

INFORMATION MEMORANDUM



UTI BANK LIMITED

(Incorporated on 3rd December, 1993 under The Companies Act, 1956)

Registered Office: 'Sakar - I', Ground Floor, Off Ashram Road, Ahmedabad 380 009
Tel No. (079) 658 6815, Fax No. (079) 658 1490, website: www.utibank.com, E.mail address :
Rajendra.Swaminarayan@utibank.co.in

Central Office: Maker Tower 'F', 13th Floor, Cuffe Parade, Colaba, Mumbai: 400 005
Tel No. (022) 22189106/7/8/9, Fax No. (022) 22186944/22181429

**PRIVATE PLACEMENT OF 500 UNSECURED REDEEMABLE NON-CONVERTIBLE
DEBENTURES OF RS. 10,00,000/- EACH FOR CASH AT PAR AGGREGATING RS. 50 CRORES**

General Risk

Investment in debt instruments involves a degree of risk and investors should invest any funds in the issue only after reading the risk factors on page no. iii to page no. vi in the Information Memorandum carefully. For taking investment decision, investors must rely on their own examination of the Issuer and the issue including the risk involved. The Securities have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

Issuer's Absolute Responsibility

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this offer document contains all information with regard to the issuer and the issue, which is material in the context of the issue, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect

Listing

The Debentures of the Company are proposed to be listed on The Stock Exchange, Mumbai.

Credit Rating:

ICRA has assigned rating "LAA" (pronounced L double A) to these Debentures. This rating indicates high safety. Risk factors are modest and may vary slightly. The protective factors are strong and the prospect of timely payment of principal and interest as per terms under adverse circumstances, as may be visualised, differs from LAAA only marginally.



IDBI TRUSTEESHIP SERVICES LIMITED

DEBENTURE TRUSTEE
IDBI Trusteeship Services Limited
10th Floor, Nariman Bhavan, 227, Vinay K. Shah Marg,
Mumbai 400 005
Tel.no.:56311771-3, Fax.no.:56311776
SEBI Registration No. IND000000460



REGISTRAR TO THE ISSUE:

Karvy Consultants Ltd.- Karvy House, 46, Avenue
4, Street no.1, Banjara Hills, Hyderabad – 500 034.
Tel.no. 040 23312454 / 23320751
Fax no. 040 23311968
SEBI Registration No. INR6030221
E-mail : jayaramanvk@karvy.com

Issue Opening Date: 12 th January 2004	Issue Closing Date 14 th January 2004	Deemed Date of Allotment 15 th January 2004
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DEFINITIONS/ABBREVIATIONS USED

Act	The Companies Act, 1956
ALCO	Asset Liability Management Committee
BR Act	The Banking Regulation Act, 1949
BSE	The Stock Exchange, Mumbai
CAR	Capital Adequacy Ratio
CMD	Chairman and Managing Director
CDSL	Central Depository Services Limited
ED	Executive Director
FI	Financial Institution
FII	Foreign Institutional Investors
F&O	Futures & Options
GIC	General Insurance Corporation of India
GIC-AMC	GIC Asset Management Company
GIC-HF	GIC Housing Finance Limited
G-Sec	Government Securities
ICRA	ICRA Limited
Kshs	Kenyan Shilling
LIC/LIC of India	Life Insurance Corporation of India
NAV	Net Asset Value
NCDEX.	National Commodity & Derivatives Exchange Limited
NIAC	The New India Assurance Company Ltd.
NIC	National Insurance Company Ltd.
NPAs	Non Performing Assets
NRI(s)	Non Resident Individuals
NSDL	National Securities Depository Limited
NSE	National Stock Exchange.
OIC	The Oriental Insurance Company Limited.
OTCEI	Over The Counter Exchange of India
OCB	Overseas Corporate Body
RBI	Reserve Bank of India
SEBI	Securities and Exchange Board of India
SUUTI	Specified Undertaking of Unit Trust of India
T.T	Trinidad and Tobago
UIIC	United India Insurance Company Limited
UTI	Unit Trust of India



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RISK FACTORS

Following are certain considerations, which the investors should peruse before making an investment in the issue. The material implication of the risks envisaged by the management has been quantified as far as possible. Where such quantification has not been made it may be construed that the implication cannot be quantified.

Internal Risk Factor:

1. The Bank's business is vulnerable to volatility in interest rates. Changes in market interest rates could affect the interest rates charged on Bank's interest-earning assets differently from the interest rates paid on its interest-bearing liabilities. Any volatility in interest rates could adversely affect the Bank's business and its future financial performance.

Proposal to address the Risk : Even with significant reduction in overall interest rates over last two years the Bank has been able to increase its Net Interest Margin from 1.11% in FY01 to 2.09% in FY03. The Asset Liability Management Committee (ALCO) of the Bank continuously monitors interest rate changes to assess the impact of change in interest rates and steps taken/required to be taken to minimize adverse impact, if any.

2. The primary business of Bank is of lending which carries a risk of default by borrowers.

Proposal to address the Risk : Necessary controls like maintaining a diversified portfolio with industrywise, borrowal group wise and specific client wise exposure limit, to avoid concentration of lending to any industry segment/borrowal group/company are being complied with. These limits help minimise credit risks. The Bank has also set up a separate Risk Department to monitor the risk associated with lending to an individual project, business group and industry. The performance of the asset portfolio is monitored on a regular basis to take corrective action wherever necessary.

3. Any increase in the NPA levels of the Bank could adversely affect the Bank's performance. The Bank's net NPAs represented 1.92% of its Total Customer Assets at March 31, 2003, 2.67% at March 31, 2002 and 3.43% at March 31, 2001.

Proposal to address the Risk: Over last two years, the Bank has reduced its net NPAs significantly to 1.92% of Total Customer Assets with a combination of conservative origination, adequate provisioning and emphasis on recoveries. The Bank has in place sound risk management systems and remedial management systems to identify and deal with borrowers under stress.

4. Assets Liability position – The Bank's funding comprises of short and medium term loans from its Term deposits . The asset liability position of the Bank could be affected, impacting the business, if the depositors do not roll over the deposits or there is shortfall in new deposits.

Proposal to address the Risk: The Bank has advanced risk management system in place to monitor liquidity gap position vis-à-vis prudential limits. This report is placed periodically at ALCO so as to maintain a healthy and sustained growth within acceptable risk parameters. The Bank also maintains adequate levels of liquid assets, which can be used to meet the liquidity gaps.

5. The Bank's profitability could be subject to volatility in income from its treasury operations- Treasury revenue is vulnerable to volatility in the market caused by changes in exchange rates, interest rates, equity prices and other factors. Any increase in interest rate may have an adverse effect on the value of the Bank's fixed income securities portfolio.



Proposal to address the Risk: The Bank is focussed on reducing volatility in its income by reducing its dependence on trading revenue. During FY03, trading revenue constituted only 36 % of total income of the Bank while Net Interest Income and Fees constituted the balance 64 %. The Bank has adequate internal controls to monitor its securities portfolio position and ALCO reviews the value at risk periodically.

6. (a) There are 3 litigations involving claims against the bank to the extent of approximately Rs. 26 crores, not acknowledged as debts. A brief of the same is given in the table below.

Sr. No.	Claim Amount (Rs. Crores)	Court / DRT / Forum	Claimant
1	23.55	Calcutta High Court	Stiefel Und Schuh (I) Ltd.
2	2.57	Delhi High Court	Videsh Sanchar Nigam Limited (VSNL) A/c Shristi Videocorp Limited.
3	0.05	Delhi High Court	Mr. Rajiv Kumar Aggarwal

- (b) Consumer cases

Sr. No.	Claim Amount (Rs. Crores)	Court / DRT / Forum	Claimant
1	0.34	Various	23 cases filed before various consumer courts

- (c) Case before Banking Ombudsman New Delhi

A complaint has been filed against the bank before the Banking Ombudsman New Delhi claiming a damage approximately to the extent of Rs. 0.02 crores.

Proposal to address the Risk: The Bank has obtained specific legal opinions on the material cases stated above and is undertaking all necessary actions to ensure resolution of the disputes/defend the interest of the Bank.

7. As on March 31, 2003 UTI Bank has contingent liabilities of Rs. 13,068.08 crores.

Proposal to address the Risk: The contingent liabilities appearing in the books of the Bank as on March 31, 2003 are not fully provided for since they mainly represent guarantees issued, outstanding letters of credit and outstanding forward contracts, which are on account of Bank's normal operations. The income tax and interest tax disputed demands for earlier assessment years are pending in appeal but all the dues raised has been paid.

8. The Bank may face potential conflict of interest since the Bank and the Promoters (UTI/LIC/GIC) and other group companies of the Promoter are engaged in financial service sector, which may have overlap of business or could be competitors in some areas of business

Proposal to address the Risk: The Board of the Directors /Management of the Bank evaluates each business opportunity on its merits before finalising on the proposal. Further the Bank undertakes the business as permitted under its Object clause of Memorandum after obtaining necessary approval from RBI. It is also ensured that the Bank conducts its business in a competitive manner.



9. Significant fraud, systems failure or calamities could adversely impact the Bank's business.

A significant failure of security measures could have a material adverse effect on its business and its future financial performance. Computer break-ins and power disruptions could affect the security of the information stored in and transmitted through its computer systems and network infrastructure.

Proposal to address the Risk: The Bank has implemented robust security technology and established operational procedures to prevent break-ins, damage and failures. The Bank employs security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. These are continuously reviewed and upgraded.

External Risk Factor:

1. There are number of regulations as per the BR Act, 1949 which impede the flexibility of the Bank's operations and affect/restrict investors' rights. They are as follows:
 - a) The Banks can only carry on business /activities as specified in the BR Act. There is no flexibility to pursue profitable avenues if they arise, in contrast with companies under the Companies Act, where shareholders can amend the Object Clause by a Special Resolution.
 - b) There are restrictions in the BR Act regarding:
 - i. Setting up a Subsidiary by a Bank
 - ii. Management of the bank including appointment of directors
 - iii. Borrowings and creation of floating charge thereby hampering leverage. Bank may have to resort to unsecured debt instruments for borrowings.
 - iv. Opening of new branches is subject to RBI permission.
 - v. Reconstruction of banks through amalgamation etc.
 - vi. Further issue of capital including issue of bonus shares/rights shares requires RBI approval.
 - c) The financial disclosures on financials in the Information Memorandum may not be available to investors after listing on continuous basis.
2. Other restrictions under the BR Act are as under:
 - i. In terms of Section 8 of the BR Act, the Bank is prohibited from doing trading activity, which may act as an operation constraint.
 - ii. In terms of Section 25 of the BR Act each banking company has to maintain assets in India which is not less than 75% of its demand and time liabilities in India which in turn may prohibit the Bank from creating overseas assets and exploiting overseas business opportunities.
3. Material changes in Regulations Governing Indian Banks could impact the Bank's business

The banks operate in a highly regulated environment in which the Reserve Bank of India extensively supervises and regulates all banks. Its business would be directly affected by any changes in policies for banks in respect of directed lending and reserve requirement. In addition, these could be subject to other changes in laws and regulations such as those affecting the extent to which they can engage in specific businesses, as well as changes in other governmental policies, income tax law as and accounting principles.

Notes:

The Bank would like to clarify that inspection by RBI is a regular exercise and is carried out periodically for all Banks and Financial Institutions. The reports of RBI are strictly confidential. RBI does not allow disclosure of its inspection report and that all the disclosures made in Information Memorandum are on the basis of management and audit reports of the Bank.



Creation of Redemption Reserve is not envisaged for the proposed issue of Subordinated Debentures. As per circular issued by Ministry of Law in April, 2002, Banking Companies are not required to create Debenture Redemption Reserve under Section 117 of Companies Act, 1956.

In the opinion of Directors of the Bank, there are no circumstances that have arisen since the date of the last financial statement disclosed in the Information Memorandum that materially or adversely affect or are likely to affect the performance or profitability of the bank, or value of its assets, or its liability to pay liabilities within the next twelve months.

HIGHLIGHTS

- ◆ An existing profit making, dividend paying listed banking company
- ◆ Large network throughout the Country with more than 220 branches including 58 extension counters and 1075 ATMs.
- ◆ Bank has Tie up with State Bank of India, ABN Amro Bank N.V., ING Vysya Bank, Kotak Bank Limited, Bank of Rajasthan Limited for sharing ATM Network.
- ◆ Net Profit of Rs. 192.18 crores and diluted EPS of Rs. 9.97 per shares for year ended 31st March 2003.
- ◆ ICRA has assigned rating “**LAA**” (pronounced L double A) to these Debentures. This rating indicates high safety. Risk factors are modest and may vary slightly. The protective factors are strong and the prospect of timely payment of principal and interest as per terms under adverse circumstances, as may be visualised, differs from LAAA only marginally



IMPORTANT NOTICE

No part of this document is intended for the use of any recipient located outside India or any recipient who is not resident in India. This document is also not intended for the use of Non-Resident Indians ('NRIs') (except on non repatriation basis as stated elsewhere), Overseas Corporate Bodies ('OCBs') or Foreign Institutional Investors ('FIIs')

This issue by UTI Bank Limited (the "Issuer"), of Unsecured Subordinated Debt in the nature of Non-Convertible Debentures ("Debentures") is being made strictly on a private placement basis. It is not and should not be deemed to constitute an offer to the public in general or any section or class thereof. This Memorandum ("Information Memorandum") is neither a prospectus nor a statement in lieu of prospectus. It cannot be acted upon by any person other than to whom it has been specifically addressed, neither can this document be circulated, reproduced or redistributed in any form whatsoever.

This Information Memorandum is not intended to provide the sole basis of any credit decision or other evaluation and should not be considered as a recommendation that any recipients of this Information Memorandum should invest in the Debentures. Each potential investor should make its own independent assessment of the investment merit of the Debentures and the Issuer.

This Information Memorandum is made available to potential Debentures investors on the strict understanding that it is confidential. Recipients shall not be entitled to use any of the information otherwise than for the purpose of deciding whether or not to invest in the Debentures.

No person including any employee of the Issuer has been authorised to give any information or to make any representation not contained in this Information Memorandum. Any information or representation not contained herein must not be relied upon as having being authorised by or on behalf of the Issuer. Neither the delivery of this Information Memorandum at any time nor any statement made in connection with the offering of the Debentures shall under the circumstances imply that any information/representation contained herein is correct at any time subsequent to the date of this Information Memorandum.

The distribution of this Information Memorandum and the offering of the Debentures in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer to inform themselves about, and observe any such restrictions.



PART I

I. GENERAL INFORMATION

Information Memorandum for Private Placement of 500 Unsecured Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each for cash at par aggregating Rs. 50 crores by UTI Bank Limited.

UTI BANK LIMITED

(Incorporated on 3rd December, 1993 under The Companies Act, 1956)

Registered Office:

'Sakar - I', Ground Floor, Off Ashram Road, Ahmedabad 380 009
Tel No. (079) 658 6815, 658 6829 Fax No. (079) 658 1490 website: www.utibank.com,
E.mail address : Rajendra.Swaminarayan@utibank.co.in

Central Office:

Maker Tower 'F', 13th Floor, Cuffe Parade, Colaba, Mumbai: 400 005
Tel No. (022) 22189106/7/8/9, Fax No. (022) 22186944/22181429

Government Approvals

The Bank was incorporated on 3rd December 1993 and received Certificate of Commencement of Business on 14th December, 1993. The Banking License from Reserve Bank of India was received vide letter no. DBOD(AH) No. 2300/03.02.24A/93-94 dated 28th February 1994 in terms of Section 22 of the Banking Regulation Act, 1949.

It must be distinctly understood, however, that the issuing of license and granting of approval by RBI should not, in any way, be deemed or construed to be an approval by RBI, to this Information Memorandum nor should it be deemed that RBI has approved it nor does RBI take any responsibility either for the financial soundness of the Bank or for the correctness of the statements made or opinions expressed in this connection.

Authority for Present Issue

The present issue of Unsecured Redeemable Non Convertible Debentures is made pursuant to the resolution passed by the Board of Directors of the Bank at its meeting held on 17th October 2003.

Stock Exchange Disclaimer Clause

It is to be distinctly understood that the submission of the Information Memorandum to the Stock Exchange should not in any way be deemed or construed that the Information Memorandum has been cleared or approved by Exchange. Stock Exchange does not take any responsibility either for the financial or other soundness of this Issuer, or the achievement of the object for which placement is proposed to be made or for the correctness of the statement made or opinions expressed in the Information Memorandum.

General Disclaimer

The issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisement or any other material issued by or at the instance for the issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.



Listing

Initial Application has been made to BSE. The Information Memorandum is filed with BSE.

Underwriting

The present issue is not underwritten.

Minimum Subscription

Pursuant to the notification no. SEBI/MRD/SE/AT/46/2003 dated 22nd December 2003 issued by SEBI minimum subscription clause is not applicable to the privately placed debt securities.

Impersonation

Any person who-

- a) makes in a fictitious name an application to a company of acquiring, or subscribing for any Securities therein, or
- b) otherwise induces a company to allot or register any transferor of Securities therein to him, or any other person in a fictitious name shall be punishable under the extant laws.

Issue of Letter of Allotment/ Allotment Advice and Debenture Certificates

The Issuer will execute and despatch Letters of Allotment/ Allotment advice in favour of the allottees or Refund Letter along with refund amount, not later than 7 days after the Deemed Date of Allotment. After completion of all legal formalities, the Issuer will issue the Debentures certificate(s) / credit the DP account of the allottees against surrender of the letter(s) of allotment within three month(s) of the Deemed Date of Allotment, or such extended period subject to obtaining the approvals, if any. Interest at 6.00 % p.a. (for Option I)/ 6.25 % p.a. (for Option II)/ 6.50 % p.a.(for Option III) will be paid via interest warrants on the application money to the applicants for the relevant option applied. Such interest will be paid for the period commencing from the date of realisation of the cheque(s) / demand drafts (s) up to but excluding the Deemed Date of Allotment. The interest warrants for interest payable on application money will be despatched by Registered Post/ Courier the next working day after the Deemed Date of Allotment. The letters of allotment/ allotment advice/refund orders, as the case may be, will be sent by Registered Post/ Courier /Hand Delivery within 7 days from the Deemed Date of Allotment to the first/sole applicant, at the sole risk of the applicant. The payment will be subject to deduction of tax at source at the rates prescribed under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof.

Issue Schedule

Offer Opening Date	12 th January 2004
Offer Closing Date	14 th January 2004
Deemed Date of Allotment	15 th January 2004

The issuer reserves the right to close the issue earlier from the aforesaid date or change the issue time table including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice.

Names and Addresses of Auditors, Registrars, Debenture Trustees

Auditors

M/s. Bharat S. Raut & Co.,
KPMG House, Kamala Mills Compound,
448, Senapati Bapat Marg, Lower Parel,
Mumbai – 400 013.

Registrars to the issue

Karvy Consultants Ltd.
Karvy House, 46, Avenue 4,
Street no.1, Banjara Hills,
Hyderabad – 500 034.



Trustees to the Debentureholders:
IDBI Trusteeship Services Limited
 10th Floor, Nariman Bhavan,
 227, Vinay K. Shah Marg, Mumbai 400 005

Credit Rating

- ICRA has assigned rating “LAA” (pronounced L double A) to these Debentures. This rating indicates high safety. Risk factors are modest and may vary slightly. The protective factors are strong and the prospect of timely payment of principal and interest as per terms under adverse circumstances, as may be visualised, differs from LAAA only marginally.
- Credit ratings obtained during the previous three years before filing of the Information Memorandum for any of its listed debt securities at the time of accessing the market through a rated debt security :

Rating Agency	Date of Rating Letter	Rating	Amount (Rs. Crs.)
ICRA	11 th July 2003	LAA	150.00*
ICRA	11 th July 2003	LAA	488.60

*Includes the present issue of Rs. 50 crores.

The Unsecured Redeemable Non-convertible Debentures form part of the Bank’s Tier II Capital and are rated “LAA” (pronounced L double A). This rating indicates high safety. Risk factors are modest and may vary slightly. The protective factors are strong and the prospect of timely payment of principal and interest as per terms under adverse circumstances, as may be visualised, differs from LAAA only marginally

Compliance Officer:

Shri P J Oza

Company Secretary,
 UTI Bank Ltd.,
 Maker Tower 'F', 13th Floor,
 Cuffe Parade, Colaba,
 Mumbai – 400005.
 Tel No. (022) 22189106/7/8/9, Fax No. (022) 22186944/22181429
 E.mail Id : poza@utibank.co.in

The Investor may contact the compliance officer in case of any pre-issue / post –issue related problems such as non-receipt of letters of allotment / debenture certificates / refund orders.

II. CAPITAL STRUCTURE OF THE COMPANY

Equity Shares (Part of Tier I Capital)

	Amount (Rs. Crs.)
A. Authorised Capital	
30,00,00,000 Equity Shares of Rs. 10 each	300.00
B. Issued Subscribed and Paid-up Capital	
23,10,01,474 Equity Shares of Rs. 10 each	231.00
C. Paid Up Capital after the present issue	
23,10,01,474 Equity Shares of Rs. 10 each	231.00
D. Share Premium Account (before and after issue)	282.31



Unsecured Debentures (Subordinated Debt) - (Part of Tier II Capital)

Sr No	Date of Allotment	Number of Debentures	Rate of Interest	Date of Redemption	Outstanding Amount Rs. Crs.
1	29/3/2000	2000	11.75%	28/4/2007	100.00
2	28/3/2001	1000	11.10%	28/6/2006	50.00
3	3/12/2001	2240	9.80%	03/6/2007	112.00
4	27/3/2002	670	9.30%	27/6/2007	33.50
5	20/9/2002	Opt-I-660	8.80%	20/6/2008	33.00
		Opt-II-100	9.05%	20/6/2010	5.00
		Opt-III-1240	9.30%	20/6/2012	62.00
6	21/12/2002	Opt-I-662	8.40%	21/9/2008	33.10
		Opt-II-0	8.70%	21/9/2010	0
		Opt-III-1200	8.95%	21/9/2012	60.00
7	26/7/2003	Opt-I-600	6.50%	26/4/2009	30.00
		Opt-II-100	6.70%	26/4/2011	5.00
		Opt-III-1300	7.00%	26/4/2013	65.00
Total					588.60
Present Issue Size – 500 unsecured redeemable NCDs of Rs. 10 lacs each.					50.00
After the present issue					638.60

Details regarding Shareholders

Top Ten Shareholders as on 31st December, 2003.

Sr. No.	Name of the Shareholder	Shares Held (Number)	% Stake In Total
1	Administrator of The Specified Undertaking of the Unit Trust Of India-DRF	77245070	33.44
2	Life Insurance Corporation of India	31162260	13.49
3	CDC Financial Services (Mauritius) Limited	28550000	12.36
4	South Asia Regional Fund	17800000	7.71
5	Chryscapital I LLC	8830540	3.82
6	Citicorp Banking Corporation	8830540	3.82
7	General Insurance Corporation of India	6936307	3.00
8	The New India Assurance Company Limited	3530872	1.53
9	National Insurance Company Limited	3491740	1.51
10	Templeton Mutual Fund Account Franklin India Prima Fund	2523476	1.09



Top Ten Shareholders as on 31st December 2001 (two year prior)

Sr. No.	Name of the Shareholder	Shares Held (Number)	% Stake In Total
1	Unit Trust of India	80000070	44.88
2	CDC Financial Services (Mauritius) Limited	28550000	16.02
3	South Asia Regional Fund	17800000	9.99
4	Life Insurance Corporation of India	9107260	5.11
5	General Insurance Corporation of India	1849050	1.04
6	Industrial Development Bank of India	1620000	0.91
7	The New India Assurance Company Limited	1500000	0.84
8	United India Insurance Company Limited	1500000	0.84
9	National Insurance Company Limited	1500000	0.84
10	The Oriental Insurance Company Limited	1499017	0.84

Top Ten Shareholders as on ten days prior to 31st December, 2003.

Sr. No.	Name of the Shareholder	Shares Held (Number)	% Stake In Total
1	Administrator of the Specified Undertaking of the Unit Trust of India-DRF	77245070	33.44
2	Life Insurance Corporation of India	31162260	13.49
3	CDC Financial Services (Mauritius) Limited	28550000	12.36
4	South Asia Regional Fund	17800000	7.71
5	Chryscapital I LLC	8830540	3.82
6	Citicorp Banking Corporation	8830540	3.82
7	General Insurance Corporation of India	7059026	3.06
8	The New India Assurance Company Limited	3530872	1.53
9	National Insurance Company Limited	3491740	1.51
10	Templeton Mutual Fund Account Franklin India Prima Fund	2523476	1.09

Details regarding Shareholding of Promoter and Promoter Group

Aggregate shareholding of the Promoters Group is given below:

Promoter/Promoter Group	Shares held (Number)	% Stake In Total
Administrator of Specified Undertaking of the Unit Trust of India	77245070	33.44
Life Insurance Corporation of India	31162260	13.49
General Insurance Corporation of India	6936307	3.00
The New India Assurance Company Limited	3530872	1.53
National Insurance Company Limited	3491740	1.51
United India Insurance Company Limited	1432057	0.62
The Oriental Insurance Company Limited	1174017	0.51
	124972323	54.10



Details of shares traded by the Promoter Group and maximum and minimum price at which purchases and sales were made along with the relevant dates, if any.

Name of the Company	No. of shares purchased during last six months	Maximum Price at which purchased with date	Minimum price at which purchased with date	No. of shares sold during last six months	Maximum price at which sold with date	Minimum price at which sold with date
New India Assurance Company Ltd.	49,932 shares	Rs. 67.83/- 25/09/03	Rs. 64.85/- 23/09/03	-	-	-
United India Insurance Company	Nil	-	-	67,943 shares	Rs. 136.61 22/12/03	Rs. 115.00 03/12/03
LIC Housing Finance Limited	Nil	-	-	1,00,025 shares	Rs. 137.53 29/12/03	Rs. 84.01 19/11/03
General Insurance Corporation of India	Nil	-	-	4,87,733 shares	Rs. 137.50 22/12/03	Rs. 63.25 10/07/03
GIC Asset Management Company Limited (GAMCL)	-	-	-	1,69,086 shares	Rs. 114.52 03/12/03	Rs. 65.00 07/07/03



III. TERMS OF THE PRESENT ISSUE

	Option I	Option II	Option III
Final Maturity	At the end of 69 months from the deemed date of allotment	At the end of 93 months from the deemed date of allotment	At the end of 117 months from the deemed date of allotment
Coupon Rate	6.00% p.a	6.25% p.a	6.50% p.a
Face Value	Rs. 10,00,000/- per Debenture		
Issue Price	Rs. 10,00,000/- per Debenture		
Amount Payable on Application	Rs. 10,00,000/- per Debenture		
Type	Unsecured Redeemable Non Convertible Debenture		
Minimum Application Size	1 Debenture and in multiples of 1 Debenture thereafter		
Interest Payment Date	15 th January every year commencing from 15 th January, 2005.		
Interest on application money	Interest shall be payable at the rate same as the coupon rate for the relevant option applied, for period commencing from the date of realisation of the cheque(s)/demand drafts (s) upto but excluding the Deemed Date of Allotment.		
Computation of Interest	Interest payable on the Debentures will be calculated on the basis of actual number of days elapsed in a year of 365 or 366 Days as the case may be.		
Terms of Subordination	Pari passu among themselves and with other subordinated indebtedness of UTI Bank Ltd., and subordinate to the claims of all other unsecured creditors and depositors of UTI Bank Ltd., as regards repayment of principal and interest by the Issuer.		
Holiday Convention	If any of the interest or principal payment dates is a holiday in Mumbai, interest will be payable on the next succeeding business day in Mumbai and shall be the interest/principal payment date.		
Redemption	Bullet Redemption at par at Final Maturity of respective Option		
Market Lot Size	1 Debenture		

Payment of Interest

Interest will be paid only to the Debenture holders registered in the Register of Debenture holders of the Issuer, which shall be maintained at the Registered Office of the Issuer at Ahmedabad. All the applications for transfer shall be accepted only at the Registered Office of the Bank at the address given elsewhere.

In the case of joint holders, interest shall be payable to the first named Debenture holder. The record dates for the purpose of determination of the persons entitled to receive interest in respect of the Debentures, shall be the close of business on the 30th December every year. The persons whose names are registered in the Register of Debenture holders on those dates shall be entitled to receive the interest for the preceding interest period. For the purpose of registering a transfer of Debentures prior to the record dates, the Debenture certificate(s)/letter(s) of the allotment, a duly stamped transfer deed and all supporting documents must reach the Issuer at its Registered Office at least seven days before the record date. In case of the Debentures in demat mode the provisions of NSDL/CDSL would be complied by the R&T Agent for facilitating interest payment by the Issuer Company on Due date.

The interest warrant will be payable at par at all centers where the Issuer has its branches. Presently there are over 220 branches including 58 extension counters located all over India.

**Redemption**

The entire principal amount of the Debentures will be repaid in one installment at par on Final Maturity of each option.

Redemption of the Debentures will be made only against the surrender of the Debenture certificate(s) duly discharged by the Registered Debenture holder(s). For this purpose, the Registered Debenture holder should discharge the Debenture (s) and lodge the same along with a certified true copy of a Power of Attorney or such other authority as may be required by the Issuer from time to time so as to reach the Registered Office at least thirty days before the redemption date in person or by Registered Post. In case of the Debentures issued in dematerialized mode, the surrender of Debentures shall be as per the procedures prescribed by the NSDL/CDSL.

Place and Currency of Payment

The Debentures are being issued by UTI Bank Ltd. All obligations under these Debentures are payable solely by the Issuer in Indian Rupees only.

Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source on the debentures. Tax exemption certificate / document / form, under Section 193 of the Income Tax Act, 1961, if any, must be lodged at the Registered Office, at least thirty days before the relevant interest payment becoming due.

Issue Of Debentures in Dematerialised Form

The Bank has made depository arrangements with NSDL/CDSL for the Debentures. The investors will have the option to hold the debentures in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996/ Rules as notified by NSDL/CDSL from time to time.

Investors desirous of receiving debenture certificate in the dematerialised form should mention their Depository Participant's name, DP-ID and beneficiary account number in the appropriate place in the application form. Debentures allotted to successful allottee(s) having depository account shall be credited to their depository account against surrender of letter of allotment.

In case of incorrect details provided by the investors and inability of the Registrar to credit the Depository Account the debentures will be issued in physical form to such investors.

Issue of Letter of Allotment/ Allotment Advice and Debenture Certificates

The Issuer will execute and despatch Letters of Allotment/ Allotment advice in favour of the allottees, not later than seven days after the Deemed Date of Allotment. After completion of all legal formalities, the Issuer will issue the Debentures certificate(s) / credit the DP account of the allottee against surrender of the letter(s) of allotment within three month(s) of the Deemed Date of Allotment , or such extended period subject to obtaining the approvals, if any. Interest at 6.00 % p.a. (for Option I)/ 6.25 % p.a. (for Option II)/ 6.50 % p.a.(for Option III) will be paid via interest warrants on the application money to the applicants for the relevant option applied. Such interest will be paid for the period commencing from the date of realisation of the cheque(s) / demand drafts (s) up to but excluding the Deemed Date of Allotment.

Right to Re-purchase and Re-issue the Debentures

This would be as per the prevailing guidelines/regulations of Reserve Bank of India and other statutes.



Eligible Holders and Mode of Transfer

The Issuer will not register any transfers of the Debentures to any NRIs (except on non-repatriation basis), OCBs, FIIs, or any persons not resident in India, unless appropriate regulatory approvals are obtained. The Issuer shall not be duty bound to take interest or trust in or over the Debentures.

The title to the Debentures shall pass by execution of duly stamped transfer deed(s) accompanied by the Debentures certificate(s)/Letter of allotments(s) together with necessary supporting documents. The transferee(s) should deliver the Debenture certificates to the Issuer for registration of transfer in the Register of Debenture holders at the Registered Office. The Issuer on being satisfied will register the transfer of such Debentures in its Register of Debenture holders. The person whose name is recorded in the Register of Debenture holders shall be deemed to be the owner of the Debentures.

Request for registration of transfer, along with the necessary documents, and all other communications, requests, queries and clarifications with respect to the Debentures should be addressed to and sent to the Registered Office. No correspondence shall be entertained in this regard at any other Branches or any of the offices of the Bank.

The request from Registered Debenture holder(s) for splitting/consolidation of Debenture certificates will be accepted by the Issuer only if the original Debentures certificate(s) is/are enclosed along with an acceptable letter of request.

No requests for splits below the Market Lot will be entertained.

Transfer of debentures in dematerialised form would be in accordance to the rules /procedures as prescribed by NSDL/CDSL.

Succession

In the event of demise of a Registered Debenture holder of the Debentures, or the first holder in the case of joint holders, the Issuer will recognize the executor or administrator of the demised Debenture holder or the holder of succession certificate or other legal representative of the demised Debenture holder as the Registered Debentures holder of such Registered Holder's Debentures if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a Court of India having jurisdiction over the matter and delivers a copy of the same to the Issuer. The Issuer may in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debentures standing in the name of the demised debentures holder on production of sufficient documentary proof or indemnity. In case the debentures are held by person other than individual, the rights in the debentures shall vest with the successor acquiring interest therein, including liquidator or such any person appointed as per the applicable laws.

Issue of Duplicate Debenture Certificates

If any Debenture certificate(s) is/are mutilated or defaced, then, upon production of such certificates at the Registered Office, the same will be cancelled and a new certificate issued in lieu thereof. If any Debenture certificate is lost, stolen or destroyed then, upon production of proof thereof to the satisfaction of the Issuer and upon furnishing such indemnity as the Issuer may deem adequate and upon payment of any expenses incurred by the Issuer in connection thereof, new certificate(s) shall be issued. A fee will be charged by the Issuer on each fresh Debenture certificate issued hereunder.

Modifications of Rights

The rights, privileges, terms and conditions attached to all Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three-fourths of the outstanding amount of Debentures or with the sanction accorded pursuant to a resolution passed at a



meeting of the Debentureholders, carried by a majority consisting of not less than three-fourths of the persons voting there upon a show of hands or, if a poll is demanded by a majority representing not less than three-fourths in value of the votes cast on such poll, provided that nothing in such consent or resolution shall be operative against the Issuer if the same are not accepted in writing by the Issuer.

Notices

The notices, communications and writings to the Debentureholder(s) required to be given by the Issuer shall be deemed to have been given if sent by Registered Post to the Registered Debentureholder(s) at the address of the Debentureholder(s) registered with the Registered Office.

All notices, communications and writings to be given by the Debentureholder(s) shall be sent by Registered Post or by hand delivery to the Issuer at Registered Office or to such persons at such address as may be notified by the Issuer from time to time and shall be deemed to have been received on actual receipt.

Application for the Debentures

◆ How to Apply

Applications for the Debentures must be made in the prescribed Debenture Application Form attached and must be completed in block letters in English by investors. Debentures Application forms must be accompanied by either a demand draft or cheque drawn or made payable in favour of "UTI Bank Ltd., A/C Subordinated Debt Issue". The full amount of the face value of the Debentures applied for has to be paid along with the delivery of the fully completed and executed Debenture Application Form together with other applicable documents described below.

Cheques / demand drafts may be drawn on any bank which is situated and is a member or sub-member of the Banker's Clearing House located at Mumbai, Calcutta, Chennai, or New Delhi. Investors in centres which do not have any bank which is a member or sub-member of the Banker's Clearing House located at the above mentioned centres will be required to make payments only through demand drafts payable at Mumbai.

The issuer assumes no responsibility for any applications / cheques / demand drafts lost in mail or transit.

◆ Who can apply

Only investors who have been addressed through a communication directly are eligible to apply. Furthermore, NRIs (except on non-repatriation basis), OCBs, FIIs and minors are not eligible to apply or hold the Debentures.

◆ Application by Banks/Corporate Bodies / Mutual Funds / FIs / Trusts/Statutory Corporations.

The applications must be accompanied by certified true copies of (i) Memorandum and Articles of Association Constitution / Bye-laws / Trust Deed, (ii) Resolution authorizing investment and containing operating instructions, (iii) Specimen signatures of authorized signatories, (iv) Necessary form for claiming exemption from deduction of tax at source on interest on application money. Application made by Asset Management Company or custodian of Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

◆ Application under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signatures of all authorised signatories must be lodged along with



the submission of the completed Debenture Application form. Further modifications/additions in the power of attorney or authority should be delivered to the Issuer at Registered Office.

◆ **Interest on Application Money**

Interest at 6.00 % p.a. (for Option I)/ 6.25 % p.a. (for Option II)/ 6.50 % p.a.(for Option III) will be paid via interest warrants on the application money to the applicants for the relevant option applied. Such interest will be paid for the period commencing from the date of realisation of the cheque(s) / demand drafts (s) up to but excluding the Deemed Date of Allotment. The interest warrants for interest payable on application money will be despatched by Registered Post/ Courier the next working day after the Deemed Date of Allotment. The letters of allotment/ allotment advice/refund orders, as the case may be, will be sent by Registered Post/ Courier /Hand Delivery within 7 days from the Deemed Date of Allotment to the first/sole applicant, at the sole risk of the applicant. The payment will be subject to deduction of tax at source at the rates prescribed under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof.

Tax exemption certificates, if applicable, in respect of non-deduction of tax on interest on application money must be submitted along with the Debentures Application Form. It is clarified that interest shall not be paid on invalid and incomplete applications.

◆ **Basis of Allotment**

The Issuer has sole and absolute right to allot the Debentures to any applicant.

◆ **Right to Accept or Reject Applications**

The Issuer is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason. Debenture Application Forms that are not complete in all respects may be rejected at the sole and absolute discretion of the Issuer.

◆ **Future Borrowings**

The Issuer shall be entitled, from time to time, to make further issue of Debentures, other debt securities (whether senior, pari passu or junior to the Debentures) and other instruments and securities to any person or persons including to the public or a section of the public and / or members of the Issuer and / or to raise further loans, advances and / or avail further financial and / or guarantee facilities from financial institutions, banks and / or any other person (s) without any further approval from or notice to the Debenture holders/Debenture Trustees.

◆ **Governing Laws and Jurisdiction**

The Debentures are governed by and will be construed in accordance with the Indian Law. The Issuer, the Debentures and Issuer's obligations under the Debentures shall, at all times, be subject to the directions of the Reserve Bank of India and Securities & Exchange Board of India. The Debenture holders, by purchasing the Debentures, agree that the Mumbai High Court shall have exclusive jurisdiction with respect to matters relating to the Debentures.

◆ **Despatch of Refund Orders**

The Company shall ensure despatch of refund orders of value over Rs. 1500/- and Debenture certificates by Registered Post/Hand Delivery only and adequate funds for the purpose shall be made available to the Registrars by the Issuer Company.



Undertaking by the Issuer Company:

- a. The complaints received in respect of the Issue shall be attended to by the issuer company expeditiously and satisfactorily
- b. All steps for completion of the necessary formalities for listing and commencement of trading at all stock exchange where the securities are to be listed are taken within 7 working days of finalization of basis of allotment.
- c. No further issue of securities shall be made till the securities offered through this Information Memorandum are listed or till the application moneys are refunded on account of non-listing.
- d. Necessary co-operation with the credit rating agency shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.
- e. The Bank shall forward the details of utilisation of the funds raised through the debentures duly certified by the statutory auditors of the company, to the debenture trustees at the end of each half-year.
- f. The Bank shall disclose the complete name and address of the debenture trustee in the annual report.
- g. The Bank shall provide a compliance certificate to the debenture holders (on yearly basis) in respect of compliance with the terms and conditions of issue of debentures as contained in the Information Memorandum duly certified by the debenture trustee.

Special Tax benefits

◆ To the Bank

There is no additional benefit arising to the Bank under the Income Tax Act 1961 by issue of Unsecured Redeemable Non Convertible Debentures.

◆ To the Debentureholders of the Bank

(1) Under Income Tax Act, 1961

(a) To Resident Indian Bondholders :

(i) Tax Deduction at Source

No Income tax will be deducted at source from interest payable on Bonds in the following cases :

- Where the bondholder (not being a company or a firm) submits a declaration (wherever applicable) in the prescribed form and verified in the prescribed manner.
- Where on application by any bondholder, the Assessing Officer issues a certificate that the total income of the bondholder justified no deduction as per the provisions of section 197(1) of the Income Tax Act.

(ii) Capital Gains

The difference between the sale price on transfer and the cost of acquisition of the Bond held by a bondholder as a capital asset, will be treated as long term capital gain/loss in the hands of the investor, provided that such Bond was held for a continuous period of more than thirty six months. It may be noted that the Bonds under consideration, being debt instruments, will not have the benefit of cost indexation. Such long-term capital gain shall suffer income tax at 20% (plus applicable surcharge)



Investors who wish to avail of the exemption from tax on capital gains on transfer of capital asset as provided in sections 54EC or 54F, may do so subject to the conditions as prescribed in those sections. Moreover, bondholders are advised to consult their tax advisors in this matter

(b) To Other Eligible Institutions

Mutual fund registered under the SEBI Act or regulations made thereunder or such other mutual fund set up by a public sector bank or a public financial institution or authorised by the Reserve Bank of India and notified by the Central Government will, subject to the provisions of Chapter XII-E be exempt from income tax on all its income, including income from investments in bonds under the provisions of section 10(23D) of the Income Tax Act

(2) Under Wealth Tax Act, 1957

Total exemption from wealth tax will be available on investment in bonds

Note:

This is a summary only and not complete analysis or listing of all potential tax consequences of the purpose, ownership and disposal of the bonds. The statements made above are based on the laws in force and as interpreted by the relevant taxation authorities as of date. Investors are advised to consult their tax advisors with respect to tax consequences of their holdings based on their residential status and the relevant double taxation conventions.

IV. PARTICULARS OF THE ISSUE

Objects of the Borrowing

The Capital Adequacy Ratio of the Bank as on 30th September 2003 is 11.24%. However, considering the growth of assets planned during the current and the subsequent years, the Bank needs to raise Tier II capital to maintain the Bank's Capital Adequacy Ratio at a level not below the minimum required to be maintained as per RBI guidelines

Authority for the Present Offer

The Board of Directors of the Bank at its meeting held on 17th October, 2003 has approved the issue of UNSECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES as part of Tier II Capital for an amount upto Rs. 50 crores in one or more tranches at a appropriate rate of interest to be decided by the Chairman and Managing Director for a period of 69 months / 93 months/ 117 months from Institutional Investors including Indian Bodies Corporate, Banks, Financial Institutions, Mutual Funds, Insurance Companies and Trusts by way of Private Placement on such other terms and conditions to be approved by the Chairman and Managing Director and subject to guidelines issued by SEBI, RBI and other regulatory authorities.

V. ISSUER PROFILE

History, Incorporation and Background

UTI Bank Ltd., the first private sector bank was set up under new guidelines issued in 1993 by the Government of India, consequent to the announcement of a policy of reform of India's financial sector. The entire capital of Rs. 100 crores was contributed by the Unit Trust of India.



UTI Bank Ltd., obtained the Certificate of Incorporation on 3rd December, 1993, and the Certificate of Commencement of Business on 14th December, 1993. Its first branch at Ahmedabad was opened in April 1994. The Bank has over 220 branches including 58 extension counters as on date in metropolitan, urban and semi-urban areas and has developed a wide customer base.

The Banks equity capital was subsequently expanded from Rs. 115 crores to Rs. 131.90 crores through an initial public offering in September, 1998. The Bank made a public issue of 1.5 crore shares, and a simultaneous offer for sale for 2 crore shares was made by UTI, each of Rs. 10/- at a premium of Rs. 11/-. The offer for sale cum public issue received good response from retail investors and was oversubscribed. The Bank's shares are listed on the National Stock Exchange, The Stock Exchange, Mumbai, The Stock Exchange at Ahmedabad and OTCEI (Permitted security).

Issue of Shares on Preferential Allotment Basis

No. of Shares	Face Value (Rs)	Share Premium (Rs)	Issue Price (Rs)	Total (Rs. Crs.)	Date of Allotment
46350000	10.00	24.00	34.00	157.59	31/12/01
13559700	10.00	29.04	39.04	52.94	28/03/02 30/03/02
38362834	10.00	32.75	42.75	164.00	28/03/03

Main objects

1. To carry on the business of banking, that is to say, accepting for the purpose of lending or investment deposits of money from the public, repayable on demand or otherwise, and without prejudice to the generality hereof, to carry on the business of,
 - (a) borrowing, raising, or taking up of money;
 - (b) lending or advancing of money either upon or without security;
 - (c) drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundis, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments, and securities whether transferable or negotiable or not;
 - (d) granting and issuing of letter of credits, traveler's' cheques and circulars notes;
 - (e) buying, selling and dealing in bullions and specie; buying and selling on commission;
 - (f) underwriting and dealing in stocks, funds, shares, debentures, debenture stock, obligations, securities and investments of all kinds;
 - (g) purchasing and selling of Debentures, scrips or other forms of securities on behalf of itself, constituents or others;
 - (h) negotiating of loans and advances;
 - (i) receiving of all kinds for Debentures, scrips or valuable on deposits for safe custody or otherwise;
 - (j) providing of safe deposits vaults;
 - (k) collecting and transmitting of money and securities;
 - (l) issuing credit cards, meal vouchers and extending any other credits and to carry on any other business specified in clause (b) to clause (n) of sub-section (1) of section 6 of the Banking Regulation Act, 1949 (10 of 1949) , and such other forms of business which the Central Government may by notification in the official Gazette specify as a form of business in which it would be lawful for a banking company to engage;
2. To carry on the business of merchant banking, investment banking, portfolio investment management, and corporate consultants and advisors;
3. To carry on the business of mutual fund, equipment leasing and hire purchase;
4. To carry on the business of factoring by purchasing and selling debts receivables and claims, including invoice discounting and rendering bill collection, debt collection and other factoring services;



Promoters and their background

❖ ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA (UTI I)

Brief History :

Erstwhile Unit Trust of India was set up as a body corporate under the UTI 1963, with a view to encourage savings and investment. In December 2002, the UTI Act, 1963 was repealed with the passage of Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 by the Parliament, paving the way for the bifurcation of UTI into 2 entities, UTI-I and UTI-II with effect from 1st February 2003. In accordance with the Act, the Undertaking specified as UTI I has been transferred and vested in the Administrator of the Specified Undertaking of Unit Trust of India (SUUTI), who manages 12 assured return schemes along with 6.75% US-64 Bonds and Special Unit Scheme (SUS-99) with a corpus of over Rs. 20,000 crores.

The Government of India has appointed Shri M Damodaran, IAS as the Administrator of the Specified undertaking of UTI, to look after and administer the schemes under UTI – I, where Government has continuing obligations and commitments to the investors, which it will uphold. The Central Government has appointed a Board of Advisors, comprising the following, to advise and assist the Administrator in carrying on the management of the Specified Undertaking.

1. Shri D Swarup, Additional Secretary, (Budget) Dept. of Economic Affairs, Ministry of Finance, Government of India
2. Shri U K Sinha, Joint Secretary, (CM & ECB), Dept. of Economic Affairs, Ministry of Finance, Government of India.
3. Shri M G Bhide, Chairman, National Institute of Bank Management.
4. Shri A N Shanbhag, Investment Consultant.

The Schemes currently being managed by the Administrator of the Specified Undertaking of Unit Trust of India are:

Sr. No.	Schemes under UTI-I
1.	6.75% US-64 Bonds
2.	Children's Gift Growth Fund 1986
3.	Bhopal Gas Victims Monthly Income Plan 1992
4.	Rajlakshmi Unit Plan (II) 1994
5.	Children's Gift Growth Fund 1999
6.	Rajlakshmi Unit Plan 1999
7.	Monthly Income Plan 1998 V
8.	Monthly Income Plan 1999
9.	Monthly Income Plan 1999 II
10.	Monthly Income Plan 2000
11.	Monthly Income Plan 2000 (Second)
12.	Monthly Income Plan 2000 (Third)
13.	Monthly Income Plan 2001
15.	Special Unit Scheme – 99

Assets under Management of SUUTI as on 30th November, 2003:

	Rs. Crs.
Equity & Preference Share *	11,417.21
Debt (Debentures)	6,378.02
Deposit (G-Sec)	3,659.38
Government Securities (F A)	806.00
Money Market	1,306.00



Total	23,566.61
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1. *Including aggregate Shareholding in UTI Bank Limited: 7,72,45,070 shares comprising of 33.44% equity capital of UTI Bank Limited.
2. Aggregate number of equity shares of UTI Bank Limited purchased or sold after 01/07/2003: Nil.
3. Maximum and minimum price at which purchases and sales made: Not applicable.

Listed Ventures of Promoters:

The Administrator of the Specified Undertaking of the Unit Trust of India manages the Development Reserve Fund (DRF) which has invested in UTI Bank Ltd. and other companies viz, UTI Securities Ltd., UTI Investor Services Ltd. and Indian Institute of capital Markets (Formerly UTI Institute of Capital Markets.) Except UTI Bank Limited all other ventures are unlisted.

❖ **LIFE INSURANCE CORPORATION OF INDIA**

Brief History :

Life Insurance Corporation of India (LIC of India) is a statutory Corporation formed under the Life Insurance Corporation of India Act, 1956, under which the Government of India nationalised the business of life insurance and the newly formed LIC of India took over the assets and liabilities of all the existing insurance Companies with effect from 1-09-1956. The entire capital of LIC is held by Government of India. LIC of India has strong marketing network of more than 8 lacs agents spread over the country and has also diversified into areas like housing finance, and management of mutual funds by promoting dedicated companies.

Board of Directors :

1. Shri S.B. Mathur - Chairman
2. Shri R.N. Bhardwaj - Managing Director
3. Shri R.K. Vashistha - Managing Director
4. Shri N.S. Sisodia
5. Shri P.C.Ghosh

Financial Highlights:

Year	Rs. Crs.		
	2000-2001	2001-2002	2002-2003
Capital	5.00	5.00	5.00
Free Reserve – General Reserve (Shareholders Funds)	N.A.	107.88	116.75
Total	5.00	112.88	121.75
Life Insurance Fund	186025	227009	273005
Total Income*	53999	72770	80939
Profit after Tax	317	822	497

* Total Income has been defined as Net Premium Income plus other income.

❖ **GENERAL INSURANCE COPORATION INDIA**

Brief History :

The General Insurance Corporation of India was incorporated under the Companies Act, 1956 on 22nd November, 1972. In terms of the General Insurance (Business) Nationalisation Act, 1972 the undertakings



of all insurance companies operating in the country were taken over by four companies, the New India Assurance Company Limited, United India Insurance Company Limited, Oriental Insurance Company Limited and National Insurance Company Limited was vested with GIC. Thus making it the holding company for the four general insurance companies operating in India. Central Government vide gazette notification S.O.329(E) dated 21/3/2003 has notified the "Appointed Date" on which the general insurance business (Nationalisation Act, 2002) has come into force in view of the said notification the share capital of the erstwhile four subsidiaries is now vested in the Central Government and GIC has been formally de-linked from the said subsidiary companies. GIC has diversified into area like Housing Finance and Management of Mutual Funds.

Board of Directors :

1. Shri P.C Ghosh, chairman
2. Shri P.B. Ramanujam, Managing Director
3. Shri G.C. Chaturvedi
4. Shri S .B. Mathur
5. Shri H. S. Wadhwa
6. Shri A. K. Purwar
7. Shri V. Leeladhar

Details of shareholding in UTI Bank Limited:

- a. Shares held by GIC as on 31.12.2003 is 69,36,307
- b. During preceding 6 months 4,87,733 shares were sold, minimum and maximum price being Rs. 63.25 and Rs. 137.50 respectively.

Financial Highlights:

Year	Rs. Crs.		
	2002-2003	2001-2002	2000-2001
Share Capital	215.00	215.00	215.00
Reserves (excluding revaluation reserve)	2952.92	2716.60	2447.04
Net Premium Income	3832.79	2671.23	2186.54
Profit after Tax	261.46	312.17	417.06
EPS (Face value Rs. 100 each) (Rs.)	121.60	145.19	193.98
NAV (Rs.)	3167.92	2931.21	2662.04

During the days of holding Company, GIC alongwith erstwhile Subsidiary companies promoted GIC Housing Finance Ltd. (GIC-HF) 1991. Subsequently the company made a public issue and holding of GIC and erstwhile subsidiary companies was brought below 40% since the erstwhile subsidiary companies are separated from GIC and the fact that GIC's holding on standalone basis is less than 10% in this company, it may not be regarded as associate company of GIC. Shares of this company are listed on BSE & NSE. The Company is managed by Board of Directors. GIC Chairman is at present the Chairman of this company. The paid up equity share capital of GIC-HF is Rs. 17.97 crores of which 32.54% is held by GIC and its erstwhile Subsidiary companies in equal proportion i.e. Rs. 1.17 crores each approximately.

GIC with erstwhile subsidiary companies floated Mutual Fund in 1991 as a Trust. Subsequently in 1993 as per SEBI regulations GIC-AMC was formed. In this Company, holding of GIC and erstwhile Subsidiary companies is 49.50%, SOROS 40% and balance is held by GIC-HF. The 49.50% holding of GIC-AMC is equally divided between GIC and erstwhile Subsidiary Companies ie. Equity capital of Rs. 1.98 crores each.



GIC-AMC is not a listed Company and the shareholding of the Corporation being Rs. 1.98 crores (9.9%) and therefore this may not be categorised as Associate Company. GIC has got a representation on the Board of GIC-AMC. The Chairman of GIC is a Chairman of GIC-AMC. CMDs of erstwhile Subsidiary Companies are also on the Board of GIC-AMC.

❖ NATIONAL INSURANCE COMPANY LIMITED

Brief History :

National Insurance Company Limited (NICL) was incorporated with Registered office at Kolkata on 6th December 1906 under the companies Act 1882 to carry on General Insurance Business. Upon Nationalisation of general insurance business in 1971, the company was restructured by merging 22 foreign companies and 9 Indian companies operating in India as per Amalgamation Scheme framed under general insurance Business (Nationalisation) Act 1972. Under the same Act General Insurance Corporation of India was incorporated as a holding company for NCIL. The central government, vide Gazette notification S.O. 329(E) dated 21st March 2003 has notified the "Appointed Date" on which the general Insurance Business (Nationalisation) Act 2002 shall come into force, as 21st March 2003. With effect from this date the book value of the shares in the 4 Public Sector Insurance companies held by GIC stands transferred to the Central Government. In view of the said notification the share capital of National Insurance Co. Ltd. is now vested with the Central Government. & General Insurance Corporation of India has now been formally de-linked from the said four public sector insurance companies. NICL is now board run autonomous Company.

Board of Directors:

1. Shri H.S. Wadhwa, CMD
2. Shri V.P. Shetty
3. Shri B.P. Mathur
4. Dr. Amitabha Bose
5. Shri Jugal Kishore Jethalia
6. Shri B.P. Deshmukh
7. Shri T.K. Das
8. Shri Manu Chadha

Financial Highlights:

Year	Rs. Crs.		
	2000-2001	2001-2002	2002-2003
Share Capital (Paid up)	100.00	100.00	100.00
Free Reserve & Surplus	954.37	863.92	972.17
Total Income *	1893.91	1719.17	2270.33
Profit after Tax	86.77	(94.34)	135.65

*Total Income has been defined as Net Premium Income and other Income.

- ◆ NICL was de-linked from General Insurance Corporation of India by an Act of Parliament w.e.f. 21st March 2003.

❖ THE NEW INDIA ASSURANCE COMPANY LIMITED

Brief History :

The New India Assurance Company Limited (NIACL) was incorporated with Registered office at Mumbai on 23rd July, 1919 to carry on General Insurance Business. Subsequently, following the takeover by the



Government of India of the management of all insurance companies in India and Nationalisation of general insurance business in 1973, NIACL was re-constituted under the scheme of merger of 23 Indian insurance companies. The central government, vide Gazette notification S.O. 329(E) dated 21st March 2003 has notified the “Appointed Date’ on which the general Insurance Business (Nationalisation) Act 2002 shall come into force as 21st March 2003. With effect from this date the book value of the shares in the 4 Public Sector Insurance companies held by GIC stands transferred to the Central Government. In view of the said notification the share capital of NIACL is now vested with the Central Government & General Insurance Corporation of India has now been formally de-linked from the said four public sector insurance companies.

Board of Directors :

1. Shri R. Beri – CMD
2. Shri G. C. Chaturvedi
3. Shri Nitin Doshi
4. Dr. Azfar Shamshi
5. Shri A. V. Purushothaman
6. Shri V. Leeladhar
7. Shri G R Mahaisekar
8. Shri R. K. Joshi
9. Shri Kumar Bakhru

Details of shareholding in UTI Bank Limited:

- a. Shares held by NIAC as on 31.12.2003 is 35,30,872
- b. During preceding 6 months 49,932 shares were purchased, minimum and maximum price being Rs. 64.85 and Rs. 67.83 respectively.

Financial Highlights:

Year	Rs. Crs.		
	2000-2001	2001-2002	2002-2003
Share Capital (Paid up)	100.00	100.00	100.00
Free Reserve & Surplus	2967.69	3089.39	3304.00
Net Premium	2671.48	3068.23	3516.43
Profit after Tax	223.67	142.00	255.81

- ◆ NIACL was de-linked from General Insurance Corporation of India by an Act of Parliament w.e.f. 21st March 2003.

❖ UNITED INDIA INSURANCE COMPANY LIMITED

Brief History :

The United India Insurance Company Limited (UIIC) was formed by the amalgamation of 27 general insurance companies and is wholly owned by Government. of India. The central government, vide Gazette notification S.O. 329(E) dated 21st March 2003 has notified the “Appointed Date’ on which the general Insurance Business (Nationalisation) Act 2002 shall come into force as 21st March 2003. With effect from this date the book value of the shares in the 4 Public Sector Insurance companies held by GIC stands transferred to the Central Government. In view of the said notification the share capital of United India Insurance Company is now vested with the central Government. & General Insurance Corporation of India has now been formally de-linked from the said four public sector insurance companies.

Board of Directors:



1. Shri V.Jagannathan, CMD
2. Shri G. C. Chaturvedi
3. Shri S.C. Gupta
4. Smt. Shobha Dikshit
5. Shri N.L. Nadda
6. Dr.P. S.Palande
7. Shri M.Raghavendra
8. Shri.B. Chakrabarti.
9. Shri T. K.Roy

Details of shareholding in UTI Bank Limited:

- a. Shares held by UIIC as on 25.12.2003 is 14,32,057.
- b. During preceding 6 months 67,943 shares were sold, minimum and maximum price being Rs. 115.00 and Rs. 136.61 respectively.

Financial Highlights:

Year	Rs. Crs.		
	2000-2001	2001-2002	2002-2003
Share Capital (Paid up)	100.00	100.00	100.00
Free Reserves & Surplus	1079.85	1203.24	1346.03
Total Income*	2312.87	2170.15	2241.10
Profit after Tax	8.15	153.39	170.98

* Total Income has been defined as Net Premium Income plus other income

- ◆ UIIC was de-linked from General Insurance Corporation of India by an Act of Parliament w.e.f. 21st March 2003.

❖ THE ORIENTAL INSURANCE COMPANY LIMITED

Brief History :

Oriental Fire & General Insurance Company Ltd (OFGICL) was incorporated on September 12, 1947 & Commenced operations in late 1949. On the Nationalisation of General Insurance business in 1973, OFGICL became one of the four subsidiaries of General Insurance Corporation of India with the subsequent merger of ten India Insurance Companies & 12 foreign Insurance Companies with OFGICL. To reflect the gamut of operations of the company, the name of the company was changed in May 1984 from Oriental Fire & General Insurance Company Ltd. to The Oriental Insurance Company limited (OICL). On 30th August 2003, the shares held by GIC were transferred to Government. of India & since then the company has ceased to be a subsidiary of GIC. It is now a wholly owned Government Company.

Board of Directors :

1. Shri S. L. Mohan, CMD
2. Shri S.S. Kohli
3. Shri. R. S. Lodha
4. Justice (Retd) Shri Jaspal Singh
5. Dr. S.K.Thorat
6. Shri S. B. Dange
7. Shri. P .K. Mor
8. Shri S..K.Chanana
9. Shri R.C. Jain
10. Dr. Pritam Singh



Financial Highlights:

Year	Rs. Crs.		
	2000-2001	2001-2002	2002-2003
Share Capital (Paid up)	100.00	100.00	100.00
Free Reserve & Surplus	826.97	572.54	733.65
Total Income	2247.10	2498.63	2868.15
Profit after Tax	74.18	(254.44)	63.99

- ◆ OICL was de-linked from General Insurance Corporation of India by an Act of Parliament w.e.f. 21st March 2003.

Shareholding Pattern:

The shareholding pattern of the Issuer as on 30th September, 2003 is as follows:

	Category	No of Equity Shares	% to Total
A	PROMOTER'S HOLDING	77245070	33.46
1	Promoters	77245070	33.46
	Indian Promoters (including Co-Promoters)		
a	Administrator of the specified undertaking of the Unit Trust of India	77245070	33.46
2	Co-promoters		
a	Life Insurance Corporation of India	31162260	13.50
b	General Insurance Corporation of India	7059026	3.06
c	The New India Assurance Company Limited	3530872	1.53
d	National Insurance Company Limited	3491740	1.51
e	United India Insurance Company Limited	1450000	0.63
f	The Oriental Insurance Company Limited	1194017	0.52
3	Foreign Promoters	0	0.00
	Sub Total (2+3)	48224305	20.89
	Total (1+2+3)	125469375	54.36
B	NON- PROMOTERS' HOLDING		
4	Institutional Investors		
a	Mutual Funds	5821986	2.52
b	Banks, Financial Institutions, Insurance Companies (Central/State Government. Institutions/ Non-Government. Institutions)	3703799	1.60
c	FII's	27597692	11.96
	Sub Total	37123477	16.08
5	Others		
a	Private Corporate Bodies	6100556	2.64
b	Indian Public	24542510	10.63
c	NRIs/OCBs	208145	0.09
d	Any Other (please specify)-Foreign Direct Investment	37380540	16.19
	Sub Total	68231751	29.56
	Total (4+5)	105355228	45.64



Grand Total (A + B)	230824603	100.00
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Note 1 :

Details of shareholders holding more than 1% of the paid-up capital in the Bank as on 30th September, 2003.

Sr. No	Name of Shareholder	No of Equity Shares	% to Total
A	Promoter's Holding		
1	Administrator of the specified undertaking of the Unit Trust of India	77245070	33.46
	Co-promoter's Holding		
2	Life Insurance Corporation of India	31162260	13.50
3	General Insurance Corporation of India	7059026	3.06
4	The New India Assurance Company Limited	3530872	1.53
5	National Insurance Company Limited	3491740	1.51
6	United India Insurance Company Limited	1450000	0.63
7	The Oriental Insurance Company Limited	1194017	0.52
	Total	125469375	54.36
8	Foreign Promoters	0	0.00
	Total	125469375	54.36
B	Non Promoter's Holding		
1	South Asia regional Fund	17800000	7.71
2	CDC Financial Services (Mauritius) Ltd.	28550000	12.37
3	Citicorp Banking Corporation	8830540	3.83
4	Chryscapital I, LLC	8830540	3.83
5	Templeton Mutual Fund Account Franklin India Prima Fund	2608170	1.13
6	The Karur Vysya Bank Limited	2301754	1.00
	Total	68921004	29.86

Note 2 :

◆ **Total foreign shareholding in number of shares and % shareholding is as under:**

Total Foreign Shareholding is 6,51,86,377 equity shares - 28.24%. Which includes :

- FII's holding - 2,75,97,692 shares -11.96% (including SARF, Citicorp Banking Corporation) and Foreign shareholding including NR/OCB and
- Shareholding through FDI Route is 3,75,88,685 shares -16.28% (including 2,85,50,000 shares by CDCFS and 88,30,540 shares of Chryscapital I, LLC).

- ◆ The Bank was promoted by UTI. However, in terms of Unit Trust of India, (Transfer of Undertaking and Repeal) Act, 2002, the undertaking specified in UTI-I has been transferred and vested in the Administrator of the Specified Undertaking of Unit Trust of India (SUUTI), who now holds UTI's Shareholding in the Bank.

Key Managerial Personnel:

Name	Designation	Department	Date of Joining	Qualification	Experience	Ex-Employer Name
Dr. P J Nayak	CMD	Chairman	01/01/2000	M.A., Ph.D. from Cambridge University	33	Unit Trust Of India



S Chatterjee	ED	Executive Director	01/12/1994	B.A.	34	State Bank of India
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The Chairman and Managing Director and The Executive Director are supported by a team of professionals, who head various functional areas including Credit, Merchant Banking, Foreign Exchange and Treasury, Finance and Accounts, Information Technology, Policy Planning and Personnel. The branches are headed by experienced bankers at senior level of Vice President / Asst. Vice President.

Change in Key Managerial Personnel in the preceding one year:

There has been no change in the Key Managerial Personnel in the preceding one year.

Board of Directors:

Name & Address	Directorship in other Companies	Nature of Interest in other Companies
Dr. Pangal Jayendra Nayak CMD 162, Jolly Maker Apts. III Cuffe Parade, Colaba Mumbai- 400 005	NIL	NIL
Shri. K. Narasimha Murthy Independent Director 1-2-593/29 (183), Plot No.5, Gagan Mahal Colony, Domalguda, Hyderabad - 500 029	Industrial Development Bank Of India Srikari Management Consultants Pvt. Ltd.	Director Director
Shri. Surendra Singh Independent Director E-87, Paschimi Marg, 3 rd Floor, Vasant Vihar, New Delhi 110057	NIIT Ltd. Jubilant Organsoys Ltd. BAG Films Ltd. CMC Ltd. West Bengal Power Development Corporation Ltd. Andhra Pradesh Paper Mills Limited	Director Director Director Director Nominee Director Director
Shri. Moolur Raghavendra GIC Nominee Director Flat No. 291, Kalpataru Heights, Anand Rao Marg, Opp. BYC Nair Hospital, Nr. Hindustan Shipp. Mills Mumbai Central Mumbai – 400 011	GIC Asset Management Company Ltd. United India Insurance Company Ltd. OTC Exchange of India National Stock Exchange of India Limited Agriculture Insurance Company of India Ltd.	GIC Nominee Director GIC Nominee Director GIC Nominee Director GIC Nominee Director GIC Nominee Director
Shri Donald Peck Independent Director 39C-94, Maharani Baug, (4 Southern Avenue) New Delhi	Alumnus Software Ltd. BPL Communications Ltd. CDC Advisors Pvt. Ltd. Cico Technologies Ltd. International Auto Ltd. Shree Rama Multi-tech Ltd. Satyam Infoway Ltd. Ortel Communications Ltd. Daksh.com eServices Pvt. Ltd.	Director Director Director Director Director Director Director Director Director



Shri Daniel Paul Fletcher Independent Director Chief Executive - CDC Group Plc. 1, Bessborough Garden London SW IV 2JQ	CDC Group Plc The Eastern Africa Association	Director Director
Shri Raj Narain Bhardwaj LIC Nominee Director B-1, Jeevan Jyot, Setal Wad Lane, Neapean Sea Road, Mumbai - 400 006.	IFCI Ltd. LIC Lanka Ltd. LIC Mutual Fund Trustee Company Pvt. Ltd.	Nominee Director Director Director
Shri A.T. Pannir Selvam Nominee Director of SUUTI 15, Ramanathan Street, Off New Avadi Raod, Kilpauk Chennai 600010	2icapital (India) Pvt. Ltd.	Director
Shri Yash Mahajan Independent Director House No. 3, Sector- 7 Panchkula - 134109 Haryana	Punjab Tractors Ltd. Swaraj Mazda Ltd. Swaraj Engines Ltd. Swaraj Automotive Ltd. Pidilite Industries Ltd. Cholamandalam Investment & Finance Company Ltd. Hindustan Aeronautics Ltd.	Vice Chairman &MD Vice Chairman &MD Chairman Chairman Director Director Director
Shri Naresh Chand Singhal Independent Director D-107, Poormima, 23, Peddar Road Mumbai 400 026	Cholamandalam Investment & Finance Company Ltd. Shapoorji Pallonji Finance Limited Deepak Fertilizers & Petrochemicals Corporation Ltd. Max India Limited. The Shipping Corporation of India Limited Max New York Life Insurance Company Limited. Tolani Bulk Carriers Limited Samalpatti Power Company Pvt. Limited Ambit Corporate Finance Pvt. Limited Sharat Chatterjee & Co. (VSP) Pvt. Limited Amal Products Ltd. Tolani Shipping Ltd.	Director Director Director Director Director Director Chairman Director Director Director Director Director
Shri Jayanth Rama Varma Independent Director 318, Indian Institute of Mangement, Ahmedabad Vastrapur, Ahmedabad – 380015.	Progeon Ltd. (Subsidiary of Infosys Technology Ltd.)	Director



VI. INDUSTRY SCENARIO AND ACTIVITIES OF THE BANK

Structure of Indian Banking Industry

The Indian Banking Industry has witnessed rapid changes during past two decades. The sector primarily consists of commercial and cooperative banks. The commercial banks include public sector banks, new and old private sector banks, foreign banks and regional rural banks.

Scheduled Commercial Banks (SCBs)

The Scheduled Commercial Banks (SCBs) comprise:

Public Sector Banks: The banking sector in India has been characterized by the predominance of Public Sector Banks. The Public Sector Banks had 46,384 branches (SBI & Associates: 13,593; Nationalised Banks: 32,791) as on March 31, 2002. The aggregate assets of all Public Sector Banks stood at Rs. 11,55,736.77 crores at end FY02 forming 75.27% of assets of all SCBs in India. The large network of branches enables Public Sector Banks to rural deposit and keep the cost of funds low. Public Sector Banks account for 81% of deposits, 74.43% of advances, 77.63% of income, of all scheduled commercial banks at end FY02, thus clearly demonstrating their dominance of the Indian banking sector.

Private Sector Banks: In July 1993, as part of the banking sector reform process and as a measure to induce competition in the banking sector, the RBI permitted entry by the private sector into the banking system. This resulted in launching of 9 private sector banks. These banks are collectively known as the 'new' private sector banks, and operated through 803 branches at the end FY01. With the merger of Times Bank Limited into HDFC Bank Limited in February 2000, there are only eight 'new' private sector banks at present. At end FY02, the total assets of private sector banks aggregated Rs. 2,67,679.93 crores and accounted for 17.43% of the total assets of all SCBs. Although the share of private sector banks in total assets has increased from 12.61% at end FY01, new private sector banks have accounted for most of the gain. The new private sector banks' share in assets of all private sector banks has increased from 27.5% at end-FY97 (2.4% of assets of SCBs) to 65.17% at end-FY02 (11.36% of assets of SCBs). The share of old private sector banks (in total assets of SCBs) has decreased marginally (from 6.4% at end FY97 to 6.07% at end FY02), as well as their share in total assets of private sector banks has declined from 72.5% at end FY97 to 34.82% at end FY02.

Foreign Banks: There are 40 foreign banks operating in India with 203 branches. While 4 foreign banks have 10 or more branches, 18 banks are operating with only one branch each. Some foreign banks have also set up representative offices in India. Thus, as on June 30th, 2002, 63 banks had their presence in India, including 23 banks from 12 countries, which have only their representative offices here. At the end-FY02, the total assets of foreign banks aggregated Rs. 1,12,096 crore and accounted for 7.3% of the total assets of all SCBs.

Year	Deposits			Advances			Total Income		
	1999-00	2000-01	2001-02	1999-00	2000-01	2001-02	1999-00	2000-01	2001-02
Public Sector Banks	737,281	859,462	968,749	354,071	414,989	480,681	90,911	103,499	117,252
Private Sector Banks	110,039	136,667	169,440	54,196	68,058	116,430	13,690	16,595	20,817
Foreign Banks	49,377	59,190	64,511	35,858	42,997	48,632	10,330	11,984	12,960
Regional Rural Banks	32,161	38,294	44,539	12,414	15,050	17,710	4,142	4,859	5,561
Total	928,858	1,093,613	1,352,168	456,539	541,094	663,453	119,073	136,937	156,590
UTI Bank Ltd.	5,720	9,092	12,287	3,507	4,821	5,352	574	1,053	1,595

Source: Banking Sector - Reserve Bank of India, Report on Trends & Progress of Banking Sector in India 2001-02 and For Bank details - Audited Results of the Bank



The Bank has made its presence in the banking industry and the factors attributing to its success are stated as under:

Branch Network

The Bank has over 220 branches including 58 extension counters all over India. All branches are fully computerised and networked through VSATs/ leased lines. The Bank continues to introduce new products, upgrade the technology support systems to improve operational efficiencies and strengthen its human resource base.

Operations

The total balance sheet size was Rs. 19,258 crores as on 30th September 2003 .The total deposits of the Bank were Rs. 16574.69 crores .The advances portfolio stood at Rs. 7430.28 crores.

The Bank earned a Net Profit of Rs. 116.36 crores for the six months ending September 2003. The gross profit before depreciation, tax and all other provisions was Rs. 397.57 crores. During the period the net interest income was Rs. 254.98 crores, while trading profit from the sale of government bonds, corporate securities and exchange profits was Rs. 219.62 crores. Income through fees was Rs. 79.01crores. Savings bank deposits stood at Rs. 1850.35 crores.

Total income of the Bank for the period ended 30th September, 2003 was Rs.1084.79 crores.

As on 30th September 2003, the Capital Adequacy Ratio of the Bank stood at 11.24 (Tier I capital at 6.76% and Tier II capital at 4.48 %).

Control Systems

Critical areas of operation including Credit, Merchant Banking, Foreign Exchange, Treasury & International Banking, Personnel, Accounts, Information Technology, Marketing and Policy Planning and Review are headed by a management team of senior banking professionals. The Bank has a number of committees to review the operations of the Bank. A Committee of Directors headed by the Chairman & Managing Director has been delegated wide powers for credit and investment sanction, and in the matter of general administration. The Audit Committee reviews the Internal / External audit reports & compliance of aforesaid matters. The Asset-Liability Committee controls risks arising out of asset-liability mismatches and takes a view to assist in the deployment of resources and the enhancement of profits. The Share Committee looks after the transfer and splitting of shares. The Share Committee approves the transfer of the shares.

Credit Policy

The Bank has a well-diversified portfolio of credit assets encompassing sectors such as chemicals, pharmaceuticals, textiles, diamond, iron & steel, consumer durable, cables, construction and electronics, apart from trade and financial services.

Credit deployment of the Bank involves a well-laid out system of appraisals of risks and compliance with the guidelines of RBI. The prudential norms on risk management with regard to restrictions on exposures on individual industry, borrowal groups and individual corporate are complied with. Credit expansion is planned in such a way so as to guard against volatility in the money market. The Bank follows a strongly conservative and prudential policy on provisioning for weak assets, thereby providing strength to the Bank's balance sheet.

In accordance with the guidelines of the Reserve Bank of India, the Bank has been laying emphasis on priority sector and export finance, while striving continually to acquire high quality assets.



The Bank is actively focussing on structured deals involving syndication of loans, mergers and acquisitions, and company restructuring, in association with leading financial institutions and banks.

The corporate loan book has also grown organically by targeting corporates with good rating, track record and sound corporate governance practices. Corporates are selected on the following criteria:

- Sustainable long term competitive advantage and managed by groups known for competence and integrity.
- Potential to evolve as market leaders
- Adequate size, appropriate technology, sustainable product portfolio and satisfactory track record.

Risk Management

Several important steps were taken to evolve a risk management system compatible with the type and size of Bank's operations as well as the management's risk perceptions. The Boston Consulting group has been working with the Bank in carrying out a review of the existing risk management systems and in conceptualising and implementing an integrated risk management architecture. The Bank has already implemented several risk management measures in conformity with RBI guidelines. Periodic reviews of the Asset Liability Management (ALM) Policy as well as the Credit Policy have been conducted, and approval obtained from the Bank's Board for strengthening risk management.

Rating and monitoring tools for corporate borrowers were developed during the year. As a further measure to ensure ongoing maintenance of the quality of loan assets, a Credit Audit team has been formed to conduct a post disbursement scrutiny of all major assets, going into various aspects such as appraisal, documentation, security creation and conduct of account.

Treasury & Foreign Exchange Operations

The Bank runs an Integrated Treasury covering both domestic and foreign exchange markets. There has been a focussed team of dealers, sales staff and operations professionals who have worked to structure effective treasury-centric solutions for the Banks corporate and retail clientele. Investment and trading in government securities and fixed-income mutual funds led to trading income of Rs. 131.83 crores for the half year ended 30th September 2003.

A newly created derivatives desk worked out strategies for interest rate and exchange risk management for customers and has quickly made its mark on the segment. This option was also utilised internally by the Bank to suitably hedge parts of the Balance Sheet on appropriate occasions .

The foreign exchange desk successfully increased exchange income by 62.92% to Rs. 12.35 crores for the period ended 30th September 2003, up from Rs. 7.58 crores in the corresponding period for previous year. Intensive trading in various currency pairs within strict risk management norms resulted in fresh income streams opening out. Customer advisory support together with an intensive sales effort saw merchant volumes grow substantially during the year.

Merchant Banking

The Bank received authorisation to function as a Category - I Merchant Banker in January 1995, and today has a significant presence in all areas covering the entire gamut of merchant banking activities. The Bank's Merchant Banking Division has developed expertise in areas such as capital structuring and management of public issues, placement and syndication, and appraisals. The Bank also acts as Bankers to corporate offerings. The Merchant Banking Department also handles investment and trading in corporate debt instruments, preference shares and equities.



The details of the services provided by the Merchant Banking Division are provided below:

(a) Depository Participant (DP) Business

The product was launched in March 1998 and has received excellent response from the investors. At present the Bank has a client base of about 90810 account holders with a custodial volume of over Rs. 26,077.57 crores as on 30th September 2003.

(b) Loans against Dematerialised Shares and Units of Mutual Funds

As a corollary to DP business, the Bank has launched a scheme for extending loans against dematerialised securities to meet the needs of the investors. This provides liquidity to investments made by retail investors.

(c) Trustees to Debenture/Loan/ Securitisation Trustees

The Bank started this activity in June 1998 and has already been appointed to act as Trustees for issues aggregating Rs. 49,113 crores as on 30th September 2003. The Bank acts as trustees to Debenture holders of approx. 190 corporates.

d) Capital Markets Division

The Bank has set up Capital Markets Division in July 2000. The division extends fund based and non-fund based assistance to the brokers of The Stock Exchange, Mumbai (BSE) and The National Stock Exchange (NSE). The Bank also acts as a Clearing and Settlement Bank for BSE and NSE and OTCEI. Further the Bank acts as Professional Clearing Member (PCM) for the F&O Segment of NSE. The Bank has also been appointed as Designated Clearing Bank by NCDEX.

e) Placement and Syndication

Bank has continued its success with a total syndication business of Rs. 11,160 crores for various corporates for the period ended 30th September, 2003 as compared to Rs. 8,176 crores in the financial year ended 31st March, 2003. The Bank was again ranked as number one amongst the country's merchant bankers by Prime Database in respect of raising debt on private placement basis.

f) Project Advisory Services

The Bank provides Advisory Services to various Government, Semi Government, Public Sector Undertaking and Corporates, which includes, infrastructure project, financial advisory, restructuring package, disinvestment advisory, Merger and Acquisition and other related services.

g) Primary Market Services:

The Bank as Registered Merchant Banker and Underwriter with SEBI handles assignment of managing IPOs, Public / Rights Issues, Buy Back of shares, Open Offers. etc.

Institutional Business

The Bank's Institutional Business segment focussed on mobilising current account deposits by expanding the cash management services client base and by ensuring product innovation. The Cumulative Average period upto September 2003 stands at Rs 1527.19 crores. The number of current accounts increased by 27% to 64,691 accounts from March 2003. Enhanced product features like 'Anywhere Banking' and an 'At Par' facility has helped significantly in tapping high value current accounts of corporates and other institutions.



During the half-year ended September 2003, the number of Cash Management Services customers went up to 537, while the CMS throughput under was Rs. 38216.39 crores as against the total throughput of Rs. 47556 crores for F.Y 2002-03. The CMS Group has handled 101 payment mandates during the half year ended September 2003, against 69 mandates handled in the entire financial year 2002-03.

Retail Banking

During the year 2003-04 the retail strategy has encompassed :

- giving the branches a sharper marketing orientation by shifting the branch focus to relationship management from transaction management with the bulk of the transaction processing being carried out centrally in the Bank's Central Processing Unit.
- widening the product basket by adding new and more profitable products and services
- increasing the Bank's reach through the branch and ATM network, and focusing on the acquisition of low cost retail deposits and high yielding retails assets.
- increasing rapidly the customer base, which is prerequisite for cross selling the Bank's products and third party products.
- leveraging information technology to distribute value added products and services to provide multiple delivery channels in a cost effective manner, and to offer customers real time, online connectivity for a significant proportion of transactions.
- maintaining high standards of customer service.

The Bank has launched its VISA Electron International Debit Card with unique insurance facilities and attractive discounts for usage at merchant establishments. As on September 30,2003, the Bank has issued about 10.85 lakh debit cards and now ranks as one of the top five issuers of debit cards in the country. The Bank has also been the first bank to offer free 'At Par' cheque books to all its savings bank customers. All UTI Bank 'At Par' cheques are now treated as local cheques wherever the Bank has branch network and participates in interbank clearing of cheques. This enables savings bank customers to make outstation payments with speed, and no additional costs.

The Bank offers a more customised Priority Banking service for high value customers. The service has been formally extended in 12 cities and towns. As on September 30, 2003, 10,031 Priority Banking customers have brought in over Rs. 495 crores of deposits. In addition, from April 2003 till September 30, 2003, the Bank has mobilized Rs. 223.52 crores of third party mutual funds products to such customers.

The Bank has enlarged its ATM sharing arrangements by entering into contracts with ABN Amro Bank, Karur Vysya Bank, Bank of Rajasthan, Kotak Mahindra Bank and State Bank of India for a reciprocal usage of ATMs.

NRI Services

The NRI deposits as on 30th September, 2003 was Rs. 951.78 crores with total customer relationship of 32,323. The Bank has been targetting this segment in a focussed manner in recent times and has been achieving good results with high growth rates. Products and services for the convenience of customers is being developed on a regular basis.

VII. STOCK MARKET DATA

High and low prices quoted on BSE & NSE during the last 3 years

BSE							
Year	Date of High	High(Rs)	Volume on date of High	Date of Low	Low(Rs.)	Volume on date of low	Average(Rs.)
2003	22-Dec-03	148.80	550816	26-Feb-03	35.75	22189	92.28
2002	26-Dec-02	46.50	46165	02-Jan-02	25.70	4910	36.10
2001	25-Jan-01	53.80	124209	17-Sep-01	20.50	27174	37.15



NSE							
Year	Date of High	High(Rs)	Volume on date of High	Date of Low	Low(Rs.)	Volume on date of low	Average(Rs.)
2003	29-Dec-03	153.20	400117	11-Mar-03	38.10	51780	95.65
2002	17-Jun-02	48.75	106119	02-Jan-02	25.65	20771	37.20
2001	29-Jan-01	54.05	475599	18-Sep-01	21.00	42197	37.53

- ◆ High and low prices quoted on BSE & NSE during the last 6 months with volume with respective date of High/Low

Month	BSE			BSE		
	Date	High Rs.	Volume	Date	Low Rs.	Volume
Dec-03	22-Dec-03	148.80	550816	01-Dec-03	84.15	118598
Nov-03	19-Nov-03	85.80	376417	17-Nov-03	71.00	45540
Oct-03	14-Oct-03	90.00	102117	01-Oct-03	71.00	56551
Sep-03	03-Sep-03	78.10	101029	23-Sep-03	63.15	34667
Aug-03	05-Aug-03	83.55	109125	11-Aug-03	68.20	100634
Jul-03	30-Jul-03	83.70	180921	02-Jul-03	48.00	338826

Month	NSE			NSE		
	Date	High Rs.	Volume	Date	Low Rs.	Volume
Dec-03	29-Dec-03	153.20	400117	01-Dec-03	84.00	240174
Nov-03	19-Nov-03	85.90	1023045	15-Nov-03	71.25	23562
Oct-03	20-Oct-03	89.00	289526	01-Oct-03	70.75	237237
Sep-03	02-Sep-03	87.40	558570	23-Sep-09	63.25	101669
Aug-03	05-Aug-03	83.25	419413	25-Aug-03	70.65	274634
Jul-03	30-Jul-03	83.80	989458	02-Jul-03	48.00	129851

- ◆ No. of Shares traded during the last six months on each stock exchange

PERIOD	BSE	NSE
Dec-03	6988520	19192600
Nov-03	1512592	4608215
Oct-03	1827980	5673910
Sep-03	1236473	4312462
Aug-03	1718031	6217033
Jul-03	7512996	24139340

- ◆ Market Price on 20th October 2003 (Working day following the Board Meeting approving the Debt issue)

Date	BSE				NSE			
	Open	High	Low	Close	Open	High	Low	Close
20th October 2003	86.00	86.00	80.00	80.35	89.00	89.00	79.25	80.55
Volume on the date	289526				96485			

Rs.



VIII. MANAGEMENT DISCUSSION & ANALYSIS OF THE FINANCIAL STATEMENT FOR THE LAST THREE FINANCIAL YEARS:

STATEMENT OF PROFITS AND LOSSES			
	(Rs. in crores)		
	2001	2002	2003
Income			
Interest Earned	889.63	1,178.53	1,464.81
Commission, exchange & brokerage	86.25	97.62	143.77
Profit on sale of investments (net)	63.78	305.44	246.14
Profit on exchange transactions (net)	5.21	8.65	16.67
Profit / loss on sale of fixed assets (net)	(0.07)	(0.78)	(1.53)
Lease Rentals	5.66	3.63	3.97
Miscellaneous Income	2.17	1.31	1.45
Total	1,052.63	1,594.40	1,875.28
Expenditure			
Interest Expended	791.36	980.00	1,142.41
Staff Costs	28.52	51.22	85.23
Other Operating expenses	100.24	155.90	237.62
Provisions and Contingencies	28.05	193.91	108.82
Total	948.18	1,381.03	1,574.08
Net Profit before tax and extraordinary items	104.45	213.37	301.20
Provision for Taxes	18.33	79.23	109.02
Net Profit before Extraordinary Items	86.12	134.14	192.18
Extraordinary items	-	-	-
Net Profit After Extra-ordinary Items	86.12	134.14	192.18

STATEMENT OF ASSETS & LIABILITIES	2001	2002	2003
Fixed Assets			
Gross block	283.06	343.80	430.16
Less-Depreciation	48.60	83.33	124.65
Net Block	234.46	260.47	305.51
less Revaluation Reserves	-	-	-
Net Block after adjustment for revaluation reserve	234.46	260.47	305.51



Current Assets, Loans and Advances			
Investments	4,192.62	5,678.34	7,841.02
Cash & Bank Balances	1,211.78	2,703.32	3,569.71
Loans and Advances	4,821.12	5,352.30	7,179.92
Other Current Assets	305.91	386.62	717.02
Liabilities and Provisions			
Deposits	9,092.20	12,287.21	16,964.72
Borrowings	1,146.02	950.31	719.31
Employees Stock Options Outstanding (Net)	-	0.07	0.82
Current Liabilities and Provisions	226.22	528.70	1,010.22
Net Worth	301.45	614.76	918.11
Represented by			
1. Share capital	131.90	191.81	230.19
2. Reserves	169.55	422.95	687.92
Less Revaluation Reserves	-	-	-
Reserves (Net of Revaluation Reserves)	169.55	422.95	687.92
Net Worth	301.45	614.76	918.11
Miscellaneous Income of the Bank does not exceed 20% of the net profit before tax			
Issuer confirms that there have been no changes in its activity which may have had a material effect on the statement of profit/loss for the last five years.			
Earnings per share (In Rs.)	6.53	9.34	10.00
Return on Net Worth	28.57%	21.82%	20.93%
NAV per share (In Rs.)	22.85	32.05	39.88

The following discussion and analysis should be read in conjunction with financial statements.

Comparison of financials for Financial year 2003 with financials of Financial year 2002

The total balance sheet size grew by 36% to Rs. 19,613 crores as on March 31, 2003 as compared to Rs. 14,381 crores as on March 31, 2002. The total deposits of the Bank grew from Rs. 12,287 crores to Rs. 16,965 crores during the same period recording a growth of 38%. The advances portfolio grew from Rs. 5,352 crores to Rs. 7,180 crores at a growth of 34%.

The Bank earned a net profit of Rs. 192.18 crores for the year 2002-03 as against Rs. 134.14 crores in the previous year, registering a growth of 43.27%. The gross profit before depreciation, tax and all other provisions was Rs. 458.93 crores as against Rs. 443.91 crores in 2001-02. During the year, the net interest income went up by 62% to Rs. 322.40 crores, while trading profit from the sale of government bonds, corporate securities and exchange profits declined to Rs. 262.81 crores as compared to Rs. 314.09 crores during the preceding year. Fee Income went up by 47% to Rs. 143.77 crores. (Savings bank deposits rose by 62.51% to Rs. 1,423.25 crores).



The profit per employee increased to Rs. 0.082 crores from Rs. 0.077 crores. The business per employee increased to Rs. 9.26 crores from Rs. 8.96 crores.

As on March 31, 2003 the Capital Adequacy Ratio of the Bank stood at 10.90% (with Tier I capital at 6.44% and Tier II capital at 4.46%). The Bank has raised Rs. 193.10 crores by issue of unsecured non-convertible redeemable sub-ordinated debentures as its Tier II capital during the year.

Result of Operations for the year ended March 31, 2002 compared to the year ended March 31, 2001

The total balance sheet size grew by 34% to Rs. 14,381 crores as on March 31, 2002 as compared to Rs. 10,766 crores as on March 31, 2001. The total deposits of the Bank grew from Rs. 9092 crores to Rs. 12,287 crores during the same period recording a growth of 35%. The advances portfolio grew from Rs. 4821 crores to Rs. 5352 crores at a growth of 11%.

The Bank earned a net profit of Rs. 134.14 crores for the year 2001-02 as against Rs. 86.12 crores in the previous year, registering a growth of 55.76%. The gross profit before depreciation, tax and all other provisions was Rs. 443.91 crores as against Rs. 154.23 crores in 2000-01. During the year, the net interest income went up by 103% to Rs. 199.53 crores, while trading profit from the sale of government bonds, corporate securities and exchange profits increased to Rs. 314.09 crores as compared to Rs. 68.99 crores during the preceding year. Fee Income went up by 13% to Rs. 97.62 crores. (Savings bank deposits rose by 53.82% to Rs. 875.80 crores).

The profit per employee increased to Rs. .077 crores from Rs. 0.72 crores. The business per employee decreased to Rs. 8.96 crores from Rs. 9.59 crores.

As on March 31, 2002 the Capital Adequacy Ratio of the Bank stood at 10.65% (with Tier I capital at 6.42% and Tier II capital at 4.23%). The Bank has raised Rs. 145.50 crores by issue of unsecured non-convertible redeemable sub-ordinated debentures as its Tier II capital during the year.

Result of Operations for the year ended March 31, 2001 compared to the year ended March 31, 2000

The total balance sheet size grew by 61% to Rs. 10,766 crores as on March 31, 2001 as compared to Rs. 6,669 crores as on March 31, 2000. The total deposits of the Bank grew from Rs. 5720 crores to Rs. 9092 crores during the same period recording a growth of 59%. The advances portfolio grew from Rs. 3507 crores to Rs. 4821 crores at a growth of 37%.

The Bank earned a net profit of Rs. 86.12 crores for the year 2000-01 as against Rs. 50.93 crores in the previous year, registering a growth of 69.09%. The gross profit before depreciation, tax and all other provisions was Rs. 154.23 crores as against Rs. 127.63 crores in 1999-2000. During the year, the net interest income went up by 8% to Rs. 98.27 crores, while trading profit from the sale of government bonds, corporate securities and exchange profits increased to Rs. 68.99 crores as compared to Rs. 44.36 crores during the preceding year. Fee Income went up by 93% to Rs. 86.25 crores. (Savings bank deposits rose by 85.78% to Rs. 569.38 crores).

The profit per employee increased to Rs. 0.72 crores from Rs. 0.69 crores. The business per employee decreased to Rs. 9.59 crores from Rs. 11.01 crores.

As on March 31, 2001 the Capital Adequacy Ratio of the Bank stood at 9.00% (with Tier I capital at 5.84% and Tier II capital at 3.16%). The Bank has raised Rs. 50.00 crores by issue of unsecured non-convertible redeemable sub-ordinated debentures as its Tier II capital during the year.

UTI Bank confirms that:

1. There have been no unusual or infrequent events or transactions, since the date of the Auditors Report (May 06, 2003) contained herein.
2. There are no significant economic changes that materially affected or are likely to materially affect income from continued operations.



3. There are no known trends or uncertainties that have had or are likely to have a material adverse impact on the revenue or income from continuing operations.
4. There have been no changes in the activity of the Issuer which may have had a material effect on the statement of profit / loss for the last five years.

Material Development:

In the opinion of the Bank, since the date of the last financial statement disclosed in the Information Memorandum, there have been no circumstances that materially and adversely affect or are likely to affect the trading or profitability of the Bank, or the value of its assets, or its ability to pay its liabilities, within the next twelve months.

Corporate Governance

The Company complies with Corporate Governance as applicable to listed Companies and has constituted the committees such as Committee of Directors, Audit Committee, Risk Management Committee, Shareholders / Investors Grievance Committee, Remuneration Committee.

IX. FINANCIALS OF GROUP COMPANIES PROMOTED BY PROMOTERS

❖ Companies promoted by Special Undertaking of Unit Trust of India (SUUTI) -Formerly know as Unit Trust of India

(a) UTI Securities Limited – Earlier known as UTI Securities Exchange Limited

Brief History :

UTI Securities Exchange Limited was incorporated as 100% subsidiary of Unit Trust of India on 28/6/1994. The company undertakes Merchant Banking, Stock Broking, Allied Activities. Consequent to the repeal of Unit Trust of India (UTI) Act, the entire shareholding of the company was transferred to the Administrator of the Specified Undertaking of the Unit Trust of India w.e.f. 1/2/2003.

Board of Directors:

1. Shri M. Damodaran – Chairman
2. Shri R. S. Lodha
3. Shri A. K. Thakur
4. Shri S. N. Chaturvedi
5. Dr. D. C. Anjaria
6. Shri K.E.C Rajakumar
7. Shri A. Rama Mohan Rao – Managing Director

Financial Highlights:

1	Date of Incorporation	28 th June 1994		
2	Nature of Activities	Merchant Banking, Stock Broking, Allied Activities		
		2000-2001	2001-2002	2002-2003
		(Rs. Crs.)		
3	Equity Capital (of Rs.10/- each)	30.00	30.00	30.00
4	Reserves (excluding revaluation reserves)	1.05	NIL	NIL
5	Income	13.86	7.49	9.58
6	Profit After Tax (PAT)	1.56	(3.00)	0.07
7	Earning Per Share (EPS) (Rs.)	0.52	NIL	0.02
8	NAV (Rs.)	10.35	10.00	10.00



(b) UTI Investor Services Limited

Brief History:

UTI Investor Services Limited was incorporated on 19th May 1993 as a 100% subsidiary of Unit Trust of India to render services as Registrar and Transfer Agents. Consequent to the repeal of Unit Trust of India (UTI) Act, the entire shareholding of the company was transferred to the Administrator of the Specified Undertaking of the Unit Trust of India w.e.f. 1/2/2003

Board of Directors:

1. Shri M. Damodaran – Chairman
2. Shri M. Parameswaran – Director and Chief Executive Officer
3. Shri Prakash Damodaran – Director
4. Shri Ketan Dalal – Director
5. Shri K. Madhava Kumar – Director
6. Shri F. Q. Kolman - Director

Financial Highlights:

1	Date of Incorporation	19 th May, 1993		
2	Nature of Activities	Providing R&T Services		
		2000-2001	2001-2002	2002-2003
		(Rs. Crs.)		
3	Equity Capital (of Rs.10/- each)*	10.00	10.00	10.00
4	Reserves (excluding revaluation reserves)	0.84	1.20	0.96
5	Sales	9.89	12.28	22.00
6	Profit After Tax (PAT)	1.98	1.56	0.78
7	Earning Per Share(EPS) (Rs.)	2.01	1.55	0.78
8	NAV (Rs.)	10.84	11.20	10.96

Note: * Further capital of Rs.20 crores has been allotted during the FY - 2003-04 making the present issued capital to Rs. 30 crores

(c) Unit Trust Of India Investment Advisory Services:

Brief History :

Unit Trust of India Investment Advisory Services Limited (UTIIS) was incorporated in India as wholly owned subsidiary of Unit Trust of India. UTIIS provides investment advisory and management services to mutual funds on and ongoing basis for management fees. Consequent to the repeal of Unit Trust of India (UTI) Act, the entire shareholding of the company was transferred to the Administrator of the Specified Undertaking of the Unit Trust of India w.e.f. 1/2/2003

Board of Directors (as on 31/3/2003)

1. Shri M. Damodaran – Chairman
2. Shri Prasanna Chandra
3. Shri M. R. Mayya
4. Shri Vipin Mallik
5. Dr. P. R. Joshi
6. Shri D. S. R. Murthy
7. Shri Ajeet Prasad



Financial Highlights:

1	Date of Incorporation	20 th June, 1988		
2	Nature of Activities	Investment Advisory Services to Mutual Funds		
		2000-2001	2001-2002	2002-2003
		(Rs. Crs.)		
3	Equity Capital (of Rs.10/- each)	0.89	0.89	0.89
4	Reserves (excluding revaluation reserves)	10.25	10.89	4.26
5	Income	8.43	5.01	3.41
6	Profit After Tax (PAT)	2.36	1.09	0.07
7	Earning Per Share(EPS) (Rs.)	26.60	12.28	0.79
8	NAV (Rs.)	125.16	132.35	57.86

(d) Indian Institute Of Capital Markets (Formerly UTI Institute of Capital Markets):

Brief History:

Indian Institute of Capital Markets (formerly UTI Institute of Capital Markets (UTIICM)) was established on 25th June, 1992 as an autonomous body registered under Societies Registration Act 1860 and Bombay Public Trust Act 1950. The institute is involved in education, research and consultancy activities relating to capital markets.

Names of Governing Council Members:

1. Shri M. Damodaran – Chairman
2. Shri D. Basu
3. Shri Nimesh N. Kampani
4. Dr. K. R. S. Murthy
5. Dr. T. T. Ram Mohan
6. Dr. Ajit V. Karnik
7. Dr. P. P. Shastri

Financial Highlights:

	(Rs. Crs.)		
Year	2000-2001	2001-2002	2002-2003
Trust Fund or Corpus	9.00	9.00	9.00
Income	3.24	2.94	2.83

- ◆ The Institute has made a loss of Rs. Rs. 3.74 lacs as on 31st March, 2003 whereas the surplus as on 31st March, 2002 was Rs. 18.67 lacs and surplus as on 31st March, 2001 was Rs. 66.28 lacs.

❖ **Companies Promoted by LIC of India**

(a) LIC Housing Finance Limited:

Brief History:

LIC Housing Finance Ltd. (LICHFL) was incorporated on 19th June, 1989 with its registered office at Mumbai. LICHFL, promoted by LIC of India, is engaged in business of providing long term finance for purchase / construction of houses / flats.



Board of Directors:

1. Shri S B Mathur – Chairman
2. Shri R K Vashishtha – Managing Director
3. Shri F M Pardiwalla – Director
4. Shri G M Ramamurthy – Director
5. Shri Y B Desai – Director
6. Shri M M Chitale – Director
7. Shri V P Singh – Director
8. Shri R K Ahooja – Director
9. Shri S C Jain – Director

Details of shareholding in UTI Bank Limited:

- ◆ The Company is not holding any shares of UTI Bank.
- ◆ Since 1st July, 2003, the Company has sold 1,00,025 equity shares of UTI Bank and not purchased any shares of the Bank during this period. The minimum and maximum selling price being Rs 84.01 and Rs. 137.53 respectively.
- ◆ The highest price of equity shares of LIC Housing Finance Ltd. during preceding six months is Rs. 217 and lowest price during the same period is Rs. 100. There is no change in capital structure during last six months.
- ◆ There was no public or rights issue during the preceding three years by LIC Housing Finance Ltd.

Financial Highlights:

Year	Rs. Crs.		
	2000-2001	2001-2002	2002-2003
Equity Capital	74.99	74.99	75.00
Reserves (excluding revaluation reserves)	565.13	663.65	786.12
Income	761.87	874.91	1015.42
Profit after Tax	121.52	147.66	180.11
Earning per share (Rs.)	15.80	19.69	23.31
NAV (Rs.)	85.36	98.50	114.82

Details of Investors Grievances, if any: None

(b) Jeevan Bima Sahayog Asset Management Company Limited

Brief History:

Jeevan Bima Sahayog Asset Management Co. Ltd. (JBS-AMC) was incorporated on 20th April, 1994 and received certificate of commencement of business on 29th April, 1994. The company was granted approval to act as asset management company to LIC Mutual Fund on 10th May, 1994, in terms of regulation 20 of SEBI (Mutual Funds) Regulations, 1993. Accordingly, JBS-AMC signed an investment agreement with LIC Mutual Fund for taking over the investment and allied functions of LIC Mutual Fund.

Board of Directors:

1. Shri S.B. Mathur
2. Shri C.R. Thakore
3. Shri R.M. Honavar
4. Shri Mukund M Chitale



5. Shri D.M. Sukthankar
6. Shri Ajit Sharan
7. Shri S.C.Jain

Financial Highlights

(Rs. Crs.)

Year	2000-2001	2001-2002	2002-2003
Equity Capital (Face Value Rs. 10,000)	10.00	10.00	10.00
Reserves (excluding Revaluation Reserve)	18.60	26.57	29.51
Total Income	13.15	22.09	19.83
Profit after Tax	3.45	10.51	8.19
Earning per share (Rs.)	3448.09	10506.05	5194.09
NAV (Rs.)	28599.90	36611.65	39538.92

(c) LIC Insurance Corporation International E.C. Baharain

Brief History:

Life Insurance Corporation International E.C. Bahrain was formed as a Bahrain Exempt Company on 23rd July, 1989 to transact life insurance business. Its head office and administrative unit for servicing the policy holders is located at Bahrain. The company operates in the state of Bahrain, Kingdom of Saudi Arabia and state of Kuwait and UAE through its Chief agents for marketing it's products and in Qatar through a broker arrangement.

Board of Directors:

1. Shri S.B. Mathur – Chairman
2. Shri R. K. Vashishtha – Deputy Chairman
3. Shri Abdul Rehman Ali Alwazzan – Director
4. Shri M. K. Santhanam – Director
5. Shri N. S. Sisodia – Director (Government Nominee)
6. Shri G. C. Chaturvedi – Alternate Director to Government Nominee.

Financial Highlights:

(Bahrain Dinar in lacs)

Year	2000-2001	2001-2002	2002-2003
Capital	50.00	50.00	50.00
Reserves	1.24	5.25	5.51
Total Income	47.20	91.19	146.72
Profit after tax	0.54	4.01	3.26
Earning per share (Rs.)	1.08	8.03	6.51
NAV (Rs.)	83.40	92.09	92.52

(d) LIC (Nepal) Ltd., Nepal

Brief History:

LIC (Nepal) Ltd, a joint venture between LIC and Vishal Group of Companies in the kingdom of Nepal has successfully completed first year of its operations since commencement of operation in December, 2001.

Vishal Group is a fast growing organisation, having reasonably good and well spread distribution network in entire Nepal. MOU was signed by Chairman of LIC with 'Vishal Group Limited,' Nepal on 28th



November 2000 at Kathmandu. LIC holds about 69% of equity shares in LIC (Nepal) Limited. The Management Control rests with LIC and it has three nominees on the Board, one nominee from amongst Vishal Group of Industries and another nominee being from the Shareholders in Public.

The Company as at 31st December, 2002 has secured 7821 policies with Sum Assured of Nepal Rs. 142.60 crore and mobilized premium income of N. Rs. 6.90 crore. The Company made its first Public Issue which was oversubscribed by more than 16 times which is a testimony to the efficient way the operations have commenced as also to the brand image of LIC in the Kingdom.

Board of Directors:

1. Shri S. B. Mathur- Chairman
2. Shri N. S. Sisodia – Director (Secy-Financial sector, Dept. of Economic Affairs, Government of India.)
3. Shri G. C. Chaturvedi – Alternate Director to Govt. Nominee
4. Shri R. K. Vashishta – Director
5. Shri Ashok Agrawal - Director
6. Shri Gopal Agrawal – Director

Financial Highlights:

(Nepal Rs.)

Equity Capital:	25 crores (Nepal Rs.) for the year ended July, 2002
Reserves : Life fund:	3.23 crores (Nepal Rs.) as on 16/7/2002
Total Income:	4.22 crores (Nepal Rs.) as on 16/7/2002

(e) LIC Lanka Limited

Brief History:

Life Insurance Corporation of India, in pursuit of its strategic policy to expand internationally, is spreading its wings to more countries. LIC (Lanka) Ltd. the latest Joint Venture Company between LIC and Bartleet Group of Companies Ltd. was inaugurated on 1st March, 2003, in Colombo, Sri Lanka with equity capital of 100 million (Sri Lankan Rupees). With the launch of this Company, the Corporation has made re-entry into Sri Lankan Life Insurance Market after the opening up of insurance sector to foreign companies in Sri Lanka.

Board of Directors:

1. Shri S. B. Mathur – Chairman
2. Shri R. N. Bhardwaj – Managing Director
3. Shri Eraj Wijesinghe – Director

(f) LIC Mauritius:

The Corporation has recently subscribed to 70% of the share capital in LIC Mauritius by way of share capital of that company, the balance 30% capital of the said company is held by GIC. This company has recently incorporated, however the operations are yet to start.

❖ Companies Promoted by GIC

(a) GIC Asset Management Company Limited (GAMCL)



Brief History:

GIC Asset Management company Ltd. (GIC AMC) was incorporated on 25th May 1993 and appointed as Investment Manager to GIC Mutual Fund sponsored by General Insurance Corporation of India and its subsidiaries. After appointment as Investment Manager, the company floated schemes on behalf of GIC Mutual Fund and managed corpus of the same including schemes launched prior to formation of the company. The Company is also rendering advisory services to corporate clients.

Board of Directors:

1. Shri P. C. Ghosh – Chairman
2. Shri S. V. Haribhakti
3. Dr. P. C. Chatterjee
4. Shri V. H. Pandya
5. Shri M. Raghavendra
6. Shri Ramdas L. Baxi
7. Shri Girish M. Dave

Details of shareholding in UTI Bank Limited:

During preceding 6 months 1,69,086 shares were sold, minimum and maximum selling price being Rs. 65.00 and Rs. 114.52 respectively

Financial Highlights:

Year	(Rs. Crs.)		
	2000-2001	2001-2002	2002-2003
Equity capital	20.00	20.00	20.00
Reserves (including revaluation reserves) (net of loss)	Nil	Nil	Nil
Income	5.80	5.33	6.58
Profit after Tax	(8.40)	0.20	3.19
Earnings per share (Rs.)	Nil	0.10	1.59
NAV (Rs.)	11.38	11.57	16.28

(b) GIC Housing Finance Limited

Brief History:

GIC Housing Finance Ltd. (GHFL) promoted by GIC and its erstwhile subsidiary companies with leading financial institutions viz. IFCI, ICICI, HDFC, UTI and SBI was incorporated on 12th December, 1989, to provide long term housing finance to individuals, groups and corporate bodies for purchase, construction and renovation of dwelling units. The shares of the companies are listed on Mumbai, Calcutta, Chennai and National Stock Exchange.

Board of Directors:

1. Shri P. C. Ghosh – Chairman
2. Shri N R Ranganathan – Nominee Director
3. Shri M K Tandon – Director
4. Shri A Rama Mohan Rao – Nominee Director
5. Shri R L Baxi
6. Shri Manu Chadha
7. Shri R M Malla
8. Shri V Jagannathan



9. Shri Rajendra Beri
10. Srhi Sham Lal Mohan
11. Shri Harkanwal Singh Wadhwa

Financial Highlights:

Year	2000-2001	2001-2002	2002-2003
Equity Capital	17.97	17.97	17.97
General Reserves	1.42	0.39	0.89
P & L carried forward to Balance sheet	0.98	0.03	0.22
Special Reserves	30.57	33.32	36.77
Profit after tax	4.33	1.20	6.61
Earnings per share (Rs.)	2.09	0.67	3.67
NAV (Rs.)	28.35	28.78	10.00

◆ Details of Investors Grievances:

The Status of Shareholder complaints received during the quarter ended 30.09.2003 is as under:

Total complaints pending for the quarter ended 30.06.2003	-	Nil
Total complaints received during the quarter ended 30.09.2003	-	30
Total complaints resolved during the quarter ended 30.09.2003	-	30
Total complaints pending for the quarter ended 30.09.2003	-	NIL.

- ◆ Highest and lowest market price of shares of GIC Housing Finance Limited during preceding 6 months: Rs. 38.45 / Rs. 11.80
- ◆ There was no public or rights issue during the preceding three years by GIC Housing Finance Ltd.

(c) **The India International Insurance PTE. Limited, Singapore**

Brief History:

India International Insurance Pte Ltd. (IIPL) was set up in 3rd December, 1987 as a locally incorporated fully owned subsidiary in Singapore to carry on general insurance business. The initial capital was subscribed by GIC and its subsidiary companies in equal ratio.

Board of Directors:

1. Shri P. C. Ghosh
2. Shri N. S. Sisodia
3. Shri V. Jagannathan
4. Shri H. S. Wadhwa
5. Shri Hwang Soo Jin

Financial Highlight:

Year ended on	31.12.2000	31.12.2001	31.12.2002
Equity Capital	25 million	25 million	25 million
Reserves	76,122,986	88,491,910	99,331,594
Income	81.51 million	94.12 million	135.36 million
Profit after tax	12,097,905	13,784,549	11,814,684
Earnings per share (Sing. \$)	0.4839	0.5514	0.4726
NAV (Sing. \$)	4.04	4.54	4.97



(d) Kenindia Assurance Company Limited

Brief History:

Kenindia Assurance Company Ltd. (KACL) was incorporated as composite insurance company on December 6, 1978 by merging branch operations of subsidiaries of GIC and LIC then operating in Kenya. The company operates in Kenya with branches in Mombassa and other important places and is a leading insurance company in the region.

Board of Directors:

1. Shri M. N. Mehta
2. Dr. M. P. Chhabria
3. Hon'ble Simeon Nyachae
4. Shri P. C. Ghosh
5. Shri S. B. Mathur
6. Shri S. L. Mohan
7. Shri A. N. Ngugi
8. Shri M.J.A. Emukule
9. Shri I. J. Jain

Financial Highlights:

Year	(Kshs in Millions)		
	2000	2001	2002
Equity Capital	224.59	273.73	274.50
Reserves (excluding revaluation reserves)	194.63	204.46	309.74
Income	2743.07	3124.32	3265.95
a) Non Life Business Premium (Gross)			
b) Life Business Premium (Gross)	2130.32	2273.54	2350.70
Investment Income	354.71	610.03	585.09
a) Non Life Business			
b) Life Business	102.96	61.64	99.92
	155.08	179.11	230.24
Profit after tax	44.91	48.03	99.71
Earnings per share (Kshs)	20.00	17.18	36.00
NAV (Kshs)	1198.00	1199.54	978.00

(e) Agriculture Insurance Company of India Limited (AICIL)

Brief History :

A new company was incorporated on 20th December, 2002 under the Companies Act, 1956 with paid up share capital of Rs. 200 crores to transact crop insurance and other allied agricultural business in India. The company is promoted by General Insurance Corporation of India in collaboration with NABARD and the four erstwhile subsidiary companies of GIC. The GIC holds 35% equity of AICIL and NABARD holds 30%. While the balance is held equally to the extent of 8.75% by the four public sector insurance companies. The Company has been formed to takeover the Agricultural Insurance which was operated by GIC since inception of that scheme. Besides the scheme, the company will float further necessary Insurance Schemes in agriculture and allied sector as in required from time to time.



Board of Directors:

1. Shri Suparas Bhandari – Chairman and Managing Director
2. Shri M. Raghavendra
3. Shri T. K. Das
4. Shri A. V. Purushothman
5. Shri T. K. Roy
6. Shri S. K. Chanana
7. Dr. K. G. Karmarkar
8. Shri K. N. Bhandari
9. Shri G. C. Chaturvedi
10. Smt. Anjali Prasad
11. Shri Rajiv Mehta
12. Shri Naved Masood

Equity Capital:

Out of the total paid up capital of Rs. 750 crores at present the initial paid up capital of Rs. 200 crores is contributed by:

	(Rs. Crs.)
GIC	70.00
NABARD	60.00
National Insurance	17.50
New India Assurance	17.50
Oriental Insurance	17.50
United India	17.50
Total	<u>200.00</u>

- ◆ The Company has taken over the implementation of ‘National Agricultural Insurance Scheme’ and has also finalised FIIS (Farmer’s Income Insurance Scheme) from the current Rabi season. From kharif 2004 season, Company will move to actuarial regime from NAIS. Transfer of the Assets and Liabilities of the present scheme from GIC to the new Company is underway.
- ◆ The company has opened a Bank account and placed the amount received as share capital in the said account initially. It has also complied with regulated requirements of IRDA (being an Insurance Company).

❖ **Companies promoted by New India Assurance Company**

(a) **The New India Assurance Company (SIERRA LEONE) Ltd.**

Brief History:

In the year 1959, New India Assurance Company opened its branch in Sierra Leone, South Africa as 100% subsidiary. Later in the year 1973, this branch was converted into local company. This Company is a hundred percent subsidiary of New India Assurance Company. The main business of the company is to do general insurance business in Sierra Leone.

Board of Directors:

1. Shri R. Beri
2. Shri A. V. Purushothaman
3. Shri M. Ramadoss



4. Shri Anil Chopra

Financial Highlights::

(figures in local currency Leone in' 000)

Year ended on	31.12.2002	31.12.2001	31.12.2000
Share Capital (Paid –up)	500.00	500.00	500.00
Free Reserves & Surplus	86324.00	121596.00	128190.00
Premium written less reinsurance	2291.00	82687.00	57825.00
Profit after tax/loss (-)	(35272.00)	(6594.00)	(31138.00)

(b) The New India Assurance Company (Trinidad and Tobago) Ltd.Brief History:

The Company was incorporated in 1977 in the Republic of Trinidad and Tobago and is a subsidiary of The New India Assurance Company Limited, Mumbai, India. The Company carries of general insurance business in Trinidad and Tobago, Dominica, St. Lucia and St. Maarten. The Company also maintains run-off portfolios in the islands of Antigua, Barbados and Grenada. The registered office and principal place of business are located at 22 St. Vincent Street, Port of Spain.

Board of Directors: (as on 31/12/2002)

1. Shri R Beri (Chairman)
2. Shri Srinivas Gopalan
3. Shri G. C. Chaturbedi
4. Shri Kumar Bhakru
5. Shri A. V. Purushotman
6. Shri Kishore Advani
7. Shri Keith Sirju

Financial Highlights::

(figures in local currency T. T. \$ in' 000)

Year ended	31.12.2002	31.12.2001	31.12.2000
Share Capital (Paid-up)	17617.00	17617.00	17617.00
Free Reserves & Surplus	7599.00	56.00	0.00
Premium written less reinsurance	14771.00	11989.00	13364.00
Profit after tax/loss (-)	(7543.00)	(4695.00)	(7786.00)
Net Worth (T.T.\$)	25216.00	17673.00	17617.00

❖ **Company promoted by United India Insurance Company Limited.****(a) Zenith Securities & Investments Limited**Brief History:

The Company was incorporated on 28th March 1916 having Registration no. 432 in the name of Zenith Assurance Co. Ltd. After Nationalization of all the Insurance Companies by the Government of India, the Company has become the subsidiary of The United India Insurance Co. Ltd. Subsequently the Company's name was chagned to Zenith Securities & Investments Ltd. w.e.f. 17th August, 1980.

Board of Directors:

1. Shri Homi F. Mehta – Chairman
2. Shri Chandravadan R. – Director
3. Shri Lalit P. Mehta – Director
4. Shri A. K. Guha – Director.



Financial Highlights

Year	(Rs. Lacs)		
	2000-2001	2001-2002	2002-2003
Equity Capital	10.00	10.00	10.00
Free Reserves	63.95	81.83	92.43
Income	12.49	23.96	17.24
Profit after tax	1.44	19.86	12.65
Earnings per share (Rs.)	14.00	198.00	127.00
NAV (Rs.)	73.95	91.83	102.43

Company promoted by Oriental Insurance Company Limited

a) **The Industrial Credit Company Ltd.**

Brief History:

Industrial Credit Company was incorporated on 5th July, 1930 as a fully owned subsidiary of Oriental Insurance Company to carry out the business of Hire Purchase / General Insurance.

Board of Directors:

1. Shri S. K. Chanana
2. Shri Dilip Dhar
3. Shri V. Sekar

Financial Highlight:

	(Rs.)		
	2000-2001	2001-2002	2002-2003
Capital	100000	100000	100000
Profit & Loss A/c.	231696	235211	240151
Profit after tax	(44,909)	(3515)	(4940)
NAV (Rs.)	331.69	335.21	340.15

- ◆ Company is not in operation for many years.

Related Business Activities:

The Promoters and other group companies of the Promoter are engaged in financial service sector, which may overlap with business of the Bank or could pose competition in some areas of business. The Board of the Directors /Management of the Bank evaluates each business opportunity on its merits before finalising the proposals. Further the Bank undertakes the business as permitted under its Object clause of Memorandum of Association after obtaining necessary approval from RBI, if required. Further, in ordinary course of business bank also deals with promoters and their group companies, purely on the commercial terms and conditions.



X. CAPITAL ISSUES DURING LAST THREE YEARS:

A. Equity Issued - Part of Tier I capital:

Issue of shares on Preferential basis by UTI Bank Limited in last three years

(Rs. Crs.)			
Year	2000-2001	2001-2002	2002-2003
Amount of Issue and Date of Allotment	Nil	157.59 - 31/12/2001 45.21 - 28/03/2002 7.73 - 30/03/2002	164.00 - 28/03/2003
Date of Delivery of Certificate	N.A.	157.59 - 31/12/2001 45.21 - 04/04/2002 7.73 - 04/04/2002	28/03/2003
Rate of Dividend	15%	20%	22%

B. Unsecured Redeemable Privately Placed Non Convertible Debentures issued by the Bank – forming part of Tier II capital

Sr. No	Date of Allotment	Date of Interest	Number of Bonds	Rate of Interest	Date of Redemption	Outstanding Amount Rs.
1	29/3/2000	21st March	2000	11.75%	28/4/2007	100,00,00,000
2	28/3/2001	28th March	1000	11.10%	28/6/2006	50,00,00,000
3	3/12/2001	3rd December	2240	9.80%	3/6/2007	112,00,00,000
4	27/3/2002	27th March	670	9.30%	27/6/2007	33,50,00,000
5	20/9/2002	20th September	Opt-I-660	8.80	20/6/2008	33,00,00,000
			Opt-II-100	9.05	20/6/2010	5,00,00,000
			Opt-III-1240	9.30	20/6/2012	62,00,00,000
6	21/12/2002	21st December	Opt-I-662	8.40	21/9/2008	33,10,00,000
			Opt-II-0	8.70	21/9/2010	0
			Opt-III-1200	8.95	21/9/2012	60,00,00,000
7	26/7/2003	26th July	Opt-I-600	6.50	26/4/2009	30,00,00,000
			Opt-II-100	6.70	26/4/2011	5,00,00,000
			Opt-III-1300	7.00	26/4/2013	65,00,00,000



Promise V/s. Performance

Issuer Company

◆ Objects

- A. The Initial Public Offer during September, 1998 was made with the following objects:
- ◆ For listing of shares of the Bank at the Stock Exchange
 - ◆ To meet partly the requirement for dilution of Promoters percentage shareholding in the Bank
 - ◆ to enhance the networth of the Bank and augment resources / Capital adequacy for expanding its asset base
 - ◆ to meet the expenses of the offer.
- B. The Preferential Issues made during December, 2001, March 2002 and March 2003 with the objects to increase the Bank's Tier I capital and thereby to enhance the Bank's Capital Adequacy Ratio ("CAR") to enable the Bank to grow its business. The Tier II capital was raised with the similar object of improving the CAR.

◆ Performance

The Bank has achieved all the three objects for which the Initial public offer was made. The Bank has also achieved its object for which the issues of shares on preferential allotment basis and Unsecured Debentures issues were made.

Financial Forecast in Prospectus of public issue made by Bank, Actual, (Shortfall)/Excess

	Forecast for year ended 31/03/99	Actual for year ended 31/03/99	Rs. Crs. Shortfall / Excess
Interest Earned	370.85	373.28	2.43
Other Income	73.5	46.63	(26.87)
Total - (A)	444.35	419.91	(24.44)
Interest Expenses	316.5	300.63	(15.87)
Operational Expenses	59	51.02	(7.98)
Provisions & Contingencies	37.22	37.18	(0.04)
Total - (B)	412.72	388.83	(23.89)
Net Profit for the year	31.63	31.08	(0.55)

Listed Ventures of Promoters

LIC Housing Finance Limited

Objects:

Objects of public issue made in 1989 are given below:



- A. To augment the resource requirement
- B. To increase the capital base
- C. To list the shares of the Company at the recognised stock Exchange

Performance:

All the objects mentioned in the offer document were met.

GIC Housing Finance Limited

Objects:

Objects of public issue made in 1994 are given below:

- 1. To augment the long term resources of the Company and strengthen the Equity base
- 2. To list the equity shares of the Company on the recognised stock Exchange
- 3. To meet issue expenses

Performance:

The Company met the objects of the issue and achieved the financial projections for the year 31/03/1995, 31/03/1996 & 31/03/97

XI. BASIS FOR ISSUE PRICE

The issue has been priced at around 125 basis points above the existing G-Sec rates of corresponding maturities.

The Coupon on the Debentures issued forming part of Tier II Capital cannot be more than 200 Basis Point above the interest rate of the Government Securities of corresponding maturities under BR Act.

XII. OUTSTANDING LITIGATIONS OR DEFAULTS

Outstanding litigations pertaining to UTI Bank Limited

(a) There are 3 litigations involving claims against the Bank to the extent of approximately Rs. 26 crores, not acknowledged as debts. Brief details are given in the table below.

Sr. No.	Claim Amount (Rs. Crores)	Court / DRT / Forum	Claimant
1	23.55	Calcutta High Court	Stiefel Und Schuh (I) Ltd. *
2	2.57	Delhi High Court	Videsh Sanchar Nigam Limited (VSNL) A/c Shristi Videocorp Limited**
3	0.05	Delhi High Court	Mr. Rajiv Kumar Aggarwal***

* **Brief Particulars**

Stiefel Und Schuh (I) Limited who were granted certain credit facilities filed a damage suit no. 345 of 1996 before the Calcutta High Court against the Bank allegly for not extending need based support to the Company at the appropriate time fore effecting their export transactions. The company alleged that the Deferred Payment Guarantee issued by the Bank on their behalf was not according to their requirements owing to which, they suffered losses and damages for Rs. 23.55 crores which they claimed from the Bank.



The court passed an ad interim order for maintaining status quo with regard to the securities under the DPG with liberty to the Bank to take such action as is deemed appropriate under the law for recovery of its dues. Pursuant to such liberty being granted, the Bank filed an application under Section 19 of Recovery of Debts due to Banks and Financial Institution Act 1993 for recovery of its claims enforcement of securities and other reliefs.

The case has now been transferred from the High Court to DRT in November 2000. The damage suit filed by the Company against the Bank would be heard simultaneously with our main suit as a counter claim.

**** Brief Particulars**

M/s Srishti Videocorp Limited were sanctioned a guarantee limit of Rs. 4.20 crores in September 1996 for a period of 1 year against cash margin of 50%. The guarantee was favouring VSNL. As the Company did not perform some of its terms and conditions of the agreement with VSNL, the guarantee was invoked by VSNL for partial payment of Rs. 1.62 crores on 7th February 1997. The Bank paid the invoked amount to VSNL and asked for the original Bank Guarantee. VSNL took a stand that invocation was partial and hence did not return the Bank Guarantee. The Bank has maintained its stand time and again that the payment should be taken as full and final. These views were based on the legal opinion obtained by the Bank. Further the Bank was advised by its lawyers to file a caveat in the said matter as they envisaged that VSNL would be initiating proceedings against the Bank. Accordingly the Bank filed a caveat in the matter so that the VSNL do not get ex parte injunction. VSNL subsequently filed a suit in the matter against UTI Bank Limited and M/s Srishti Videocorp Limited; however, no interim relief was sought by VSNL. The claim of VSNL filed with the court has been opposed by the Bank on the above mentioned ground.

***** A case has been filed against the Bank before the High Court, Delhi for a claim amount of Rs.5,50,000/-. The gist of the case is as under:**

Our Swastya Vihar Branch had opened a Savings Bank Account in the name of Mr. Rajiv Kumar Aggarwal. Mr. Aggarwal has deposited a sum of Rs.5,68,124/- in his account at various dates. Subsequently, a sum of Rs.5,50,000/- was withdrawn from various branches of our Bank through anywhere banking with the help of cheque leaves. Our Bank had passed these cheques since the signatures of the cheques were tallied with that of the specimen signature available with our Bank. Later on the Account holder has disputed the said withdrawals. Our Bank has already filed a Complaint / FIR with the police regarding the same. The police have seized and taken all original documents with respect of the said case in their possession. The Account holder has also filed a case before the Delhi High Court for recovery of alleged amount withdrawn from his account. Since we have already acted upon his complaint and filed necessary police complaint, it is for the police to investigate the case and find out the real culprit.

We advised the Branch to engage services of an Advocate to defend our interest before the High Court. The Written Statement shall be filed on the next date of hearing.

(b) Consumer cases

Sr. No.	Claim Amount (Rs. Crores)	Court / DRT / Forum	Claimant
1	0.34	Various	23 cases filed before various consumer courts

(c) Case before Banking Ombudsman New Delhi

The complainant has filed a complaint against the bank before the Banking Ombudsman New Delhi claiming a damage approximately to the extent of Rs. 0.02 crores.



The main cause of action for filing this case by the complainant is that the complainant had availed six loans for 45 days of Rs. 1,57,500/- each and our bank had issued six local bankers cheques each of Cadila health Care Ltd for subscribing to the 500 equity shares as per IPO funding scheme of our bank. In consideration of the same the Complainant had deposited a sum of Rs.21,457/- in each of the SB accounts opened on the same date by purchasing local bankers cheque and also deposited the relevant documents but their contention is that the said accounts were never opened nor an individual loan account was opened in the books of the bank and so the Complainant had a loss of profits due to non selling of the shares after notice and unlawfully holding their shares.

The banks defence is that IPO funding required for opening of large number of SB accounts and for specific purpose the bank had maintained separate records and the savings bank account was not opened and the amount collected from the complainants towards opening of the SB account was duly accounted for in the loan account and this was informed to the Complainant in writing. The Complainant has made calculations for loss due to share price movement whereas at that time the Complainants owed a sum of Rs 70,000/- to the bank and were not entitled to receive the shares held as security by the bank. There was no specific advice to the bank to sell the shares. The Complainant on the other hand was repeatedly assuring the bank verbally of paying the over dues in the loan accounts shortly.

The bank is in no way liable to pay the amount, We have filed our detailed reply and the case is pending for hearing. Earlier we had paid a sum of Rs. 15,400/- as a settlement though the bank was not liable to make any payment.

(d) There are no matters likely to affect operation and finances of the Company including disputed tax liabilities,;

(e) Criminal prosecution launched against the Company and the Directors for alleged offences under the enactments specified in paragraph 1 of Part I of Schedule XIII to the Companies Act, 1956.

In this connection, we have to state as under:

- 1)CBI has filed a charge sheet against one of our employee Shri Sanjeev Gupta allegedly for comprising with Prakash Industries Ltd. relating to the lease transaction of an Air Pollution Control Equipment. The Bank is fighting his case as his role was limited only to the preparation of the cheque.
- 2)The labour Commissioner at Kochi has issued a telegram to our Calicut Branch to produce necessary records relating to engaging of the contract laborers. The case has been filed before the High Court of Kerala at Ernakulam & interim order has been passed on 31st October 2003 staying all the further proceeding for the period of three months
- 3)A Complaint has been filled by the Labour Enforcement Office of Contract Labour department (central) appointment under contract labour (Regulation & Abolition) Act 1970 for the offences under Section 23 & 24 of the said Act before the metropolitan magistrate's Court at Dadar against one of our employee who is presently Vice President Projects Shri A.R.Shymroy
- 4)Bhatpara Naihati Co-operative Bank has filed a case against Bank at the 24 Paraganas Civil Court and claim amount is Rs 4,57,46,478.45/-. This is a case arising out of merchant banking transaction of Kolkata.
- 5)Private Complaint under Section 156(3) of Criminal Procedure Code has been filed against the Bank before the Magistrate Court at Kolkata by M/s. Bajaj Capital Limited pertaining to a deal done by the Merchant Banking Department, Kolkata. The amount involved was Rs.1 crore. Since the Seller did not deliver the Securities to Bajaj Capital, the Bank was acted as a facilitator of the deal was demanded to pay the amount. The Bank refused the said payment as the Bank had no liability to do so legally. Therefore, this case was filed under Section 420 of IPC. To the best of our knowledge, the Magistrate has not taken cognizance of this Complaint till date.



Apart from the above, to the best of our knowledge and belief, there are no criminal proceedings pending against any of our Bank's Officials in any Court / Tribunal.

- f) There are no defaults in payment of statutory dues, institutional dues and any other dues and claims of a material nature against the Bank.
- g) Penalty imposed by Regulators – The Bank has paid a penalty of Rupees Five lacs to RBI in the financial year 2002-03 for violation of Section 6 (1) of the Banking Regulation Act.
- h) There are no litigations against the Directors involving violation of statutory regulation or criminal offence

Outstanding litigation pertaining to Promoter/Promoters Group

The New India Assurance Company Limited

Year	Rs. Crs.		
	2000-2001	2001-2002	2002-2003
Outstanding Litigation or Defaults for New India Assurance Company Ltd. as per Balance Sheet. (No. of cases not readily available)	15.38	15.58	15.58

The New India Assurance Company (SIERRA LEONE) Ltd.

Outstanding Litigation or Defaults for New India Assurance Company (Sierra Leone) Ltd. as per Balance Sheet \$86,79,769 & Lib \$ 77,70,556

The New India Assurance Company (Trinidad and Tobago) Ltd.*

Outstanding Litigation or Defaults for The New India Assurance Company (TRINIDAD AND TOBAGO) Ltd.

* Source Annual Report 2002-2003.

Contingent liabilities:

- a) 27th July, 1990 - The company has denied liability for claims intimated arising from the events of 27th July, 1990. This is based on legal advice which is reinforced by reinsurers' common stand that these losses are not covered under treaty wordings. Also, no provision has been made for legal costs which may be incurred in respect of court actions arising out of these claims.
- b) Claims in litigations:
The Company is defending various legal actions relating to claims in dispute. These have arisen in the normal course of business. After taking legal advice, management has established certain provision that are reflected in the company's financial statements. The actual outcome of these legal actions could result in payments that differ from the provisions established by management.

Outstanding Litigation or Defaults of United India Insurance Company Limited :

UIIC is in the general insurance business and have various claims filed with Motor Accidents Claims Tribunals in respect of Motor Vehicle accidents. Further, certain cases are pending in various courts in respect of Property/Liability claims on account of non-admissibility / quantum of the claims. These claims have been suitably provided for / properly dealt with in the audited accounts for the year ended 31.03.2003



It has various offices located all over the country. Certain litigations relating to properties in the matter of rent / vacation of premises instituted by / against the company, which cannot be quantified. However, these will not have any adverse effect on the accounts of the company

Outstanding Litigation or Defaults of Zenith Securities & Investments Limited

Suit filed by landlords for eviction of premises.

Outstanding Litigation or Defaults of Oriental Insurance Company Limited :

During the ordinary course of its business, the company has a number of court cases of different nature pending in the various courts of the Country, which are difficult to quantify. Most of the cases pertain to quantum payable with respect to the Insurance claims of the policyholders.

There has been no defaults in meeting statutory dues, institutional dues and other dues and claims against the Directors of the Oriental Insurance Company Limited. Further, there has been no prosecution, criminal or civil, lodged or pending proceedings initiated for economic offences against the Directors of Oriental Insurance Company Limited.

Outstanding Litigations or Defaults of the Industrial Credit Company Limited

A contingent liability in an ex-parte Court decree against the Company for Rs. 42,15,360/- is being contested by the Company.

Outstanding Litigation or Defaults of Life Insurance Corporation of India :

LIC of India did not have any borrowings as such there are no suits filed by the lenders against it. LIC services about 14 crore policies. There are about 13716 cases pending in various consumer courts/forums in matters relating to repudiated death claims, delay in settling dues and other service matters like alterations, Gap Premiums, Non payment of bonus etc.

Outstanding Litigation or Defaults of the Administrator of the Specified Undertaking of the Unit Trust of India (UTI-1):

Category	Number of Cases	Amount involved (Rs. Crs.)
Suits filed by Borrowers	-	-
Suits filed by other parties	8	The cause of action relates to US-64. The units of US64 have since been converted into Govt. of India Tax Free bonds. .
Property disputes	6	Rs.4.27 Crs. (Approx)
Miscellaneous Cases	2	Rs.3.84 Crs.(Approx). This figure doesn't include the amount for few cases which have been filed against erstwhile UTI.
Misc. Consumer Court cases	228	Rs.3.00 Crs.(Approx)

There are no other outstanding litigation against the Company and Promoter & their Group Companies except as stated as above.



XIII. RISK FACTORS AND PROPOSALS TO ADDRESS THE RISK

Following are certain considerations, which the investors should peruse before making an investment in the issue. The material implication of the risks envisaged by the management has been quantified as far as possible. Where such quantification has not been made it may be construed that the implication cannot be quantified.

Internal Risk Factor:

1. The Bank's business is vulnerable to volatility in interest rates. Changes in market interest rates could affect the interest rates charged on Bank's interest-earning assets differently from the interest rates paid on its interest-bearing liabilities. Any volatility in interest rates could adversely affect the Bank's business and its future financial performance.

Proposal to address the Risk : Even with significant reduction in overall interest rates over last two years the Bank has been able to increase its Net Interest Margin from 1.11% in FY01 to 2.09% in FY03. The Asset Liability Management Committee (ALCO) of the Bank continuously monitors interest rate changes to assess the impact of change in interest rates and steps taken/required to be taken to minimize adverse impact, if any.

2. The primary business of Bank is of lending which carries a risk of default by borrowers.

Proposal to address the Risk : Necessary controls like maintaining a diversified portfolio with industrywise, borrowal group wise and specific client wise exposure limit, to avoid concentration of lending to any industry segment/borrowal group/company are being complied with. These limits help minimise credit risks. The Bank has also set up a separate Risk Department to monitor the risk associated with lending to an individual project, business group and industry. The performance of the asset portfolio is monitored on a regular basis to take corrective action wherever necessary.

3. Any increase in the NPA levels of the Bank could adversely affect the Bank's performance. The Bank's net NPAs represented 1.92% of its Total Customer Assets at March 31, 2003, 2.67% at March 31, 2002 and 3.43% at March 31, 2001.

Proposal to address the Risk: Over last two years, the Bank has reduced its net NPAs significantly to 1.92% of Total Customer Assets with a combination of conservative origination, adequate provisioning and emphasis on recoveries. The Bank has in place sound risk management systems and remedial management systems to identify and deal with borrowers under stress.

4. Assets Liability position – The Bank's funding comprises of short and medium term loans from its Term deposits . The asset liability position of the Bank could be affected, impacting the business, if the depositors do not roll over the deposits or there is shortfall in new deposits.

Proposal to address the Risk: The Bank has advanced risk management system in place to monitor liquidity gap position vis-à-vis prudential limits. This report is placed periodically at ALCO so as to maintain a healthy and sustained growth within acceptable risk parameters. The Bank also maintains adequate levels of liquid assets, which can be used to meet the liquidity gaps..

5. The Bank's profitability could be subject to volatility in income from its treasury operations- Treasury revenue is vulnerable to volatility in the market caused by changes in exchange rates, interest rates, equity prices and other factors. Any increase in interest rate may have an adverse effect on the value of the Bank's fixed income securities portfolio.



Proposal to address the Risk: The Bank is focussed on reducing volatility in its income by reducing its dependence on trading revenue. During FY03, trading revenue constituted only 36 % of total income of the Bank while Net Interest Income and Fees constituted the balance 64 %. The Bank has adequate internal controls to monitor its securities portfolio position and ALCO reviews the value at risk periodically.

6. (a) There are 3 litigations involving claims against the bank to the extent of approximately Rs. 26 crores, not acknowledged as debts. A brief of the same is given in the table below.

Sr. No.	Claim Amount (Rs. Crs.)	Court / DRT / Forum	Claimant
1	23.55	Calcutta High Court	Stiefel Und Schuh (I) Ltd. *
2	2.57	Delhi High Court	Videsh Sanchar Nigam Limited (VSNL) A/c Shristi Videocorp Limited**
3	0.05	Delhi High Court	Mr. Rajiv Kumar Aggarwal

- (b) Consumer cases

Sr. No.	Claim Amount (Rs. Crs.)	Court / DRT / Forum	Claimant
1	0.34	Various	23 cases filed before various consumer courts

- (c) Case before Banking Ombudsman New Delhi

A complaint has been filed against the bank before the Banking Ombudsman New Delhi claiming a damage approximately to the extent of Rs. 0.02 crores.

Proposal to address the Risk: The Bank has obtained specific legal opinions on the material cases stated above and is undertaking all necessary actions to ensure resolution of the disputes/defend the interest of the Bank.

7. As on March 31, 2003 UTI Bank has contingent liabilities of Rs. 13,068.08 crores.

Proposal to address the Risk: The contingent liabilities appearing in the books of the Bank as on March 31, 2003 are not fully provided for since they mainly represent guarantees issued, outstanding letters of credit and outstanding forward contracts, which are on account of Bank's normal operations. The income tax and interest tax disputed demands for earlier assessment years are pending in appeal but all the dues raised has been paid.

8. The Bank may face potential conflict of interest since the Bank and the Promoters (UTI/LIC/GIC) and other group companies of the Promoter are engaged in financial service sector, which may have overlap of business or could be competitors in some areas of business

Proposal to address the Risk: The Board of the Directors /Management of the Bank evaluates each business opportunity on its merits before finalising on the proposal. Further the Bank undertakes the business as permitted under its Object clause of Memorandum after obtaining necessary approval from RBI. It is also ensured that the Bank conducts its business in a competitive manner.

9. Significant fraud, systems failure or calamities could adversely impact the Bank's business.



A significant failure of security measures could have a material adverse effect on its business and its future financial performance. Computer break-ins and power disruptions could affect the security of the information stored in and transmitted through its computer systems and network infrastructure.

Proposal to address the Risk: The Bank has implemented robust security technology and established operational procedures to prevent break-ins, damage and failures. The Bank employs security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. These are continuously reviewed and upgraded.

External Risk Factor:

1. There are number of regulations as per the BR Act, which impede the flexibility of the Bank's operations and affect/restrict investors' rights. They are as follows:
 - (a) The Banks can only carry on business /activities as specified in the BR Act. There is no flexibility to pursue profitable avenues if they arise, in contrast with companies under the Companies Act, where shareholders can amend the Object Clause by a Special Resolution.
 - (b) There are restrictions in the BR Act regarding:
 - vii. Setting up a Subsidiary by a Bank
 - viii. Management of the bank including appointment of directors
 - ix. Borrowings and creation of floating charge thereby hampering leverage. Bank may have to resort to unsecured debt instruments for borrowings.
 - x. Opening of new branches is subject to RBI permission
 - xi. Reconstruction of banks through amalgamation etc.
 - xii. Further issue of capital including issue of bonus shares/rights shares requires RBI approval.
 - (c) The financial disclosures on financials in the Information Memorandum may not be available to investors after listing on continuous basis.
2. Other restrictions under the BR Act are as under:
 - i In terms of Section 8 of the BR Act, the Bank is prohibited from doing trading activity which may act as an operation constraint.
 - ii In terms of Section 25 of the BR Act each banking company has to maintain assets in India which is not less than 75% of its demand and time liabilities in India which in turn may prohibit the Bank from creating overseas assets and exploiting overseas business opportunities.
3. Material changes in Regulations governing Indian Banks could impact the Bank's business

The banks operate in a highly regulated environment in which the Reserve Bank of India extensively supervises and regulates all banks. Its business would be directly affected by any changes in policies for banks in respect of directed lending and reserve requirement. In addition, these could be subject to other changes in laws and regulations such as those affecting the extent to which they can engage in specific businesses, as well as changes in other governmental policies, income tax law as and accounting principles.

Notes

The Bank would like to clarify that inspection by RBI is a regular exercise and is carried out periodically for all Banks and Financial Institutions. The reports of RBI are strictly confidential. RBI does not allow disclosure of its inspection report and that all the disclosures made in Information Memorandum are on the basis of management and audit reports of the Bank.



Creation of Redemption Reserve is not envisaged for the proposed issue of Subordinated Debentures. As per circular issued by Ministry of Law in April, 2002, Banking Companies are not required to create Debenture Redemption Reserve under Section 117 of Companies Act, 1956.

In the opinion of Directors of the Bank, there are no circumstances that have arisen since the date of the last financial statement disclosed in the Information Memorandum that materially or adversely affect or are likely to affect the performance or profitability of the bank, or value of its assets, or its liability to pay liabilities within the next twelve months.

◆ **Outstanding Litigation or Defaults of the Administrator of the Specified Undertaking of the Unit Trust of India (UTI-1):**

Category	Number of Cases	Amount involved (Rs. Crs.)
Suits filed by Borrowers	-	-
Suits filed by other parties	8	The cause of action relates to US-64. The units of US64 have since been converted into Government. of India Tax Free bonds. .
Property disputes	6	Rs.4.27 Crs. .(Approx.)
Miscellaneous Cases	2	Rs.3.84 Crs.(Approx.). This figure doesn't include the amount for few cases which have been filed against erstwhile UTI.
Misc. Consumer Court cases	228	Rs.3.00 Crs.(Approx.)

◆ **Outstanding Litigation or Defaults of Life Insurance Corporation of India :**

LIC of India did not have any borrowings as such there are no suits filed by the lenders against it. LIC services about 14 crore policies. There are about 13716 cases pending in various consumer courts/forums in matters relating to repudiated death claims, delay in settling dues and other service matters like alterations, Gap Premiums, Non payment of bonus etc.

Against the Directors :

There has been no default in meeting statutory dues, institution dues, and other dues and claims against the directors of LIC of India. Further, there has been no prosecutions, criminal or civil, lodged, or pending proceedings initiated for economic offences against the Directors of LIC of India.

◆ **Outstanding Litigation or Defaults of General Insurance Corporation of India :**

There are no litigations outstanding of any nature against GIC of India.

◆ **Outstanding Litigation or Defaults of United India Insurance Company Limited :**

- UIIC is in the general insurance business and have various claims filed with Motor Accidents Claims Tribunals in respect of Motor Vehicle accidents. Further, certain cases are pending in various courts in respect of Property/Liability claims on account of non-admissibility / quantum of the claims. These claims have been suitably provided for / properly dealt with in the audited accounts for the year ended 31.03.2003
- It has various offices located all over the country. Certain litigations relating to properties in the matter of rent / vacation of premises instituted by / against the company, which cannot be quantified. However, these will not have any adverse effect on the accounts of the company



- c. There has been no default in meeting statutory dues, Institutional dues, and other dues and claims against the directors of the company. Further there has been no prosecution, criminal or civil lodged or pending, proceedings initiated for economic offences against the directors of the company.

XIV. DISCLOSURE ON INVESTOR GRIEVANCES AND REDREESAL SYSTEM :

To ensure that Investors grievances are attended to expeditiously the Bank has appointed M/s. Karvy Consultants Limited, Hyderabad as its Registrar and Share Transfer Agent :

M/s. Karvy Consultants Limited

Unit : UTI Bank Limited

Karvy House, 46, Avenue 4,

Street No. 1, Banjara Hills,

Hyderabad - 500 034

Phone Nos.: 040-23320251/751/752/753

Fax No.: 040-23311968

Further, investors may note that a compliance officer has also been appointed by the Bank and he may be contacted in case of any grievances at the following address :

Shri P. J. Oza

Company Secretary

UTI Bank Limited

Sakar – I, Ground Floor,

Near Gandhigram Station

Off. Ashram Road

Ahmedabad – 380 009

Phone Nos. : 079-6586815/6587292/6585767/6582129

Fax Nos. : 079-6581490/6581854

The details regarding normal time taken for disposal of various types of investors grievances is given below:

- | | | |
|----|--|-----------|
| 1. | Transfer/Transmission of equity shares | : 15 days |
| 2. | Change of Address | : 2 days |
| 3. | Issuance of duplicate share certificates | : 20 days |
| 4. | Non receipt of share certificates | : 2 days |
| 5. | Non receipt of dividend warrants | : 2 days |
| 6. | Noting of bank mandate | : 2 days |

As on date there is no outstanding grievances against UTI Bank Limited from investors/ shareholders.

There are no listed companies under the same management within the meaning of Section 370 (1)(B) of the Companies Act, 1956 for which similar aforesaid details are required to be furnished.



PART II

XV. GENERAL INFORMATION

Consent

M/s. Bharat S Raut, Chartered Accountants, the Statutory Auditors of the Bank have their written consent to their report being included in the form and content in which it appears in this Information Memorandum

IDBI Trusteeship Service Limited has given its written consent to act as Trustees to the issue and for including their name in the Information Memorandum. M/s Karvy Consultancy has given its consent written consent to act as Registrar to the issue and for including its name in the Information Memorandum Registrar

Change in Directors of UTI Bank Limited during the Last Three Years

The following Persons have been appointed and inducted into the Board as Directors during the last 3 years

Sr. No.	Name of Director	Date of Appointment
1	Shri G. N. Bajpai	23 rd January, 2001
2.	Shri M.Raghvendra	11 th July 2001
3	Shri M.Damodaran	21 st September 2001
4	Shri B.S.Pandit	10 th December 2001
5	Shri Donald Peck	12 th January, 2002
6	Shri Daniel Paul Fletcher	12 th January, 2002
7	Shri Yash Mahajan	2 nd May, 2002
8	Shri N C Singhal	2 nd May, 2002
9	Shri Ajeet Prasad	31 st July, 2002
10	Shri R N Bhardwaj	16 th Janaury, 2003
11	Shri Jayanth Varma	25 th June, 2003
12	Shri A. T. Pannir Selvam	25 th June, 2003
13	Shri J M Trivedi Alternate Director to Shri Daniel Paul Fletcher Alternate Director to Shri Donald Peck	27 th March, 2002 to 2 nd May, 2002 and from 13 th December, 2002 to 29 th April, 2003 and 6 th May, 2003 to 22 nd May, 2003. 20 th June, 2002 to 10 th July, 2002 and from 2 nd November, 2002 to 26 th November, 2002 and 22 nd July, 2003 to 19 th August, 2003.

The following Persons have ceased to be Directors during the last 3 years

Sr. No.	Name of Director	Date	Reason
1	Shri P. S. Subramanyam	3 rd July, 2001	Resignation
2	Shri P. M. Venkatasubramanian	4 th July, 2001	Resignation
3	Shri A. C. Shah	3 rd December, 2001	Completed maximum term of office
4	Shri K. G. Vassal	12 th December, 2001	Resignation
5	Shri B. R. Barwale	2 nd January, 2002	Resignation
6	Shri G. N. Bajpai	20 th February, 2002	Resignation



7	Shri Bana Paranjpe	7 th March, 2002	Completed maximum term of office
8	Shri Abid Hussain	7 th March, 2002	Completed maximum term of office
9	Shri Ajeet Prasad	13 th May, 2003	Resignation
10	Shri M. Damodaran	10 th July, 2002	Resignation
11	Shri Shardul Shroff	25 th July, 2002	Completed maximum term of office

Change in Auditors of UTI Bank Limited During The Last Three Years

In terms of guidelines issued by Reserve Bank of India under which the Bank can retain the services of statutory auditors for a continuous period of 4 years, M/s. V. Sankar Aiyar & Co. Chartered Accountants who had acted as the Bank's auditors since 1998, for a period of 4 years upto the date of the 8th Annual General Meeting of the Bank held on the 10th July, 2002, have ceased to be auditors of the Bank. M/s. Bharat S Raut, Chartered Accountants, have been appointed auditors of the Bank from 10th July, 2002.

Authority for the Present Offer

The Board of Directors of the Bank at its meeting held on 17th October, 2003 has approved the issue of UNSECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES as part of Tier II Capital for an amount upto Rs. 50 crores in one or more tranches at a appropriate rate of interest to be decided by the Chairman and Managing Director for a period of 69 months / 93 months/ 117 months from Institutional Investors including Indian Bodies Corporate, Banks, Financial Institutions, Mutual Funds, Insurance Companies and Trusts by way of Private Placement on such other terms and conditions to be approved by the Chairman and Managing Director and subject to guidelines issued by SEBI, RBI and other regulatory authorities

The Board also approved making necessary applications with BSE for listing. Also the disclosures to be made by the Bank in terms of SEBI/MRD/SE/AT/36 /2003/30/09 circulars in the Information Memorandum were permitted to be finalised and approved by CMD. Also the Information Memorandum containing disclosures under SEBI guidelines are permitted to be finalised and approved by CMD. Also CMD was authorised to appoint Debenture Trustees registered with SEBI and approve the terms and conditions of their appointment.

Procedure and time schedule for allotment and issue of certificates.

Debentures would be allotted by Board of Directors of the Bank and Letter of Allotment would be issued / credited within 7 days from date of allotment and Debenture Certificate in Dematerliased form would be issued / credited within 3 months from the date of allotment.



Name and address

The Company Secretary

Shri P J Oza
 UTI Bank Ltd.,
 Maker Tower 'F',
 11th Floor, Cuffe Parade,
 Colaba, Mumbai - 400 005
 Tel No. (022) 22189106/7/8/9,
 Fax No. (022) 22186944/22181429

Auditors:

M/s. Bharat S. Raut & Co.
 Chartered Accountants
 KPMG House, Kamala Mills Compound,
 448, Senapati Bapat marg, Lower Parel,
 Mumbai - 400 013.

Bankers to the issue

UTI Bank Ltd.,
 Maker Tower 'F', 11th Floor,
 Maker Tower F, Cuffe Parade,
 Colaba, Mumbai - 400 005
 Tel No. (022) 22189106/7/8/9,
 Fax No. (022) 22186944/22181429

XVI. AUDITORS REPORT & FINANCIAL INFORMATION

AUDITORS REPORT:

We were engaged to report on the financial information of UTI Bank Limited ('the Bank') annexed to this report, which is required to be prepared in accordance with the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('the Guidelines'), issued by Securities and Exchange Board of India ('SEBI') on 19 January 2000 in pursuance of section 11 of the Securities and Exchange Board of India Act, 1992.

The financial information is proposed to be included in the Offer Document of the Bank in connection with the issue of Unsecured subordinated debt of Rs 50 crores (with a Green shoe option of Rs 50 crores) in the nature of non-convertible debentures on a private placement basis.

We were engaged to report on the annexed restated statements of assets and liabilities of the Bank as at 31 March 2003, 31 March 2002, 31 March 2001, 31 March 2000 and 31 March 1999 and the annexed restated statements of Profit and loss for each of the years ended on those dates ('the summary statements') (Annexure I).

The summary statements have been extracted from the financial statements drawn up in confirmation with the provisions of section 29 of the Banking Regulation Act, 1949 read with sub section (1), (2) and (5) of section 211 and sub section (5) of the Companies Act, 1956, audited by us for the year ended 31 March 2003 and by M/s V Sankar Aiyar and Co., Chartered Accountants for the years ended 31 March 2002, 31 March 2001, 31 March 2000 and 31 March 1999.

Based on our audit of the financial statements for the year ended 31 March 2003, the previous audits of the financial statements for the years ended 31 March 2002, 31 March 2001, 31 March 2000 and 31 March 1999, we confirm that:

The summary statements have been restated with retrospective effect to reflect the significant accounting policies adopted by the Bank as at and for the year ended 31 March 2003, (as disclosed in the audited financial statements for the year ended 31 March 2003 and which are presented in Annexure II to this report), except for the following in respect of which no adjustments could be carried out as the consequential effects could not be ascertained on a retrospective basis:

- ◆ In October 2000, the Bank changed its method of classification and valuation of investments, from the earlier method of classification of investments into current and long-term investments to the new



method, whereby, investments were classified into three categories, i.e. 'Held for trading', 'Available for sale' and 'Held to maturity' in accordance with the Reserve Bank of India ('RBI') guidelines. The Bank has not applied the new guidelines of classification and valuation to investments retrospectively.

- ◆ The Institute of Chartered Accountants of India introduced Accounting Standard 22 ('AS 22'), on Accounting for taxes on income, with effect from 1 April 2001. This accounting standard has been adopted by the Bank from the year ended 31 March 2002 and no adjustments relating to AS 22 have been made retrospectively.
- ◆ In the earlier years, investments sold on repurchase basis (repos) were not included for valuation purposes wherever the repos were outstanding on the balance sheet date. During the year ended 31 March 2002, the Bank revised its policy to include such investments for valuation purpose. This change in accounting policy has not been retrospectively made.
- ◆ In line with the clarifications issued by RBI, the Bank has not accounted for any appreciation resulting from valuation of its investments in the 'Held for Trading' category of investments, which were hitherto recognised in the Profit and Loss account for the year ended 31 March 2002. This change in accounting policy has not been retrospectively made.
- ◆ Prior to 1 April 2002, fee, commission and exchange income was recognized on receipt basis except commission income on deferred payment guarantees, which was recognized pro-rata over the period of guarantee. From 1 April 2002, recognition of fees, commission and exchange income is made on receipt basis, except in cases where income is greater than 1% of the total income of the Bank, where income is recognised on gross basis or 1% of the net profit before taxes, if the income is reckoned net of costs. Retrospective effect of change in this accounting policy on the net profit for the previous financial years has not been made.

All regroupings made by the Bank in the financial statements for the year ended 31 March 2002 and 31 March 2003 have not been made for the previous financial years.

We have also examined the capitalization statement as at 30 September 2003 presented in Annexure III, which has been prepared based on unaudited information and approved by the Bank and annexed to this report.

Further, we have reviewed the statement of unaudited financial result (Annexure IV) for the quarter ended 30 September 2003 and the half-year ended 30 September 2003.

The Bank's management is responsible for the preparation of the summary statements and the Capitalization statement. Our responsibility is to report based on the work done.

We have performed such tests and procedures, which, in our opinion, were necessary for our reporting to you. These procedures include comparison of the annexed financial information with the Bank's audited financial statements.

Based on such procedures carried out by us and review of the records produced to us and the information and explanations given to us by the Bank's management, we confirm that nothing has come to our attention to show non-compliance with the SEBI Guidelines, except those mentioned above.

This report is intended solely for your information and for the Bank to comply with the provision of the SEBI Guidelines and may not be suitable for any other purpose.

Yours Sincerely,
for Bharat S Raut & Co.
Chartered Accountants

S/d.
Akeel Master
Partner
Membership Number:46768

Dated : January 9, 2004



STATEMENT OF PROFITS AND LOSSES

(Rs. Crs.)

For the year ended March 31,	1999	2000	2001	2002	2003	Half-year ended 30.09.2003
Income						
Interest Earned	373.28	483.26	890.86	1,178.53	1,464.81	784.71
Commission, exchange & brokerage	32.72	44.73	86.25	97.62	143.77	79.01
Profit on sale of investments (net)	6.48	39.71	63.78	305.44	246.14	207.27
Profit on exchange transactions (net)	4.54	4.65	5.21	8.65	16.67	12.36
Profit / loss on sale of fixed assets (net)	(0.15)	(0.23)	(0.07)	(0.78)	(1.53)	(0.31)
Lease Rentals	1.29	-		3.63	3.97	0.79
Miscellaneous Income	1.78	2.31	2.17	1.31	1.45	0.97
Total	419.94	574.43	1,048.20	1,594.40	1,875.28	1,084.80
Expenditure						
Interest Expended	300.63	392.86	791.36	980.00	1,142.41	529.73
Staff Costs	12.02	15.43	28.52	51.22	85.23	53.30
Other Operating expenses	39.01	49.97	94.84	155.90	237.62	135.19
Provisions and Contingencies	21.97	37.52	28.05	193.91	108.82	160.95
Total	373.63	495.78	942.78	1,381.03	1,574.08	879.17
Net Profit before tax and extraordinary items	46.31	78.66	105.42	213.37	301.20	205.63
Provision for Taxes	15.21	27.75	18.33	79.23	109.02	89.26
Net Profit before Extraordinary Items	31.10	50.91	87.09	134.14	192.18	116.36
Extraordinary items	0.01	0.14	-	-	-	-
Net Profit After Extra-ordinary Items	31.11	51.05	87.09	134.14	192.18	116.36

STATEMENT OF ASSETS AND LIABILITIES

(Rs. Crs.)

	As at March 31,	1999	2000	2001	2002	2003
A.	Fixed Assets					
	Gross block	97.47	125.13	254.56	343.80	430.16
	Less-Depreciation	28.76	40.23	43.21	83.33	124.65
	Net Block	68.71	84.90	211.35	260.47	305.51
	less Revaluation Reserves	-	-	-	-	-
	Net Block after adjustment for revaluation reserve	68.71	84.90	211.35	260.47	305.51
B.	Current Assets, Loans and Advances					



	Investments	1,101.02	2,065.15	4,192.62	5,678.34	7,841.02
	Cash & Bank Balances	495.99	892.93	1,211.78	2,703.32	3,569.71
	Loans and Advances	2,169.79	3,506.62	4,845.20	5,352.30	7,179.92
	Other Current Assets	79.43	119.37	305.91	386.62	717.02
C.	Liabilities and Provisions					
	Deposits	3,040.69	5,720.00	9,092.20	12,287.21	16,964.72
	Borrowings	520.59	531.02	1,146.02	950.31	719.31
	Employees Stock Options Outstanding (Net)	-	-	-	0.07	0.82
	Current Liabilities and Provisions	147.57	178.41	226.22	528.70	1,010.22
D.	Net Worth	206.08	239.54	302.42	614.76	918.11
E.	Represented by					
	1. Share capital	131.90	131.90	131.90	191.81	230.19
	2. Reserves	74.18	107.64	170.52	422.95	687.92
	Less Revaluation Reserves	-	-	-	-	-
	Reserves (Net of Revaluation Reserves)	74.18	107.64	170.52	422.95	687.92
	Net Worth	206.08	239.54	302.42	614.76	918.11

CAPITALISATION STATEMENT

(Rs. Crs.)

Particulars	Pre issue as on 30.09.2003	As Adjusted for the issue
Short Term Debt (Borrowings)	545.29	545.29
Long Term Debts	588.60	638.60
Shareholders Funds		
Share Capital	230.82	230.82
Reserves	806.07	806.07
Total Shareholder's Funds	1,036.89	1,036.89
Long Term Debt / Equity	0.57	0.62

Significant Accounting Policies

Investments

Classification:

In accordance with the RBI guidelines, investments are classified at the date of purchase as:

- ◆ Held for Trading ('HFT');
- ◆ Available for Sale ('AFS'), and
- ◆ Held to Maturity ('HTM').

However, for disclosure in the Balance Sheet, investments are classified under five categories—Government securities, Other approved securities, Shares, Debentures and Bonds and Others.



Investments that are held principally for resale within a short period are classified as HFT securities. As per RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified as AFS securities as on that date.

Investments not exceeding 25% of total investments, which the Bank intends to hold till maturity, are classified as HTM securities. In computing the investment portfolio for the aforesaid purpose, debentures and bonds, which are in the nature of advances and deposits with NABARD, are excluded.

All other investments are classified as AFS securities.

Valuation

- ◆ Investments classified under the HTM category are carried at acquisition cost. Any premium on acquisition over face value is amortized on a straight line basis over the remaining period to maturity.
- ◆ Investments classified under the AFS category and the HFT category are marked to market. Net depreciation, if any, within each category of investments is recognized to the Profit and Loss account.
- ◆ Treasury Bills and Commercial Paper, being discounted instruments, are valued at carrying cost.

Market value of investments where current quotations are not available, is determined as per the norms laid down by the RBI as under:

- ◆ Market value of unquoted Government securities is derived based on the Prices/Yield to Maturity ('YTM') rate for Government securities of equivalent maturity as notified by Fixed Income Money Market and Derivatives Association of India ('FIMMDA');
- ◆ Market value of unquoted State Government securities is derived by applying the YTM method by marking it up by 25 basis points above the yields of the Central Government Securities of equivalent maturity put out by Primary Dealers Association of India ('PDAI')/FIMMDA periodically;
- ◆ in case of unquoted bonds, debentures and preference shares where interest/dividend is received regularly, the market price is derived based on the YTM for Government securities as suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for various credit ratings and maturity issued by FIMMDA is adopted for this purpose;
- ◆ in case of unquoted preference shares and debentures where dividend/interest is not received regularly, the price derived on the basis of YTM is discounted in accordance with the prudential norms for provisioning as prescribed by RBI;
- ◆ equity shares for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which are ascertained from the company's latest balance sheet (which is not more than one year prior to the date of valuation). In case the latest balance sheet is not available the shares are valued at Rs 1 per company; and
- ◆ units of mutual funds are valued at the latest repurchase price/net asset value declared by the mutual fund.
- ◆ Investments sold on repurchase basis are excluded from the investment portfolio. However, depreciation in their value, if any, compared to their original cost, is provided for.



Advances

Advances are classified into standard, sub-standard, doubtful and loss assets in accordance with the guidelines issued by the RBI and are stated net of provisions made towards non-performing advances.

Provision for non-performing advances comprising sub-standard, doubtful and loss assets is made in accordance with the RBI guidelines. Non-performing advances are identified by periodic appraisals of the loan portfolio by management. The Bank also establishes additional provision towards non-performing advances as a margin against imprecision inherent in the process of estimating loan losses, which is written back when no longer considered necessary.

As per RBI guidelines, a general provision @ 0.25% is made on all standard assets. Further, in order to cover potential credit losses, which are inherent in any loan portfolio but not yet identified, the Bank establishes a provision @ 4% on all advances where they are irregular for more than 90 days but less than 180 days. These provisions are included in 'other liabilities'.

Foreign currency transactions

Transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of transaction, except for interest income and interest expense on foreign currency asset/liabilities, which are translated at exchange rates prevailing at the month end.

Foreign currency assets and liabilities are translated at the balance sheet date at rates notified by Foreign Exchange Dealers Association of India ('FEDAI'). All profits/losses resulting from year-end revaluations are included in the Profit and Loss account.

Outstanding forward exchange contracts (excluding currency swaps undertaken to hedge Foreign Currency Non-Resident ('FCNR') deposits which are not revalued) and spot exchange contracts are revalued at the year end at exchange rates notified by FEDAI. The resulting gains or losses on revaluation are included in the Profit and Loss account in accordance with RBI/FEDAI guidelines.

Outstanding foreign exchange contracts at balance sheet date are disclosed as contingent liabilities at contracted rates.

Premium/discount on currency swaps undertaken to hedge FCNR deposits is recognized as interest income/expense and is amortized over the underlying swap period.

Derivative transactions

Derivative transactions primarily comprise interest rate swaps. Interest rate swaps are reported as off balance sheet exposures. The swaps are bifurcated as trading or hedge swaps. Trading swaps are revalued with the resulting unrealized gain/loss being recognized in the Profit and Loss account and is included in 'other assets' or 'other liabilities'. Hedged swaps are accounted for on an accrual basis.

Revenue recognition

Income is accounted on an accrual basis except as stated below:

- ◆ Interest income on non-performing assets is recognized on receipt.
- ◆ Fees, commission and exchange income are recognized on receipt basis except in cases where income is greater than 1% of the total income of the Bank in case where the income is recognised on a gross basis or 1% of the net profit (before taxes) if the income is reckoned net of costs.
- ◆ Commission income on deferred payment guarantees, is recognized pro-rata over the period of the guarantee.



Income from finance leases is accounted for based on the interest rate implicit in the lease.

Premium or discount paid/received on loans acquired under Deeds of Assignment are amortized over the residual term of loans based on the interest rate implicit in the terms of assignment.

Gain on sell down of loans is recognized at the time of sale.

Realized gains on investments under HTM category are recognized in the Profit and Loss account and subsequently appropriated to capital reserve account in accordance with RBI guidelines.

Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes freight, duties, taxes and incidental expenses related to the acquisition and installation of the asset.

Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.

Depreciation on fixed assets is charged on a straight-line basis from the date of addition using the following estimated useful lives:

Asset	Estimated useful life
Owned premises	20 years
Computer hardware – additions prior to 1st April, 2000	6.16 years
Computer hardware - additions on or after 1st April, 2000	3 years
Application software	6.16 years
Vehicles	4 years
EPABX, Telephone instruments	8 years
Mobile phone	2 years
Locker cabinets/Cash safe/Strong room door	16 years
Assets at residence of staff	5 years
All other fixed assets	10 years

All fixed assets individually costing less than Rs 5,000 are fully depreciated in the year of installation.

Depreciation on assets sold during the year is charged on a pro rata basis to the Profit and Loss account till the month of sale.

Depreciation on assets given under operating lease arrangements is charged on a straight-line basis over the originally contracted lease period.

Management periodically identifies assets, which have outlived their utility. Such assets are retired from use and written off to the Profit and Loss account.

Lease transactions

Assets given on operating lease are capitalized at cost and depreciated over the primary lease period. Rentals received by the Bank are recognized in the profit and loss account.

Lease payments for assets taken on operating lease are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.



Staff retirement benefits

The Bank contributes to an approved provident fund scheme (a defined contribution retirement plan) for all its employees. Provident fund dues are recognized when the liability to contribute to the provident fund arises under the Provident Fund Act.

The Bank contributes towards superannuation and gratuity funds (defined benefit retirement plans) administered by the Life Insurance Corporation of India (LIC) for eligible employees. Liability with regard to gratuity and superannuation fund is actuarially determined by the LIC, based on which the Bank contributes to the fund.

Provision for leave encashment benefit is made based on an actuarial valuation.

Taxation

Income tax comprises the current tax provision and the net change in the deferred tax asset or liability in the year.

Provision for current tax liability is made in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets are recognized only if there is a virtual certainty that they will be realized and are reviewed for their appropriateness of their carrying values at each balance date. Deferred tax assets and liabilities are measured using the tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply to taxable income in the years in which those timing differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Profit and Loss account in the period of change.

Share issue expenses

Share issue expenses are adjusted from share premium account.

Earnings per share

The Bank reports basic and diluted earnings per share in accordance with Accounting Standard-20, *Earnings per Share*. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the period.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the period. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

Employee stock compensation scheme

The 2000 Stock Option Scheme ('Scheme') provides for grant of stock options on equity shares of the Bank to employees and Directors of the Bank. The Scheme is in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. Options are granted at an exercise price, which is equal to/less than the fair market price of the underlying equity shares. The excess of such fair market price over the exercise price of the options as at the grant date is recognized as a deferred compensation cost and amortized on a straight-line basis over the vesting period of such options. Fair market price is the closing price of the Bank's equity share in the stock exchange where the trading volume is the highest on the grant date.



XVII. OTHER PROVISIONS RELATING TO ACCOUNTS OF THE ISSUER COMPANY

- ◆ UTI Bank confirms that there have been no changes in the activity of the Issuer which may have had a material effect on the statement of profit/loss for the last five years.

For the year ended March 31,	1999	2000	2001	2002	2003
Earnings per share	2.54	3.87	6.53	9.34	10.00
Return on Net Worth	15.08%	21.32%	28.57%	21.82%	20.93%
Net Asset Value per share	15.62	18.16	22.85	32.05	39.88

DEBT OUTSTANDING

As at March 31,	1999	2000	2001	2002	2003
(Rs. Crs.)					
Bonds					
a. Issued in India		100.00	150.00	295.50	488.60
b. Issued outside India	-	-	-	-	-

STATEMENT OF TAX COMPUTATION

As at March 31,	1999	2000	2001	2002	2003
(Rs. Crs.)					
Tax at notional rate - A	14.91	28.31	41.31	76.17	110.69
Tax Shelters					
Permanent Nature					
- Income exempt from tax	(3.79)	(10.03)	(13.90)	(11.93)	(9.58)
- Disallowances	0.05	0.00	0.00	0.00	5.77
Timing Difference					
- Difference between tax depreciation and book depreciation	(1.92)	(1.13)	(15.49)	(10.26)	(2.78)
- Provision for Depreciation in Investments	0.17	0.78	0.52	0.95	5.03
- Provision for Bad Debts	2.22	4.55	5.80	22.03	(5.48)
- Other Adjustments	3.58	5.27	(0.28)	0.27	3.38
Total Tax Shelters - B	0.30	(0.57)	(23.36)	1.07	(3.66)
Provision for Current Tax (A-B)	15.21	27.75	17.95	77.24	107.03

XVIII. STATUTORY AND OTHER INFORMATION

a) Minimum Subscription

Pursuant to the notification no. SEBI/MRD/SE/AT/46/2003 dated 22nd December 2003 issued by SEBI minimum subscription clause is not applicable to the privately placed debt securities.

b) Expenses of the Issue giving separately fee payable:

- Trusteeship Fees: Initial Acceptance Fees of Rs. 20,000 and Annual remuneration Rs.20,000/- payable every year in advance.
- Registrar and Transfer Agent Fees : Nil



- c) Commission/Brokerage:
Debt : There is no Commission / Brokerage paid on this issue.
- d) Previous issue for cash:

Equity

Allotment on Preferential Allotment: On 28th March 2003 the Bank has raised Rs. 164 crores by making preferential allotment of 38362834 Equity shares of Rs. 10 each to Life Insurance Corporation of India, Citicorp Banking Corporation, Bahrain, ChrysCapital I, LLC Mauritius and Karur Vysya Bank

Details of Public Issue 1998 - Equity Shares

Date of Allotment - 23/10/1998
Date of Closing - 28/09/1998
Date of Refund - 27/10/1998
Date of Listing -
ASE - 11/11/1998
BSE - 19/11/1998
NSE - 16/11/1998

Premium/Discount - issued at a price of Rs. 21/- per share - Rs. 11/- as a premium

Commission/Brokerage - Rs. 1,77,84,094/- funded/paid at the time of Public issue

Debt : There was no Commission / Brokerage paid on this issue.

- e) Previous public or rights issue, if any: None
(during last five years)
- f) Debentures issued by the Bank outstanding as on the date of Information Memorandum and terms of issue:

Details of Subordinated Debentures issued by the Bank									
Sr No	Type of Security	Scrip code issued by the exchange	Date of Allotment	Number of Debentures	Face Value Rs.	% of interest	Date of redemption	Outstanding amount Rs.	Detail Description of the security
1	Debentures	Unlisted Private placement	29/3/2000	2000	5,00,000/-	11.75%	28/4/2007	100,00,00,000	Unsecured Redeemable NCD's (Subordinated Debt)
2	Debentures	Unlisted	28/3/2001	1000	5,00,000/-	11.10%	28/6/2006	50,00,00,000	---do----



		Private placement							
3	Debentures	Unlisted Private placement	3/12/2001	2240	5,00,000/-	9.80%	3/6/2007	112,00,00,000	---do---
4	Debentures	Unlisted Private placement	27/3/2002	670	5,00,000/-	9.30%	27/6/2007	33,50,00,000	---do---
5	Debentures	Unlisted Private placement	20/9/2002	Opt-I-660	5,00,000/-	8.80	20/6/2008	33,00,00,000	---do---
				Opt-II-100	5,00,000/-	9.05	20/6/2010	5,00,00,000	---do---
				Opt-III-1240	5,00,000/-	9.30	20/6/2012	62,00,00,000	---do---
6	Debentures	Unlisted Private placement	21/12/2002	Opt-I-662	5,00,000/-	8.40	21/9/2008	33,10,00,000	---do---
				Opt-II-0	5,00,000/-	8.70	21/9/2010	0	---do---
				Opt-III-1200	5,00,000/-	8.95	21/9/2012	60,00,00,000	---do---
7	Debentures	Unlisted Private placement	26/7/2003	Opt-I-600	5,00,000/-	6.50	26/4/2009	30,00,00,000	---do---
				Opt-II-100	5,00,000/-	6.70	26/4/2011	5,00,00,000	---do---
				Opt-III-1300	5,00,000/-	7.00	26/4/2013	65,00,00,000	---do---
								588,60,00,000	

g) Option to subscribe:

The Bank has made depository arrangement with NSDL / CDSL for the Debentures. The investors will have the option to hold the debentures in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996/Rules as notified by NSDL / CDSL from time to time.

Investors desirous of receiving the debenture certificate in the dematerialised form should mention their Depository Participant's name, DP-ID and beneficiary account number in the appropriate place in the application form. Debentures allotted to successful allottee(s) having depository account shall be credited to their depository account against surrender of letter of allotment.

In case of incorrect details provided by the investors and inability of the Registrar to credit the Depository Account, the Debentures will be issued in physical form to such investors.

h) Details of Directors.

Name & Address	Directorship in other Companies	Nature of Interest in other Companies
Dr. Pangal Jayendra Nayak Chairman & Managing Director 162, Jolly Maker Apts. III Cuffe Parade, Colaba Mumbai- 400 005	NIL	NIL

Shri P. J. Nayak was appointed as Chairman and Managing Director of the Bank from 1st January, 2000 upto 31st December, 2004 on the terms and conditions contained in the agreement executed between the



Bank and the Chairman and Managing Director on 22nd December, 1999 and also in the supplementary agreements executed on 19th February 2002, 3rd March, 2003 and 17th October, 2003. The revised terms effective from 1st April, 2003 are as under:

Particulars	Revised Terms
Salary	Rs. 25,97,400/- (Rs. Twenty Five Lacs Ninety Seven Thousand Four Hundred only) per annum
Variable Pay	As decided by the Board of Directors subject to maximum of 100 % of the salary drawn during the year, subject to RBI's approval.
Leave Fare Concession	Rs, 2,97,000/- per annum
Personal Entertainment Allowance	Rs. 1,68,000/- per annum
Allowance for Upkeep of residential accommodation	Rs. 1,54,800/- per annum
Superannuation	@ 10 percent p.a. of salary as applicable to other employees of the Bank.
Housing/Personal Loans	Up to Rs. 30 lacs at the same rate of interest as applicable to other employees of the Bank.
Employees Stock Option Plan	50,000 Stock Options of the Bank @ Rs. 39.77 per option under the Bank's ESOP Scheme granted on 6 th May, 2003.

Note on qualification shares: As per the Articles of Association of the Company, the Directors of the Bank are not required to hold qualification shares.

i) The following options were granted to officers of various categories of the Bank during 2001 , 2002 and 2003

Particulars	Options Granted
Grant I - Rs. 38.63 per share (24/02/2001)	- 11,18,925
Grant II - Rs. 29.68 per share (28/02/2002)	- 17,79,700
Grant III - Rs. 39.77 per share (06/05/2003)	- 27,74,450



XIX. RELATED PARTY DISCLOSURE

The related parties of the Bank are broadly classified as:

a) *Ownership and control*

The Bank has identified Administrator of the Specified Undertaking of the Unit Trust of India (UTI-1) and CDC Financial Services (Mauritius) Ltd. & South Asia Regional Fund as its related parties, based on ownership and control.

b) *Key Management Personnel*

Key management personnel is Dr. P. J. Nayak (Chairman & Managing Director).

The transactions of the Bank with related parties are detailed below except where there is a single related party (key management personnel), in which case information is not disclosed, so as to maintain confidentiality.

	(Rs. in Crs.)	
For the year ended	31 March 2003	31 March 2002
<i>Income :</i>		
i) Interest/dividend received	1.83	2.43
ii) Rendering of services	5.08	7.87
iii) Interest on lending under repurchase transactions	-	1.18
<i>Expenditure :</i>		
i) Interest on subordinated bonds	4.58	3.60
ii) Interest on borrowings under repurchase transactions	4.38	4.32
iii) Interest on call borrowing	2.89	7.53
iv) Interest on deposits	8.48	5.56
v) Rent paid	2.89	2.70

Balances as at 31 March 2003 with related parties are as follows :

	(Rs. in Crs.)	
	Outstanding as at 31 March 2003	Maximum outstanding during the year 2002-03
<i>Borrowings :</i>		
i) Subordinated debt bonds	41.00	41.00
	(31.00)*	
ii) Repurchase transactions	169.93	402.71
	(-)*	
iii) Call money transactions	75.00	301.46
	(-)*	
Investments in mutual funds	43.57	1,20.88
	(36.88)*	
Deposits	150.15	400.00
	(440.00)*	
Security deposits	1.10	1.10
	(1.10)*	

* Figures in brackets reflect previous year figures



XX. OTHER DETAILS

- A) i.) Agreement between UTI Bank and Dr. P. J. Nayak as Chairman and Managing Director of the Bank.

Date of Agreement / Supplementary Agreements: 22nd December, 1999, 19th February, 2002 and 3rd March, 2003 and 17th October, 2003.

The Agreement basically covers the terms of appointment of Dr. Nayak as the Chairman and Managing Director and also the Salary and perquisites payable to him as the Chairman and Managing Director.

- B) i.) Dr. P. J. Nayak is the Chairman and Managing Director of the Bank. Shri M. Raghavendra is Nominee of GIC, Shri R. N. Bhardwaj is a nominee of LIC, Shri A T Pannir Selvam is Nominee of the Administrator of the Specified Undertaking of The Unit Trust of India (UTI 1). Shri Donald Peck is the Nominee of South Asia Regional Fund, Shri Daniel Paul Fletcher is the Nominee of the CDC Financial Services (Mauritius) Ltd. Both Shri Peck and Shri Fletcher are independent Directors. Others are Independent Directors.

The Administrator of the Specified Undertaking of the Unit Trust of India (UTI 1), Life Insurance Corporation of India and General Insurance Corporation of India (GIC) and erstwhile GIC Subsidiaries as promoters of the Bank are interested to the extent of their investment in the equity shares (Tier I capital) and unsecured redeemable non-convertible debentures (Tier II capital).

ii) The Bank has acquired the following property within two years from the Administrator of the Specified Undertaking of the Unit Trust of India

1. 13th Floor, Maker Towers, "F" ,
Cuffe Parade, Colaba
Mumbai- 400005.
(Central Office of the Bank) - Rs. 14.48 crores
2. Flat no. 162, Jolly Makers Apts.III
Cuffe Parade, Colaba
Mumbai- 400005.
(CMD's Residence) - Rs. 1.52 crores.

iii) The following Directors are interested to the extent of their shareholding in UTI Bank

1. Dr. P.J. Nayak – 24480 shares
2. Shri K. Narasimha Murthy – 1000 shares

C) Interest of Directors and Promoters

All the Directors of the Bank may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board and of Committees thereof, reimbursement of expenses as well as to the extent of other remuneration, if any, payable to them under the Articles.

All the Directors may also be deemed to be interested to the extent of equity shares, if any, already held by them and / or their friends and relatives in UTI Bank Ltd. or that may be subscribed for and allocated to



them, out of the present offer in terms of this Information Memorandum and also to the extent of any dividend payable to them and other distributions in respect of the said equity shares.

All the Directors may also be deemed to be interested to the extent of their having normal banking transactions, if any, with the Bank.

The Directors may also be regarded as interested in the equity shares, if any, held or that may be subscribed by and allocated to the companies, firms and trust in which they are interested as directors, members, partners, and / or trustees.

Shri P. J. Nayak, Chairman and Managing Director may be considered as interested to the extent of remuneration paid/payable to him.

The promoters may be deemed to be interested to the extent of equity shares held by them or equity shares that may be allotted to them / their group companies in this offer and to the extent of dividend that may become payable to them against equity shares held by them.

The promoters may also deemed to be interested to the extent of –

1. Normal banking transactions routed through the Bank's branch network.
2. UTI Bank's normal insurance / gratuity / super annuation business being done through the promoter companies

The Bank invest in various scheme of UTI from time to time.

D Rights of Debentureholders

Debentureholders do not carry any rights regarding voting, dividend, lien on shares.

E Modifications of Rights

The rights, privileges, terms and conditions attached to all Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three-fourths of the outstanding amount of Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debentureholders, carried by a majority consisting of not less than three-fourths of the persons voting there upon a show of hands or, if a poll is demanded by a majority representing not less than three-fourths in value of the votes cast on such poll, provided that nothing in such consent or resolution shall be operative against the Issuer if the same are not accepted in writing by the Issuer.

F Restrictions, if any, on Transfer and Transmission of Debentures and on their Consolidation

The Issuer will not register any transfers of the Debentures to any NRIs (except on non-repatriation basis), OCBs, FIIs, or any persons not resident in India, unless appropriate regulatory approvals are obtained. The Issuer shall not be duty bound to take interest or trust in or over the Debentures.

The title to the Debentures shall pass by execution of duly stamped transfer deed(s) accompanied by the Debentures certificate (s) / Letter of allotments (s) together with necessary supporting documents. The transferee(s) should deliver the Debenture certificates to the Issuer for registration of transfer in the Register of Debentureholders at the Registered Office. The Issuer on being satisfied will register the transfer of such Debentures in its Register of Debentureholders. The person whose name is recorded in the Register of Debentureholders shall be deemed to be the owner of the Debentures.

Request for registration of transfer, along with the necessary documents, and all other communications, requests, queries and clarifications with respect to the Debentures should be addressed to and sent to the



Registered Office. No correspondence shall be entertained in this regard at any other Branches or any of the offices of the Bank.

Transfer of debentures in dematerialised form would be in accordance to the rules /procedures as prescribed by NSDL /Depository Participant.

G. Consolidation and Splitting of Debentures

The request from Registered Debentureholder(s) for splitting / consolidation of Debenture certificates will be accepted by the Issuer only if the original Debentures certificate(s) is / are enclosed along with an acceptable letter of request.

No requests for splits below the Market Lot will be entertained.

H Transmission

In the event of demise of a Registered Debenture holder of the Debentures, or the first holder in the case of joint holders, the Issuer will recognize the executor or administrator of the demised Debenture holder or the holder of succession certificate or other legal representative of the demised Debenture holder as the Registered Debentures holder of such Registered Holder's Debentures if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a Court of India having jurisdiction over the matter and delivers a copy of the same to the Issuer. The Issuer may in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debentures standing in the name of the demised debentures holder on production of sufficient documentary proof or indemnity.

I Revaluation of Assets

There has been no revaluation of Bank's assets during the last five years.

XXI. MATERIAL CONTRACTS AND INSPECTION OF DOCUMENTS

The following contracts and also documents for inspection referred to hereunder, may be inspected at the registered office of the company at Ahmedabad from 11.00 am to 1.00 pm from the date of this Information Memorandum until the date of closure of this Issue.

◆ MATERIAL CONTRACTS

1. Agreement / Supplementary agreements between UTI Bank and Dr. P. J. Nayak regarding terms of appointment of Dr. Nayak as Chairman and Managing Director of the Bank executed on 22/12/1999, 19/02/2002, 03/03/2003 and 17/10/2003.
2. Letter from Karvy Consultants Limited giving their consent to act as Registrar
3. Letter from IDBI Trusteeship Services Limited giving their consent to act as Trustees to the issue.

◆ DOCUMENTS

1. Memorandum and Articles of the Bank as amended from time to time
2. Certificate of Incorporation of the Bank dated 03.12.93, and Certificate of Commencement of Business dated 14.12.93.



3. Banking License from RBI vide letter no. DBOD(AH) No. 2300/03.02.24A/93-94 dated 28.02.94 in terms of Section 22 of the Banking Regulation Act, 1949.
4. Audited Accounts of the Bank for the year ended March 31, 2003, 2002, 2001, 2000 and 1999 and the Auditors' Report thereon alongwith the tax opinion, if any.
5. Copy of Board Resolution dated 17/10/2003 authorising the issue .
6. Copy of application made to Stock Exchanges.

XXII. DECLARATION

We declare that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies act, 1956 and Banking Regulation Act, 1949 and rules thereunder:

Signed for and on behalf of UTI BANK LTD.

S/d.

P.J. Nayak
Chairman and Managing Director
Date: January 9, 2004

Place: Mumbai