



Registered Office : 'Sakar-I', Ground Floor, Off Ashram Road, Near Gandhigram Station, 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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7th Annual Report 2000-2001

# Board of Directors

- **P. J. Nayak**  
*Chairman & Managing Director*
  - **G. N. Bajpai**  
*Director*
  - **A. C. Shah**  
*Director*
  - **Bana Paranjpe**  
*Director*
  - **Shardul Shroff**  
*Director*
  - **K. Narasimha Murthy**  
*Director*
- **P. S. Subramanyam**  
*Director*
  - **P. M. Venkatasubramanian**  
*Director*
  - **Abid Hussain**  
*Director*
  - **K. G. Vassal**  
*Director*
  - **B. R. Barwale**  
*Director*
  - **Surendra Singh**  
*Director*

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Agra branch

P. J. Oza  
*Company Secretary*

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

M/s Karvy Consultants Limited      *Registrar and Share Transfer Agents*  
UNIT : UTI BANK LIMITED  
"Karvy House"  
46, Avenue 4, Street No. 1  
Banjara Hills,  
Hyderabad - 500 034  
Tel : 040 - 3312454, 3320251 / 751 / 752  
Fax : 040 -3311968

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Email : poza@utibank.co.in  
Web site : www.utibank.com

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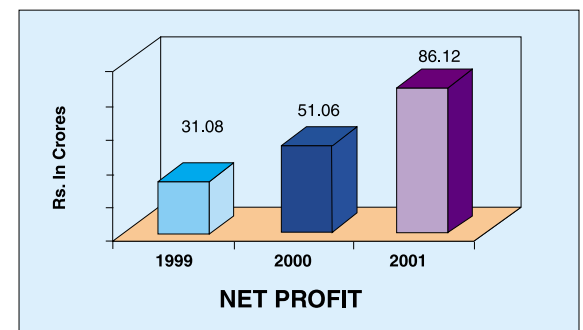
## Directors' Report : 2000-2001

Your directors have pleasure in presenting the 7<sup>th</sup> Annual Report of your Bank together with the audited Balance Sheet and Profit & Loss Statement for the financial year ended 31<sup>st</sup> March 2001.

### Financial Performance:

There has been robust growth during the year, in terms of levels and diversification of business handled, as also the profitability of your Bank.

(Rs. in Crores)		
Particulars	1999-2000	2000-01
Deposits	5720.00	9092.20
Advances	3506.62	4821.12
Profit before Depreciation,		
Tax & all other provision/write-off	127.63	154.23
Less: Depreciation	11.47	21.73
Provision for Tax (for the year)	27.75	17.95
Other provisions including write-off and adjustment or extraordinary items	37.49	28.43
Net Profit for the year	50.92	86.12
Add: Prior period adjustments	0.14	0.00
Profit available for appropriation	51.06	86.12
Appropriations:		
Transfer to Statutory Reserve	22.88	25.84
Transfer to Debenture Redemption Reserve	-	14.30
Dividend Payment	17.57	24.21
Surplus carried over to the Balance Sheet	10.61	21.77



### Key performance indicators:

Sl. No.	Particulars	31.03.2000	31.03.2001
1	Interest income as a percentage of working funds (working funds represent average total assets)	10.81%	10.07%
2	Non-interest income as a percentage of working funds	2.04%	1.85%
3	Operating profit as a percentage of working funds	2.60%	1.50%

Sl. No.	Particulars	31.03.2000	31.03.2001
4	Return on assets	0.77%	0.80%
5	Business (deposits-less interbank deposits + advances) per employee	Rs. 11.01 crores	Rs. 9.59 crores
6	Profit per employee	Rs. 6.91 lacs	Rs. 7.27 lacs
7	Net non-performing assets as a percentage of customer assets*	4.54%	3.43%

\* Customer assets include advances, credit substitutes and unamortised cost of assets leased out.

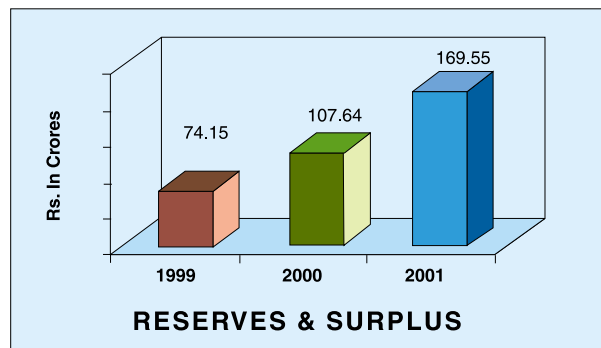
Your Bank earned a net profit of Rs. 86.12 crores for the year 2000-01, as against Rs. 51.06 crores in the previous financial year, registering a growth of 68.66%. The gross profit before depreciation, tax, other provisions and write-offs was Rs.154.23 crores as against Rs.127.63 crores in the previous year. The gross interest income increased to Rs. 889.63 crores in 2000-01 as against Rs.483.26 crores in the previous year, registering a growth of 84.09%. At the same time, the fee-based income increased by 87.97% to Rs.88.42 crores in 2000-01 from Rs. 47.04 crores in the previous year. The business per employee decreased marginally from Rs.11.01 crores in the previous year to Rs. 9.59 crores in the year 2000-01, mainly due to a large number of branches opened in the last quarter of the year and consequent increase in the number of employees. However, the profit per employee increased from Rs. 6.91 lacs in the previous year to Rs. 7.27 lacs in the year 2000-01. Your Bank increased its network of branches from 49 as at the end of March 2000 to 86 as on 31<sup>st</sup> March, 2001, spread over 17 States and 1 Union Territory, enabling your Bank to enlarge its client-base substantially.

### Capital & Reserves

Your Bank's capital stood at Rs. 131.90 crores as on 31.03.2001. The Bank's shares, listed at the NSE, BSE, ASE and the OTCEI, are deliverable only in the demat form with effect from 21.03.2000 in accordance with SEBI requirements. The listing fee for the current year 2001-02 has been paid. The shares of the Bank are now included in group 'A' instead of group 'B1' on the BSE, with effect from 26<sup>th</sup> March, 2001.

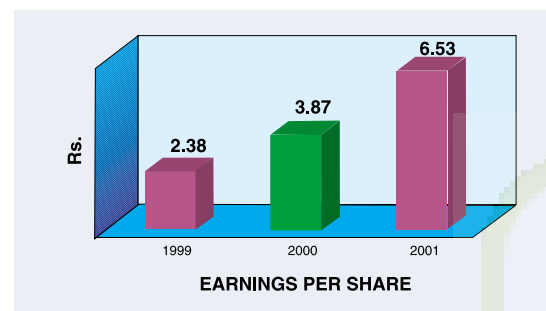
At the end of March 2001, the capital adequacy ratio was at the regulatory requirement of 9% (with Tier I capital at 5.84% and Tier II capital at 3.16%). The Bank raised Rs. 50 crores by way of unsecured non-convertible redeemable subordinated bonds as its Tier II capital in March 2001.





#### Dividend

In view of the improved profitability of your Bank, the Board has recommended a dividend of 15% this year as against a 12% dividend declared for the financial year 1999-2000.



#### Corporate Governance

##### 1. Philosophy on code of governance :

Your Bank's policy on Corporate Governance has been

(i) to enhance the long term interests of its shareholders and provide good administration, adoption of prudent risk management techniques and compliance with the necessary standards of capital adequacy, thereby safeguarding the interests of its other stake holders, such as its creditors, customers, suppliers and employees.

(ii) To identify and recognise, the Board of Directors and the Management of your Bank as the principal instruments through which good corporate governance principles are articulated and implemented. Also, to identify and recognise accountability, transparency and equality of treatment for all stakeholders, as central tenets of good corporate governance.

##### 2. Board of Directors :

The Board consists of 12 Directors.

##### Names of Directors

P. J. Nayak, Chairman and Managing Director  
P. S. Subramanyam, Director  
P. M. Venkatasubramanian, Director  
A. C. Shah, Director

B. L. Paranjpe, Director  
K. G. Vassal, Director  
B. R. Barwale, Director  
K. Narasimha Murthy, Director  
Surendra Singh, Director  
G. N. Bajpai, Director - Appointed with effect from 23/1/2001  
G. Krishnamurthy, Director – Resigned with effect from 25/11/2000  
Abid Hussain, Director  
Shardul Shroff, Director

Of these, all Directors are independent except for P. J. Nayak, P. S. Subramanyam, G. N. Bajpai and K. G. Vassal.

In all, eight meetings of the Board were held during the year on the following dates, besides the Annual General Meeting:-

27<sup>th</sup> April 2000, 30<sup>th</sup> May 2000, 20<sup>th</sup> July 2000, 18<sup>th</sup> October 2000, 23<sup>rd</sup> January 2001, 27<sup>th</sup> January 2001, 24<sup>th</sup> February 2001, 16<sup>th</sup> March 2001.

Dr. P. J. Nayak, Shri P. S. Subramanyam, Shri B. L. Paranjpe and Shri K. Narasimha Murthy attended all eight meetings. Shri Surendra Singh attended seven, Shri K. G. Vassal and Shri B. R. Barwale attended six, Shri P. M. Venkatasubramanian and Dr. A. C. Shah attended five, and Dr. Abid Hussain and Shri Shardul Shroff attended three meetings each.



G.T. Road, Phagwara branch

Shri G. Krishnamurthy, who resigned as Director on 25.11.2000 attended three out of the four for which he was eligible, and Shri G. N. Bajpai, who was appointed as Director on 23.01.2001 also attended three out of the four meetings he was eligible to attend. All Directors, except for Shri G. Krishnamurthy, Dr. Abid Hussain and Shri Shardul Shroff, also attended the Annual General Meeting held on 30.05.2000.

These disclosures are being made in accordance with recent amendments to the Companies Act.

Shri G. N. Bajpai, Chairman, LIC was appointed as a Director in place of Shri G. Krishnamurthy who resigned on 25.11.2000. The directors express their deep appreciation of the services rendered by Shri G. Krishnamurthy as a Director of your Bank.

In accordance with the Articles of Association and the provisions of the Companies Act, 1956, Dr. A. C. Shah, Shri K. G. Vassal and Shri P. M. Venkatasubramanian, present Directors, retire at the 7<sup>th</sup> Annual General Meeting and being eligible, offer themselves for re-appointment. Also, the term of Shri G. N. Bajpai expires at this AGM and being eligible, he offers himself for re-appointment.

The Board also appointed the following committees. :

Committee of Directors	Audit Committee	Business Monitoring	Share Committee	Compensation Committee
Dr. P.J. Nayak Chairman	Shri B.L. Paranjpe Chairman	Dr. P.J. Nayak Chairman	Dr. P.J. Nayak Chairman	Dr. P.J. Nayak Chairman
Shri B.L. Paranjpe	Dr. A.C. Shah	Shri K. Narasimha Murthy	Shri B.L. Paranjpe	Shri B. L. Paranjpe
Dr. A.C. Shah	Shri K.G. Vassal	Dr. A.C. Shah	Shri K.G. Vassal	Shri K. Narasimha Murthy
Shri K.G. Vassal				

##### 3. Audit Committee :

The Audit Committee functions with the following objectives:

- To provide direction and oversee comprehensively the operations of the audit functions.
- To review the internal audit and inspection systems with special emphasis on the system, its quality and effectiveness in terms of follow-up.
- To review inspection and concurrent audit reports of large branches, with a focus on all major areas of housekeeping, particularly inter-branch adjustment accounts, arrears in balancing of books and un-reconciled entries in inter-bank and NOSTRO accounts and frauds.
- To follow up issues raised in LFAR and RBI inspection reports.
- To review the system of appointment and remuneration of concurrent auditors and external auditors.

As required under section 292A and clause 49 of the Listing Agreement, the new Terms of Reference of the Committee were approved by the Board of Directors at its meeting held on 23<sup>rd</sup> January 2001.

Seven meetings of the Audit Committee were held during the year, on: 30<sup>th</sup> May 2000, 4<sup>th</sup> August 2000, 25<sup>th</sup> September 2000, 23<sup>rd</sup> November 2000, 26<sup>th</sup> December 2000, 9<sup>th</sup> February 2001 and 23<sup>rd</sup> February 2001. Shri B. L. Paranjpe attended all seven meetings, while Dr. A. C. Shah and Shri K. G. Vassal attended six meetings each.

Shri P. J. Oza, Company Secretary, is the compliance officer for SEBI/Stock Exchange related issues.

#### 4. General Body Meetings

The details of Annual General Meetings held during the last three years, are given below:

Name of the Meeting	Date	Time	Location
4 <sup>th</sup> AGM	26.06.1998	1.00 p.m.	Registered Office – Ahmedabad
5 <sup>th</sup> AGM	14.07.1999	10.30 a.m.	Tagore Hall, Nr. Sanskar Kendra, Paldi, Ahmedabad – 380 007
6 <sup>th</sup> AGM	30.05.2000	11.00 a.m.	Tagore Hall, Nr. Sanskar Kendra, Paldi, Ahmedabad – 380 007

The following special resolutions were passed in these meetings:

Name of the Meeting	Date of AGM	Special Resolution
4 <sup>th</sup> AGM	26.06.1998	Resolution No. 4 – Appointment of Statutory Auditor u/s 224A of the Companies Act, 1956
5 <sup>th</sup> AGM	14.07.1999	Resolution No. 5 – Appointment of Statutory Auditor u/s 224A of the Companies Act, 1956
6 <sup>th</sup> AGM	30.05.2000	Resolution No. 6 – Appointment of Statutory Auditor u/s 224A of the Companies Act, 1956 Resolution No. 11 – Amendment in Articles of Association of the Bank

#### 5. Disclosures

- There were no transactions of a material nature undertaken by the Bank with its promoters, directors or the management, their subsidiaries or relatives that may have a potential conflict with the interests of the Bank.
- There are no instances of non-compliance by the Bank, penalties, strictures imposed by Stock Exchanges and SEBI on any matter related to capital markets, during the last three years.

## 6. Means of communication

Quarterly/Half-yearly results are communicated through Newspaper advertisements, press releases and posting information on the Bank's web site.

The results are published in Economic Times, Times of India and Gujarat Samachar



Shakti Nagar branch, Delhi.

Address of our official website is [www.utibank.com](http://www.utibank.com), where the information is displayed.

## 7. General Shareholder information

- Annual General Meeting: 10.00 a.m. on 30<sup>th</sup> June, 2001 at Tagore Hall, Ahmedabad
- Financial Calendar : 01<sup>st</sup> April to 31<sup>st</sup> March
- Date of Book closure (both days inclusive): 20<sup>th</sup> June to 30<sup>th</sup> June, 2001
- Dividend Payment Date – on or after 02<sup>nd</sup> July, 2001
- Listing on Stock Exchanges – Ahmedabad Stock Exchange, Bombay Stock Exchange, National Stock Exchange, Over The Counter Exchange of India (permitted securities)
- Stock Code –

Sr. No	Name of Stock Exchange	Listing Date W.E.F.	Trading Date W.E.F.	Trading Code No.
1	Ahmedabad (ASE)	11.11.1998	01.12.1998	63134
2	Mumbai (BSE)	19.11.1998	27.11.1998	32215
3	National (NSE)	16.11.1998	03.12.1998	UTIBANK

- Market Price Data : The price of Bank's share – High, Low during each month in last financial year on NSE

Month	Low	High
April, 2000	30.20	42.90
May, 2000	32.50	38.90
June, 2000	32.00	36.45
July, 2000	32.60	43.65
August, 2000	36.10	39.70
September, 2000	34.60	41.00
October, 2000	30.80	39.00
November, 2000	37.50	51.40
December, 2000	43.05	52.90
January, 2001	43.15	54.05
February, 2001	35.10	44.90
March, 2001	24.00	39.95

- Registrar and Share Transfer Agents :  
M/s Karvy Consultants Limited  
Unit : UTI Bank Limited  
Karvy House, No. 46,  
Avenue 4, Street No. 1  
Banjara Hills, Hyderabad – 500 034  
Phone No. : 040-3320251/751/752/753  
Fax No. : 040-3311968  
Contact Person : Shri V. K. Jayaraman, AGM (RIS)

- Share Transfer System :

A Share Committee of the Board consisting of a few Directors/ senior officers of the Bank has been formed to look after the matters relating to the Transfer of Shares, issue of duplicate share certificates in lieu of mutilated share certificates and other related matters. The work relating to transfers is looked after by the Bank's Registrar and Share Transfer Agent, M/s. Karvy Consultants Limited, Hyderabad.

- Distribution of shareholding as on 31.03.2001

Total Nominal Value	Rs. 131,90,31,700/-
Nominal Value of each Equity Share	Rs. 10/-
Total number of shares	13,19,03,170
Distinctive numbers	From 1 to 13,19,03,170

Shareholding of Nominal Value		Share Holders		Share Amount Nominal Value	
Rs.	Rs.	Number	% to Capital	In Rs.	% to Capital
Upto	5000	93763	91.68	164946670	12.51
5001	10000	6304	6.16	47364990	3.59
10001	20000	1316	1.29	20151330	1.53
20001	30000	301	0.29	7723380	0.59
30001	40000	178	0.17	6326930	0.48
40001	50000	102	0.10	4873760	0.37
50001	100000	153	0.15	11189720	0.85
100001	above	156	0.15	1056454920	80.08
	<b>TOTAL</b>	102273	100.00	1319031700	100.00

- Dematerialisation of shares and liquidity :  
As on 31<sup>st</sup> March, 2001, out of a total of 13,19,03,170 Equity Shares of the Bank, 11,93,00,559 representing 90.44% Shares, have been dematerialised by 42,498 shareholders. The total number of shareholders of the bank is 1,02,273.

- The Bank has not issued any GDRs, ADRs, Warrants or any Convertible instruments, the conversion of which will have an impact on equity shares
- Branch Locations – Given elsewhere
- Address for correspondence :  
The Company Secretary  
UTI Bank Limited  
Registered Office: Ground Floor, Sakar – I,  
Near Gandhigram Station, Off Ashram Road,  
Ahmedabad – 380 009 Tel : 079-658 6815 – 658 7292 – 658 5767 Fax : 079-658 1490/658 1854  
Email : [poza@utibank.co.in](mailto:poza@utibank.co.in)

## Directors' Responsibility Statement

- The applicable accounting standards have been followed in the preparation of the annual accounts and proper explanations have been furnished, relating to material departures.
- Accounting policies have been selected and applied consistently and reasonably, and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the Bank and of the Profit & Loss of the Bank for the financial year ended 31<sup>st</sup> March, 2001.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies (Amendment) Act, 2000, for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

## Employee Stock Option Plan

With a view to creating a feeling of ownership, your Bank introduced an Employee Stock Option Plan during the year, in accordance with SEBI Guidelines on Employee Stock Option Scheme.

In February 2001 the shareholders approved the issuance of an aggregate of 1,30,00,000 stock options, convertible into equity shares of aggregate face value not exceeding Rs.13 crores, to the employees and Directors of your Bank.

Pursuant to this approval, 12,97,800 options were granted during the year, of which a total of 1,95,750 options

were allotted to the whole-time and non-whole-time directors. The options will vest over a period of three years viz. 30% in February 2002, 30% in February 2003 and 40% in February 2004. The exercise price of the options would be Rs.38.63 which was the average of the daily high-low prices of the Bank's shares during the 52 weeks preceding the date of grant on the National Stock Exchange (where the maximum trading volume was recorded).



Guntur branch

## Miscellaneous

- The provision of Section 217(1)(e) of the Companies Act, 1956, in relation to conservation of energy has very limited applicability to the Bank.
- The merger proposal of UTI Bank with Global Trust Bank has since been withdrawn on 4th April, 2001 by Global Trust Bank.

## Acknowledgements

The Board wishes to place on record its gratitude to the RBI and other financial institutions, correspondent banks and government institutions for their valuable support and guidance.

The Board also places on record its sincere gratitude to shareholders, valued customers, investors and well-wishers for their goodwill, patronage and whole hearted support.

The Board also records the concerted efforts put in and the valuable contribution made by the staff at all levels of your Bank and looks forward to their unwavering commitment and teamwork for the all-round progress of the institution.

For and on behalf of the Board of Directors

Place: Mumbai

Date : May 05, 2001

P. J. Nayak

Chairman & Managing Director