

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	NA	✓	AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

THE BANK OF RAJASTHAN LIMITED



55TH ANNUAL REPORT & ACCOUNTS
1997-98



**NOTICE****TO THE SHAREHOLDERS****THE BANK OF RAJASTHAN LTD.**

Regd. Office : Clock Tower, Udaipur

Notice is hereby given that the Fifty Fifth Annual General Meeting of the members of The Bank of Rajasthan Ltd. will be held at RCA Auditorium, RCA College Surajpole, Udaipur on Monday the 28th day of September, 1998 at 10.00 A.M. to transact the following business :

(A) ORDINARY BUSINESS :

1. To receive, consider and adopt the report of the Board of Directors and audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the period ended on that date.
2. To appoint a Director in place of Shri D.B. Sogani, who retires by rotation under Article 119 of the Articles of Association of the Bank and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri O.N. Chaturvedi, who retires by rotation under Article 119 of the Articles of Association of the Bank and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Narendra Mohan, who retires by rotation under Article 119 of the Articles of Association of the Bank and being eligible offers himself for reappointment.
5. To appoint Auditors and fix their remuneration.

(B) SPECIAL BUSINESS :

6. To consider and if thought fit, to pass, with or without modification, the following resolution as ordinary resolution :

RESOLVED THAT the Company confirms and ratifies the action of the Board of Directors in modifying the remuneration payable to Shri N.M. Chordia, Ex-Managing Director of the Bank for the period from 1.1.96 to 30.9.96 as set out below and perquisites payable to him as approved by the Reserve Bank of India vide its letter DBOD.JPR. No. 335/07.04.01(C)/97/98 dt. 22.4.98 :

Existing Salary w.e.f. 25.2.95	Revised Salary	
	w.e.f. 1.1.96 to 24.2.96	w.e.f. 25.2.96 to 30.9.96
Rs. 7500/- p.m. in the scale of Rs. 7500-125-8000 plus DA as applicable to Chairman & MD of nationalised banks.	Rs. 24,050/- p.m.	Rs. 24,700/- p.m.
	Note : Not eligible for DA from 1.1.96 to 30.6.96. Eligible for DA @ 04% of pay from 1.7.96 to 30.9.96.	

By Order of the Board of Directors

Place : JAIPUR
Dated : 27.6.1998

P.K. AGRAWAL
COMPANY SECRETARY

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956 in respect of special business set out in item 6.

ITEM 6

Shri N.M. Chordia was appointed as Managing Director and Chief Executive Officer of The Bank of Rajasthan Ltd. for a period of two years w.e.f. 25.2.95, (which was further extended by RBI for 4 months from 25.2.97 to 24.6.97) on the terms and conditions already approved by the Board of Directors and the shareholders of the Company. Reserve Bank of India has again, vide its letter DBOD.JPR. No. 335/07.04.01(C)/97/98 dt. 22.4.98 revised the remuneration to the Ex-Managing Director of the Bank for the period from 1.1.96 to 30.9.96 as mentioned in the resolution, which requires confirmation by the shareholders.

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

By Order of the Board of Directors

Place : JAIPUR
Dated : 27.6.1998

P.K. AGRAWAL
COMPANY SECRETARY

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll to vote, instead of himself. Such proxy need not be a member of the Company. Proxies, in order to be effective must be received by the Company not less than forty-eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday the 1st September 1998 to Saturday the 26th September 1998, (Both days inclusive).
3. All documents referred to in the Notice and Explanatory statement are open for inspection at the Regd. 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.
4. Shareholders/Proxyholders desiring to attend the meeting are requested to kindly bring their copies of Annual Reports for reference at the meeting.
5. Members are requested to promptly notify any change in their address to the Bank.



The Bank of Rajasthan Ltd.

Regd. Office : CLOCK TOWER, UDAIPUR

PROXY FORM

FOR OFFICE USE ONLY	PROXY NO.	LEDGER FOLIO	NO. OF SHARES

I/We
 of in the district of being a member/members
 of The Bank of Rajasthan Ltd., hereby appoint Shri of
 in the district of or failing him Shri
 of
 in the district of as my/our proxy to vote for me/us on my/our
 behalf at the Annual General Meeting of the Company, to be held on the 28th day of September, 1998
 and at any adjournment thereof.

Signed this day of 1998



Signature of Shareholder (s)

Ledger Folio No.....

Note :

1. The form duly completed, stamped and signed should be deposited at the Registered Office of the Company at Clock Tower, Udaipur 48 hours before the time of the meeting.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.



The Bank of Rajasthan Ltd.

Regd. Office : CLOCK TOWER, UDAIPUR

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting)

Ledger Folio No.....

No. of Shares held.....

Name of the Shareholder/Proxy

I hereby record my presence at the Annual General Meeting of the Company.

Date :

(Signature of the Shareholder/proxy)

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NOTICE

TO THE SHAREHOLDERS

THE BANK OF RAJASTHAN LTD.

Regd. Office : Clock Tower, Udaipur

Notice under Sub-section (1A) of Section 257 of the Companies Act, 1956 is hereby given to the shareholders that the Company has received notices from the shareholders under the provisions of Section 257 of the Companies Act, 1956 showing their intention of proposing the name of the following persons for appointment as Directors of the Bank at the Annual General Meeting of the Bank to be held on Monday, the 28th September, 1998 at Udaipur :-

1. Shri B.R. Gupta
2. Shri Deepak Saruparia
3. Shri Sanjay Kumar Tayal
4. Shri Pravin Kumar Tayal
5. Shri Som Prakash Arya

In this connection, it is also informed that RBI vide its letter PSBS. 721/16.01.056/97-98 dt. 5.5.98 has directed the Bank that no person should be appointed as Director, whether by co-option/election or otherwise on the Board of Directors of the Bank without prior approval of RBI for a period up to 6.11.98. Therefore, the above appointments will be subject to RBI approval.

For The Bank of Rajasthan Ltd.

Jaipur
26th August, 1998

P.K. AGRAWAL
COMPANY SECRETARY

[illegible][illegible]

...and the ...

the 1990s, the number of people in the world who are illiterate has increased from 1.2 billion to 1.5 billion. The number of illiterate people in the world is expected to reach 1.7 billion by the year 2015. The number of illiterate people in the world is expected to reach 1.7 billion by the year 2015.

THE BANK OF RAJASTHAN LTD.

BOARD OF DIRECTORS

Chairman

Shri D. B. Sogani

Managing Director & CEO

Shri I. Sada Siva Gupta

Directors

Shri Narendra Mohan

Dr. R. Shyam Rungta

Shri O.N. Chaturvedi

Shri B.P. Singh

Shri Vinay Mittal

Shri V.K. Rungta

Shri Satyajit Mitra

Dr. K.K.S. Chauhan

Shri S.L. Parmar (RBI Nominee)

Company Secretary

Shri P. K. Agrawal

Registered Office :

Clock Tower, Udaipur - 313 001

Central Office :

C-3, Sardar Patel Marg, C-Scheme, Jaipur-302 001

CONTENTS

Report of the Board of Directors	2
Balance Sheet	8
Profit & Loss Account	9
Schedules	10
Auditors' Report	23
Cash Flow Statement	24
Pursuant to Section 212	25
Rajasthan Bank Financial Services Ltd.	26

THE BANK OF RAJASTHAN LTD.

REPORT OF THE BOARD OF DIRECTORS

Esteemed Shareholders,

Your Directors are presenting the 55th Annual Report together with the audited accounts of the Bank for the financial year ended on 31st March, 1998.

PERFORMANCE HIGHLIGHTS

The performance highlights for the year 1997-98 are as under :

	(Rs. in crores)		
	FY-1998	FY-1997	Change (%) FY-1998 over FY-1997
Deposits	2826.73	2938.93	(-) 3.82%
Average Deposits	2803.03	2703.37	(+) 3.69%
Advances	1480.29	1498.29	(-) 1.20%
Average Advances	1515.61	1421.64	(+) 6.61%
Net Profit after tax	(-) 87.84	3.32	

PROFITABILITY

During the year 1997-98, the Bank booked an operating profit of Rs. 28.82 crores. However, the persistent slow down in the economy and industrial output during the year adversely affected Industrial units, resulting into some of the borrowal accounts turning NPA. Consequently, derecognition of income on NPAs and provisions made against them in terms of Reserve Bank of India guidelines, the Bank has shown a book loss of Rs. 87.84 crores.

The average PLR during the reporting year came down to 15.05 percent from 16.75 percent in the previous year, adversely affecting the income from advances/discount. Such a reduction in PLR was necessitated to remain competitive in the falling interest rate scenario.

DIVIDEND

The Board of Directors do not recommend any dividend for the year 1997-98. At the 54th Annual General meeting, dividend for the year 1996-97 was

approved @ 10%, subject to approval of the RBI. The RBI, vide its letter dated 13.4.98, has, however, shown its inability in according approval for the same which has already been conveyed to the shareholders by way of individual printed letter.

As required by the Companies Act, under Rule-4-A of the unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules 1978, concerned members are informed that an aggregate of Rs. 18,034/- remaining unpaid/unclaimed for the financial year 1993-94 was transferred to General Revenue Account of the Central Government during the year.

CAPITAL

There is no change in Capital during the year.

ECONOMIC SCENARIO

During the financial year 97-98, the GDP growth decelerated significantly to 5% from 7.5% in 1996-97. The reasons put forward for the slow down are lack of infrastructure facility, lack of demand and uncertainty in domestic and international environment. Total Gross domestic savings reached an all time high of 26.1% of GDP.

MONETARY & BANKING DEVELOPMENTS

The expansion in M-3 in 1997-98 was 17% as against 16% in the previous year,

Despite ample liquidity and slow down in the economy, the annual rate of inflation which was 6.3% at the end of 1996-97 had fallen below 5% in 1997-98.

During 1997-98, the aggregate bank deposits increased by 18.9% as against 16.5% in the previous year and bank credit recorded a reasonable growth of 15.6% as against 9.6% in 1996-97.

The process of deregulation & liberalisation in the financial sector was continued in the year 1997-98 with further deregulation of interest rates on deposits, giving freedom to banks to fix interest rates on term deposits having maturity period 15 days and over.

SLR was simplified into a single uniform rate of 25% on total NDTL.