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**Annual Report**  
**1996-97**

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## CONTENTS

◦ Perceptions for the Future	II
◦ Directors' Report	XVIII
◦ Auditors' Report	1
◦ Accounts	2
◦ Subsidiaries	12



## 66th ANNUAL GENERAL MEETING

# NOTICE & EXPLANATORY STATEMENT

on Monday, the 18th August 1997 at 10.00 a.m.

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**THE VYSYA BANK LIMITED**

Regd. Office : No.72, St. Mark's Road, Bangalore - 560 001

**NOTICE**

The 66th Annual General Meeting of the Bank will be held at Chowdiah Memorial Hall, Gayathri Devi Park Extension, Vyalikaval, Bangalore - 560 003 on Monday, the 18th August 1997 at 10.00 AM to transact the following :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1997, Profit and Loss Account and Cash Flow Statement for the year ended on that date and reports of Directors and Auditors thereon.
2. To declare dividend
3.
  - a) To appoint a Director in place of Sri Tallam N Umesh, who retires by rotation and being eligible offers himself for re-appointment.
  - b) To appoint a Director in place of Sri R N Bansal, who retires by rotation. Sri R N Bansal is not seeking re-appointment.
  - c) To appoint a director in place of Sri B V Nageswara Rao, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

*Note:* As per the guidelines issued by the Reserve Bank of India, the statutory auditors should not associate themselves with the Bank for a period exceeding four years continuously.

M/s N C Rajagopal & Co., a partnership firm of Chartered Accountants, Chennai, one of the retiring Joint Statutory Auditors who were associated with the Bank for the last two years are eligible for re-appointment and they have expressed their willingness for being re-appointed.

M/s Vishnu Bharath & Co., one of the retiring Joint Statutory Auditors were appointed as one of the Joint Statutory Auditors in the 62nd Annual General Meeting of the Bank held on 28th July 1993 and were re-appointed from time to time. They hold the office till the conclusion of the ensuing 66th Annual General Meeting completing four years of association with the Bank. Hence, they are not eligible for re-appointment.

The Bank received special notices from certain members of the Bank expressing their intention to move the following resolution at the ensuing Annual General Meeting regarding the appointment of Auditors.

“RESOLVED THAT M/s N C Rajagopal & Co., Chennai, Chartered Accountants and M/s I S Prasad & Setty Associates, Bangalore, be and are hereby appointed as Joint Statutory Auditors of the Bank to hold office from the conclusion of the 66th Annual General Meeting till the conclusion of the next Annual General Meeting and the remuneration payable to them be fixed by the Board of Directors of the Bank.”

**5. SPECIAL BUSINESS :**

To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION in respect of which notices as required under Section 257 of the Companies Act, 1956 have been received from certain members;

“RESOLVED THAT Sri K R Ramamoorthy who has been appointed as an Additional Director in the Board Meeting held on 19th February 1997, be and is hereby appointed as a Director of the Bank who is not liable to retire by rotation.”

6. To consider and if thought fit, to pass with or without modifications, the following resolutions as ORDINARY RESOLUTIONS :

“RESOLVED THAT the appointment of Sri K R Ramamoorthy as Chairman and Chief Executive Officer of the Bank for a period of three years commencing from 19th February 1997 made by the Board under Article 99A of the Articles of Association of the Bank and as approved by the Reserve Bank of India under Section 35B of the Banking Regulation Act, 1949 on the following terms and conditions be and is hereby approved :

- |   |   |
|---|---|
| 01 SALARY                               | : Rs.75,000/- per month with effect from February 19, 1997.   |
| 02 PROVIDENT FUND                       | : Bank's contribution at the rate of 12% of the Salary or at such rate as may be prescribed by the Government of India from time to time.   |
| 03 ENTERTAINMENT EXPENSES               | : Reimbursement of entertainment expenses as per the procedure laid down by the Bank within a limit of Rs.12,000/- per annum or such sum as may be prescribed by the Board of Directors from time to time. Reimbursement of subscription to two Clubs shall also be within the said limit of entertainment expenses.                    |
| 04 RESIDENTIAL<br>ACCOMMODATION         | : Bank's own furnished accommodation, partly for official use. In case the bank desires to sell to the Chairman at the time of demission of office, bank's furniture provided at the Chairman's residence at book value, the bank should submit specific proposal (to RBI) indicating the price at the time of demission of his office. |
| 05 CONVEYANCE                           | : Free use of Bank's Car for official purposes. In case the bank desires to sell to the Chairman at the time of demission of office, bank's car provided to the Chairman at book value, the bank should submit specific proposal (to RBI) indicating the price at the time of demission of his office.                                  |
| 06 TRAVELLING EXPENSES                  | : Single return fare by the highest available class by Train (AC-I Class) or by Air (Business Class) or by Road for travel for official purposes.   |
| 07 HALTING ALLOWANCE                    | : Reimbursement of the actual lodging expenses (including taxes) or Halting Allowance of Rs.300/- per day or such sum as may be decided by the Board of Directors from time to time in the case of arrangements for own stay.   |
| 08 BOARDING CHARGES                     | : Reimbursement of actuals incurred.  |
| 09 (a) LEAVE<br>(b) ENCASHMENT OF LEAVE | : Leave at the rate of thirty days for every eleven months of service completed with full pay for encashment thereof at the end of the tenure. Casual and Sick Leave as applicable to Senior Executives of the Bank.  |

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| 10 LEAVE TRAVEL CONCESSION                               | : Reimbursement of travelling expenses for the self and dependent family by eligible class of journey.   |
| 11 REIMBURSEMENT OF HOSPITALISATION AND MEDICAL EXPENSES | : Reimbursement of actual medical expenses incurred for self and dependent members of the family.  |
| 12 GRATUITY  | : At the rate of 15 days for each completed year of service. If any change is made, prior approval of RBI should be obtained.  |
| 13 INSURANCE COVER                                       | : Personal Accident Insurance Policy for an amount on which the annual premium shall not exceed Rs.3,000/-.  |
| 14 TELEPHONE   | : No restrictions on use of bank's telephone for official use.   |
| 15 SUPERANNUATION FUND                                   | : Bank's contribution at the rate of 13% of the salary or at such rates as may be prescribed by the Government of India from time to time to Superannuity Fund of LIC or UTI.  |
| 16 TRANSFER FACILITY                                     | : Reimbursement of actual expenses of travel incurred for the self and dependent members of the family at the time of joining and leaving the service apart from actual expenses incurred for transportation of personal belongings.   |
| 17 LOAN FACILITIES                                       | : Housing Loan not exceeding Rs.30.00 lakhs. The Bank should recover interest on the housing loan as applicable to the other officers of the Bank. Instalment of recovery of principal and interest should be scheduled in such a way that the same is fully recovered from his salary/superannuation benefits by the time he demits office. The bank should also obtain proper security for the loan as applicable to other officers of the Bank. |
| 18 OTHERS  | : Specific proposals will have to be made by the bank to Reserve Bank of India for approval."  |

"Further Resolved that the Board of Directors of the Bank be and are hereby authorised to vary the terms and conditions of appointment of Chairman and Chief Executive Officer whenever it is deemed fit and necessary subject to the approval of Reserve Bank of India as may be required."

7. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION in respect of which notices as required under Section 257 of the Companies Act, 1956 have been received from certain members.

"RESOLVED THAT Mr Hugo De Clercq who has been appointed as an Additional Director on 19th January 1997 under Section 260 of the Companies Act, 1956 and who can hold office only upto this Annual General Meeting be and is hereby appointed as a Director of the Bank liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION in respect of which notices as required under Section 257 of the Companies Act, 1956 have been received :

“RESOLVED THAT Sri M K Ramachandra, a Director who has been appointed on 13th May 1996 in the casual vacancy caused by the resignation of Smt. R Susceela under Section 262 of the Companies Act, 1956 and who can hold office only upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Bank liable to retire by rotation.”

9. To consider and if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION :

“RESOLVED THAT subject to the approval of the Central Government, Reserve Bank of India and other regulatory bodies, wherever required, consent of the members be and is hereby accorded for the acquisition of equity shares of the Bank by Non Resident Indians (NRIs) / Overseas Corporate Bodies (OCBs) / Foreign Institutional Investors (FIIs) either by way of direct investment and allotment or by purchase/transfer through Stock Exchanges under portfolio investment scheme on repatriation basis, subject to the condition that such acquisition/ investment together with the existing holdings shall not exceed 30% of the paid-up capital of the Bank either for any of the aforesaid category of investors or in aggregate for all the categories put together or such other percentages as may be prescribed by Central Government / Reserve Bank of India or any other relevant statutory authority / regulatory bodies, either for each category or all categories put together, from time to time.



By Order of the Board

Place : Bangalore

Date : 28.06.97

**M MOHAN RAO**  
COMPANY SECRETARY



## ANNEXURE TO NOTICE

**EXPLANATORY STATEMENT AS REQUIRED UNDER  
SEC.173(2) OF THE COMPANIES ACT, 1956**

- 5&6. The Board of Directors in their meeting held on 19th February 1997 appointed Sri K R Ramamoorthy as an Additional Director. As per the approval received from the Reserve Bank of India and also pursuant to Article 99A of the Articles of Association of the Bank, the Board appointed Sri K R Ramamoorthy as Chairman and Chief Executive Officer of the Bank for a period of three years with effect from 19th February 1997.

The terms and conditions of appointment of Sri K R Ramamoorthy as mentioned in the proposed resolution have been approved by R B I vide its letter DBOD No.955/08.57.001/97 dated 6th May 1997.

Sri K R Ramamoorthy, Chairman and Chief Executive Officer is deemed to be interested in this resolution as it pertains to his appointment.

None of the other directors is interested in this resolution.

7. Mr Hugo De Clercq was appointed as an Additional Director on 19th January 1997 under Sec.260 of the Companies Act, 1956 read with Article 85 of the Articles of Association of the Bank and he will hold office of Directorship upto the date of this Annual General Meeting. Special Notices as required under Sec.257 of the Companies Act, 1956 have been received by the Bank for the appointment of Mr Hugo De Clercq as Director of the Bank. Mr Hugo De Clercq is deemed to be interested since the resolution deals with his appointment. Mr Hugo De Clercq is a representative of Bank Brussels Lambert.

None of the other directors is interested in this resolution.

8. Sri M K Ramachandra was appointed as Director on 13th May 1996 in the casual vacancy caused by the resignation of Smt. R Suseela, Director. Smt. R Suseela could have held office upto the date of the 66th Annual General Meeting of the Bank, under Article 95 of the Articles of Association of the Bank read with Sec.262 and other applicable provisions of the Companies Act, 1956. Notices as required under Section 257 of the Companies Act, 1956 have been received for the appointment of Sri M K Ramachandra as a director of the Bank. Sri M K Ramachandra is deemed to be interested in this resolution.

None of the other directors is interested in this resolution.

9. The investment by Foreign Institutional Investors (FIIs) / Non Resident Indians (NRIs)/ Overseas Corporate Bodies (OCBs) in the equity of Indian companies was permitted to the extent of 24% of the paid-up equity capital of the companies. Recently, the Government of India has raised the limit of such investments to 30% of the paid up equity capital of such companies, subject to approval of the Board of Directors of the investee company and approval of members of the investee company by way of a special resolution. The Board of Directors in the meeting held on 28.6.97 have considered and resolved to increase the ceiling of investment by the above categories upto 30% of the paid-up capital of the Bank. Since the increased investment by FIIs/NRIs/OCBs is considered to be in the interest of the Bank, the Board recommends the resolution for approval of the members.

None of the directors is interested in this resolution.



## NOTES

1. Register of Members and the Share Transfer Books of the Bank will remain closed from 22nd July 1997 to 18th August 1997 (both days inclusive).
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and proxy need not be a member. The proxies duly stamped and executed, should be lodged with the Registered Office of the Bank not less than 48 hours before the commencement of the meeting.  
  
For the convenience of the shareholders, a special counter will be kept open from 8 AM to 5 PM on 13th and 14th August and from 8 AM to 10 AM on 16th August 1997 at the reception of the Registered Office.
3. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 for the special business is annexed hereto in respect of business items from 5 to 9.
4. Subject to the provisions of Section 206-A of the Companies Act, 1956 the dividend, if declared, will be paid to those members entitled (pro-rata basis on the date and amount paid-up) thereto whose names appear in the Register of Members of the Bank as on 18.8.97. The dividend is tax free in the hands of the shareholders.
5. The members are requested to notify the changes, if any, in their address immediately to the Bank giving full address in block letters with pin code of the respective post office.
6. Shareholders who have not obtained their old share certificates exchanged consequent to sub-division of shares in the Bank are requested to surrender their old share certificates having face value of Rs.50/- each per share to the Bank so as to enable the Bank to send new share certificates having face value of Rs.10/- per share.
7. Those members who have not presented for collection of their dividend warrants issued in the years 1994, 1995 and 1996 are requested to send them to Registered Office of the Bank for revalidation to enable encashment at any of our branches. If the dividend warrants are not presented for payment within three years of its date, the amount of unclaimed / unpaid dividends will be transferred to the credit of Central Government as required under the provisions of the Companies Act, 1956.
8. The amount of unclaimed dividend upto the financial year ended 31st March 1993 has already been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205-A of the Companies Act, 1956. Those members who have so far not claimed their dividends for the earlier periods may claim the same by submitting an application in Form II (in duplicate) to the Registrar of Companies, Karnataka, Bangalore.
9. Shareholders who happen to hold shares in identical orders of names in different folios of the Register of Members are requested to write to the Bank enclosing their share certificates to enable the bank to consolidate their holdings in any of the folios.
10. The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued in view of the high cost of paper and printing. You are, therefore, requested to bring your copy of Annual Report to the meeting.
11. Members are requested to quote their Register Folio number in their correspondence.

12. Members are requested to avoid being accompanied by non-members and/or children.
13. Transfers received during the period of book closure shall be considered after reopening of the books and accordingly such transfers shall not be considered for dividend declared, if any.
14. Only registered members carrying the attendance slips and holders of valid proxies registered with the Bank will be permitted to attend the Meeting.
15. Members are requested to be in their seats at the meeting hall before the scheduled time of commencement of the Annual General Meeting to avoid interruptions in the proceedings.
16. Arrangements have been made to issue New Share Certificates with additional safety and security measures like water marks, holograms, barcodes etc., in lieu of the old certificates as and when the old certificates are lodged for transfer / transmission etc. In order to avoid loss in transit, such of those members who wish to safely exchange their old share certificates with new share certificates can do so personally at the Registered Office of the Bank.

**NOTE : NO GIFTS WOULD BE DISTRIBUTED**