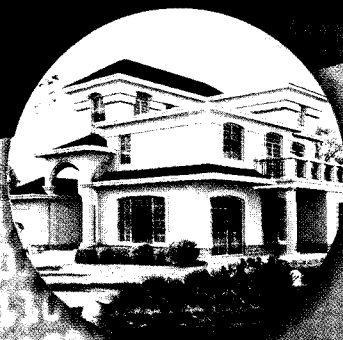


64th Ann
2006



Report

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THE BANK OF RAJASTHAN LTD.

BOARD OF DIRECTORS

Chairman of the Board Meeting

Shri Sanjay Kumar Tayal

Managing Director & CEO

Shri B.M. Sharma

Directors

Shri A.N.Chakrabarti

Shri P. P. Kapoor

Shri Anil Anand Rao

Shri Niraj Tayal

Shri P. N.Bhandari

Shri K. N. Bhandari

Shri Magh Raj Calla

Shri Ved Prakash Khurana

Shri Pran M. Aggarwal

Shri K. G. Kurian

Shri Vipul Dhirajlal Mehta

RBI Observer

Shri P.K.K. Krishnan

Executive Director

Shri Deepak Saruparia

Company Secretary

Shri D.K. Jain

Solicitors, Advocates & Legal Advisors

M/s Paras Kuhad & Associates,
Jaipur, Mumbai, Delhi & Kolkata

Statutory Auditors

M/S Chokshi & Chokshi
Chartered Accountants, Mumbai

Registered Office:

Clock Tower, Udaipur-313 001

Central Office:

C-3, Sardar Patel Marg, C-Scheme, Jaipur-302001

Corporate Office:

11/12, Raghuvanshi Mills Compound,
Senapati Bapat Marg, Lower Parel (West),
Mumbai-400 013

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THE BANK OF RAJASTHAN LTD.

Regd. Office : Clock Tower, Udaipur (Rajasthan)

NOTICE

Notice is hereby given that the Sixty Fourth Annual General Meeting of the members of The Bank of Rajasthan Ltd. will be held at Hotel India International, 63, Sardarpura, Udaipur on Monday the 3rd day September 2007 at 10.00AM to transact the following businesses:

(A) ORDINARY BUSINESS:

1. To receive, consider and adopt the Report of the Board of Directors and audited Balance Sheet as of 31st March 2007 and the Profit and Loss Account for the period ended on that date.
2. To declare dividend.
3. To appoint a Director in place of Shri A.N. Chakrabarti, 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 P.P. Kapoor, 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 a Director in place of Shri Niraj Tayal, who retires by rotation under Article 119 of the Articles of Association of the Bank and, being eligible, offers himself for reappointment.
6. M/s Chokshi & Chokshi, Chartered Accountants, Mumbai, retiring auditors, have completed 4 years as Statutory Auditors of the Bank and are not seeking re-appointment as per RBI guidelines. The RBI vide its letter DBS.ARS.No.08.03.005/2006-2007 dated 20.06.2007 conveyed its approval in terms of Section 30(1A) of the Banking Regulation Act, 1949 for appointment of M/s Gokhale & Sathe, Chartered Accountants, Mumbai as Statutory Auditors of the Bank for the year 2007-2008. Notice have been received from the shareholder proposing the name of M/s Gokhale & Sathe, Chartered Accountants, Mumbai as Statutory Auditors expressing intention to move the following resolution as ordinary resolution.

RESOLVED THAT M/s Gokhale & Sathe, Chartered Accountants, Mumbai be and are hereby appointed as Statutory Auditors of the Bank in place of M/s Chokshi & Chokshi, Chartered Accountants, Mumbai, (who are not seeking re-appointment pursuant to guidelines of

RBI), from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Bank at a remuneration to be decided by the Board of Directors in consultation with M/s Gokhale & Sathe, Chartered Accountants, Mumbai.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to appoint M/s Gokhale & Sathe, Chartered Accountants, Mumbai and/or other persons qualified to act as auditors for audit of the accounts of the existing and future branches of the Bank for the year ended as on 31st March, 2008 on such terms and conditions as the directors may decide from time to time.

(B) SPECIAL BUSINESS:

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

RESOLVED THAT the Company hereby approve and ratifies the action of the Board of Directors in approving revision in remuneration of Shri B.M. Sharma, Managing Director & Chief Executive Officer of the Bank subject to approval of Reserve Bank of India, as under:-

1. Salary revision from Rs. 17.00 lacs p.a. to Rs.20.00 lacs p.a. w.e.f. 01.04.07.
2. Payment of incentive Rs. 5.00 lacs (i.e. 25% of the basic salary) subject to the conditions of attainment of the business targets prescribed by the Bank's Board.
8. To consider and, if thought fit, to pass the following resolution, with or without modification, as Ordinary Resolution:-

RESOLVED THAT Dr. Pravin Kumar Tayal be and is hereby appointed as Director of the Bank subject to approval of Reserve Bank of India.

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

RESOLVED THAT in accordance with the provisions of section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any

statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time), and in accordance with the provisions of the Memorandum and Articles of Association of the Bank, the relevant laws and regulations prescribed by the Securities and Exchange Board of India (hereinafter referred to as "SEBI") as also other authorities as applicable from time to time and subject to such other approvals, consents, permissions and sanctions, as may be required from appropriate authorities or bodies, and subject to such conditions as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Bank (hereinafter referred to as "the Board" which term shall be deemed to include any duly authorised Committee thereof for the time being exercising the powers conferred on the Board of Directors by this resolution), the consent of the Bank be and is hereby accorded to the Board to issue, offer and allot equity shares and/or other securities for an aggregate amount including premium not exceeding Rs.1000 crores or equivalent thereof in any foreign currency to Indian public, Indian financial institutions, Indian mutual funds, domestic corporate bodies, Foreign Investors, Foreign Institutional Investors, Non-Resident Indians, Corporate Bodies incorporated outside India, Trusts, Banks, Insurance Companies, Pension Funds, and/or Trustees and/or Stabilisation Agents or otherwise, whether members of the Bank or not, through prospectus and/or Letter of Offer and/or circular and/or any other document and/or on private placement basis, ordinary shares with or without warrants and/or securities convertible into ordinary shares and/or securities linked to ordinary shares and/or securities with option exercisable by the holder to convert into or subscribe to ordinary shares within and/or any shares, instruments or securities through Global Depository Receipts including American Depository Receipts and/or Foreign Currency Convertible Bonds expressed in foreign currency or otherwise as the Bank may be advised, (hereinafter collectively referred to as "the Securities") to be listed on Stock Exchanges in India and/or abroad with a right to Board to retain for additional allotment such amount of subscription of each tranche as the Board may deem fit, at such price or prices, in such manner and where necessary in consultation with the Lead Managers and/or

underwriters and/or Stabilisation Agents and/or other Advisors or otherwise, on such terms and conditions as the Board, may, in its absolute discretion decide at the time of issue of securities subject to approvals and other conditions as may be granted by SEBI/RBI and other regulatory authority, if any.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, issue, offer or allotment of equity shares or securities or instruments representing the same, as described herein, the Board be and is hereby authorized, on behalf of the Bank, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, entering into arrangements for managing, underwriting, marketing, listing, trading, acting as depository, custodian, registrar, paying and conversion agent, trustee and to issue any offer document(s) and sign all applications, filings, deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Bank to settle all questions, difficulties or doubts, that may arise in regard to such issue(s) or allotment(s) as it may, in the absolute discretion, deem fit.

RESOLVED FURTHER THAT any Bank or depository authorized by the Board may upon the issue of the securities of the Bank and the deposit thereof with such bank or depository, issue Global Depository Receipts with such features and attributes as are prevalent in international capital markets for instruments of this nature and providing for the tradability or free transferability thereof as per international practices and regulations and under the forms and practices prevalent in the international markets.

RESOLVED FURTHER THAT the Board be and is hereby authorized to file the requisite registration statements and other documents with the statutory bodies in India and abroad.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers herein conferred to any Committee or any one or more executives of the Bank.

RESOLVED FURTHER THAT the Equity Shares to be issued as stated aforesaid shall rank pari-passu with all existing Equity Shares of the Bank.

10. To consider and if thought fit, to pass with or without



THE BANK OF RAJASTHAN LTD.

modification, the following resolution as a Ordinary Resolution:-

RESOLVED THAT the existing Clause 5 of the Memorandum of Association of the Company be and is hereby substituted by following:

"5 The Capital of the Company is Rs.300,00,00,000/- (Rupees Three hundred crores only) divided into 30,00,00,000 ordinary shares of Rs. 10/- each with power to the Company to increase/decrease/or consolidate the said capital and to divide it in accordance with the Company's regulations and legislative provisions for the time being in force in that behalf."

11. To consider and if thought fit, to pass with or without

modification, the following resolution as a Special Resolution:-

RESOLVED THAT the existing Clause 3(a) of the Articles of Association of the Company be and is hereby substituted by the following :-

"The Authorised Capital of the Company is Rs.300,00,00,000/- (Rupees Three hundred crores only) dividind into 30,00,00,000 ordinary shares of Rs. 10/- each."

By Order of the Board of Directors

Place: Mumbai

Date: 27.07.2007

D.K. JAIN

Company Secretary

EXPLANATORY STATEMENT (Pursuant to Section 173 of the Companies Act, 1956)

ITEM 7

In terms of provisions of the Articles of Association of the Bank, the Board of Directors in its meeting held on 11.06.2007 approved revision in remuneration of Shri B.M. Sharma, Managing Director & CEO of the Bank as per detail mentioned in the resolution, subject to approval of the Reserve Bank of India.

None of the Directors, except Shri B.M. Sharma, is interested or concerned in the above resolution.

ITEM 8

The Board of Directors in its meeting held on 4th June, 2007 appointed Dr. Pravin Kumar Tayal as additional Director on the Board of the Bank w.e.f. 8th June, 2007. The Reserve Bank of India vide its letter dated 7th June, 2007 issued directions that co-option/election of a director on the Board of Bank (except retiring directors in terms of the provisions of the Companies Act, 1956) shall be subject to approval of RBI. Accordingly, appointment of Dr. Pravin Kumar Tayal on the Board of the Bank is subject to RBI approval.

Dr. Pravin Kumar Tayal had represented as a Promoter-Director on the Board of the Bank from 08.12.98 to 07.12.2006. He ceased to be a Director on the Board of the Bank w.e.f. 8.12.2006 after completion of tenure in terms of provisions of B.R. Act, 1949.

Pursuant to provisions of section 257 of the Companies Act, 1956, the Bank has received notice from a member

signifying his intention to propose Dr Pravin Kumar Tayal as candidate for the office of Directors of the Bank and the requisite deposit of Rs. 500/- have also been received with the said notice. He shall be liable to retire by rotation.

None of the Directors, except Shri Sanjay Kumar Tayal is interested or concerned in the above resolution.

Brief Resume of Dr. Pravin Kumar Tayal

Dr. Pravin Kumar Tayal born on 6.9.1957 is Bachelor of Commerce & Ph.D.

He has got vast experience of industry & banking. Dr. Pravin Kumar Tayal had represented as a Promoter-Director on the Board of the Bank from 08.12.98 to 07.12.2006. He ceased to be a Director on the Board of the Bank w.e.f. 8.12.2006 after completion of tenure in terms of provisions of B.R. Act, 1949. During this period, he was instrumental in bringing about an all round growth including profitability of the Bank and also brought the Bank to a level comparable with the other new generation private sector banks.

He is having Directorship in the following companies, which are holding 2,53,42,631 shares representing 23.56% of the Paid-Up Capital of the Bank:

1. M/s 21st Century Entertainment P.Ltd.
2. M/s EDC Securities P.Ltd.
3. M/s Cyber Info Zeeboomba.com Ltd.
4. M/s Cumballa Hill Property Dev.P.Ltd.
5. M/s Sumander Property Dev. P.Ltd.
6. M/s Giriganga Investments Pvt.Ltd.



THE BANK OF RAJASTHAN LTD.

Earlier, he joined the Board of the Bank on 08.12.98 when the financial condition of Bank was in very bad shape and the Bank was on the verge of collapse due to financial mismanagement. The Bank was a sinking ship in 1999 when Tayal Group took over the management of the Bank. The Bank had incurred losses to the extent of about Rs.150 crores during the period 1997-99.

Immediately after his joining the Bank, the Bank successfully brought rights and conversion of warrants issues aggregating Rs.112 crores in the years 1999 and 2001. The whole credit goes to Dr. Tayal, who had not only given commitment to subscribe entire unsubscribe portion but also deposited Rs. 20 crores in escrow account to meet any shortfall in the subscription. The Bank's CRAR which was 0.83% as on 31.3.1999 has grown to 11.32% as on 31.3.2007 well above the RBI stipulation.

The Bank, which incurred a loss of Rs. 87.84 crores in 1997-98, and Rs.67.46 crores in 1998-99 started earning profits from 1999-2000 itself under the new management, which is continuing till date. Total business of the Bank increased from Rs.4472.38 crores as on 31.3.1999 to Rs.16519.94 crores as on 31.3.2007. Net worth, which was less than Rs. 30 crores in the year 1999, has increased to Rs.426.28 crores (more than 1400%) after writing off all accumulated losses.

The turnaround and progress of the Bank over different parameters during the period 31.03.99 to 31.03.07 is tabulated below:

Particulars	31st March, 99	31st March, 07
Deposits	Rs. 2984.92 crores	Rs.10815.92 crores
Advances	Rs.1487.46 crores	Rs.5704.02 crores
Capital	Rs.17.94 crores	Rs.107.57 crores
Net worth	Rs.29.92 crores	Rs.426.28 crores
Net profits	(-) Rs.67.46 crores	Rs.110.57 crores
Gross NPA	20.55%	2.08%
Net NPA	9.50%	0.24%
CRAR	0.83%	11.32%
Cost of Deposits	9.29%	4.98 %

Dr. Tayal has transformed the entire working style of the Bank. His relentless efforts have yielded commendable results. Dr. Tayal's foremost attack was on non-performing assets. Net NPA, which were 9.50% in the year 1999, have come down to 0.24%. The striking results are there for every one to see. The Bank has recovered around Rs.400 crores, during the last 7 years from the hardcore defaulters.

The Bank was back on dividend-list after paying dividend from the year 2002-2003 to its shareholders after a gap of six years and continues to remain therein.

Under his dynamic leadership the Bank made a remarkable turn-around from the very first year and has been transformed into a profit making organization, which was made possible by Dr. Tayal because of his sheer determination, vision, hard work and dynamic leadership backed by an efficient management team. His hard work not only transformed the Bank but also shore up the confidence of more than 4000 employees, and their families who had lost hope of revival of Bank in 1999, by demonstrating that the Bank could reach new heights of glory and get into top five Private Sector Bank in the country, thereby scripting one of the most successful turn around stories for an organization that was deeply into the red. Thereby proving the critics and doomsayers wrong, who have predicted time and again the fall of the Bank. He achieved what no rational man in his senses would believe.

Under the dynamic leadership of Dr. Tayal, the Bank has taken bold steps to modernize the Banking operations shedding its old image of a conservative and inward looking bank. During the period, the Bank entered into a new era of Information Technology and started "Anywhere Banking with Finacle" providing ABB services across 407 branches in 230 cities. The Bank has installed a chain of 84 ATMs and made strategic tie-up with UTI Bank, SBI and Corporation Bank for access to as many as 7500 ATMs besides 3700 ATMs under Cash Tree arrangement. The Bank is concentrating on expansion of its branch network, development and diversification of product, product pricing, enlarging scope of working of branches and reduction in cost of deposits. The Bank has entered into strategic alliance with M/s United India Insurance Co. Ltd. for marketing of General Insurance products and LIC for Life Insurance products. The Bank has plans to establish its life insurance subsidiary in near future. The Bank has launched Mobile, Internet Banking and started credit cards for its customers.

Under the leadership of Dr. Tayal, the Bank has participated in various social activities.

Dr. Tayal was appointed Non-Executive Chairman of the Bank since 1999 to 2004.

He is holding 300 shares in his personal name.

ITEM 9

The shareholders in 62nd Annual General Meeting gave the consent to further issue of capital for an aggregate amount not exceeding Rs.1000 crores or equivalent thereof in any foreign currency by way of shares, GDRs or convertible bonds, etc. Since the resolution passed by the shareholders in 62nd Annual General Meeting is quite old.

The Directors recommend that the shareholders may give their fresh consent under 81(1A) of the Companies Act, 1956 for the said resolution.

The Bank has planned to raise capital by issuing Rights Issue, GDR/ADR issue and/or Preferential Issue in near future on the strengths of this resolution. The detailed terms and conditions of the Issue as and when made will be determined by the Board of Directors in consultation with the Merchant Bankers, Lead Managers, Advisors, Underwriters and other experts in accordance with the applicable provisions of law.

The Special Resolution seeks the consent and authorization of the Members to the Board of directors to raise the capital in the near future.

ITEM No.10 and 11

The Bank's authorized capital was increased from Rs. 150 crores to Rs. 250 crores in the 62nd AGM held on 17.06.05 and from Rs. 250 crores to Rs. 400 crores in the 63rd AGM held on 08.09.06. Accordingly, the Memorandum of Association has been amended to that extent. Presently, subscribed and paid up capital of the Bank is Rs.107.57 crores.

In terms of Regulation 12 of the Banking Regulation Act, 1949, the subscribed capital of the company should be not less than one-half of the authorised capital and the paid up capital is not less than one-half of the subscribed capital within such period not exceeding two years as the Reserve Bank may allow. The Reserve Bank of India has permitted the Bank to raise the issued capital to Rs.200 crores by 31.03.2008. The Bank has already declared the Bonus Issue in the ratio 1:4 which will be allotted in due course. After allotment of bonus shares, the subscribed and paid up capital of the Bank will increase by Rs.26.89 crores to Rs.134.46 crores. The Bank has planned to issue 2.00 crores equity shares through ADRs/GDRs/preferential issue by 31.03.2008 to strengthen the capital structure of the Bank. Accordingly, the paid up capital will increase to Rs.154.45 crores by 31.03.2008, whereas in terms of Regulation 12 and as permitted by RBI, the issued capital should be Rs. 200 cores by 31.03.2008.

The Bank has also planned to raise Rs.1500 crores upto December, 2009. With the increase in valuation of the shares of the Bank, the Bank can now augment huge funds by issue of little shares. Secondly, the Bank will not require augmentation of approx Rs.1500.00 crores by 31.3.2008. The requirements of funds will be gradual and in stages to ensure compliance of CRAR after Basel II implementation. Therefore, it is felt that there will be little chances to raise

the paid up capital to Rs. 400.00 Crores in the near future.

In view of above, it has become necessary to reduce the authorised capital of the Bank. It has, therefore, been proposed by the Board of Directors that the Authorized Capital of the Bank be reduced from Rs. 400 crores to Rs. 300 crores divided into 30 crores ordinary shares of Rs. 10/- each by substituting Clause 5 of the Memorandum of Association and Article 3(a) of Articles of Association.

The Board of Directors recommend the shareholders to approve the resolutions.

None of the Directors of the Company is, in any way, concerned or interested in the above resolution.

Notes:

1. A member entitled to attend and vote is also 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 Bank. Proxies, in order to be effective must be deposited at the Registered Office of the Bank not less than forty-eight hours before the commencement of the meeting. A proxy so appointed shall not have any right to speak at the meeting.
2. The Register of Members and Share Transfer Books of the Bank will remain closed from Saturday, the 18th August, 2007 to Monday, the 3rd September, 2007 (both days inclusive).
3. The dividend, as recommended by the Board of Directors, if declared at this Annual General Meeting for the year 2006-07 will be paid on or after 6th September, 2007 to those members whose names appear in the Register of Members of the Bank/ statements of beneficial ownership furnished by the Depositories, as on close of business hours on 17th August, 2007.
4. All documents referred to in the Notice and Explanatory statement 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.
5. Shareholders seeking any information with regard to accounts are requested to write to the Bank at an early date so as to enable the management to keep the information ready.
6. To provide prompt services to our esteemed shareholders, we are using the scheme of Electronic Clearing Service - Credit Clearing (ECS Scheme) of the Reserve Bank of India for payment of dividend. If

- you are holding shares in physical form and reside at specified centers, you are requested to send your consent on the enclosed ECS mandate form. If you do not wish to opt for ECS facility, please provide details of your bank name, type of account and account number for printing the same on dividend warrant. If you are holding shares in demat form the Bank will use the bank account particulars updated by you to your depository participant upto 17th August, 2007.
7. Under Section 109A of the Companies Act, 1956 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in prescribed form (which will be made available on request) to the Bank.
 8. Shareholders/Proxy-holders desiring to attend the meeting are requested to kindly bring their copies of Annual Reports for reference at the meeting.
 9. Members, who hold shares in the DEMATERIALISED FORM, are requested to bring their depository account number for identification and statement of their shareholding from DP as on a latest date.
 10. Since the Bank's shares are in compulsory demat trading, to ensure better service and elimination of risk of holding shares in physical form, we request shareholders holding shares in physical form to dematerialise their shares at the earliest.
 11. As required under Clause 49 of the Listing Agreement, the bio-data of Directors who are retiring by rotation and are eligible for reappointment have been furnished in the report on corporate governance in this annual report.
 12. Members are requested to promptly notify any change in their addresses to the Depositories in case shares are held in Demat form and to the Bank in case shares are held in physical form.





THE BANK OF RAJASTHAN LTD.

REPORT OF THE BOARD OF DIRECTORS

Esteemed Shareholders,

Your Directors have great pleasure in presenting to you the 64th Annual Report of the Bank together with the audited accounts for the year ended 31st March 2007.

PERFORMANCE HIGHLIGHTS

The performance highlights for the financial year 2006-07 as reflected in key financial indicators are as under:-

	(Rs. in Crores)		
	FY 2006 -07	FY 2005 -06	Increase %
Deposits	10815.92	8891.28	21.65
Advances	5704.02	4064.97	40.32
Investments	3640.69	2566.54	41.85
Total Income	881.93	591.75	49.03
Total Expenditure	771.36	576.49	33.80
Operating Profit	191.80	19.62	877.57
Net Profit after tax	110.57	15.25	625.05
Transfer from Investment			
Fluctuation Reserve total	—	56.80	—
Profit /(Loss) brought forward	67.84	3.17	
Appropriations			
Transfer to statutory reserve	27.70	3.82	
Transfer to Capital Reserve			
for investment	—	0.12	
Transfer to general reserve	8.30	0.38	
Proposed Dividend	21.51	2.69	
Dividend Tax	3.66	0.38	
Balance Carried over to			
Balance Sheet	117.24	67.84	
Business Ratios			
Return on Assets (ROA)	1.16%	0.19%	
CRAR	11.32%	10.60%	
Net NPA	0.24%	0.99%	

NET PROFIT & DIVIDEND

The net profit for the year after provisions and taxes amounts to Rs. 110.57 Crores. showing a rise of 625.05% over the net profit of Rs. 15.25 Crores for the previous financial year.

Keeping in view overall performance of the Bank, your Directors are pleased to recommend a dividend of 20% for the year ended on 31.03.2007 as against 2.5% for the year ended on 31.3.2006.

CAPITAL, RESERVES AND CAPITAL ADEQUACY RATIO

The Bank did not issue any fresh equity shares during the

year under report. However, subordinated Tier -II Bonds (Series V) amounting to Rs. 48.00 Crores and Upper Tier-II Bonds for Rs.61.10 Crores were issued. With the transfer of profit to reserves, the Bank's Capital Adequacy Ratio as on 31st March 2007 stands at 11.32% as against 10.60% at the end of the previous financial year.

LISTING AGREEMENT WITH STOCK EXCHANGES

Pursuant to requirement of Listing Agreement, the Bank declares that its shares are listed on Bombay Stock Exchange (BSE), Jaipur Stock Exchange (JSE) and National Stock Exchange. (NSE). The Tier-II Bonds (Series-III, IV & V) and Upper Tier-II Bonds are also listed at Bombay Stock Exchange. The Bank confirms that it has paid annual listing fees due to stock exchanges up to the year 2007-08.

TREASURY & INVESTMENT MANAGEMENT

The Bank's total investments stood at Rs.3640.69 Crores as on 31.3.2007 as against Rs.2566.54 Crores at the end of the previous financial year. The level of SLR and Non-SLR Investments amounted to Rs.2573.46 Crores and Rs.1067.23 Crores respectively as on 31.03.2007. The Bank shuffled its investment portfolio prudently to maintain an average yield of 7.11% on its investments.

The liquidity position of the Bank was comfortable throughout the year. In order to improve the overall yield on the available short term surplus funds, in addition to the Call Money/ Reverse Repo Lending (CBLO), the Bank deployed funds in other avenues such as interbank short term Deposits, Certificate of Deposits, Units of Mutual Funds etc. During the year, the Bank sold its equity holding in Bharat Overseas Bank Ltd., and earned profit of Rs.36.54 crore.

The Bank has parked 48.71% of its net investment under HTM category. Thus, securities marked to market accounted for 51.29% of the net investment as at the end of March, 2007.

DEPOSITS & ADVANCES

Total deposits of the Bank increased from Rs. 8891.28 Crores to Rs.10815.92 Crores, while the core deposits (excluding Interbank deposits) increased from Rs.7466.41 Crores to Rs.9841.66 Crores showing a growth of 31.81% over the previous year.

Total advances of the Bank increased from Rs.4064.97 Crores to Rs.5704.02 Crores registering a growth of 40.32% during the year under report.

During the year under report, the Bank also strengthened its credit approval and monitoring process which enabled the Bank to keep under check the incidence of slippage of borrowal accounts into NPA category.