



THE VYSYA BANK

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The Vysya Bank Limited

69TH ANNUAL REPORT 1999-2000

69th ANNUAL GENERAL MEETING
NOTICE AND EXPLANATORY STATEMENT

Venue : Chowdiah Memorial Hall
Gayatri Devi Park Extension
Vyalikaval, Bangalore - 560 003

Day/ Date : Monday, the 29th May, 2000

Time : 11.00 A.M.


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THE VYSYA BANK LIMITED

Regd -cum- Corporate Office

**NO. 72, ST. MARK'S ROAD
BANGALORE - 560 001**

 *The practice of distribution of gifts at the Annual General Meeting stands discontinued*



The Vysya Bank Limited

NOTICE

Notice is hereby given that the 69th Annual General Meeting of The Vysya Bank Limited will be held at Chowdiah Memorial Hall, Gayatri Devi Park Extension, Vyalikaval, Bangalore - 560 003, on Monday, the 29th May 2000 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March 2000, Profit and Loss Account for the year ended as on that date and the reports of Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March 2000
3. (a) To appoint a Director in place of Sri B.V. Nageswara Rao, who retires by rotation and being eligible, offers himself for re-appointment
(b) To appoint a Director in place of Sri Tallam N. Umesh, who retires by rotation and being eligible, offers himself for re-appointment
(c) To appoint a Director in place of Sri Dayanand Soma, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration. M/s. I.S. Prasad & Setty Associates, Chartered Accountants, Bangalore and M/s. Lovelock & Lewes, Chartered Accountants, Calcutta are eligible for reappointment and have expressed their willingness for being re-appointed as Joint Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution in respect of which

Notice as required under Section 257 of the Companies Act, 1956 has been received from a member:

“RESOLVED THAT Sri Richard J. Pfeiffer who has been appointed as an Additional Director with effect from 1st February 2000 under Section 260 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 Director of the Bank liable to retirement by rotation.”

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

“RESOLVED that the reappointment of Sri K.R.Ramamoorthy, Chairman and Chief Executive Officer of the Bank for a period of three years with effect from 19th February 2000 made by the Board of Directors under Article 99A of the Articles of Association of the Bank and 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.

Term of Office

Three years with effect from 19th February 2000.

REMUNERATION

Salary

Rs.75,000/- per month or such sum as may be revised by RBI from time to time.

Entertainment Allowance

Reimbursement of entertainment expenses to the extent of actuals. Reimbursement of subscription to two Clubs apart from entry fees to the extent of actuals. The overall limit on both can be prescribed by the Board of Directors from time to time.



PERQUISITES

Free furnished house

Bank's own furnished accommodation, partly for official use. In case the Bank desires to sell Bank's furniture provided at the Chairman's residence at book value or market value whichever is less, to the Chairman at the time of demission of office, the Chairman has option to purchase the same. The Bank will submit specific proposal to RBI indicating the price at the time of demission of his office, if required.

Conveyance

Free use of Bank's car for official purposes. In case the Bank desires to sell the Bank's car at book value or market value, whichever is less, to the Chairman at the time of demission of office, the Chairman has option to purchase the same. The Bank will submit specific proposal to RBI indicating the price at the time of demission of his office, if required.

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.

Superannuation Fund

Bank's contribution at the rate of 27% 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.

Travelling Allowance

Single return fare by the highest available class by Train (AC-1 Class) or by Air (Business Class) or by Road for travel for official purposes.

Halting Allowance

Reimbursement of the actual lodging expenses (including taxes) or halting allowance of Rs.500/- per day or such sum as may be decided

by the Board of Directors from time to time in case of arrangements for his own stay.

Boarding charges

Reimbursement of actuals incurred.

Medical Benefits

Reimbursement of actual hospitalisation and medical expenses incurred for self and dependent members of the family.

OTHER BENEFITS

Insurance cover

Personal Accident Insurance Policy for an amount on which the annual premium shall not exceed Rs.4,000/-.

Telephone

No restriction on use of Bank's Telephone / Fax / E - Mail.

Loan facilities

Specific proposals for new loan facilities will be made by the Bank to RBI for approval.

Existing outstanding amount of Rs.4.96 lakhs of Housing Loan will continue on the terms and conditions already approved by the Board pursuant to the approval accorded by RBI.

Ordinary Leave, Casual Leave & Sick Leave

Leave at the rate of thirty days for every eleven months of service completed with full pay for encashment thereof including the unavailed leave during the initial tenure ended 18th February 2000 as at the end of the extended tenure i.e., 18th February 2003. Casual Leave and Sick Leave as applicable to Senior Executives of the Bank.

Leave Fare Concession

Reimbursement of travelling expenses for the self and dependent family members by eligible class of journey once in a year.



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Others

Specific proposals will be made by the Bank to Reserve Bank of India for approval."

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

"RESOLVED THAT the appointment of Sri Bart Hellemans as a Whole-time Director designated as Deputy Managing Director of the Bank in terms of the approval accorded by the Reserve Bank of India under Section 35B(1)(b) of the Banking Regulation Act, 1949 on the following terms and conditions be and is hereby approved.

Tenure

Two Years from the date of assuming the Office, i.e., 29th October 1999.

Salary

Rs.60,000/- per month.

House Maintenance Cost

Reimbursement of House Maintenance Cost to the extent of Rs 20,000/- per month.

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.

Conveyance

Free use of Bank's Car for official purposes. In case driver is employed, the Director will be entitled for reimbursement of Rs. 4,500/- per month towards driver's salary.

Travelling Expenses

Single return fare by the highest available class by Train [AC-First Class] or by Air [Business Class] or by Road for travel for official purposes.

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 case of arrangements for own stay.

Boarding Charges

Reimbursement of actuals incurred.

Leave & 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 Leave and Sick Leave as applicable to Senior Executives of the Bank.

Leave Travel Concession

Reimbursement of travelling expenses for self and dependent members of the family for his home country by eligible class of journey once in a year.

Reimbursement of Hospitalisation and Domestic Medical Expenses

Reimbursement of actual medical expenses incurred for self and dependent members of the family.

Telephone / Fax/ E-Mail

No restrictions on use of Bank's Telephone/Fax/ E-Mail for official use.

Repatriability

The remuneration will be paid in Indian Rupees on non-repatriable basis."



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

"RESOLVED THAT, pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Bank be and is hereby altered by way of addition as sub-article (d) to Article 99B of the Articles of Association of the Bank:

99B(d) Notwithstanding anything contained in sub-article (a) of Article 99B, the Board may, in addition to a full time Chairman, appoint a Whole-time Director not liable to retire by rotation designated as Deputy Managing Director or such other designation, and may confer such power as they may think fit to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as the Board may think expedient, subject, however, that the powers and functions so conferred or entrusted shall not exceed those of the Chairman. Such Wholetime Director shall report to the Chairman and Chief Executive Officer or Managing Director as the case may be."

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

"RESOLVED THAT, pursuant to the provisions of Section 81(1-A) and other applicable provisions, if any, of the Companies Act, 1956, Regulation 3(1)(c) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subject to the approval of appropriate authorities as may be required and subject to such other terms and conditions as may be prescribed

while granting such approvals, which the Board of Directors of the Bank be and is hereby authorised to agree and to accept as it may deem fit, the consent of the shareholders be and is hereby accorded to the Board of Directors of the Bank to issue and allot in one or more instalments, on preferential basis:

- (a) Upto 22,65,945 Equity Shares of Rs.10/- each in such manner as the Board of Directors may in its absolute discretion deem fit, for subscription by International Finance Corporation (IFC) at a price of Rs.150/- per share (including a premium of Rs.140/- per share) which is higher than the price of Rs. 135.59 as per SEBI/RBI guidelines forming upto 10% of the post issued capital of the Bank, on preferential basis, subject to execution of Subscription Agreement and Share Retention and Undertaking Agreement and any other agreement as may be necessary in this regard for safeguarding the interest of the Bank.
- (b) Upto 5,66,485 Equity Shares of Rs.10/- each in such manner as the Board of Directors may in its absolute discretion deem fit, for subscription by BBL or any of its wholly owned subsidiaries, singly or jointly, at a price of Rs.150/- per share (including a premium of Rs.140/- per share) which is higher than the price of Rs. 135.59 as per SEBI/RBI guidelines, forming upto 2.5% of the post-issued capital of the Bank on preferential basis, maintaining its holdings upto 20% of the post issued capital of the Bank and subject to execution of amendment, if any, to Cooperation Agreement and Shareholders' Agreement with BBL and execution of any such other



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agreement as may be necessary in this regard for safeguarding the interest of the Bank.

FURTHER RESOLVED THAT the said new Equity shares shall be subject to the Memorandum and Articles of Association of the Bank and shall rank in all respects pari passu with the existing equity shares of the Bank, save and except that the new equity shares shall qualify for dividends, if any, which may be declared for the Bank's financial year in which the said Equity Shares are allotted and for subsequent financial years in proportion to the capital for the time being paid up and pro-rata for the period during which such capital is paid up whether such dividends are declared from accumulated reserves or current profits.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of

Directors be and is hereby authorised to do all such acts, deeds, matters and things and to take all such steps and give necessary directions as may, in its absolute discretion, deem necessary, desirable or expedient and to settle any question or difficulty that may arise in regard to the issue and allotment of the new equity shares on preferential basis.

FURTHER RESOLVED THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors of the Bank to give effect to the aforesaid resolution."

By Order of the Board

Place : Bangalore

Date : 29th April 2000

M V S Appa Rao

Company Secretary





NOTES

1. Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956 in respect of Item Nos. 5 to 9 of the Special Business is annexed.
2. Register of Members and the Share Transfer Books of the Bank will remain closed from 2nd May 2000 to 29th May 2000 (both days inclusive).
3. **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 proxy forms, duly stamped and executed, should be lodged with the Registered Office of the Bank at least 48 hours before the commencement of the meeting.**

For the convenience of the Shareholders, a special counter will be kept open to receive the Proxy Forms from 8 A. M. to 5 P. M. on 24th to 26th May 2000 and from 8 A. M. to 11 A. M. on 27th May 2000 at the Investors' Service Cell, Secretarial Department, Registered cum Corporate Office, No. 72, St. Mark's Road, Bangalore - 560 001.
4. Only registered members / beneficial owners carrying their attendance slips and holders of valid proxy forms registered with the Bank will be permitted to attend the meeting.
5. Members are requested to avoid being accompanied by non-members and / or children.
6. 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.
7. Subject to the provisions of Section 206-A of the Companies Act, 1956, the dividend, if declared at the AGM, will be paid to those members entitled thereto (pro-rata basis on the date and amount paid-up) whose names appear in the Register of Members of the Bank at the closing hours of 29th April 2000 since 30th April 2000 and 1st May 2000 are holidays (Register of Members and Share Transfer Books are being closed from 2nd May 2000 to 29th May 2000 - both days inclusive). The Dividend is tax free at the hands of the shareholders.
8. Arrangements have been made to remit the Dividend through ECS to the shareholders who have opted for such mode of payment and furnished all the relevant / valid information. Any other shareholder interested in ECS mode of receipt of dividend for the year 2000 - 2001 onwards may write to the Company Secretary, The Vysa Bank Limited for further information.
9. As regards beneficial owners having shares in demat mode, they will be entitled for dividend if their names appear in the list to be provided to the Bank by National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as at the end of the day (EOD) on 29th April 2000 (since 30th April 2000 and 1st May 2000 are holidays).
10. Transfers for physical shares received during the period of book closure shall be considered only after reopening of the books and accordingly share transfers received during book closure period shall not be considered for dividend declared, if any.
11. Members are advised to furnish details of their Bank Account, if not already furnished, to enable the Bank to mention such account number in the dividend warrants, which will avoid fraudulent encashment.
12. In terms of the amended provisions of Section 205A of the Companies Act, 1956, the amount of unclaimed / unpaid dividend will be transferred to the fund created by the Central Government for this purpose under Section 205C of the Companies Act, 1956, if the Dividend Warrants are not presented for payment within seven years from the date of issue. Hence, the



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members who have not presented their dividend warrants for payment for the years 1995-1996, 1996-1997, 1997-1998 and 1998-1999 are requested to send them to the Registered Office of the Bank for revalidation to enable encashment at any of our Branches. No claim will be entertained by the Bank or the Fund after the expiry of seven years.

13. The Bank is initiating steps to forfeit the shares on which call money and interest thereon is due since December 1996. Hence, the shareholders who could not pay their dues in spite of extension given from time to time (the last extension being up to 31st March 2000) are advised to make arrangements for immediate payment to avoid forfeiture.
14. 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.
15. Members are requested to quote their Registered Folio number in their correspondence. Those Shareholders who have dematerialised their shares are requested to quote their Client ID No. and DP ID No. in their correspondence.
16. The practice of distributing copies of the Annual Report at Annual General Meeting has been discontinued in view of the high cost of paper and printing. The members, therefore, are requested to bring their copy of the Annual Report to the meeting.
17. The Bank has entered into an agreement with NSDL and CDSL to provide the investors a facility to hold the shares of the Bank in electronic form, instead of holding physical share certificates. SEBI has included the Shares of the Bank in the List of Companies whose Shares are to be compulsorily traded by all types of investors in Demat mode with effect from 21st March 2000.

The Bank is also offering demat services as Depository Participant of NSDL in the name and style of "Vys-DP E-Locker Account".

The Shareholders are advised to contact for more details about Vys-DP E-Locker Account facility being offered by the Bank at the designated Branches as under:

1. Bangalore: Bangalore Stock Exchange Extension Counter, St. Mark's Road, Kempegowda Road, Malleswaram, Jayanagar, VET Extn. Counter, J.P. Nagar, Ulsoor, Srinivasanagar, Vijayanagar, V.V.Puram, Sadashivanagar and Kasturba Road.
2. Chickmagalur
3. Davangere
4. Hyderabad - Abid Road, Chikkadpalli & S.P. Road.
5. Guntur (Arundalpet)
6. Kochi
7. Mangalore
8. Mumbai - Andheri (E), Dadar (E) & Nariman Point.
9. Mysore
10. Nagpur
11. Sirsi
12. Tumkur
13. Vijayawada (Governorpet)
14. Visakapatnam - Shantipuram & Dwarakanagar.
18. Depositories have devised systems to enable electronic transfer of dividend to the money accounts of Beneficial Owners. Some of the shareholders of the Bank may have given their bank account details in the DP account opening form while opening a depository account with participants of NSDL / CDSL. Such details will be used by the Bank for printing on Dividend



Warrants. This ensures that the Dividend Warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the account specified on the Dividend Warrant. This ensures safety for investors. However, if the Shareholders want to receive

dividend in an account other than the one specified while opening the DP account, they may change / correct Bank account details with their Depository Participants. The Shareholders may also give MICR code of their Bank to their DP.

