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UTI BANK LTD

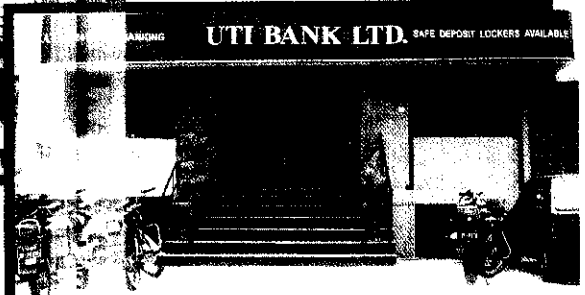
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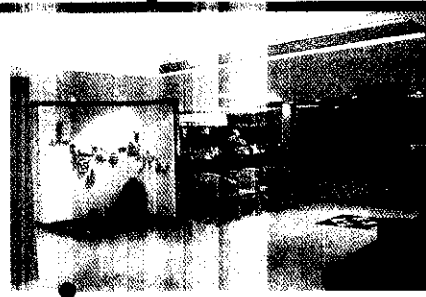
● Jamshedpur Branch (Bihar)



● T. Nagar Branch (Chennai)



● Anna Nagar Branch (Chennai)



● Bangalore Branch (inner view)



● Calcutta Branch



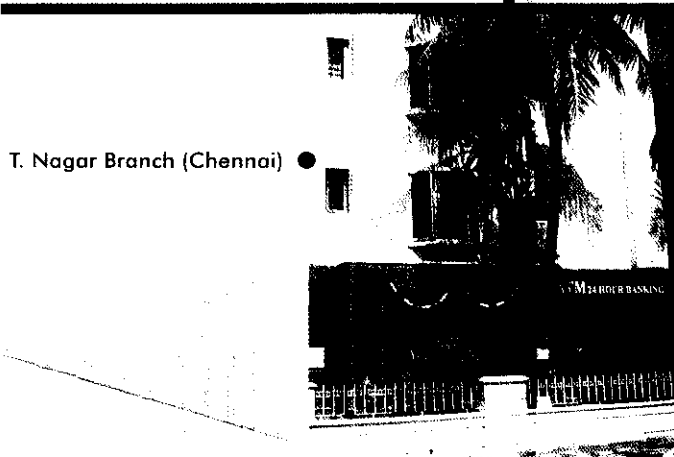
● Panvel Branch (Maharashtra)



Accounts Department,
Central Office, Mumbai



● Tarnaka Branch
(Andhra Pradesh)



● T. Nagar Branch (Chennai)



● Jubilee Hills Branch
(Hyderabad)



BOARD OF DIRECTORS

- Shri S. Gupta
Chairman & Mg. Director
- Shri G. Krishnamurthy
Director
- Dr. A.C. Shah
Director
- Shri Bana Paranjpe
Director
- Shri Shardul Shroff
Director
- Shri K. Narasimha Murthy
Director
- Shri P. S. Subramanyam
Director
- Shri P.M. Venkatasubramanian
Director
- Dr. Abid Hussain
Director
- Shri K.G. Vassal
Director
- Shri B.R. Barwale
Director

Shri P. J. Oza
Company Secretary

M/s. V. Sankar Aiyar & Co. *Auditors*
Chartered Accountants

M/s Karvy Consultants Limited *Registrar and Share Transfer Agent*

UNIT : UTI BANK LIMITED

"Karvy House"

46, Avenue 4, Street No. 1

Banjara Hills

Hyderabad - 500 034

Phone No. 040 - 3312454, 3320251/751/752

Fax No. 040 - 3311968

Registered Office :

Ground Floor, Sakar - I, Near Gandhigram Station,

Off. Ashram Road, Ahmedabad - 380 009

Tel : (079) 658 6815/658 5767/658 7292

Fax : (079) 658 1490

Central Office :

Maker Towers 'F', 13th Floor, Cuffe Parade,

Colaba, Mumbai - 400 005

Tel : (022) 218 9106/7/8/9

Fax : (022) 218 6944/218 1429

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NOTICE

NOTICE is hereby given that the Fifth Annual General Meeting of the Members of the Bank will be held at Tagore Memorial Hall, Near Sanskar Kendra, Paldi, Ahmedabad - 380 007, at 10.30 a.m. on Wednesday the 14th July, 1999 to transact the following business :-

Ordinary Business

- 1) To receive, consider and adopt the Balance Sheet as at 31st March, 1999, Profit and Loss Account for the year ended 31st March, 1999 and the reports of Directors and Auditors.
- 2) To appoint a Director in place of Shri K. G. Vassal, who retires by rotation and being eligible offers himself for re-appointment as a Director.
- 3) To appoint a Director in place of Dr. A. C. Shah, who retires by rotation and being eligible offers himself for re-appointment as a Director.

- 4) To declare dividend on Equity Shares.

- 5) To consider and, if thought fit, to pass with or without modification, the following resolution **AS A SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956 and the Banking Regulation Act, 1949, M/s V. Sankar Aiyar & Co., Chartered Accountants, Mumbai be appointed as the Statutory Auditors of the Bank to hold office from the conclusion of the Fifth Annual General Meeting until the conclusion of the Sixth Annual General Meeting, on such remuneration as may be mutually decided upon by the Chairman and Managing Director, on behalf of the Board of Directors and the said M/s V. Sankar Aiyar & Co., Chartered Accountants, Mumbai."

Special Business

- 6) To consider and, if thought fit, to pass with or without modification, the following resolution **AS AN ORDINARY RESOLUTION** :

"RESOLVED THAT Shri P. M. Venkatasubramanian, who was appointed as an Additional Director with

effect from 25th July, 1998 and who holds office as such upto the date of this Annual General Meeting and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Venkatasubramanian as a candidate for the Office of Director of the Bank, be and is hereby appointed as a Director of the Bank, liable to retire by rotation."

- 7) To consider and, if thought fit, to pass with or without modification, the following resolution **AS AN ORDINARY RESOLUTION** :

"RESOLVED THAT Shri B. R. Barwale, who was appointed as an Additional Director at the meeting of the Board of Directors held on 29th May, 1999 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Barwale as a candidate for the Office of Director of the Bank be and is hereby appointed as a Director of the Bank, liable to retire by rotation."

- 8) To consider and, if thought fit, to pass with or without modification, the following resolution **AS AN ORDINARY RESOLUTION** :

"RESOLVED THAT Shri K. Narasimha Murthy, who was appointed as an Additional Director at the meeting of the Board of Directors held on 29th May, 1999 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Narasimha Murthy as a candidate for the Office of Director of the Bank be and is hereby appointed as a Director of the Bank, liable to retire by rotation."

IN DEFERENCE TO GOVT. POLICY, NO GIFTS WILL BE DISTRIBUTED AT THE A.G.M.

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.



- 2) The relevant explanatory statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 in respect of Items No. 6 to 8 is annexed hereto.
- 3) The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday the 1st July, 1999 to Wednesday the 14th July, 1999 (both days inclusive)
- 4) The Dividend would be made payable on or after 14th July, 1999 to Shareholders whose names stand on the Register on 14th July, 1999.
- 5) In view of the recently reported instances of fraud in the encashment of Dividend/Interest Warrants, we are arranging to print the details of your Bank Account on the Dividend/Interest Warrants thereby ensuring that the proceeds of the warrants are credited to your account only. We would therefore,

request you to send the same to our Registrar and Share Transfer Agent M/s Karvy Consultants Limited at Hyderabad or at the Registered Office of the Company, the following particulars so as to reach them on or before 14th July, 1999.

- i) Name of the Bank, Branch and Place with Pin Code No., where the account is maintained
 - ii) Bank Account No.
- 6) Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

By order of the Board

Place : Mumbai
Date : 29/05/1999

P. J. OZA
Company Secretary





ANNEXURE TO NOTICE

EXPLANATORY STATEMENT U/S 173 (2) OF THE COMPANIES ACT, 1956

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following explanatory Statement sets out all the material facts relating to the Special Business mentioned in the accompanying Notice.

Item 1(a) :-

Shri P. M. Venkatasubramanian was appointed as an Additional Director of the Bank with effect from 25.7.1998 in place of Shri U. Mahesh Rao. Under Section 260 of the Companies Act, 1956 read with Article 91(I) of the Articles of Association of the Bank, Shri P. M. Venkatasubramanian continues to hold his office as a Director until the conclusion of the ensuing Annual General Meeting. However, as required under Section 257, the Bank has received a Notice from a member signifying his intention to propose Shri P.M.Venkatasubramanian as a candidate for the office of Director of the Bank and the requisite deposit of Rs. 500/- has also been received by the Bank along with such notice. Shri Venkatasubramanian is proposed to be liable to retire by rotation as per the above said notice received from Shareholder of the Bank.

Shri Venkatasubramanian was the Managing Director of the General Insurance Corporation of India (since retired) and continues to represent GIC on the Board of Directors of the Bank after his retirement.

Your Directors recommend to you to pass the related resolution. Shri P. M. Venkatasubramanian is interested in the said resolution concerning his appointment as a Director.

Item 1(b) :-

Shri B. R. Barwale was appointed as an Additional Director of the Bank with effect from 29/05/1999. Under Section 260 of the Companies Act, 1956 read with Article 91(I) of the Articles of Association of the Bank, Shri Barwale continues to hold his office as a Director until the conclusion of the ensuing Annual General Meeting. However, as required under Section

257, the Bank has received a Notice from a member signifying his intention to propose Shri Barwale as a candidate for the office of Director of the Bank and the requisite deposit of Rs. 500/- has also been received by the Bank along with such notice. Shri Barwale is proposed to be liable to retire by rotation as per the above said notice received from Shareholder of the Bank.

Shri Barwale is an expert in farming and related activities and also he is presently Chairman of Maharashtra Hybrid Seeds Co. Limited

Your Directors recommend to you to pass the related resolution. Shri Barwale is interested in the said resolution concerning his appointment as a Director.

Item 1(c) :-

Shri K. Narasimha Murthy was appointed as an Additional Director of the Bank with effect from 29/05/1999. Under Section 260 of the Companies Act, 1956 read with Article 91(I) of the Articles of Association of the Bank, Shri Murthy continues to hold his office as a Director until the conclusion of the ensuing Annual General Meeting. However, as required under Section 257, the Bank has received a Notice from a member signifying his intention to propose Shri Murthy as a candidate for the office of Director of the Bank and the requisite deposit of Rs. 500/- has also been received by the Bank along with such notice. Shri Murthy is proposed to be liable to retire by rotation as per the above said notice received from Shareholder of the Bank.

Shri Narasimha Murthy is a Chartered and Cost Accountant and is presently practising as a Management Consultant at Hyderabad.

Your Directors recommend to you to pass the related resolution. Shri Narasimha Murthy is interested in the said resolution concerning his appointment as a Director.

By order of the Board

Place : Mumbai
Date : 29/05/1999

P. J. OZA
Company Secretary



DIRECTORS' REPORT 1998-99

UTI Bank completed the fifth year of its operations at the end of March, 1999. The year witnessed good growth in the Bank's business and profit. The Bank also came out with a public issue of its equity for the first time during the year which evoked excellent retail response.

The Bank made significant progress during the year in line with its committed business targets, despite difficult market conditions. The number of the Bank's branches went up to 35 as against 24 at the end of March 1998, spread over different states, thereby enlarging its client base substantially. The Bank continued to introduce new products, upgrade the technology support systems to improve operational efficiencies and strengthen its human resource base. On the whole, 1998-99 had been a productive year for the Bank in terms of both growth and consolidation of business as well as strengthening of its infrastructure.

BANKING AND FINANCIAL ENVIRONMENT

The estimated growth in Gross Domestic Product (GDP) in 1998-99 at 5.8 per cent was somewhat lower than expected, but it was higher than the growth rate of 5 per cent for 1997-98. This improvement in the growth rate was largely due to the good performance of the agricultural and services sectors even as the industrial production failed to pick up. Exports also fell marginally in dollar terms during the year. The inflation was under control at 5% at the end of the year and it has continuously been declining since then. Interest rates remained fairly stable, despite large scale gross borrowings by the Government. The year witnessed major problems in the external environment. In addition to adverse international developments like the East Asian crisis, turmoil in Russia and Brazil as also uncertain economic outlook in Japan and Europe, the country had to face a host of problems in the form of economic sanctions imposed by several industrial countries such as suspension of loans by international financial agencies, reduction in the inflow of foreign direct investment (FDI) as well as investments by Foreign Institutional Investors and the downgrading by international rating agencies. However, the economy remained generally resilient and succeeded in largely absorbing these shocks. In fact, the foreign

exchange reserves went up significantly and the exchange rate of Indian Rupee remained quite stable during the year.

The capital market remained depressed during the major part of the year and the resultant resource crunch had a telling effect on the much needed investment in the infrastructure sector.

The overall slow-down in the industrial sector has adversely affected corporate performance in general and margins remained under pressure. Certain industries like steel, automobiles, textiles, engineering, machine tools and petrochemicals continue to face severe demand recession. All this made it quite tough for the banking system in general to manage the credit risks during the year. Although the national budget and some of the policy initiatives taken by the Government to encourage exports and inflow of foreign investments have raised hope for a steady turnaround of the economy, the political uncertainty continues to be a major worry. While the financial markets remained fairly stable so far and the reforms process is being carried forward despite the political turmoil, the performance of the industrial sector in the coming months will, no doubt, have an impact on the health of the banking system.

CAPITAL

The Bank's capital stood at Rs. 115 crores as on 31st March, 1998, of which Unit Trust of India contributed Rs. 100 crores and the rest came from Life Insurance Corporation of India (Rs. 7.5 crores) and General Insurance Corporation of India and its 4 subsidiaries viz. National Insurance Co. Ltd. The New India Assurance Co. Ltd., The Oriental Insurance Co. Ltd. and United India Insurance Co. Ltd. (Rs. 1.5 crores each).

During the year under review, UTI made an offer for sale of 2 crore shares and the Bank made a simultaneous public issue of 1.5 crore shares, each of Rs. 10/- at a premium of Rs. 11/-. The offer for sale-cum-public issue received excellent response from retail investors and was oversubscribed. As a result of the public issue and the exercise of green shoe option, the Bank's paid up capital has gone up to Rs. 131.90 crores, with a sum of