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P.B. VIJAYARAGHAVAN & CO.
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FARUQUI & COMPANY
CHARTERED ACCOUNTANTS
211, Delhi Chamber, Delhi Gate,
New Delhi-110002.

AUDITORS' REPORT

To,

The President of India

1. We have audited the attached Balance Sheet of Oriental Bank of Commerce as at March 31, 2008, and also the Profit and Loss Account and the Cash Flow Statement annexed thereto for the year ended on that date in which are incorporated the returns of 20 branches audited by us, 1129 Branches audited by other auditors and 174 Branches not subjected to audit. These unaudited branches account for 0.84 per cent of advances, 4.34 per cent of deposits, 0.57 cent of interest income and 3.95 cent of interest expenses. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued by the Reserve Bank of India. These financial statements are the responsibility of the Bank's Management. Our responsibility is to express our opinion 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. An audit includes examining, on a test 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. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms “A” & “B” respectively of the Third Schedule to the Banking Regulation Act, 1949.
4. Without qualifying our opinion attention is invited to
 - a) Note No.10(a) of schedule 18 regarding change in accounting policy pertaining to provisioning on non-performing advances and its consequential effect on provisioning by Rs. 247.45 Crore.
 - b) Note No.10(b) of schedule 18 regarding adoption of AS-15 (Revised) “Employee benefits” and its consequential effect on financial statements.
 - c) Note No.17(b) of schedule 18 regarding writing off Rs 487.72 crore of “Amalgamation Adjustment Account “ as against Rs. 246.00 crore required to be written off during the year.
 - d) Note No.17(c) of schedule 18 regarding inclusion of Not Readily Realisable Advances and Not Readily Realisable Assets pertaining to erstwhile Global Trust Bank as part of the assets of the Bank, which was otherwise required to be taken on collection basis as per the Scheme of Amalgamation.
 - e) Note No.18 of schedule 18 regarding writing off Rs 8.94 crore of Share Issue Expenses as against Rs. 4.47 crore required to be written off during the year.
5. ***The Impact, if any, on account of balancing of books, confirmation /reconciliation and clearance of outstanding entries in certain accounts is not accounted for as the same is not ascertainable (Refer Note No. 6 of Schedule 18).***
6. As required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 and subject to the limitations of disclosure required therein and the limitations of the audit indicated in paragraph 1 above and further *subject to our observations in paragraph 5 above*, we further report that:
 - i) In our opinion and to the best of our information and according to the explanations given to us and as shown by the books of the Bank:
 - a) The Balance Sheet read with Significant Accounting Policies and Notes to Accounts is a full and fair Balance Sheet containing the necessary particulars and is properly drawn up so as to exhibit a true and fair view of the affairs of the Bank as at 31st March, 2008.
 - b) The Profit and Loss Account read with Significant Accounting Policies and Notes to Accounts shows a true balance of the profit for the year ended 31st March, 2008, and

- c) The Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.
- ii) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory.
- iii) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
- iv) The returns received from the Offices and Branches of the Bank have generally been found adequate for the purposes of our audit and where the particulars in the Returns received were incomplete / inadequate, we have relied upon the information and explanations furnished by the Management.

***For N. SARKAR & Co.
CHARTERED ACCOUNTANTS***

***(G.MUKHOPADHYAY)
(M. No.: 010534)
PARTNER***

***For HINGORANI M & CO.
CHARTERED ACCOUNTANTS***

***(SANJAY KUMAR NARANG)
(M. NO.: 090943)
PARTNER***

***For P.B. VIJAYRAGHAVAN & CO.
CHARTERED ACCOUNTANTS***

***(P.B.SANTHANAKRISHNAN)
(M.NO.:020309)
PARTNER***

***For UMAMAHESWARA RAO & Co.
CHARTERED ACCOUNTANTS***

***(L.SHYAMA PRASAD)
(M. NO.:028224)
PARTNER***

***For SURESH CHANDRA & ASSOCIATES
CHARTERED ACCOUTANTS***

***(MADHUR GUPTA)
(M. NO.: 090205)
PARTNER***

***For FARUQUI & COMPANY
CHARTERED ACCOUNTANTS***

***(S M Y QURESHI)
(M.NO:081750)
PARTNER***

Place : New Delhi

Date : April 23, 2008.