

ANNUAL REPORT

	BKC	✓
	DPY	✓
	DIV	✓
	AC	✓
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Report

HDFC BANK LIMITED

3rd ANNUAL GENERAL MEETING

Date : 24th July, 1997
Day : Thursday
Time : 3.00 p.m.
Place : Birla Matushri Sabhagar,
 19, New Marine Lines,
 Mumbai 400 020

BOARD OF DIRECTORS

Mr. Shobha Singh Thakur, *Chairman*
 Mr. Deepak M. Satwalekar
 Mr. Jagdish S. Bajjal
 Mr. Nasser M. Munjee
 Mr. Keki M. Mistry
 Mr. John Howland Jackson
 Mr. Philip W. Deer
 Dr. (Mrs.) Amla Samanta
 Mr. Aditya Puri, *Managing Director*

ASSISTANT VICE PRESIDENT-LEGAL & COMPANY SECRETARY

Mr. Sanjay B. Dongre

AUDITORS

Bharat S Raut & Co.
 (A member firm of KPMG)

REGISTRARS & SHARE TRANSFER AGENTS

MCS Limited

Sri Venkatesh Bhawan,
 Plot No. 27, Road No. 11,
 MIDC Area, Andheri (East),
 Mumbai 400 093.
 Tel. No. 8215235/6/7
 Fax No. 8350456

REGISTERED OFFICE

Sandoz House,
 Dr. Annie Besant Road, Worli,
 Mumbai 400 018.
 Tel. No. 4951616
 Fax No. 4951771

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Notice



NOTICE is hereby given that the Third Annual General Meeting of the members of HDFC Bank Limited will be held at Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020 on Thursday, 24th July, 1997 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31st March, 1997 and Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors.
2. To declare dividend.
3. To appoint a Director in place of Mr. J. S. Bajjal who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and in this connection, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT Bharat S Raut & Co., Chartered Accountants, be and are hereby re-appointed Auditors of the Bank to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, on a remuneration of such sum as may be fixed by the Board of Directors in the best interest of the Bank, for the purpose of audit of the Bank's accounts at its Head Office and all its branch offices."

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution :

"RESOLVED THAT Mr. John Howland Jackson be and is hereby appointed a Director of the Bank, liable to retire by rotation."
6. To consider, and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Phillip W. Deer be and is hereby appointed a Director of the Bank liable to retire by rotation."

By Order of the Board

SANJAY B. DONGRE
Asstt. Vice President—Legal
& Company Secretary.

Date : 20th May, 1997

Place : Mumbai.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE BANK. The proxy form should be lodged with the Bank at its Registered Office atleast 48 hours before the time of the Meeting.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Bank will remain closed from 2nd July, 1997 to 24th July, 1997 both days inclusive.
4. Payment of dividend, if declared, will be made to the eligible members whose names appear in the Register of Members of the Bank on 24th July, 1997.
5. Members are requested to promptly notify any change in their address to the Bank's Registrars and Share Transfer Agents MCS LIMITED, Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, M.I.D.C. Area, Andheri (East), Mumbai 400 093.
6. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Bank during office hours on all working days except public holidays; between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5

Mr. John Howland Jackson was appointed a Director of the Bank under section 260 of the Companies Act, 1956 and would hold office till the date of the ensuing Annual General Meeting. Subject to the approval of Members of the Bank, NatWest Markets have nominated Mr. Jackson as a Director of the Bank. Mr. Jackson is the Chairman, Asia Pacific of NatWest Markets. The Bank has received a notice from a Member signifying his intention to propose Mr. Jackson as a candidate for the office of Director. The Bank has also received deposit for Rs. 500/- as required under the said Act.

The Board of Directors recommends his appointment as Director. None of the Directors other than Mr. Jackson is in any way, concerned or interested in the said resolution.

ITEM NO. 6

Mr. Philip Deer was appointed as a Director of the Bank in the vacancy caused by the resignation of Mr. Phil Wise and would hold

office till the date of the ensuing Annual General Meeting. Subject to the approval of Members of the Bank, Natwest Markets have nominated Mr. Deer as a Director of the Bank. Mr. Deer is the Senior Managing Director, NatWest Markets and is in charge of foreign investment. The Bank has received a notice from a Member signifying his intention to propose Mr. Deer as a candidate for the office of Director. The Bank has also received deposit for Rs. 500/- as required under the said Act.

The Board of Directors recommend his appointment as a Director. None of the Directors other than Mr. Deer is, in any way, concerned or interested in the said resolution.

By Order of the Board

SANJAY B. DONGRE

*Asstt. Vice President - Legal
& Company Secretary.*

Date : 20th May, 1997

Place : Mumbai.

**MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE
ANNUAL REPORT TO THE MEETING**

Directors' Report



To the Members,

Your Directors have pleasure in presenting the Third Annual Report on the business and operations of your Bank together with the audited accounts for the year ended 31st March, 1997.

FINANCIAL PERFORMANCE

	(Rs. in Crores*)	
	For the year ended 31st March, 1996	For the year ended 31st March, 1997
Deposits and other borrowings	730.92	1,478.35
Advances	368.62	575.26
Total Income	128.09	193.33
Profit before depreciation and tax	29.80	64.31
Net Profit	20.28	40.50
Appropriations:		
Transfer to Statutory Reserve	4.06	10.13
Proposed Dividend on Equity Shares	—	16.00
Tax on proposed Dividend	—	1.60
Balance carried over to Balance Sheet	16.22	12.77

Performance Vs. Prospectus Forecast	Projected	Actuals
Total Income	127.80	193.33
Profit after Tax	30.90	40.50
EPS - Rs.	2.00	2.03

* Rs.1 Crore = Rupees Ten Million

Your Bank has performed well during its second full year of operations in 1996-97. Net profit was Rs. 40.50 crores, up 99.7 % from Rs. 20.28 crores in 1995-96. Return on average total assets was 3.0 % in 1996-97 up from 2.4 % in 1995-96, and return on average equity was 20.3 % in 1996-97, up from 10.4 % in the previous year.

GROWTH IN DEPOSITS AND ADVANCES

Deposits increased by 86.5 % for the year under review, from Rs. 685.70 crores to Rs. 1,279.07 crores. More importantly, the composition of deposits also changed with certificates of deposit down from Rs. 198.13 crores as of 31st March, 1996 to Rs. 31.91 crores as of 31st March, 1997. Savings account deposits more than tripled from Rs. 17.31 crores to Rs. 68.67 crores. These changes reflect your Bank's efforts at building its retail franchise and improving the stability and cost dynamics of the deposit base. In an environment in which overall bank credit grew by only 10 % as compared to 19 % in the previous year, your Bank's advances increased from Rs. 368.62 crores to Rs. 575.26 crores, a growth of 56 %. Your Bank's

approach to risk has been conservative and we believe our results bear that out. Your Bank also has a prudent strategy of funding its core loan growth from its core liabilities, defined as retail deposits and a certain proportion of corporate deposits.

