, is derived on the basis of valuation and provisioning norms prescribed by the RBI.

3.5.4. Values of equity shares that are not quoted on the Stock Exchange are valued at break up value, which is ascertained from the latest available Balance Sheet.

3.5.5. Units of Mutual Funds are valued at the latest repurchase price/Net Asset Value declared by the respective Mutual Funds.

3.6. Repo/Reverse repo transactions (other than under Liquidity Adjustment Facility (LAF) with RBI) if any, are accounted for as outright sale and purchase transactions in accordance with RBI guidelines. The difference between the clean price of the first and the second leg is recognised as interest income/expense over the period of transaction. Repo/Reverse repo transactions under LAF with RBI are disclosed as borrowing/lending transactions and correspondingly the expense and income thereon are treated as interest.

4. Advances

4.1. Advances are classified into performing and non-performing in terms of prudential norms on asset classification laid down by the RBI. Specific provision for 'Non Performing Advances' is made on the basis of provisioning requirement under the prudential norms as laid down by the RBI, and is deducted from Advances. General provision on "Standard Assets" and for "Country Risk" at rates specified by RBI is included in 'Other Liabilities and Provisions'.

4.2. In addition to the provision made as per para 4.1 above, further provision is made for 'Non Performing Advances' based on Management's estimate of potential exposure, wherever necessary.

5. Fixed Assets

5.1. Fixed assets other than Tenancy Rights are stated at historical cost less accumulated depreciation.

5.2. Tenancy rights included under premises are carried at historical cost.

5.3. Depreciation on computers is provided for on Straight Line Method at 33½% per annum.

5.4. Depreciation on certain Furniture and Fittings is provided for on Straight Line Method at the rate of 25% per annum.

5.5. Depreciation on assets other than above is provided for, using the Written Down Value method, subject to the minimum rates prescribed in Schedule XIV of Companies Act, 1956. Depreciation on Equipments is provided at the rate of 18.10% per annum.

5.6. The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired and provides for impairment loss, if any, in the profit and loss account.

6. Lease Transactions

Lease payments for assets taken on operating lease are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease term.

7. Revenue Recognition

Income / Expenditure is generally accounted for on accrual basis, except in case of Non Performing Assets, where income is recognized on actual realization in terms of RBI guidelines. Income from services that are subject to service tax are accounted net of service tax.

8. Employee Benefits

8.1. Provident Fund

The Bank operates a Provident Fund Scheme to which it contributes an amount on monthly basis at a determined rate (currently 12% of employee's basic salary). The contribution is remitted to a Trust established by the Bank for this purpose and such contribution is charged to the Profit and Loss Account. All employees of the Bank are eligible to receive benefits under the Provident Fund. Interest is payable to the members of such trust at a rate which shall not be lower than the statutory rate of interest declared by the Central Government. Shortfall if any, between the interest earned by the trust and the minimum amount to be distributed is provided for in the year to which it relates.

8.2. Gratuity

The Bank operates a Gratuity Fund Scheme and the contributions are remitted to the Trust established for this purpose. The trust in turn deploys majority of the funds with the Life Insurance Corporation of India, which also administers the scheme and determines the contribution premium required to be paid by the Bank. The Bank provides for gratuity to all its employees. The benefit is in the form of lump sum payments to vested employees on retirement, resignation, death while in employment or on termination of employment for an amount equivalent to 30 days basic salary payable for each completed years of service. Vesting occurs on completion of five years of service. The Bank makes contributions to the Fund based on actuarial valuation carried out by an independent external actuary using the projected unit credit method. The contribution payable/paid is charged to the Profit and Loss Account.

8.3. Leave Encashment

All eligible employees of the Bank are eligible for compensated absences which are provided for on the basis of an independent external actuarial valuation carried out at balance sheet date using the projected unit credit method. The Bank does not separately fund such absences.

8.4. Short-term employee benefits such as medical insurance, performance award, leave travel allowance etc. are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

9. Net Profit/(Loss)

The net profit/(loss) disclosed in the Profit and Loss account is after provision for:

i. taxes on income (including deferred tax), fringe benefit tax and wealth tax
ii. advances
iii. shortfall in the value of investments
iv. depreciation on fixed assets
v. other usual and necessary provisions.

10. Provision For Taxation

Income tax expense comprises of the current tax, the net change in the deferred tax asset and the deferred tax liability during the year and fringe benefits tax charge. Current tax and fringe benefits tax is determined on the basis of the provisions of the Income Tax Act, 1961. Deferred taxation is provided on timing differences between the accounting income and taxable income for the year using tax rates and laws substantially enacted as on the Balance Sheet date. Deferred tax assets are recognized to the extent there is certainty that they will be realized and are reviewed for appropriateness of their carrying value at each Balance Sheet date.

11. Provisions, Contingent Assets And Contingent Liabilities

The Bank establishes provisions when it has a present obligation as a result of past event(s), it is probable that an outflow of resources embodying economic benefit to settle the obligation will be required and a reliable estimate can be made of such an obligation. Contingent Assets are not recognized in the Financial Statements. A disclosure of Contingent Liability is made when there is:

i) A possible obligation, arising from a past event(s), the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank or

ii) Any present obligation that arises from past events but is not recognized because:

a. it is not probable that an outflow of resource embodying economic benefits will be required to settle the obligation;
b. A reliable estimate of the amount of obligation cannot be made.

III. NOTES ON ACCOUNTS

		As on March 31, 2009	As on March 31, 2008
1.	**Percentage of Net Non Performing Assets to Net Advances**	**0.00%**	0.00%
2.	**Business Ratios:**		
	i. Interest income as a percentage to working funds	**7.01%**	8.85%
	ii. Non – interest income as a percentage to working funds	**0.78%**	1.03%
	iii. Operating profit as a percentage to working funds	**2.92%**	2.76%
	iv. Return on assets	**2.40%**	3.96%
	v. Business (Deposits + Advances) per Employee (Rs 000's)	**175,998**	177,297
	vi. Profit per Employee (Rs 000's)	**4,196**	7,829
			(Rs. 000's)
3.	**Lending to sensitive sectors are as under:**		
	• **Details of exposure to real estate sector**		
	a) Direct exposure :	**154,520**	15,039
	i) Residential mortgages	**10,135**	8,398
	- of which Individual Housing Loans eligible for inclusion in Priority Sector	**57**	0
	ii) Commercial real estate (including NFB limits Rs. 11,202)	**144,385**	6,641
	iii) Investment in mortgage backed securities (MBS) And other securitised exposures:	**0**	0
	a. Residential		
	b. Commercial real estate		
	b) Indirect exposure : Fund based and non-fund based exposures on National Housing Bank (NHB) and housing finance companies (HFCs)	**0**	0
	Total Real Estate exposure	**154,520**	15,039

- **Details of exposure to capital market**

i)	Investments made in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	**0**	0
ii)	Advances against shares, bonds, debentures or other securities or on clean basis to individuals for investment in equity shares (including IPO's/ESOPS), convertible bonds or convertible debentures, units of equity oriented mutual funds	**0**	0
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	**94,974**	59,677
iv)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	**0**	0
v)	Advances for any other purposes to the extent secured by collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures /units of equity oriented mutual funds does not fully cover the advances	**12,873**	0
vi)	Secured and unsecured advances to stockbrokers & guarantees issued on behalf of stockbrokers and market makers	**0**	0
vii)	Bridge loans to companies against expected equity flows/issues	**0**	0
viii)	Underwriting commitments taken up in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	**0**	0
ix)	Financing to stockbrokers for margin trading	**0**	0
x)	All exposures to venture capital funds (both registered & unregistered) deemed to be on par with equity and hence reckoned for capital market exposure	**0**	0
Total Exposure to Capital Market		**107,847**	59,677

* In cases where the lending is based on collateral security which is in the nature of charge on real estate, the same is included above to the extent the exposure exceeds the value of primary security.

		2008-09	2007-08
4.	**Provision for Standard Assets as at year end ***	**8,675**	8,800

* In terms of the RBI Circular DBOD.BP.BC.83/21.01.002/2008-09 dated November 15, 2008, provision for standard assets has been reduced to 0.40% except for agriculture & SME sectors where provisioning of 0.25% continues. Since the norms are prospective, the provisions held by the Bank over & above that required under the revised norms have not been reversed.

5. Movement in Funded Non – Performing Advances (Gross)

Balance as at the beginning of the year	**194,944**	397,695
Add: Additions during the year	**7,482**	39,152
Less: Reductions during the year		
Recovery	**(45,322)**	(85,951)
Write-off	**(15,795)**	(155,952)
Balance as at the end of the year	**141,309**	194,944

6. Movement in provision for Funded Non Performing Advances (excluding provision for Standard Advances)

Balance as at the beginning of the year	**194,944**	384,897
Add: Provisions made during the year	**748**	35,105
Less: Write-off/Write back of excess provision during the year	**(54,383)**	(225,058)
Balance as at the end of the year	**141,309**	194,944

7. Movement in Funded Non – Performing Advances (Net)

(Rs. 000's)

	2008-09	2007-08
Balance as at the beginning of the year	**0**	12,798
Add: Additions during the year	**6,734**	4,047
Less: Reductions during the year	**(6,734)**	(16,845)
Balance as at the end of the year	**0**	0

8. Movement in Floating Provisions

	2008-09	2007-08
Balance as at the beginning of the year	**13,482**	13,482
Add: Additions during the year	**0**	0
Less: Draw down during the year	**0**	0
Balance as at the end of the year	**13,482**	13,482

9. Details of Loan Assets subject to Restructuring

	2008-09	2007-08
Total amount of loan subjected to restructuring, rescheduling, renegotiation;	**0**	2,095
- of which under CDR	**0**	0
The amount of Standard assets subjected to restructuring, rescheduling, renegotiation;	**0**	2,095
- of which under CDR	**0**	0

(During the year, the Bank has neither received any application for restructuring nor has it restructured any account and hence the disclosure in terms of RBI circular DBOD.No.BP.BC. No.124/21.04.132/2008-09 dated April 17, 2009 is not given)

10. Details of financial assets sold during the year to Securitisation/ Reconstruction Company (SC/RC) for Asset Reconstruction are as follows:

		2008-09	2007-08
a.	Number of Accounts	**Nil**	Nil
b.	Aggregate Value (Net of Provisions) of accounts sold to SC/RC	**0**	0
c.	Aggregate consideration	**0**	0
d.	Additional consideration realized in respect of accounts transferred in earlier years	**Nil**	Nil
e.	Aggregate gain/(loss) over net book value	**0**	0

11. Details of Non-performing financial assets purchased/sold

		2008-09	2007-08
a.	Purchased	**0**	0
b.	Sold		
	- Number of accounts sold	**0**	1
	- Aggregate outstanding (before provision but net of write offs)	**0**	0
	- Aggregate consideration received	**0**	3,750

12. Movement in provision for depreciation on Investments

	2008-09	2007-08
Balance as at the beginning of the year	**35,168**	35,167
Add: Provisions made during the year	**5,893**	1,756
Less: Write back of excess provision during the year	**(4,408)**	(1,755)
Balance as at the end of the year	**36,653**	35,168

13. Provisions and Contingencies debited to the Profit and Loss Account include:

(Rs. 000's)

		2008-09	2007-08
i.	Provision for Non –Performing Funded Advances	**(53,635)**	(189,953)
ii.	Provisions/(Write back of Provision) for Standard Assets/Country Risk	**1,467**	(2,102)
iii.	Provision for Depreciation on Investments (Net)	**4,158**	1
iv.	Provision for/(Reversal of) Deferred Tax (Net)	**3,430**	11,828
v.	Provision for Current Tax	**80,000**	65,000
vi.	Provision for Fringe Benefits Tax	**450**	720
vii.	Provision for Head Office Expenses	**0**	2,000
viii.	Other Provisions/Write backs (Net)	**0**	4,000
	Total	**35,870**	(108,506)

14. Capital Adequacy

The capital adequacy ratio of the Bank, calculated under the RBI guidelines for Basel – I & Basel – II is set out below.

(Rs. Lakhs)

	March 31, 2009		March 31, 2008	
	Basel – II	**Basel – I**	Basel – II	Basel – I
i. Tier I Capital	**12,328.97**	**12,298.59**	10,692.54	10,615.69
ii. Tier II Capital	**237.49**	**237.49**	222.82	222.82
Total Capital	**12,566.46**	**12,536.08**	10,915.36	10,838.51
Total Risk Weighted Assets and Contingencies	**26,417.02**	**23,091.23**	21,110.00	19,449.23
Capital Adequacy Ratio				
i. Capital Adequacy Ratio - Tier I Capital	**46.67%**	**53.26%**	50.65%	54.58%
ii. Capital Adequacy Ratio - Tier II Capital	**0.90%**	**1.03%**	1.06%	1.15%
Total Capital Adequacy Ratio	**47.57%**	**54.29%**	51.71%	55.73%

15. The risk category wise exposure and the provisions held as required under Country Risk Management are as follows.

(Rs. 000's)

Risk category	**Exposure (31-03-2009)**	**Provision Held**	Exposure (31-03-2008)	Provision Held
Insignificant	**44,523**	**0**	42,894	0
Low	**156,309**	**154**	2,233	0
Moderate	**160,940**	**1,438**	69,200	0
High	**0**	**0**	0	0
Very High	**0**	**0**	0	0
Restricted	**0**	**0**	0	0
Off-credit	**0**	**0**	0	0
Total	**361,772**	**1,592**	114,327	0

In terms of RBI circular the provision is made only for those countries where the net funded exposure is 1% or more of total assets.

16. Amount received from Head office **Rs. 630,687 thousands** (Previous year Rs. 630,687 thousands) included in Capital represents amount remitted by Bank's Head Office to meet the cost of acquisition of residential premises deposits/advance license fees of Bank premises at Mumbai/Bangalore, other preliminary expenses, to meet CRAR requirement of RBI and for meeting provisioning norms on NPA's.

17. During the financial year under review, no penalty has been imposed on the Bank by RBI.

18 Classification of Net Investments under various categories is as under:

(Rs. 000's)

	As on March 31, 2009	As on March 31, 2008
Held to Maturity	**523,235**	0
Available for Sale	**1,423,777**	1,616,653
Held for Trading	**0**	0
Total	**1,947,012**	1,616,653

Investments include securities costing **Rs. 27,900 thousands** (Previous year Rs. 27,249 thousands) pledged with CCIL for margin requirements and **Rs. Nil** (Previous year 243,822 thousands) with RBI towards Borrowings under LAF.

Investments include securities amounting **Rs. 255,036 thousands** (Previous year Rs. 279,705 thousands) kept as margin with Reserve Bank of India towards Real Time Gross Settlement (RTGS).

19. Movement in Non-Performing Non SLR Investments is as under:

(Rs. 000's)

	2008-09	2007-08
Opening Balance	**28,688**	34,494
Additions during the year *	**Nil**	Nil
Reductions during the year	**(4,182)**	(5,806)
Closing Balance *	**24,506**	28,688
Total Provisions held	**24,506**	27,180

* Represents investment in securitisation receipts.

20. Issuer composition of Non-SLR investments is as under:

As at March 31, 2009 (Rs. 000's)

Sr.No (1)	Issuer (2)	Amount (3)	Extent of private placement (% of Col. 3) (4)	Extent of 'below investment grade' securities (% of Col. 3) (5)	Extent of 'unrated' securities (% of Col. 3) (6)	Extent of 'unlisted' securities (% of Col. 3) (7)
1	**Public Sector Undertakings**	**0**	**0**	**0**	**0**	**0**
2	**Financial Institutions**	**506,400**	**100%**	**0**	**0**	**100%**
3	**Banks**	**0**	**0**	**0**	**0**	**0**
4	**Private Corporates**	**0**	**0**	**0**	**0**	**0**
5	**Subsidiaries/Joint Ventures**	**0**	**0**	**0**	**0**	**0**
6	**Others**	**24,506**	**100%**	**100%**	**0**	**100%**
7	**Provision held towards depreciation**	**(24,998)**				
	Total	**505,908**				

As at March 31, 2008 (Rs. 000's)

Sr.No (1)	Issuer (2)	Amount (3)	Extent of private placement (% of Col. 3) (4)	Extent of 'below investment grade' securities (% of Col. 3) (5)	Extent of 'unrated' securities (% of Col. 3) (6)	Extent of 'unlisted' securities (% of Col. 3) (7)
1	Public Sector Undertakings	0	0	0	0	0
2	Financial Institutions	39,900	100%	0	0	100%
3	Banks	0	0	0	0	0
4	Private Corporates	0	0	0	0	0
5	Subsidiaries/Joint Ventures	0	0	0	0	0
6	Others	28,688	100%	100%	0	100%
7	Provision held towards depreciation	(28,998)				
	Total	39,590				

21. The particulars of Repo transactions including LAF with RBI are as under: (Rs. 000's)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As at year end
Securities purchased under Reverse Repo	**50,000** (10,000)	**2,450,000** (1,900,000)	**452,329** (143,260)	**250,000** (0)
Securities sold Under Repo	**50,000** (100,000)	**350,000** (700,000)	**20,137** (12,195)	**0** (250,000)

Previous years' figures are shown in brackets. In case of LAF all figures included above represent the amount borrowed/lent under the facility.

22. Maturity Profile:
As at March 31, 2009

(Rs. Lakhs)

Maturity Pattern	Deposits	Borrowings	Advances (Net)	Investment (Net)	Foreign Currency Assets(*)	Foreign Currency Liabilities(*)
1-14 days	**4,454**	**0**	**1,043**	**1,214**	**1,374**	**1,677**
15-28 days	**448**	**0**	**469**	**131**	**0**	**150**
29days- 3 months	**4,145**	**0**	**2,992**	**1,439**	**0**	**1,397**
3-6 months	**5,158**	**0**	**4,286**	**1,440**	**0**	**2,911**
6-12 months	**15,102**	**0**	**369**	**4,528**	**0**	**4,178**
1-3 years	**21,550**	**0**	**3,362**	**8,967**	**0**	**468**
3-5 years	**2**	**0**	**202**	**1**	**0**	**0**
Over 5 years	**3**	**0**	**1,008**	**1,750**	**313**	**0**
Total	**50,862**	**0**	**13,731**	**19,470**	**1,687**	**10,781**

As at March 31, 2008

(Rs. Lakhs)

Maturity Pattern	Deposits	Borrowings	Advances (Net)	Investment (Net)	Foreign Currency Assets(*)	Foreign Currency Liabilities(*)
1-14 days	3,471	3,000	1,171	1,404	449	1,842
15-28 days	521	0	1,158	264	0	142
29 days- 3 months	2,521	0	2,644	1,144	0	1,413
3-6 months	4,547	0	6,653	1,244	0	2,760
6-12 months	13,543	0	345	6,236	0	3,153
1-3 years	16,776	0	3,743	5,858	0	975
3-5 years	1	0	469	0	0	0
Over 5 years	6	0	26	17	0	0
Total	41,386	3,000	16,209	16,167	449	10,285

In compiling information of Maturity Pattern, certain estimates and assumptions have been made by the management, which have been relied upon by the auditors.

(*) Foreign Currency Assets and Liabilities exclude off-Balance Sheet Assets and Liabilities.

23. Customer Complaints

		2008-09	2007-08
1.	No. of complaints pending at the beginning of the year	**0**	4
2.	No. of complaints received during the year	**14**	42
3.	No. of complaints redressed during the year	**14**	46
4.	No. of complaints pending at the end of the year	**0**	0

Awards passed by the Banking Ombudsman

1.	No. of unimplemented awards at the beginning of the year	**0**	0
2.	No. of awards passed by the Banking Ombudsman during the year	**0**	0
3.	No. of awards implemented during the year	**0**	0
4.	No. of unimplemented awards at the end of the year	**0**	0

24. Disclosures on Derivatives

24.1 Qualitative Disclosures

The Bank has very limited exposure to derivatives trading namely through forward foreign exchange contracts.

1) The structure and organisation for management of risk in derivatives trading:

Treasury operation is segregated into three different departments viz. front office, mid-office and back office. The primary role of front office is to conduct business, that of mid-office is to ensure compliance in accordance with set norms and policies and that of back office is to process / settle the transactions.

The Bank has in place policies and procedures, which have been approved by the Head Office and the Management Committee (MC) in India ensures adherence to various risk parameters and prudential limits.

2) The scope and nature of risk measurement, risk reporting and risk monitoring systems:

a) Risk Measurement:

For forward foreign exchange contracts, risk is measured through a daily report called, Value at Risk (VaR), which computes VaR on the forex gaps using FEDAI VaR factors.

b) Risk Reporting and Risk monitoring systems:

The Bank has the following reports/systems in place, which are reviewed by the top management:

(i) VaR.
(ii) Net open position
(iii) AGL/IGL
(iv) Stop loss limits
(v) Bankline limits

3) Policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants:

The Bank has the following policy papers in place, approved by its Head Office
a) Treasury policy and
b) Asset – Liability Management (ALM) Policy

The Bank monitors the hedges/mitigants on a continuous basis through daily and monthly reports that are reviewed by the dealing room/top management.

4) Accounting policy: All outstanding derivative transactions are booked as Off Balance Sheet items. The trading positions are revalued on a Marked to Market basis whereas the hedging deals follow the accrual basis of accounting.

24.2 Quantitative Disclosure

(Rs. crores)

Sr. No	Particulars	Currency swaps (Forward Foreign exchange contracts)
1	Derivatives (Notional Principal Amount)	
	a) For hedging	131.31
	b) For trading	49.98
2	Marked to Market Positions	
	a) Asset (+)	0.07
	b) Liability (-)	0
3	Credit Exposure	4.13
4	Likely impact of one percentage change in interest rate (100*PV01)	Not applicable
	a) on hedging derivatives	
	b) on trading derivatives	
5	Maximum and Minimum of 100*PV01 observed during the year	Not applicable
	a) on hedging	
	b) on trading	

25. Employee's Benefits

The following table sets out the status of the defined benefit Gratuity Plan as required under AS 15 (Revised 2005):

(Rs. '000)

Particulars	2008-09	2007-08
Change in the present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of year	21,878	9,317
Interest Cost	1,641	746
Current Service Cost	2,688	10,048
Benefit Paid	0	(303)
Actuarial (Gain)/loss on obligations	(2,185)	2,070
Closing value of defined benefit obligation at the end of the year	**24,022**	21,878

Change in Plan Assets		
Opening Fair value of plan assets at the beginning of year	16,621	13,374
Expected Return on plan assets	1,330	1,070
Contribution by Employer	8,257	2,400
Benefit Paid	0	(303)
Actuarial (Gain)/loss on obligations	177	80
Closing Fair value of plan assets at the end of the year	**26,385**	16,621
Reconciliation of present value of obligation and fair value of plan assets		
Present Value of Funded obligation at the beginning of year	24,022	21,878
Fair Value of plan assets at the end of the year	26,385	16,621
Deficit/(Surplus)	(2,363)	5,257
Unrecognized Past Service Cost	0	0
Liability/(Asset) recognized in the Balance Sheet	(2,363)	5,257
Amount Recognised in the Balance sheet		
Liabilities	0	5,257
Assets	(2,363)	0
Net Liability/(Asset) recognised in Balance sheet	(2,363)	5,257
Net Cost recognised in the Profit and Loss Account		
Current Service Cost	2,688	10,048
Interest Cost	1,641	746
Expected Return on Plan Assets	(1,330)	(1,070)
Net Actuarial (Gain)/Loss recognized in the year	(2,362)	1,990
Past Service Cost	0	0
Expenses Recognized in the Profit and Loss Account	637	11,714
Reconciliation of expected return and actual return on Plan Assets		
Expected Return on Plan Assets	1,330	1,070
Actuarial Gain/(Loss) recognized in the year	177	80
Actual Return on Plan Assets	1,507	1,150
Movement in the Net Liability / Asset recognized in the Balance Sheet		
Opening Net Liability / (Asset) as at the beginning of the year	5,257	(4,057)
Expenses Recognized in the Profit and Loss Account	637	11,714
Contributions	(8,257)	(2,400)
Closing Net Liability / (Asset) as at the end of the year	(2,363)	5,257

Investment under Plan Assets of Gratuity Fund as on March 31, 2009 are as follows :

	% of Plan Assets	
Category of Assets	**As on 31-Mar-2009**	As on 31-Mar-2008
Central Government Securities	0.45%	0.86%
State Government Securities	0.00%	0.00%
Public Sector Bonds	0.64%	0.87%
Bank Deposits	31.36%	19.43%
Others (including with Life Insurance Corporation of India)	67.55%	78.84%
Total	**100.00%**	100.00%

Principal Actuarial assumptions :

Discount Rate	7.50%	8.00%
Expected Rate of Return on Plan Asset	8.00%	8.00%
Salary Escalation	10.00%	10.00%

The expected return on plan assets is determined based on the assumptions made by Bank at the beginning of the year based on its existing portfolio.

Compensated Absences:	**As on 31-Mar-2009**	As on 31-Mar-2008
The actuarial liability of compensated absences of encashable accumulated privilege leave as at March 31, 2009 is (Rs. '000)	3,265	3,006
Principal Actuarial assumptions :		
Discount Rate	7.50%	8.00%
Salary Escalation	10.00%	10.00%

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment Market. Such estimates are long term and are not based on limited past experience/immediate future.

The Bank is expected to contribute Rs. 750 Thousands to its defined benefit gratuity plan during the next financial year.

Pending the issuance of the guidance note from the Actuary Society of India, the Bank's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly, the Bank is unable to ascertain the related information. The Bank has contributed an amount of Rs. 2,975 Thousands to the provident fund during the year.

26. Related Party Disclosures

List of Related Parties is as under:

Parent: Abu Dhabi Commercial Bank, Abu Dhabi - Head office and its branches.

Subsidiaries of Head Office: Al Dhabi Brokerage Services L.L.C., Abu Dhabi Risk and Treasury Solutions L.L.C, Abu Dhabi Commercial Properties L.L.C., Abu Dhabi Commercial Engineering Services L.L.C., ADCB Holdings (Cayman) Limited, ADCB Holdings (Labuan) Limited, ADCB Holdings (Malaysia) Sdn Bhd, ADCB Finance (Cayman) Limited, Abu Dhabi Commercial Islamic Finance P.S.C., ACB LTIP (IOM) Limited, Abu Dhabi Commercial Property Development L.L.C., Abu Dhabi Commercial Properties Consultancy L.L.C. , Abu Dhabi Commercial Finance Solutions L.L.C., Abu Dhabi Commercial Investment Services L.L.C., Abu Dhabi Commercial Bank UK Limited, Abu Dhabi Commercial Projects Services L.L.C., Kinetic Infrastructure Development L.L.C., Al Reem Infrastructure Development L.L.C.

Key Management Personnel: Country Manager – India, Mr. Anthony D'Souza.

Transactions with Related Parties:

In terms of the RBI circular dated 29th March, 2003 regarding disclosure of related party transactions where there is only one entity in any category of related parties, particulars of such transactions have not been disclosed. There have been no transactions with subsidiaries of Head Office.

27. Disclosures in respect of Leases:

The Bank has entered into operating leases for its Premises and Vehicles. The total of future minimum lease payments under non-cancelable operating leases as determined by the lease agreements for each of the following periods are as follows:

(Rs. 000's)

	March 31, 2009	March 31, 2008
Not Later than one year	**9,148**	5,124
Later than one year and not later than 5 years	**14,991**	11,725
Later than five years	**109**	0
Lease payments charged to Profit and Loss Account	**8,579**	7,727

28. The major components of deferred tax assets and liabilities are as under:

(Rs. 000's)

	March 31, 2009	March 31, 2008
Deferred Tax Assets		
Depreciation	1,398	1,325
Employee Benefits	1,639	3,569
Others	0	2,791
Total	**3,037**	7,685
Deferred Tax Liabilities		
Interest on securities	19,088	21,107
Provision for Doubtful Debts	3,963	3,162
Total	**23,051**	24,269
Net Deferred Tax Asset / (Liability)	**(20,014)**	(16,584)

29. Segment Reporting:

Based on the RBI guidelines issued vide Circular no. DBOD.No.BP.BC.81/21.01.018/2006-07 dated April 18, 2007 the Bank has identified/classified its entire operations into following primary segments:

1. Treasury Operations 2. Corporate/Wholesale Banking 3. Retail Banking

Treasury operations consist of entire investment portfolio and foreign exchange operations. Corporate / Wholesale Banking operations comprise lending activity including trade finance to borrowers other than those in retail operations. Retail Banking operations comprise of depository activities, portfolio investment activities, lending activity to individuals and small and medium sized enterprises as also mobilization of deposits. The Bank does not have any other banking operation. All items which cannot be allocated under any of the above are classified under Unallocated Segment. The Bank operates as a single entity in India and hence information with regard to geographical segments is not given.

The present accounting / information system does not support the capturing and extraction of the data in respect of the aforesaid segments separately. Based on the present internal organizational and management reporting structure and the nature of risk and returns, the existing segments have been grouped accordingly. Information about Primary Business Segments is as under.

As on March 31, 2009 *(Rs. '000s)*

Business Segments/Particulars	**Treasury Operations**	**Corporate/ Wholesale Banking**	**Retail Banking**	**Unallocated**	**Total**
Revenue	**84,420**	**133,843**	**289,675**	**23,260**	**531,198**
Results	**50,427**	**145,970**	**57,885**	**(6,760)**	**247,522**
Operating Profit					**247,522**
Income Tax including deferred tax					**83,880**
Extraordinary Profit /(Loss)					**0**
Net Profit					**163,642**
Other Information					
Segment Assets	**4,979,074**	**1,277,726**	**181,719**	**115,865**	**6,554,384**
Segment Liabilities	**17,464**	**148,266**	**5,081,108**	**1,307,546**	**6,554,384**

As on March 31, 2008 *(Rs. '000s)*

Business Segments/Particulars	Treasury Operations	Corporate/ Wholesale Banking	Retail Banking	Unallocated	Total
Revenue	159,911	85,168	311,900	157,727	714,706
Results	84,573	95,684	62,305	124,653	367,215
Operating Profit					367,215
Income Tax including deferred tax					77,548
Extraordinary Profit /(Loss)					0
Net Profit					289,667
Other Information					
Segment Assets	3,787,241	1,605,849	245,121	128,806	5,767,017
Segment Liabilities	313,805	202,865	4,125,420	1,124,927	5,767,017

In allocation of some items of expenses/income and asset/liabilities, certain estimates and assumptions have been made by the management, which have been relied upon by the auditors.

30. The Bank has not exceeded the Prudential Exposure Limits for Individual as well as Group Borrowers during the year under reference.

31. Letters of Comfort

The Bank has not issued any Letters of Comfort during the year and there are no Letters of Comfort outstanding as at the year end.

32. There is no material Impairment of Assets and as such there is no provision required in terms of AS-28 "Impairment of Assets" issued by the ICAI.

33. Description of Contingent liability in Schedule 12:

1. Liability on account of outstanding forward exchange contracts:

The Bank enters into forward rate agreement with inter-bank participants on its own account and for its customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted date. The notional amounts of financial instruments such as foreign exchange contracts provide a basis for comparison with instruments recognised on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Bank's exposure to credit or price risks. The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market rates or prices relative to their terms.

2. Guarantees given on behalf of constituents: As a part of its commercial banking activities the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations.

3. Claims against banks not acknowledged as debt: The Bank is a party to various taxation matters to which appeals are pending. In the Bank's view, based on various appellate decisions on identical issues, the possibility of any outflow in respect of the said amounts in settlement is remote.

34. Based on the available information, there are no outstanding dues towards principal amount or interest thereon remaining unpaid to any supplier covered under Micro, Small and Medium Enterprises Development Act, 2006 as at the end of accounting year. Further, no interest was due or payable by the Bank to any supplier during the year under the provisions of the said Act.

35. Previous year's figures have been regrouped/rearranged wherever necessary to conform to current year's presentation.

AUDITORS' REPORT

ON THE ACCOUNTS OF ABU DHABI COMMERCIAL BANK-INDIAN OPERATIONS UNDER SECTION 30 OF THE BANKING REGULATION ACT, 1949.

1) We have audited the attached Balance Sheet of **Abu Dhabi Commercial Bank-Indian Operations** (incorporated in the United Arab Emirates with limited liability) ('the Bank') as on 31st March, 2009, the annexed Profit and Loss Account and also the Cash Flow Statement of the Indian Operations of the Bank for the year ended on that date. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement(s). An audit includes examining, on a test check basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3) In accordance with the provisions of section 29 of the Banking Regulation Act, 1949, read together with the provisions of sub-sections (1), (2) and (5) of Section 211 and sub-section (5) of Section 227 of the Companies Act, 1956, the Balance Sheet and Profit and Loss Account, are not required to be and are therefore not drawn up in accordance with Schedule VI to the Companies Act, 1956. The accounts are therefore, drawn up in conformity with Forms 'A' and 'B' of the Third Schedule to the Banking Regulation Act, 1949 to the extent applicable to the Bank. 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 Indian Operations of the Bank, which have come to our notice, have been in our opinion, within the powers of the Bank.
   c) In our opinion, proper books of accounts as required by law have been kept by the Indian Operations of the Bank so far as appears from our examination of those books.
   d) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement of the Indian Operations of the Bank dealt with by this report are in agreement with the books of accounts.
   e) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956, to the extent they are applicable to Banks and are not inconsistent with the Banking Regulation Act, 1949 and the disclosures and method of accounting prescribed by the Reserve Bank of India.
   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and the notes thereon, give the information required by the Companies Act, 1956 in the manner so required for Banking Companies and on such basis, give a true and fair view in conformity with the accounting principles generally accepted in India:
      i) In the case of the Balance Sheet of the state of affairs of the Indian Operations of the Bank as on 31st March 2009;
      ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
      iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For and on behalf of
BORKAR & MUZUMDAR
Chartered Accountants

Sd/-
Dilip Muzumdar
Partner
M. No: 8701

Mumbai: June 24, 2009