

78th Annual Report 2004-2005



THE ZOROASTRIAN CO-OPERATIVE BANK LTD.
(SCHEDULED BANK)

Training Programme on Advances Conducted at Central Office



Seated L to R: B Bhathena, A. Katgara, F. Banatwalla, H. Kohina, K. Chitnis-Guest Faculty, M. Taraporevalla.
Standing L to R : C. Karbhari, K. Mistry, A. Shroff, B. Tata, M. Ganjia, R. Sidhwa, R. Boyce, R. Pastakia



Participants in discussion with Chairman & Executives



THE ZOROASTRIAN CO-OP. BANK LTD.

BOARD OF DIRECTORS

Mr. Hoshang S. Kohina, Chairman

Mr. Kerssie N. Wadia, Vice Chairman

Mr. Homa D. Petit

Mr. Kavas N. Petigara

Mrs. Shernaz D. Mehta

Mr. Nalin K. Vissanji

Mr. Percy B. Chhapgar

Mr. Nandkumar K. Satpute

Mr. Jimmy N. Panthaky

(joined on 16.12.2004)

Mr. Cowasjee N. Dinshaw

Mr. Dadi K. Contractor

Mr. Rustom D. Irani

Mr. Dara B. Contractor (expired on 26-3-2005)

Mrs. Dhanoo H. Khurokhan (joined on 15-4-2004)

Ms. Viloo N. Cama (joined on 15-4-2004)

Mr. Tukaram S. Pawar (Employee)

Mr. Haribhau K. Salunkhe (Employee)

(resigned on 16-11-2004)

MANAGING DIRECTOR

Mr. Farokh K. Banatwalla

GENERAL MANAGER

Mr. Aspi N. Katgara

BOARD SECRETARY

Mr. Noshir G. Paghdwalla (appointed on 1-1-2005)

Mrs. Dolly M. Mistry (retired on 31-12-2004)

INTERNAL AUDITOR

Mr. Soli B. Bulsara

CONCURRENT AUDITORS

Messrs. Mehra & Sharma Associates

Messrs. Mishra & Firke Associates

STATUTORY AUDITORS

Messrs. S. B. Bohra & Co.

CONTENTS	PAGE
Notice of AGM	2
Proposed Amendment to Bye-laws	3
Explanatory Statements & Note	4
Operational Highlights	5
Progress at a Glance	6
Directors' Report	7-15
Balance Sheet	16-21
Profit & Loss Account	22-25
Accounting Policy	26-27
Statutory Auditor's Report	28
Internal Auditor's Report	29
Disclosure of Information	30
Directors' Attendance	31
Graphs	32



THE ZOROASTRIAN CO-OP. BANK LTD.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Seventy Eighth Annual General Meeting of the Members (Shareholders)** of the Bank will be held on **Friday, 5th August, 2005, at 4.30 p.m. (S.T.)** at **K. R. Cama Oriental Institute, Dr. Sir Jivanji Modi Memorial Hall, 136, Bombay Samachar Marg, Fort, Mumbai, to transact the following business: -**

- (1) To read and approve the Minutes of the Annual General Meeting held on 6th August 2004.
 - (2) To receive and adopt
 - a) The report of the Board of Directors.
 - b) The report of the Auditors appointed under section 81(1) of the Maharashtra Co-operative Societies Act, 1960.
 - c) The report of the Internal Auditor appointed by the Members at the last Annual General Meeting.
 - d) Audited Statements of Accounts for the year ended 31st March, 2005.
 - (3) To confirm appropriation of Reserves transferred from Income and Expenditure Account pursuant to Resolution of the Members at the Annual General Meeting held on 9th August 1996 and to appropriate net profit as recommended by the Board of Directors for the year ended 31st March 2005:
 - (4) To declare dividend as per provision of Bye-law 46 (subject to the approval of R. B. I.)
 - (5) To appoint Internal Auditors of the Bank to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. Mr. S. B. Bulsara, Chartered Accountant, whose term expires at the end of this Annual General Meeting is eligible for re-appointment.
 - (6) To consider, and if deemed fit, to amend the existing bye-law No. 2 so as to change the Registered Office of the Bank to be situated at Nirlon House, 5th Floor, Dr. Annie Besant Road, Worli, Mumbai - 400 030 as recommended by the Board of Directors at their Meeting dated 19th May, 2005.
-
- (7) Any other business as may be brought forward with the permission of the Chair.

If quorum is not formed within half an hour of the appointed time for the meeting, the meeting shall stand adjourned. Thereafter, the adjourned meeting shall be re-convened and conducted on the same day and at the same place as specified in this Notice to transact the business on the agenda, irrespective of the required quorum in terms of Bye-law No. 24(i).

By Order of the Board of Directors
F. K. Banatwalla
Managing Director

Mumbai, 16th June, 2005



THE ZOROASTRIAN CO-OP. BANK LTD.

Amendments to Bye-laws of the Bank under item No. 6 of the Notice

No. of the Bye-law	Wording of the existing Bye-law	Wording of the Bye-law as proposed to be amended	Reasons for proposed amendments
2	The Registered Office of the Bank shall be situated at Zoroastrian Association Bldg., 16, Horniman Circle, 1 st floor, Fort, Mumbai – 400 023.	The Registered Office of the Bank shall be situated at Nirlon House, 5 th floor, Dr. Annie Besant Rd., Worli, Mumbai – 400 030.	Bank's Corporate Headquarters and Central Office has already shifted to Nirlon House, Worli. The office is more spacious and well planned for future expansion.





THE ZOROASTRIAN CO-OP. BANK LTD.

EXPLANATORY STATEMENTS AND NOTES

1. Dividend for the year ended 31st March, 2005, if declared at the Annual General Meeting, will be paid from 10th August, 2005 to those Shareholders whose names appear on the Register of Members as on 31st March, 2005, on a pro-rata basis to the period for which the shares are held by them.
2. Shareholders desirous of availing of the facility of crediting dividend amount due to them to their Current/Savings accounts are requested to send their dividend mandate to the Bank.
3. Members desiring any information relating to the accounts are requested to do so in writing to the Bank on or before 28th July, 2005, to enable the Management to make available the required information at the Annual General Meeting.
4. Members are requested to bring a copy of the Annual Report and the attendance slip sent herewith at the Annual General Meeting.
5. Attention of the Members is invited to Bye-law No. 46(iv), in terms of which, any dividend remaining undrawn for three years after having been declared, shall be forfeited and shall be carried to the Reserve Fund of the Bank. The Shareholders who have not collected dividend for the previous three years are requested to do so on or before 31st March, 2006, failing which, the dividend for the year ended 31st March, 2003 will be forfeited and credited to the Reserve Fund.
6. Shareholders, Depositors and Safe Deposit Locker holders are requested to avail of the nomination facility provided by the Bank. Prescribed nomination forms are available at all our Branches.
7. Deposits upto Rs. 1.00 lac in the case of each individual depositor is insured by the Bank with the Deposit Insurance Credit Guarantee Corporation and the Bank has effected up-to-date payment of the corresponding Insurance premium.



THE ZOROASTRIAN CO-OP. BANK LTD.

OPERATIONAL HIGHLIGHTS

(Rs. in lacs)

	Current Year	Previous Year	% Increase
Capital Adequacy Ratio	19.94%	19.02%	0.92%
Total Income	2899.34	2752.08	5.35
Total Expenditure	2022.69	1868.19	8.27
Operating Profit	876.65	883.89	(0.82)
Depreciation	91.99	90.37	1.79
Net Profit	784.66	793.52	(1.12)
No. of Regular Members	11282	11210	0.64
Paid up Share Capital	546.33	528.90	3.30
Reserves	3909.49	3178.24	23.01
Deposits	28674.17	25284.94	13.40
Current	1868.46	1238.03	50.92
Savings	6803.45	5668.07	20.03
Term	20002.26	18378.83	8.83
Advances	14571.65	13273.83	9.78
Secured	14364.88	13244.83	8.45
Unsecured	206.67	29.00	612.66
Credit Deposit Ratio	50.82%	52.50%	(1.68)
Investments	12708.96	9095.40	39.72
Deposits with Banks	2947.00	4142.00	(28.85)
Borrowings	Nil	Nil	-
Working Capital	33675.26	29470.20	14.27
No. of Branches	10	9	
No. of Extension Counters	1	1	-
Total Number of Staff	130	129	0.78
Audit Classification	'A-star'	'A-star'	



THE ZOROASTRIAN CO-OP. BANK LTD.

PROGRESS AT A GLANCE

CAPITAL ACCOUNTS

Year Ending	Share Capital	Reserves	Deposits	Advances	Investments (excl. Bank Deposits)
31.3.1996	1,10,11,750	2,40,16,586	34,79,70,792	17,52,58,031	5,19,01,97
31.3.1997	1,35,83,300	4,99,63,394	50,81,49,982	23,43,12,612	10,18,93,978
31.3.1998	1,80,98,350	6,95,00,745	76,25,58,960	38,45,54,318	14,97,49,082
31.3.1999	2,25,62,000	9,60,36,069	1,01,20,09,209	50,34,35,643	19,67,74,082
31.3.2000	2,91,02,725	12,98,91,164	1,26,36,70,085	55,44,85,564	25,43,40,690
31.3.2001	3,74,23,900	16,93,54,667	1,61,56,09,157	68,46,13,470	28,54,14,622
31.3.2002	4,47,18,250	20,48,79,345	1,87,88,32,304	81,47,74,796	68,96,05,940
31.3.2003	4,91,14,750	24,71,97,404	2,12,42,49,213	1,06,54,64,768	69,65,80,541
31.3.2004	5,28,90,350	31,78,24,635	2,52,84,93,628	1,32,73,82,596	90,95,39,909
31.3.2005	5,46,33,100	39,09,48,624	2,86,74,16,855	1,45,71,65,458	1,27,08,96,054

REVENUE ACCOUNTS

Ending.	Gross Income	Expenditure (excluding Depreciation)	Depreciation	Net Income	Transfers to Reserves
31.3.1996	4,19,51,839	3,07,60,099	16,02,089	95,89,631	9,20,000
31.3.1997	7,49,31,079	4,99,61,432	19,46,932	2,30,22,715	1,86,98,000
31.3.1998	11,07,06,238	8,06,01,513	28,84,544	2,72,20,181	1,98,21,910
31.3.1999	13,05,35,292	9,64,22,772	31,57,565	3,09,54,955	2,19,08,165
31.3.2000	16,70,63,728	12,54,75,558	36,87,111	3,79,01,058	2,78,28,625
31.3.2001	21,38,75,763	16,50,64,304	53,64,622	4,34,46,837	3,31,85,315
31.3.2002	23,62,75,108	18,05,97,560	56,02,188	5,00,75,360	3,66,55,679
31.3.2003	24,90,71,862	19,43,67,492	70,01,057	4,77,03,313	3,64,09,702
31.3.2004	27,52,07,920	18,68,18,446	90,37,513	7,93,51,961	6,61,77,544
31.3.2005	28,99,34,427	20,22,69,574	91,99,347	7,84,65,506	6,53,85,735



THE ZOROASTRIAN CO-OP. BANK LTD.

DIRECTORS' REPORT

The Board of Directors of your Bank has pleasure in presenting the 78th Report on the working of the Bank together with the Audited Balance Sheet and Income and Expenditure Account for the year ended 31st March, 2005.

MEMBERSHIP AND CAPITAL

The total number of shareholders of the Bank increased from 11210 as on 31st March, 2004 to 11282 as on 31st March, 2005. The composition of membership was as under:-

Classification	Current Year		Previous Year		Increase	
	No.	Capital (Rs.)	No.	Capital (Rs.)	No.	Capital (Rs.)
Individuals	10,863	3,74,08,350	10794	3,66,84,275	69	7,24,075
Firms & Companies	419	1,72,24,750	416	1,62,06,075	3	10,18,675
Total	11,282	5,46,33,100	11210	5,28,90,350	72	17,42,750

The subscribed and paid-up capital of the Bank registered an increase of Rs. 17,42,750/- working out to 3.30% over the previous year.

PROVISIONS, RESERVES AND APPROPRIATIONS

Out of the working profits of Rs. 789.95 lacs reflected at the end of the financial year 2004-2005, the Board of Directors, at their meeting dated 21st April, 2005, effected the following appropriations towards General Reserves:

	Rs.
Education Fund	30,000.00
Investment Depreciation Reserve	78,00,000.00
Staff Gratuity Fund	14,95,722.10
Reserve for Standard Assets	36,42,913.65
Investment Fluctuation Reserve	70,00,000.00
Bad & Doubtful Debts Reserve	2,50,00,000.00
Total	4,49,68,635.75

In terms of a Resolution passed by the members at the Annual General Meeting held on 9th August, 1996, it was resolved that in the compilation of accounts of the Bank for the year ended 31st March, 1998 and the subsequent years ending 31st March every year, the Net Annual Profit of the Bank shall be computed after transferring to Reserves at a percentage rate mentioned against the under-noted heads and that the balance to the credit of the Income and Expenditure Account shall be disclosed after deducting such transfer. Based on the said Resolution, the amounts so transferred as on 31st March, 2005 are as under:

		Rs.
Statutory Reserve Fund	25%	85,07,124.56
Building Fund	30%	1,02,08,549.47
Reserve for Contingency	1%	3,40,284.98
Business Development Fund	4%	13,61,139.93
Total		2,04,17,098.94

POSITION OF RESERVES & FUNDS

PARTICULARS	BALANCES AS ON 31-3-2004	APPROPRIATIONS PURSUANT TO RESOLUTION PASSED IN AGM OF 06.08.2004	PROVISIONS MADE OUT OF CURRENT YEAR'S PROFIT		TRANSFERS * Unpaid dividend ** Entrance Fees *** Donation	UTILISATION DURING THE CURRENT YEAR	BALANCE AS ON 31.3.2005	APPROPRIATIONS PROPOSED FOR APPROVAL IN AGM OF 05.08.2005	TOTAL
			APPROVED BY THE BOARD	AS PER AGM RESOLUTION OF 9.8.1996					
Statutory Reserve Fund	6,45,32,483.32	-	-	85,07,124.56	125,905.60 * 756.00 ** 400.00 ***		7,31,66,669.48		7,31,66,669.48
Dividend Equalisation Fund	43,60,433.00	10,57,807.00					54,18,240.00	10,92,662.00	65,10,902.00
Bad & Doubtful Debts	9,26,31,794.50		2,50,00,000.00				11,76,31,794.50		11,76,31,794.50
Building Fund Reserve	10,02,85,603.99	85,00,000.00		1,02,08,549.47			11,89,94,153.46	40,00,000.00	12,29,94,153.46
Investment Depreciation Reserve	45,12,808.33		78,00,000.00			16,36,255.00	1,06,76,553.33		1,06,76,553.33
Business Development Fund	1,00,43,085.19			13,61,139.93			1,14,04,225.12		1,14,04,225.12
Investment Fluctuation Reserve	1,44,64,123.36		70,00,000.00				2,14,64,123.36		2,14,64,123.36
Reserve for Contingencies	1,16,27,702.30			3,40,284.98			1,19,67,987.28		1,19,67,987.28
Reserve for Charity	5,658.00	25,000.00				30,427.00	231.00	25,000.00	25,231.00
Staff Gratuity Fund	59,61,259.42		14,95,722.10			2,84,932.20	71,72,049.32		71,72,049.32
Staff Benefit Fund	3,12,472.46	10,000.00					3,22,472.46	10,000.00	3,32,472.46
Education Fund	30,000.00		30,000.00			30,000.00	30,000.00		30,000.00
Reserve for Standard Assets	90,57,211.49		36,42,913.65				1,27,00,125.14		1,27,00,125.14
	31,78,24,635.36	95,92,807.00	4,49,68,635.75	2,04,17,098.94	1,27,061.60	19,81,614.20	39,09,48,624.45	51,27,662.00	39,60,76,286.45



THE ZOROASTRIAN CO-OP. BANK LTD.