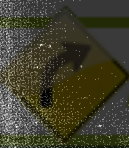


# Annual Report

2002-2003

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th year



*Relationships..... forever*



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Registered Office

**P B NO.9, DHANALAKSHMI BUILDINGS, NAICKANAL,  
THRISSUR 680 001.**

Secretary to Board & Company Secretary

**RAVINDRAN K. WARRIER**

Auditors

**M/s. R.G.N. PRICE & Co.**

**M/s. FORD RHODES PARKS & Co.**

Legal Advisors

**R. SREEKRISHNAN ASSOCIATES**

**A. GOURI SANKAR**

**B.S. KRISHNAN**

Registrars and Transfer Agent

**M/s. KARVY CONSULTANTS LTD.**

**No. 51/2, TKN COMPLEX, VANI VILAS ROAD  
OPP. NATIONAL COLLEGE, BASAVANAGUDI  
BANGALORE - 560 004.**



Regd. Office : "Dhanalakshmi Buildings",  
Naickanal, THRISSUR – 680 001.  
Tel : 2335131, 2335177 Fax : 2335367, 2335580  
E-mail : [ghanam@vsnl.com](mailto:ghanam@vsnl.com),  
Website: [www.dhanbank.com](http://www.dhanbank.com)

### NOTICE

**NOTICE** is hereby given that the 76<sup>th</sup> Annual General Meeting of the shareholders of The Dhanalakshmi Bank Ltd., will be held at 10 A.M. on Friday, the 29<sup>th</sup> August, 2003 at Kerala Sangeetha Nataka Akademi (Regional Theatre), Thrissur – 680 020, to transact the following business:

#### ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2003 and Profit and Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in the place of Sri.P.K.Ananthanarayanan (Director in Minority sector), who retires by rotation and does not offer himself for re-appointment as a Director.
4. To appoint a Director in the place of Sri.K.Govindan (Director in Majority sector), who retires by rotation and does not offer himself for re-appointment as a Director.

#### Note:

Your Bank has received necessary notices under Section 257 of the Companies Act, 1956 signifying the candidature of the following persons whose election to the office of a Director of the Bank will be taken up against vacancies arising at the Annual General Meeting. Their brief resume are given below -

- a) Sri.D.Lakshminarayanan, aged 65, residing at Karthika, Ayyappa Nagar, Punnamm, Thrissur – 680 002. Sri.Lakshminarayanan has a rich experience both in small-scale industry as well as trade. He was a Director of the Bank from 19.09.1992 to 01.08.2000.
- b) Sri.A.D.Navaneethan, aged 65, residing at 'Thangam', No.5, Prof.Subramaniam Street, Kilpauk, Chennai – 600 010. Sri.Navaneethan, has more than 41 years of service in the banking sector and was the Chairman & CEO of The Karur Vysya Bank Ltd. for over 9 years.
5. To appoint Statutory Auditors for the period upto the conclusion of the next Annual General Meeting of the Bank and to authorise the Board to fix their remuneration.

#### Note:

The existing Joint Auditors M/s.R.G.N.Price & Co., Chartered Accountants, Kochi and Ford, Rhodes, Parks & Co., Chartered Accountants, Mumbai are eligible for appointment for the financial year 2003-2004.

#### SPECIAL BUSINESS:

6. To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mrs.Nandini Rangaswamy, who was appointed an Additional Director, be and is hereby appointed a Director whose period of office is liable to determination by retirement of Directors by rotation".
7. To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:  
"RESOLVED THAT in terms of Section 228 of the Companies Act, 1956, the Board of Directors be and is hereby authorised to appoint, from time to time and in consultation with the Bank's Statutory Auditors, one or more persons qualified for appointment as Branch Auditors and subject to approval of RBI to audit the accounts for the year ended March 31, 2004 of such of the Branches as are not proposed to be audited by the Bank's Statutory Auditors on such remuneration and subject to such terms and conditions as may be fixed by the Board".

Place: Thrissur

Date : 26.07.2003

By Order of the Board,  
Sd/-  
Company Secretary.

**NOTES:**

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself and the proxy need not be a member.** Proxies duly stamped and executed (in case of Joint Holding by all the joint holders) should be lodged at the Registered Office not less than 48 hours before the time fixed for holding the meeting.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is given below in respect of business 6 and 7.
3. The Register of Members will remain closed from August 19, 2003 to August 29, 2003 (both days inclusive). Transfers received during book closure shall be considered after re-opening of the Register of Members and accordingly such transfer shall not be considered for dividend declared, if any.
4. The Dividend, if declared, will be paid to those members whose names appear in the Register of Members and Register of Beneficial Owners of the Bank on August 29, 2003.
5. Dividend warrants will be dispatched to all eligible members. No tax at source will be deducted pursuant to Section 194 of the Income Tax Act, 1961.
6. Members are requested to notify the changes in their addresses immediately to the Registrars and Transfer Agents/Depository Participants as the case may be giving full details in block letters with Pin Code and Post Office.
7. Members described as 'Minors' in the address but who have attained majority of age, may get their status in Register of Members corrected by producing proof of age.
8. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends declared up to the financial year 1994-95 have been transferred to the General Revenue account of the Central Government. Shareholders who have not received the dividend for the said years are requested to claim the amount from the Registrar of Companies, Kerala, Kochi. Dividends declared thereafter will be transferred to the Investor Education and Protection Fund after the expiry of 7 years from the date on which dividends become due for payment.
9. Members should quote their Register Folio No. / Client ID No. & DP No. in all their Correspondence.
10. Members are requested to detach the attendance slip and produce it at the venue of the meeting.
11. Members holding shares in identical order of names in more than one folio are requested to write to the Registrars and Transfer Agents to facilitate consolidation of their holdings in one folio.
12. Shares of the Bank are traded in dematerialised form. Members may opt for availing the benefits of electronic holding / transfer of shares held by them. The equity shares of the Bank have been admitted as an eligible security in NSDL and CDSL bearing ISIN No.INE 680A01011.
13. Members may use the enclosed form for availing nomination facilities for the shares held by them. Members holding shares in demat mode may contact the Depository Participant (DP) concerned for this purpose.
14. All communications / correspondence with regard to equity shares of the Bank and Dividend may be forwarded to the Registrars and Transfer Agents at the address given below:  
M/s.Karvy Consultants Ltd., No.51/2, T.K.N Complex, Vanivilas Road, Opp.National College, Basavanagudi, Bangalore – 560 004.

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 6:**

Mrs.Nandini Rangaswamy was appointed an Additional Director on 07.07.2003 and holds office upto the date of the Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from a member signifying the intention to propose Mrs.Nandini Rangaswamy as a Director whose period of office is liable to determination by retirement of Directors by rotation. Mrs.Nandini Rangaswamy, aged 40, is an industrialist. She is associated with many social organizations and PSGR Krishnammal and GRG Memorial educational institutions. She represents the minority sector.

No other Director is interested or concerned in the resolution under the above item. The Board recommends the passing of the resolution under the above item.

**Item No. 7:**

The adoption of the Resolution under this item will enable the Bank to continue the existing system of Joint Statutory Auditors working in tandem with Branch Auditors which would speed up the audit work without sacrificing thorough verification at Branch level. Hence the resolution.

None of the Directors of the Bank is interested or concerned in the resolution under the above item. The Board recommends the passing of the above resolution.

Place: Thrissur

Date : 26.07.2003

By Order of the Board,  
Sd/-  
Company Secretary.



# THE DHANALAKSHMI BANK LTD.

Registered Office : Naickanal, Thrissur - 680 001.

## ATTENDANCE SLIP (To be handed over at the entrance of Meeting hall)

I Certify that I am a registered Shareholder / Proxy for the registered Shareholder of the Company.

### (SEVENTY SIXTH ANNUAL GENERAL MEETING)

Venue : KERALA SANGEETHA NATAKA ACADAMI HALL (REGIONAL THEATRE)  
THRISSUR - 680 020.

Date : 29-08-2003  
Time : 10 AM.

Proxy's name in Block Letters

I hereby record my presence

Signature of Member / Proxy

Note : Shareholders who come to attend the meeting are requested to bring their copies of Annual Report with them.



# THE DHANALAKSHMI BANK LTD.

Registered Office : Naickanal, Thrissur - 680 001.

## PROXY FORM

No. of Shares :

Folio No. /  
Client ID :

I/We \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member / Members of the

above named Company, hereby appoint \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing

him/her \_\_\_\_\_ of \_\_\_\_\_ in the

district of \_\_\_\_\_ as my/our Proxy in my/our absence to attend and vote for me /

us and on my/our behalf, at the Seventy Sixth Annual General Meeting of the Company, to be held on the

**29th day of August 2003** and at every adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2003.

Re. 1.  
Revenue  
Stamp

The proxy form duly completed must reach the Registered office of the Company at Naickanal, Thrissur-680 001 at least **48 hours before the meeting**.



(See rules 4 CCC and 5D)

**NOMINATION FORM**

(Nomination under Section 109 A of the Companies Act, 1956)

The Company Secretary,  
**THE DHANALAKSHMI BANK LTD.,**  
 Corporate Office,  
 Thrissur - 680 001

Dear Sirs,

**Nomination**

I/We ..... and the holder(s) of shares under Ledger Folio number ..... of The Dhanalakshmi Bank Ltd. wish to make a nomination and do hereby nominate the following person in whom all rights of shares and / or amount payable in respect of share(s) registered under the said folio shall vest in the event of my/our death. This nomination automatically supercedes the nomination, if any, given by me/us prior to the date herein above mentioned.

**Name and Address of Nominee**

Name : .....  
 Address : .....  
 Date of Birth\* ..... (\* to be furnished in case the nominee is a minor)  
 \*\* The Nominee is a minor. I/we appoint ..... (Name and address of the guardian), to receive the shares and/or the amount payable in respect of share(s) in the event of my/our/minor's death during the minority of the nominee.  
 (\*\* To be deleted if not applicable)

Name of the First Holder .....  
 Address .....  
 Date ..... Signature .....  
 Name of the Second Holder .....  
 Address .....  
 Date ..... Signature .....  
 Specimen Signature of the Nominee .....  
 (to be attached by the shareholder(s) ..... (signature of shareholder)

**Signatures of Witness**

1. Name and address .....  
 Date ..... Signature .....  
 2. Name and address .....  
 Date ..... Signature .....

For Instructions Please see overleaf

**BANK ACCOUNT PARTICULARS**

I/we ..... am /are holding ..... equity shares against Folio Number ..... and do hereby authorise the Dhanalakshmi Bank Ltd. to print the following details on my / our dividend warrant

or

to credit my dividend amount directly to my bank account in accordance with RBI's scheme. (Strike out whichever is not applicable)

**PARTICULARS OF BANK ACCOUNT**

1. Bank Name : .....  
 2. Branch Name and Address (for mandate only) : .....  
 3. Nine digit code number of the Bank & Branch name appearing on the MICR Cheque : .....  
 4. Account Type (Savings / Current / Cash Credit) : .....  
 5. Account Number (as appearing on the Cheque Book) : .....

I hereby, declare that the particulars given above are correct and complete and I shall not hold the Bank responsible if the ECS could not be implemented or the bank discontinue the ECS, for any reason.

Date : .....

Place : .....

Signature of the first named / sole member

Please fill-up and mail to : The Company Secretary, **THE DHANALAKSHMI BANK LTD.,** Corporate Office, Thrissur - 680 001

**INSTRUCTIONS :**

1. For Shares held in demat form, request for noting nomination should be given to the Depository Participant concerned.
2. Please use separate form for each folio. Nomination is applicable to the folio, irrespective of the number of shares registered under the folio.
3. The nomination can be made by individuals only applying / holding share(s) on their own behalf singly or jointly by all the joint holders. Non individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of a power of attorney cannot nominate.
4. If the share(s) are held jointly, all joint holders should sign the Nomination Form. Nomination forms will be valid only if it is signed by all the holders.
5. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian can be nominee on a re-patriation basis (subject to RBI approval as applicable).
6. A minor can be nominated by a holder of share(s) and in that event the name and address of the guardian shall be given by the holder.
7. Nomination stands rescinded upon transfer of share(s) or on receipt of a subsequent valid Nomination Form.
8. Transfer of share(s) in favour of the nominee, on the death of the shareholder(s), shall be a valid discharge by the Company against the legal heirs.
9. The form must be completed in all respects and duly witnessed by two witnesses and to be returned to **M/s.Karvy Consultants Ltd., TKN Complex, Vanivilas Road, Opp. National College, Basavanagudi, Bangalore - 560 004, Registrars and Share Transfer Agents.**
10. Subject to rules and regulations as applicable from time to time.



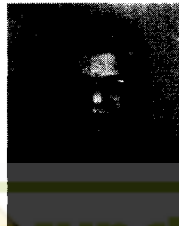
**BOARD OF DIRECTORS**



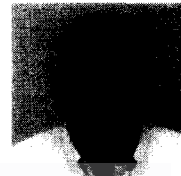
**B. MUTHUSWAMY**  
*Managing Director & CEO*



**Dr. P. Raja Mohan Rao**



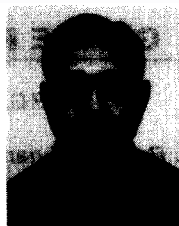
**Sri. P.K. Ananthanarayanan**



**Sri. V.K. Sharma**



**Sri. S. Varadachary**



**Sri. K. Govindan**



**Sri. A.P. Venkateswaran**



**Sri. V.J. Pappoo**



**Smt. Nandini Rangaswamy**



**Sri. E. Madhavan**

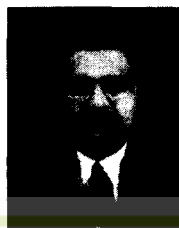




## **SENIOR EXECUTIVES**



**Sri. K.A. Menon**  
Executive Director



**Sri. Thomas Mathew**  
General Manager

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## **DEPUTY GENERAL MANAGERS**

**Sri. H.L. Sitaraman**

**Sri. P.G. Jayakumar**

**Sri. P.T. Thomas**

**Sri. A.K. Ramakrishnan**

**Sri. D. Nanha Ram**

## **ASSISTANT GENERAL MANAGERS**

**Sri. M.P.S. Sharma**

**Sri. A. Ram Mohan**

**Sri. P.S. Revikumar**

**Sri. R. Krishnan**

**Sri. A.K. Ramalingam**

**Sri. M. Vijayakumar**

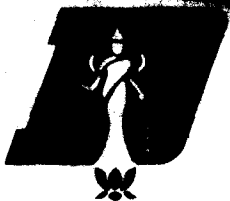
**Sri. K.K. Ranganathan**

**Sri. P.R. Narayanan**

**Sri. P.K. Ganapathy**

**Sri. Ravindran K. Warriar**

**Sri. R. Mallikarjunan**



## REPORT OF THE BOARD OF DIRECTORS

Your Board of Directors have pleasure in presenting the bank's Annual Report along with the audited Statement of Accounts and the Cash Flow statement for the year ended March 31, 2003.

### ECONOMIC SCENARIO

The Indian economy witnessed subdued growth in the fiscal year 2002 - 2003. Estimates of the Central Statistical Organization indicate that the growth of Gross Domestic Product (GDP) slackened to 4.3% in 2002 - 2003 as compared to 5.6% in 2001 - 2002. This resulted from the slowdown in the world economy, and the lacklustre performance in agriculture owing to the drought in our Country. The impetus to the growth in GDP came from the service sector, which grew at 7.1% during 2002 - 2003 as against 6.8% in 2001 - 2002. The manufacturing sector grew at 5.8% during 2002 - 2003 as compared to 2.8% in 2001 - 2002.

The financial markets were stable during 2002 - 2003. Reforms enabled improved integration of the Indian financial system with the world economy. There was adequate liquidity to meet credit growth and also to support investment demand while a stable price level continued. Interest rates further softened and the cost of credit came down. The market remained quite liquid during 2002 - 2003. There was a general reduction in yields during the year.

### PERFORMANCE HIGHLIGHTS

The performance of your Bank during the year 2002-03 can be considered highly satisfactory, as your Bank showed improvement under all major indicators.

(Rs in Crores)

	March 2003	March 2002	Growth
Income	259.38	239.86	8.1%
Operating Profit	63.52	50.59	25.6%
Net Profit	15.02	10.07	49.2%
Deposits	1,837.89	1,657.23	10.9%
Advances	1,080.49	917.71	17.7%
Investments	675.06	651.31	3.6%
Business per employee (Rs. in lakhs)	222.06	199.24	11.5%
Profit per employee (Rs. in lakhs)	1.15	0.78	47.4%

The total revenue earned by your Bank grew by 8.1% over the previous year while the **Operating Profit** and the **Net Profit** grew by **25.6%** and **49.2%** respectively. Falling interest rates and with a judicious mix of investments helped your Bank to post handsome **Profits**.

While **Deposits** grew by **10.9%** over the previous year, **Advances** grew by a much healthier **17.7%** during the same period. This assumes special significance, in the backdrop of a slow down in economic activity.

Within the category of **Deposits**, which grew by 10.9%, demand deposits and savings deposits grew at 58% and 16.2% respectively.

Within the category of **Advances**, which grew by 17.7%, Bank lending to **Priority sector** in general and to Agricultural sector in particular registered significant growth. This, in a year of drought is no small achievement; this was made possible by re-orienting some of our products to meet market preferences.

Equally significant is the drop in net NPA as a percentage of net advances to 9.25% from 11.66% during the previous year.

Similarly, while the overall **Investment** portfolio grew by 3.6% over the previous year, within that category, **Investments** in Govt. Securities grew by 11%. This was the result of a conscious effort by your Bank to change the **product-mix** in favour of **Gilts** as they offered the least risk; and has been vindicated, as your Bank reaped the benefits of a bull run in the **Gilts** market.