

# THE BANK OF RAJASTHAN LTD.



## BOARD OF DIRECTORS

### Managing Director & CEO

Shri P.L. Ahuja

### Directors

Shri Sanjay Kumar Tayal

Shri P.N.Bhandari

Shri K.N. Bhandari

Shri Magh Raj Calla

Shri Ved Prakash Khurana

Shri Pran M. Agarwal

Shri K.G. Kurian

Shri Vipul Dhirajlal Mehta

Shri S.B. Mathur (Resigned w.e.f. 09.05.2009)

Dr. Dharinder Kumar Tayal

Shri Salil Kapoor

Shri Nitin N. Goel

Shri Shekhar Bhatnagar, Additional Director, RBI

Shri A. Madhavan, Additional Director, RBI

### Dy. Managing Director

Shri Deepak Saruparia

### Executive Director

Shri K.K. Sharma

### COMPANY SECRETARY

Shri R.K. Agrawal

### Statutory Auditors

M/s Gokhale & Sathe

Chartered Accountants, Mumbai

### Registrar and Transfer Agent (RTA)

M/s Mondkar Computers Pvt Ltd,

Corporate Office, 21, Shakil Niwas

Opp. Satya Saibaba Temple, Mahakali Caves Road

Andheri (East) Mumbai 400 093

### Corporate Office

11/12, Raghuvanshi Mills Compound, Senapati Bapat Marg,

Lower Parel (West) Mumbai 400 013

### Central Office

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

### Registered Office:

Clock Tower, Udaipur 313 001

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# THE BANK OF RAJASTHAN LTD.

Regd. Office: Clock Tower, Udaipur (Rajasthan)

## NOTICE

Notice is hereby given that the Sixty Sixth Annual General Meeting of the members of The Bank of Rajasthan Ltd. will be held at Hotel India International, 63 Sardarpura, Udaipur 313 001 on **Saturday the 29<sup>th</sup> August, 2009 at 10.00 AM** 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 31<sup>st</sup> March 2009 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 Ved Prakash Khurana, 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 Pran M Agarwal, 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 Sanjay Kumar Tayal, who retires by rotation under Article 119 of the Articles of Association of the Bank and, being eligible, offers himself for reappointment.
6. To appoint Auditors and fix their remuneration.

### (B) SPECIAL BUSINESS:

7. To pass with or without modification the following Resolution as Special Resolution:

**“RESOLVED THAT** pursuant to Section 31 and any other applicable provisions of the Companies Act, 1956, if any, the Articles of Association of the Company be and is hereby altered as under:

- (i) **After sub clause (b) of Article 3 the following new sub clause (c) be and is hereby inserted:**

Article 3 (b).....

- (c) Subject to the provision of Section 12 of Banking Regulation Act 1949 and any Statutory Amendment therein, the subscribed Capital of the Company shall not be less than one half of the Authorized Capital and the Paid up Capital shall not be less than one half of the Subscribed Capital

and if the Capital is increased the conditions prescribed in this Article shall be complied with within a period not exceeding two years or such period as the Reserve Bank may allow.

- (ii) **After the existing Article 61, the following Article 61A be and is hereby inserted:**

61A The Company will have power under the provisions of Section 94 or any other relevant provisions of Companies Act, 1956 to alter the conditions of its Memorandum as follows:

- a) Increase its share capital by such amount as it thinks expedient by issuing new shares;
- b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- c) Convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid up shares of any denomination;
- d) Sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- e) Cancel shares which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

The powers conferred by this Section shall be exercised by the Company in general meeting and shall not require to be confirmed by the Court. A cancellation of shares in pursuance of this section shall not be a reduction of share capital within the meaning of this Act.

- (iii) **The Existing Article 66 be and is hereby substituted and replaced as follows:**

Article 66

66. Subject to the provisions of the Companies Act, 1956 and pursuant to Section 14 and 14-A of the Banking Regulation Act, 1949 the Directors may



raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, or redeemable debentures or debenture-stock, or any mortgage or charge (including floating charge) or other security of or on the undertaking any part of the rights and or property of the Company (of whatever nature) both present and future excluding its uncalled capital for the time being:-

Provided however that the Company shall not create:

- (i) Any Charge on unpaid capital of the Company;
- (ii) a floating charge on the undertaking or any property of the Company or any part thereof unless the creation of such floating charges is certified in writing by the Reserve Bank as provided in the Banking Regulation Act, 1949.

(iv) **After the end of Article 89 the following provision be and is hereby inserted in Article 89**

Provided that so long as the Company is not exempt from the provisions of sub-section (2) of Section 12 of the Banking Regulation Act, 1949, no person holding Shares in the Company shall, in respect of any Shares held by him, exercise voting rights on poll in excess of 10% of the total voting rights of all the Shareholders of the Company.

(v) **The existing Article 101 shall be substituted as 101 (a) and thereafter new sub-clause (b) be and is hereby inserted as follow:**

Article 101 (a).

The Board of Directors of the company shall include professional or other experience in a manner as provided in sub-section 2 of Section 10(A) of Banking Regulation Act which provides that not less than fifty-one per cent of the total number of members of the Board of Directors of a banking company shall consist of persons, who shall have special knowledge or practical experience in respect of one or more of the following matters, namely: accountancy, agriculture and rural economy, banking, co-operation, economics, finance, law, small-scale industry, any other matter the special knowledge of, and practical experience in, which would, in the opinion of the Reserve Bank, be useful to the banking company. Provided that out of the

aforsaid number of directors, not less than two shall be persons having special knowledge or practical experience in respect of agriculture and rural economy, co-operation or small-scale industry.

(V) **After Article 104A, a new Article 104B be and is hereby inserted**

Article 104B

The Board of Directors while appointing, nominating / co-opting and for renewing appointment of the Directors shall be guided by 'fit and proper norms' viz. formal qualification, experience, track record and shall confirm to such other norms and procedure as may be prescribed by Reserve Bank of India from time to time. The Board of Directors while appointing, nominating/ co-opting and for renewing appointment of Directors shall ensure that the candidate should normally be a graduate (which can be relaxed for the categories of Farmers, depositors, artisans etc.), should be between 35 and 70 years of age and should not be a Member of the Parliament/Member of the Legislative Assembly/ Member of Legislative Council.

(v) **After sub clause (b) of Article 144 the following new sub clauses (c), (d) and (e) be and are hereby inserted:**

Article 144 (b)......

- (c) The Chairman who is appointed on a whole time basis or Managing Director, shall, subject to the provisions of Section 10B of the Banking Regulation Act, 1949, be in whole time employment of the Company and shall hold office for such period not exceeding five years as the Board of Directors may fix but shall be eligible for re-election or re-appointment and shall not be subjected to retirement by rotation.

- (d) The Chairman who is appointed on whole time basis or Managing Director shall be a person, who has special knowledge and practical experience of –

- (a) the working of a banking Company, or of the State Bank of India or any Subsidiary Bank or a financial institution ; or
- (b) financial, economic or business administration;

Provided that a person shall be disqualified for being a Chairman who is appointed on whole time basis or a Managing Director, if he-



## THE BANK OF RAJASTHAN LTD.

- (c) is a Director of any Company other than a Company referred to in the proviso to sub-section (2) of section 10-B of the Banking Regulation Act 1949;
  - (d) is a partner of any firm which carries on any trade, business or industry, or
  - (e) has substantial interest in any other Company or firm; or
  - (f) is a director, manager, partner or proprietor of any trading, commercial or industrial concern; or
  - (g) is engaged in any other business or vocation.
- (e) A Chairman of the Board of Directors appointed on a whole time basis or a Managing Director whose term of Office comes to an end either by reason of his resignation or by reason of expiry of the period of his office shall, subject to the approval of the Reserve Bank, continue in Office until his successor assumes Office.
- (vi) **The Existing Article 174 be and is hereby substituted and replaced as follows:**
- Article 174**
174. (a) The Balance Sheet and Profit And Loss Account prepared in the form set out in part I of the Schedule VI of the Companies Act, 1956 shall conform to the requirements of Section 29 of Banking Regulation Act, 1949.
- (b) Every Balance Sheet and every Profit and Loss Account of the Company shall be signed as required by the Banking Regulation Act, 1949.

By Order of the Board of Directors

Place: Mumbai

Date: 27<sup>th</sup> June, 2009

**(R.K. Agrawal)**

Company Secretary

**EXPLANATORY STATEMENT** (pursuant to Section 173 (2) of the Companies Act, 1956)

### **ITEM 7**

The Company was incorporated under the Mewar Companies Act, 1942 and is an existing Company within the meaning of Section 3 of the Companies Act, 1956. The Company is the Banking Company within the meaning of sub-section (c) of Section 5 of Banking Regulation Act, 1949.

Reserve Bank of India vide Circular No. DBOD/11690/29.39.001/2006-07 dated 24.05.2007 advised the private sector banks to go through their Memorandum of Association (MoA) and Articles of Association (AoA) and to ensure that they conform to the (a) Banking Regulation Act, 1949 and/or (b) Recommendations of Ganguly Group on Corporate Governance. The RBI advised that wherever necessary, steps may be taken for amending/modifying the clauses for this purpose.

Reserve Bank of India vide letter No.DBOD No.1644/08.31.002/2008-09 dated 30<sup>th</sup> March, 2009 approved aforesaid amendments in Articles of Association of the Bank.

The proposed alterations in the Articles of Association are being recommended for approval of the Members of the Company so as to make Articles of Association more compliant with the Banking Regulation Act, 1949 although the Company has been adhering to the provisions of Banking Regulation Act, 1949 as applicable to it.

The Board of Directors recommends the proposed Resolution to be passed as Special Resolution.

None of the Directors of the Company are deemed as interested in the proposed 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 Monday, the 17<sup>th</sup> August, 2009 to Saturday, the 29<sup>th</sup> August, 2009 (both days inclusive).
3. The dividend, as recommended by the Board of Directors, if declared at this Annual General Meeting for the year 2008-09 will be paid on or after 2<sup>nd</sup> September, 2009 to those members whose names appear in the Register of Members of the Bank/statements of beneficial ownership furnished by the Depositories.
4. Shareholders may kindly note that the Bank is statutorily

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required to transfer to the Investors Education & Protection Fund (IEPF) established by the Central Government, all unclaimed/unpaid dividend for a period of seven years from the date they became due for payment and once such amounts are transferred to IEPF, no claim of the shareholder shall lie against the Bank or the IEPF. Shareholders who have not yet encashed their dividend warrants are requested to do so immediately.

5. 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 up to the date of the Annual General Meeting.
6. 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.
7. 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 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 furnished by you to your depository participant.
8. 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
9. Shareholders/Proxy-holders desiring to attend the meeting are requested to kindly bring their copies of Annual Reports for reference at the meeting.
10. 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.
11. 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.
12. 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.

13. The Bank has appointed M/s Mondkar Computers Pvt Ltd as Registrar and Transfer Agent (RTA) for Share Registry Work w.e.f. 1<sup>st</sup> July 2009. The details of RTA is as under:

M/s Mondkar Computers Pvt Ltd,  
Registrar & Transfer agents  
Corporate Office, 21, Shakil Niwas  
Opp. Satya Saibaba Temple, Mahakali Caves Road  
Andheri (East) Mumbai 400 093  
Tele Nos. 022 28257641, 28262920  
Fax :022 28207207  
Mobile: 09820356406( Mr. Ravindra Utekar)  
E-mail [info@mondkarcomputers.com](mailto:info@mondkarcomputers.com)  
[ravi@mondkarcomputers.com](mailto:ravi@mondkarcomputers.com)

14. 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 Registrar & Transfer Agent in case shares are held in physical form.

By Order of the Board of Directors

Place: Mumbai  
Date: 27<sup>th</sup> June, 2009

**(R.K. Agrawal)**  
Company Secretary



## THE BANK OF RAJASTHAN LTD.

Dear Shareholder(s),

Date : 27th June, 2009

### **Reg : Dematerialisation of shares**

As you are aware that the equity shares of The Bank of Rajasthan Limited are compulsorily traded in the dematerialised mode. We have been intimating you the advantages of dematerialisation of shares from time to time.

We are once again listing below the advantages available on holding the shares in the electronic form vis-à-vis holding shares in physical form.

- No risk of loss, mutilation or theft of share certificates;
- Low interest rates on loans granted against pledge of dematerialised securities by Bank;
- No stamp duty for transfer of shares;
- No need for filling transfer deeds and lodging the same with the Bank;
- Reduced paper work;
- Instant disbursement of non-cash corporate action benefits like; bonus and rights into the demat account.

We, therefore, advise you to please dematerialise your shares at the earliest and avail the benefits of dematerialisation in case you are still holding shares in physical form.

Kindly contact our Share Department on Tel. No.32531359 (Monday to Friday between 10.00 AM to 5.00 PM) or email at [sharedeptt@rajbank.com](mailto:sharedeptt@rajbank.com) or our Registrar and Transfer Agent (details at page No. 5 point No. 13) in case you require any further information in this connection.

In case you have already submitted your certificates for dematerialisation, please ignore this intimation.

The Bank of Rajasthan Limited also offers depository services. You may contact the branch most convenient to you for more details about opening and maintaining a demat account.

Thanking you,

Yours faithfully,

For The Bank of Rajasthan Limited

**(R.K. AGRAWAL)**

COMPANY SECRETARY





## REPORT OF THE BOARD OF DIRECTORS

### Esteemed Shareholders,

Your Directors have great pleasure in presenting to you the 66<sup>th</sup> Annual Report of the Bank together with the Audited accounts for the year ended 31<sup>st</sup> March 2009.

### PERFORMANCE HIGHLIGHTS

The performance highlights for the financial year 2008-09, as reflected from the key financial indicators are as under: -

	(Amount in crores)	
	FY 2008-09	FY 2007-08
Deposits	15187.15	13849.35
Advances	7780.75	7433.88
Gross NPA	160.92	126.19
Net NPA	57.03	30.90
Investments	6809.15	4729.20
Total Income	1507.23	1176.40
Total Expenditure	1389.52	1061.20
Operating Profit	193.77	171.28
Net Profit after tax	117.71	115.20
Profit /(Loss) brought forward	185.69	117.24
<b>Appropriations</b>		
Transfer to Statutory Reserve	29.43	28.80
Transfer to Capital Reserve for Investment	25.14	0.08
Transfer to Investment Reserve Account	0.71	—
Transfer to General Reserve	10.00	10.00
Proposed Dividend	3.23	6.72
Dividend Tax	0.55	1.15
Balance Carried over to Balance Sheet	234.34	185.69
<b>Business Ratios</b>		
Return on Assets (ROA) (%)	0.74%	0.91%
CRAR Basel I	12.00%	11.87%
Basel II	11.50%	
Net NPA	0.73%	0.42%
Business per Employee	5.33	5.19
Business per Branch	46.90	44.11

### NET PROFIT & DIVIDEND

The net profit for the year after provisions and taxes scaled to Rs. 117.71 crores showing a rise of 2.18% over the net profit of

Rs. 115.20 crores for the previous financial year.

Keeping in view, the overall performance of the Bank, your Directors are pleased to recommend a dividend of Rs. 0.20 (2%) per share for the year ended on 31<sup>st</sup> March 2009.

### CAPITAL, RESERVES AND CAPITAL ADEQUACY RATIO

During the year, the Bank has allotted 2,68,91,682 shares as bonus shares in the ratio of 1:5. Accordingly, the subscribed and paid up capital increased from Rs.134.46 crore to Rs.161.35 crore as on 31<sup>st</sup> March 2009. During the year, the Bank has come out with Tier II Bond issue (Series VI) aggregating to Rs. 43.80 crore allotted on 5<sup>th</sup> January 2009. With the transfer of profit to reserves, the Bank's Capital Adequacy Ratio as on 31<sup>st</sup> March 2009 stands at 12.00% and as per Basel II the CRAR is 11.50% as against 11.87% 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 & VI) 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.

### TREASURY & INVESTMENT MANAGEMENT

The Bank is a member of Negotiated Dealing System (NDS), NDS-Call, NDS OM and Clearing Corporation of India Ltd. (CCIL). Transactions in Government Securities are carried out through scripless electronic media with on line settlement.

The Bank has joined Real Time Gross Settlement (RTGS) system of Reserve Bank of India in June 2004, which has reduced transaction cost and facilitated customers for better funds management. The Bank has also joined NEFT (National Electronic Funds Transfer) for faster transfer of funds to & from other Banks for customer's account.

The Bank's net investment in SLR and Non-SLR securities has increased from Rs. 4729.20 crores as on 31<sup>st</sup> March 2008 to Rs. 6809.15 crores as on 31<sup>st</sup> March 2009, keeping pace with the growing business of the Bank. The level of SLR and Non-SLR net Investment remained at Rs. 4711.83 crores and Rs. 2097.32 crores respectively as on 31<sup>st</sup> March 2009. The investment portfolio enabled your Bank to achieve a yield of 6.99% on its investments.

The Bank has parked 52.60% of its net investment under HTM category. Thus securities marked to market accounted for 47.40% of the net investment as at the end of March 2009.



## THE BANK OF RAJASTHAN LTD.

The liquidity position of the Bank has remained 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 / CBLQ, the Bank deployed funds in other avenues such as Interbank Short Term Deposits, Certificate of Deposits and Units of Mutual Funds etc.

The Bank regularly performs stress tests with a view to simulate events under various conditions of stress and their likely impact on Bank's funding and liquidity position. The events include both Bank specific and market related events.

### DEPOSITS & ADVANCES

Total deposits of the Bank increased from Rs. 13849.35 crores

to Rs. 15187.15 crores, while the core deposits (excluding interbank deposits) increased from Rs. 12892.69 crores to Rs. 13832.25 crores showing a growth of 7.29% over previous year. However the Bank's average deposits has shown rise of 23.05% over previous year indicating steady growth during the year. Gross advances registered an increase of 4.72% compared to the previous year, 2007-08, and stood at Rs. 7884.64 crores as on 31<sup>st</sup> March 2009. Against the CD Ratio of 54.36% as on 31<sup>st</sup> March 2008, the CD Ratio as on 31<sup>st</sup> March 09 remained at 51.92%. The growth of advances is well spread across the sectors and enterprises. The Yield on Advances has increased from 11.28% to 12.04% in 2008-09. The average growth of advances during the year has been 36.13% over previous year.



*65th Annual General Meeting held on 2nd August 2008 at Udaipur*

Bank followed policy of caution and discrimination in making advances to high risk sectors. As a result of upward bias on interest rates and tightening of liquidity the Benchmark Prime Lending Rate (BPLR) and Retail Prime Lending Rate (RPLR) registered increase during the year, which, at a later part of the year, eased out.

Further, Bank continued its close monitoring to check incidence of fresh Non Performing Assets and made sincere endeavours for up-gradation of existing assets within permissible parameters / prudential norms.

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

### PRIORITY SECTOR & RETAIL BANKING

The Bank's advances to Priority Sector (inclusive of eligible investments) as on 31.03.2009 stood at Rs. 2032.05 crores as against Rs. 2401.09 crores as on 31.03.2008. In terms of the

directives from the Government of India and the Reserve Bank of India, the Bank has given utmost importance to lending under Priority Sector and Agriculture Sector by introduction of new products / schemes and modifying the existing one for its growth. Break up of sector wise outstanding under Priority Sector Advances at the end of the financial year 2008-09 is as under:

Sector	(Amount in crores)	
	Finance year 2008-09	Finance year 2007-08
Agriculture	963.61	1193.77
Small Enterprises	629.43	709.40
Retail Trade	170.90	179.34
Micro Credit	1.87	1.73
Education	6.08	3.69
Housing	260.16	313.16
<b>Total</b>	<b>2032.05</b>	<b>2401.09</b>



# THE BANK OF RAJASTHAN LTD.



With the object to serve wider area of the society, Bank has evolved several products. Important products are Raj Bank Kisan Credit Card, Raj Bank Green Card Scheme, “Apna Ghar” – Housing Loan Scheme, “Shiksha Sarathi” – Education Loan Scheme, “Gadi Bangla” – Home & Vehicle Loan Scheme, various Consumer Loan Schemes for the Institutional Employee and Laghu Udhyami Credit Card, Swarojgar Credit Card & Retail Artisans Credit Card. The process of modifications of these products continued to bring improvement in the product and making them customer friendly

Raj Bank Kisan Credit Card Scheme, that has emerged as most preferred product of finance to farmers, has been made more attractive and cost efficient. The reduction in minimum land holding and minimum credit limit to cover all eligible farmers, abating interest rate, slashing bank charges to minimum, are among the major changes brought in RBKCC/RBKGC to make it hassle free.

In a move to enhance the portfolio of Priority Sector and, in particular, Direct Agriculture advances Bank has made tie up arrangements with Tractors & Farms Equipment (TAFE), Escort and Mahindra & Mahindra, the leading companies in manufacturing of tractors for financing the tractors. In a bid to extend this line of financing, a tie up arrangement with TATA Motors for financing vehicle for transportation of agriculture produce has also been made.



*Tie-up arrangement for Financing Tractors and implements to farmers with M/s. Mahindra and Mahindra Ltd. MOU Signing Ceremony at Jaipur on 13.03.2009.*

Bank has also implemented a scheme for financing solar energy home lighting system under tie up arrangement with Rajasthan Electric & Instrument Ltd; to help the people living in the rural areas and areas facing problem of acute power cut.

Besides, Bank has designed various products for financing under agriculture viz. Hitech agriculture project, Venture Capital Fund Scheme for Dairy / Poultry, Horticulture & Plantation Schemes, Loan against warehouse receipt scheme, Financing two-wheeler to farmers, Financing small medium dairy, Project pertaining to Cash crops / Flower / Medicinal Plants / Horticulture, besides

Financing to Self Help Groups (SHGs) for agriculture and allied activities.

Bank has also recruited fresh Agriculture Executives for marketing its various products and to develop the resources for deploying the funds under direct agriculture advances segment. The rebounded efforts in all directions witnessed increasing trend under Direct Agriculture Advances during the year 2008-09.

Banks Consumer Loan Scheme is a unique product and gaining popularity among the employees of various organizations from all corners of the country. Total exposure under the product has reached to Rs. 152.33 crores by March 2009.

The overall recovery in priority sector segment has touched all time high of 91%. Our constant focus is on reducing the NPA accounts. Bank participated in line with the RBI guidelines and implemented the Agricultural Debt Waiver and Debt Relief Scheme, 2008. An amount of Rs. 523 lacs have been waived under the said scheme benefiting 4104 farmers. Similarly, an amount of Rs. 163 lacs covering 874 farmers is eligible for relief subjected to fulfillment of conditions under the scheme for which claim will be lodged with RBI after June 2009.

Bank is also actively participating in various Government sponsored poverty alleviation programmes. During the year 2008-09 bank has sanctioned loans to 3289 applicants amounting to Rs. 1261.70 lacs and Disbursed Rs. 822.04 lacs under Govt. sponsored Programmes like PMEGP, SGSY, SJSRY and different SCDC schemes.

## RECOVERY UNDER ADVANCES TO SCHEDULED CASTES & SCHEDULED TRIBES:

Position of Demand, Recovery & Overdue at the end of financial year 2008-09 is given here under:

(Amount In lacs)

	Demand		Recovery		Overdue		Recovery per cent	Balance outstanding	
	A/c	Amt.	A/c	Amt.	A/c	Amt.		A/c	Amt.
SC	8639	1690	7476	1339	2037	351	79.23	6021	1707
ST	5666	1624	4775	1222	1658	403	75.20	3474	1731

## RAJASTHAN SWAROJGAR VIKAS SANSTHAN:

Your Bank has set up rural development and self-employment type of training institute under the banner of “RAJASTHAN SWAROJGAR VIKAS SANSTHAN (RSVS). Your Bank is the only Private Sector Bank in the country and Non Lead Bank in any of the Districts, which has taken lead in establishing RSETI at Udaipur and at Jodhpur. In support to the efforts of your Bank, the State Government has allotted land admeasuring 9002.50 sq.ft. at Udaipur on concessional rate i.e. 5% of reserve price and the Planning Commission has sanctioned a grant of Rs. One crore each for construction of building of RSETI at Udaipur and Jodhpur.



## THE BANK OF RAJASTHAN LTD.



*Validictory Function of Swarajgar Vikas Sansthan,*

The Institute is providing expert guidance and assistance to rural youths through counseling, consultancy, training and rendering all possible helps in obtaining credit facilities from banks and other financial institutions for setting up their ventures successfully. The RSVS has conducted various courses and



*Gramin Beauty Parlour at Udaipur (Rajasthan)*

provided training to rural youths for Mobile repairing, Photo/Videography, Computer Accountancy. Besides, to create Entrepreneurship and empowering rural women, emphasis has been giving to impart the training for establishment of Village Beauty Parlor, Sewing & Ready-made Garments shops etc.

### RETAIL BANKING:

Treating retail financing as a major tool for keeping pace with the changing financial scenario, your Bank has stepped in for larger coverage by introducing several products viz. consumer loans to institutional employees, mortgage loan, home loan, education loan and vehicle loan. During the financial year 2008-09 an aggregate sum of Rs. 24610 lacs was disbursed touching total advances under retail sector to the tune of Rs. 84418 lacs. With the changing market conditions the Schemes were revamped on regular basis. During the year 2008-09 Bank has disbursed housing loan of Rs. 4842 lacs. The total housing loan has reached to Rs. 28716 lacs by 31<sup>st</sup> March, 2009.

### OPERATIONS OF MEWAR AANCHALIK GRAMIN BANK (MAGB)

Bank's sponsored RRB namely Mewar Anchalik Gramin Bank (MAGB) established on 25.01.1983 has 58 branches in 3 districts viz Udaipur, Rajsamand & Pratapgarh. All the branches are computerized. Under Financial Inclusion during the FY-2008-09, bank has opened 29189 No Frill (Savings Bank) Accounts in 49 rural and semi urban branches. Bank has financed Rs. 939.86 lacs in 1699 KCC accounts. With effective management, the MAGB has earned operating profit of Rs. 461.14 lacs (unaudited) during the year 2008-09. Under capital restructuring programme, MAGB has received total financial support of Rs. 196.55 lacs viz Central Government (Rs. 98.28), Government of Rajasthan (Rs. 29.48 lacs) and Sponsor Bank (Rs. 68.79 lacs). The deposits of MAGB have increased to Rs. 379.66 crores and advances reached to the level of Rs. 115.40 crores as on 31.3.2009.

### ASSEST QUALITY MANAGEMENT

The position of NPAs and Recovery is given below:

(Amount in lacs)

	As on 31 <sup>st</sup> March 08	As on 31 <sup>st</sup> March 09
GROSS NPA	12619.51	16091.60
GROSS NPA%	1.68	2.04
NET NPA	3089.88	5702.96
RECOVERY IN NPA	4340.80	3341.45
NET NPA%	0.42	0.73

During the year-ended 31<sup>st</sup> March 09, the Bank continued its recovery drive aggressively. In case of small NPAs for amounts below Rs. 50 lacs it was Bank's endeavor to recover maximum dues by organizing Recovery Camps for on the spot settlements. The hard-core high value NPAs were effectively followed up by mounting pressure upon the defaulter borrowers, guarantors and judgment debtors through appropriate legal action.

The Bank also exercised its right under the SARFAESI, Act 2002 in eligible cases and issued notices to the defaulting borrowers / guarantors compelling them to come forward with reasonable settlement proposals for liquidation of the dues of the Bank. The Bank accordingly made a good recovery of Rs. 3341.45 lacs in 6190 NPA accounts during the financial year 2008-09. The Bank also launched an extensive drive to execute decrees for enforcing recovery in hard-core accounts by resorting to attachments, taking possession & sale of properties.

During the financial year ended 31<sup>st</sup> March 09, compromises were approved in 802 accounts, effecting aggregate recovery of Rs. 1579.62 lacs.

To accelerate the pace of recovery in small value accounts, as many as 27 recovery camps were organized by the Regional Offices.