

Relationship relationship

how people, things or ideas are
connected to each other.
feelings between people



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SANSKO SERVICES

Annual Report
2002-2003



Trust in the right hands leads to a transformation. It creates an affinity, a bonding, a perfect coming together of ideals and values. Shared goals that mark the beginning of a relationship. A relationship that grows, evolves, emerging stronger with every passing year.

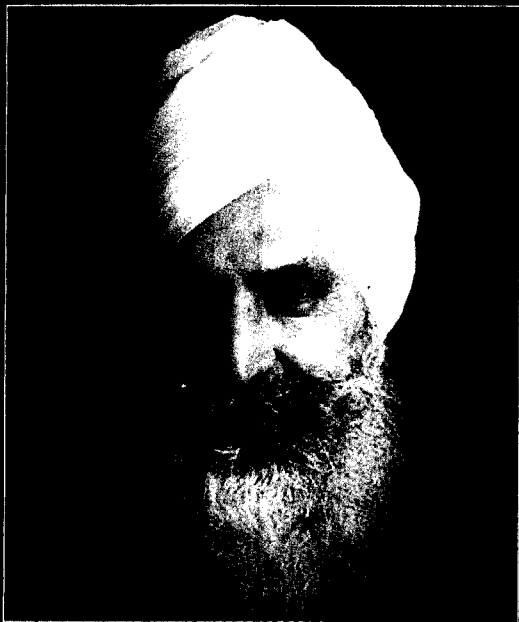
This is the bedrock, the belief on which the Bank of Punjab rests. We believe that great relationships build enduring partnerships that transcend time, inspire confidence, ensure stability and strength. Strength that gives us the flexibility to adopt to change yet remain unaffected by the uncertainty of changing times. The stability to remain steadfast, avoid pitfalls, bypass crisis and withstand market volatilities with equanimity.

Incorporating and adopting the latest technological advances in the banking area, without losing focus on our key objective, respect for the customer as someone more than a mere account holder. It is like performing art. For a full performance on stage it is critical to encompass every nuance and stance of the recital to deliver an awe-inspiring performance. In banking as well we need to embrace all aspects of service – to deliver a quality banking experience. Services that are within easy reach, value added Retail Banking which enables the ever increasing Bank of Punjab customers to manage their assets with ease.

In a short span of 8 years, it has seen us attain a strong customer base of 6,50,000. And, a business of over Rs. 5,400 crores. We offer global banking solutions in rural areas, small towns and metros alike. It has made The Bank of Punjab synonymous with world class banking beyond big city limits.

Report

Trust in the right hands



Dr. S. Inderjit Singh

Noble Founder and Principal Promoter

"Access to the state-of-the-art-technology should not be a luxury for the minority, but rather the right of the majority. Delivering this right to every customer will be our greatest challenge, and our biggest reward."

Dr. S. Inderjit Singh

Panth Ratna

(Jewel of the Community)

BANK OF PUNJAB LIMITED**NOTICE :**

Notice is hereby given that the Ninth Annual General Meeting of the Members of Bank of Punjab Limited will be held at Kisan Bhawan, Sector 35, Chandigarh on Wednesday, the 6th August, 2003 at 10.00 AM to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2003, the Profit and Loss Account for the year ended as on that date together with the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Digvijay Singh who retires by rotation and being eligible offers himself for reappointment.
3. To declare Dividend on Equity Shares.
4. To appoint Auditors to hold office from the conclusion of this Meeting to the next Annual General Meeting and to fix their remuneration. In this connection, the following Ordinary Resolution may be passed with or without modification(s) :

"Resolved that pursuant to Section 224 of the Companies Act, 1956 and subject to the approval of Reserve Bank of India and subject to confirmation of the eligibility by the Institute of Chartered Accountants of India, M/s V.K.Mehta & Co., Chartered Accountants, New Delhi be and are hereby appointed Auditors of the Bank to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and on such remuneration as may be fixed by the Board of Directors of the Bank, provided that if the Reserve Bank of India shall not approve the appointment of M/s V.K.Mehta & Co., as the Auditors of the Bank and/or the said firm is not eligible as per the records of the Institute of the Chartered Accountants of India then M/s K.B.Chandna & Co., Chartered Accountants, New Delhi be and are hereby appointed as the Auditors of the Bank, subject to the approval of Reserve Bank of India and subject to confirmation of the eligibility by the Institute of Chartered Accountants of India, provided that if Reserve Bank of India shall not approve the appointment of M/s K.B. Chandna & Co., as the Auditors of the Bank and/or the said firm is not eligible as per the records of the Institute of Chartered Accountants of India, then M/s M.S. Dagar & Associates, Chartered Accountants, New Delhi be and are hereby appointed as the Auditors of the Bank, in their place and for the same period and on the same remuneration as may be fixed by Board of Directors of the Bank.

Further Resolved that pursuant to the provisions of Section 228 of the Companies Act, 1956, the Board of Directors be and is hereby authorised to appoint Auditors for the branch office for the Financial Year 2003-2004, in consultation with the Bank's Auditors, on such remuneration as may be fixed by the Board of Directors of the Bank."

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

" Resolved that Mr. S.K.Soni who was appointed as a Director of the Company in the Meeting of the Board of Directors held on 1st July, 2002 in the vacancy caused by resignation of Mr. T.N.V. Ayyar, pursuant to Section 262 of the Companies Act, 1956 and who holds office as such upto the date of this Meeting and in respect of whom notice under Section 257 of the

BANK OF PUNJAB LIMITED

Companies Act, 1956 had been received from a Member signifying his intention to propose Mr. S.K.Soni as a candidate for the office as a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution :

Resolved that pursuant to the provisions of Section 35-B of the Banking Regulations Act, 1949 and applicable provisions of the Companies Act, 1956, approval is hereby accorded to the appointment of Mr. C.R. Sharma, Managing Director of the Bank for a period of two years with effect from 30th May, 2002 at the following remuneration, be and is hereby approved :

1. Basic Pay : Rs. 90,000 per month
- 1.1 Helper Allowance to meet the expenditure on a helper where such helper is engaged for the performance of official duties @ Rs. 2,500/- per month.
- 1.2 Reimbursement of expenditure incurred on purchase/maintenance of Corporate Attire during the performance of official duties @ Rs. 4,000 per month.
- 1.3 Reimbursement of expenditure on Newspapers, Magazines, Journals required for performance of official duties @ Rs. 3,500 per month.
2. Perquisites
- 2.1 Housing including gas, electricity and furniture.
 - (a) Free furnished accommodation on monthly rent not exceeding 40% of the salary over and above the amount of 10% of Basic Pay. In case the accommodation is owned or rented by the Bank, he shall pay to the Bank an amount as per the rules applicable from time to time in the Bank.
 - (b) Furnishing of house at a cost not exceeding Rs. 3 Lacs for which 1.5% of the Basic Pay would be payable to the Bank.
 - (c) In case no accommodation is provided by the Bank, MD shall be entitled to HRA equivalent to 15% of the Basic Pay.
 - (d) Electricity, gas, water and other personal amenities reimbursement of actuals subject to a ceiling of 10% of the Basic Pay.
- 2.2 Bank's contribution towards Provident Fund not exceeding 12% of the Basic Pay or at statutory rate as applicable.
- 2.3 Medical Benefit : Expenses incurred for self and family, reimbursement of actual expenses not exceeding one month's Basic Pay in a year or three month's Basic Pay in a block of three years.
- 2.4 Leave encashment on full basic pay and allowances/reimbursements at the rate applicable to other employees of the Bank, but not exceeding one month leave over eleven months service.
- 2.5 Sick Leave on medical grounds supported by proper facilities on full pay or without pay subject to the discretion of the Board.
- 2.6 LTA : Once in a year for self, wife & dependent children to or fro any place in India subject to the condition that only actual fare excluding Hotel expenses will be allowed.
- 2.7 Club Membership : Fees of clubs subject to maximum of two clubs excluding admission fee.
- 2.8 Reimbursement of Personal Accident Insurance & Mediclaim premium not exceeding Rs. 5,000/- per month.
- 2.9 Transport : Free use of Bank's car with driver (on reimbursement basis). The monetary value of the perquisites will be evaluated as per Rule 3 of the Income Tax Rules, 1962 for personal use.
- 2.10 Free telephone facility at the residence. Personal long distance calls shall be borne by the Managing Director.

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- 2.11 Subject to the approval of Reserve Bank of India, Loan facility for house, vehicle and other appliances upto an aggregate amount not exceeding Rs. 12.50 Lacs as per Bank's rules applicable to other executives.
- 2.12 (a) Reimbursement of travelling expenses for official work of an amount equivalent to actual first class AC Rail fare/Air fare;
 (b) Reimbursement of actual Hotel expenses while travelling for official work;
 (c) Halting Allowance @ Rs. 2,000 per day for Metro & other Major 'A' class cities and Rs. 1,500 per day for other cities provided that if;
 (i) Lodging is provided to Bank's cost/arranged through the Bank free of cost, three-fourth of the halting allowance will be admissible.
 (ii) Boarding is provided at Bank's cost/arranged through the Bank free of cost, half of the halting allowance will be admissible.
 (iii) Lodging & boarding is provided at Bank's cost/arranged through the Bank free of cost, one-fourth of the halting allowance will be admissible.
- 2.13 Proviso : In arriving at the value of the perquisites in so far as there exists a provision for valuation of the perquisites under the Income Tax Rules, the value shall be determined on the basis of the Income Tax Rules in force from time to time."

7. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution :

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 and other applicable provisions/guidelines, if any, of the Securities and Exchange Board of India, and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed and which may be agreed to by the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the Board to delist the Equity Shares of the Company from Jaipur, Ahmedabad and Delhi Stock Exchanges."

"RESOLVED FURTHER THAT Mr. C.R. Sharma, Managing Director of the Company and the Company Secretary be and are hereby jointly and or severally authorised to do all such acts, deeds, matters and things as are necessary, proper or desirable and to complete the necessary formalities and the Common Seal of the Company wherever required to be affixed in the presence of any of the Directors of the Company."

By Order of the Board
for Bank of Punjab Ltd.

Place : Gurgaon

Date : 28th June, 2003

BalBir Bajaj
Company Secretary

**REGISTRARS & SHARE
TRANSFER AGENTS**

M/s Karvy Consultants Ltd.,
Regd. Office : 46, Road No. 4,
Street No. 1, Banjara Hills,
Hyderabad-500 034

AUDITORS

M/s V. Sankar Aiyar & Co.
Chartered Accountants,
Satyam Cinema Complex,
Ranjit Nagar Commercial Complex,
New Delhi - 110 008

REGISTERED OFFICE

SCO 46 - 47, Sector 9-D,
Madhya Marg,
Chandigarh - 160 017

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NOTES :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll to vote, instead of himself and the proxy need not be a Member of the Company. Proxy should reach the Registered Office of the Company at least 48 hours before the time of the Meeting.
2. All documents referred to in the Notice are open for inspection at the Registered Office of the Bank during the office hours on all working days, except public holidays, between 11.00 AM and 1.00 PM upto the date of the Annual General Meeting.
3. The Directors' Report, Auditors' Report, Audited Balance Sheet as on 31st March, 2003 and the Profit & Loss Account for the year ended on that date are enclosed.
4. The Register of Members and the Share Transfer Books of the Company shall remain closed from 28th July 2003 to 30th July 2003 (both days inclusive) for the purpose of determining entitlement of the Dividend, if any, declared by the Bank.
5. The Dividend on Equity Shares, as recommended by the Directors, if declared at the Meeting, will be paid, in case of physical share holding to those Members whose names appear on the Register of Members of the Company as on 30th July 2003 and in case of dematerialised share holding, to those Beneficiaries appearing in the records of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the close of working hours on 27th July 2003, subject to the provisions of Section 206A of the Companies Act, 1956.
6. Members holding shares in physical form are requested to notify change in their address, if any, quoting folio number to our Share Transfer Agents M/s Karvy Consultants Limited, 8-2-403/A, Road No. 5, Banjara Hills, Hyderabad [Tel : (040-23376715) Fax : (040-23311968)].
If the Shares are held in electronic form, the same has to be notified to the concerned Depository Participant (where you are maintaining your Securities Account).
7. Members are also requested to furnish their bank account number, name & address of the Bank to enable printing of these particulars on the dividend warrants as a measure of abundant caution to minimise the loss due to dividend warrant falling into improper hands through forgery or fraud. As an alternative, members residing at specified cities may give their mandates for payment of dividend through Electronic Clearing Service (ECS). The details of dividend through ECS scheme are given elsewhere in the Annual Report. Members may please go through the same and give their mandate for future payment of dividend.
8. Pursuant to provisions of the Companies Act, 1956, the unclaimed share application money has been transferred to the Investors Education and Protection Fund, established under section 205 C of the Companies Act, 1956.
9. Members who have not encashed the Dividend Warrants for the year 1995-96 to 2001-2002 are requested to approach the company/Share Transfer Agents for issue of duplicate dividend warrant. Pursuant to the provisions of Section 205A of the Companies Act, 1956 the unclaimed dividends for the financial year 1995-96 and interim dividend 1996-97 will be transferred to Investor Education and Protection Fund, during the Financial Year 2003-2004 as required u/s 205 C of the Companies Act, 1956.
10. As required under the Code of Corporate Governance, a brief resume of Mr. Digvijay Singh is furnished below :
Mr. Digvijay Singh is a Chartered Accountant from the Institute of Chartered Accountants in England &

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Wales. He has been involved in large expansion projects in the Gulf and has successfully prepared and executed all the financial requirements of the projects. Mr. Digvijay Singh does not hold the position of a Director in any other Company.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 as referred to in item no. 2 of the Notes of the Notice calling Ninth Annual General Meeting and forming part of the Notice.

Item No. 4

Although not strictly necessary, the Explanatory Statement is being given in respect of item no. 4 of the Notice dated 28th June 2003.

M/s V.Sankar Aiyar & Co., Chartered Accountants have been the Statutory Auditors of the Bank since the financial year 1999-2000 and retire at the conclusion of the forthcoming Annual General Meeting. They have been associated with the Bank for the previous four consecutive years and as per the policy of Reserve Bank of India relating to rotation and resting of the auditors, same auditors cannot be re-appointed for a period beyond consecutive four years. The Board places on record its deep sense of appreciation for the professional services rendered by M/s V.Sankar Aiyar & Co., during their association with the Bank as its auditors. Further the Bank proposes to appoint Auditors for its branches. Such an appointment, in terms of Section 228 of the Companies Act, 1956, can be made by the Board of Directors in consultation with the Bank's Auditor, if so authorised by the Members in a General Meeting. The Members may therefore, authorise the Board of Directors to appoint Auditors for the branch offices of the Bank for the Financial Year 2003-2004, in consultation with the Bank's Auditors on such remuneration as may be fixed by the Board of Directors of the Bank.

None of the Directors is concerned or interested in the said resolution.

Item No. 5

Mr. S.K. Soni was appointed as Director of the Company in the vacancy caused by resignation of Mr. T.N.V. Ayyar, pursuant to section 262 of the Companies Act, 1956, at the Meeting of the Board of Directors of the Company held on 1st July 2002.

The Company has received a deposit of Rs. 500 and a notice from a member under section 257 of the Companies Act, 1956 signifying his intention to propose Mr. S.K. Soni as a candidate for the office of Director in the Company. Mr. S.K. Soni is the retired Chairman cum Managing Director of Oriental Bank of Commerce and has also been a Banking Ombudsman for New Delhi. Currently he is also on the Board of PNB Gilts Limited.

None of the Directors, except Mr. S.K.Soni is interested in the said resolution.

Item No. 6

Mr. C.R. Sharma, joined the Bank as a Managing Director w.e.f. 30th May 2002 for a period of two years subsequent to the approval granted by the Reserve Bank of India vide its letter DBOD No. 545/08.100.001/2001-2002 dated 4th March 2002.

Since the Agenda for the 8th Annual General Meeting, had already been finalized by the Board of Directors

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of the Bank in their Meeting held on 27th May, 2002, the matter relating to the appointment of Mr. C.R.Sharma could not be placed in the previous Annual General Meeting held on 1st July 2002. The terms and conditions of the appointment of Mr. C.R. Sharma have been approved by the Reserve Bank of India. His appointment is now being placed for approval of the Shareholders of the Bank. This may also be treated as abstract of terms and conditions pursuant to Section 302 of the Companies Act, 1956. Mr. C.R. Sharma is a seasoned Banker with over 3 decades of banking experience and has worked in various capacities in Citibank, Oriental Bank of Commerce and was Executive Director of Andhra Bank before joining Bank of Punjab as Managing Director. Mr. C.R. Sharma does not hold the position of a Director in any other company. None of the Directors except Mr. C.R.Sharma is concerned or interested in this Resolution.

Item No. 7

Presently the Equity Shares are listed at the following Stock Exchanges :

1. The Stock Exchange, Mumbai ;
2. The Ludhiana Stock Exchange Association Ltd.;
3. The Jaipur Stock Exchange Ltd.;
4. The Stock Exchange, Ahmedabad;
5. The Delhi Stock Exchange Association Ltd.;

Besides the Equity Shares of the Bank are proposed to be listed at National Stock Exchange (NSE). The Equity Shares of the Bank are currently being traded at NSE in the permitted category. With the net working of the Stock Exchange-Mumbai and the National Stock Exchange of India Limited, the Members of the Company have access to online dealing in the companies securities across the country. For last few years, the bulk of the trading in the Company's Equity Shares has been taking place on the BSE/NSE, with very insignificant trading in the Company's Equity Shares at the other Stock Exchanges namely Jaipur, Ahmedabad and Delhi Stock Exchanges.

Since the shares of the company are traded on The Stock Exchange, Mumbai and The Ludhiana Stock Exchange, your Directors are of the view that there is no advantage or necessity to continue to incur the expenditure involved in listing on Jaipur, Delhi and Ahmedabad Stock Exchanges.

None of the Directors is concerned or interested in the resolution.

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By Order of the Board
for Bank of Punjab Ltd.

Place : Gurgaon
Date : 28th June, 2003

BalBir Bajaj
Company Secretary