



BOARD OF DIRECTORS

CHAIRMAN

Suresh S. Hemmady

VICE – CHAIRMAN

R. N. Gokarn

DIRECTORS

S. B. Baljekar

B. S. Chandavarkar

P. M. Karnad

D. G. Kumta

R. N. Maskeri

G. N. Mundkur

A. S. Nadkarni

V. P. Nadkarni

N. S. Rao

R. S. Udyavar

EXECUTIVES

CHIEF EXECUTIVE OFFICER

Deepak S. Patil

DEPUTY GENERAL MANAGERS (OPERATIONS)

J. K. Hattangdi

S. D. Joshi

CHIEF OF INFORMATION TECHNOLOGY

R. S. Mankikar

CHIEF OF ADMINISTRATION

R. D. Nadkarni

CHIEF OF AUDIT

B. D. Ugrankar

DIVISIONAL MANAGERS

S. R. Naidu

S. L. Naik

V. R. Rane

K. D. Shirali

S. R. Shirali

Sadananda R. Shirali

STATUTORY AUDITORS

Yardi Prabhu & Associates
Chartered Accountants

LEGAL ADVISORS

Dr. B. R. Naik
Mr. R. D. Suvarna
Gagrat & Co.



HIGHLIGHTS

DEPOSITS

2001 – 2002	:	Rs.1269.43 crores
2002 – 2003	:	Rs.1449.30 crores
Percentage growth	:	14.17 %

CREDIT DEPLOYMENT

2001 – 2002	:	Rs.833.71 crores
2002 – 2003	:	Rs.932.73 crores
Percentage growth	:	11.88 %

PROFITABILITY

2001 – 2002	:	Rs.16.29 crores
2002 – 2003	:	Rs.16.60 crores
Percentage growth	:	1.90 %

LIQUIDITY

2001 – 2002	:	Rs.571.62 crores, 43.85% of the Bank's total outside liabilities.
2002 – 2003	:	Rs.666.69 crores, 44.92 % of the Bank's total outside liabilities.

C. D. RATIO

2001 – 2002	:	65.68%
2002 - 2003	:	64.36%

CAPITAL

2001 – 2002	:	Rs.17.88 crores
2002 - 2003	:	Rs.19.47 crores
Percentage growth	:	8.89%

CAPITAL TO RISK ASSET RATIO (CRAR)

2001 – 2002	:	11.15%
2002 – 2003	:	12.36%

**NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that the Ninety-Seventh Annual General Meeting of the Members of the Bank will be held at **Yashwantrao Chavan Centre, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai- 400 021** on Saturday, **September 27, 2003**, at **3.00 p.m.** to transact the following business :-

1. Confirmation of the proceedings of the Ninety-Sixth Annual General Meeting held on Saturday, September 21, 2002.
2. Confirmation of the proceedings of the Special General Body Meeting held on Saturday, April 19, 2003.
3. Adoption of Annual Report with Audited Balance Sheet as at March 31, 2003 and the Profit and Loss Account for the year ended March 31, 2003.
4. Sanction the payment of ex-gratia to the members of the staff for the Co-operative Year, 2002-2003.
5. Declaration of Dividend and Allocation of Profits for the Financial Year 2002-2003.
6. Consideration of statutory audit report from M/s Yardi Prabhu & Associates with compliance report thereto, for the financial year 2002-03
7. Review of actual utilization of reserve and other funds.
8. Approval of long term perspective plan and the annual operational plan.
9. List of employees who are relatives of members of the Board or of the Chief Executive Officer.
10. Appointment of 6 Representatives of the Bank to the Managing Committee of The Saraswat Educational & Provident Co-operative Society Ltd., Mumbai.
11. To appoint Statutory Auditors for the year 2003-04 and to authorize the Board to fix their remuneration.
12. Disposal of any other business that may be brought before the meeting and answering of Members' questions, relating to the working of the Bank during the Year 2002-2003, permissible under the Bank's Byelaws and Rules and about which at least 8 days notice, in writing, has been furnished to the Chief Executive Officer, at the Bank's Administrative Office.

Note: If, within half an hour after the time appointed for the meeting, the quorum is not formed, the meeting would stand adjourned and this adjourned meeting shall be held either on the same day or on such other date at the time and place as may be decided by the Chairman or the member presiding over the meeting in his absence. At such adjourned meeting, the business before it may be transacted notwithstanding the fact that there is no quorum.

BY ORDER OF THE BOARD OF DIRECTORS

Deepak S. Patil
Chief Executive Officer

Registered Office

CTS No. 948/B, Village Kole Kalyan,
Nehru Road, Opp. Vakola Market,
Santacruz (E), Mumbai – 400 055.

Date : June 27, 2003.

**NOTICE****DIVIDEND FOR 1999-2000 (94th D/W)**

Members who have not encashed their dividends for the year 1999 - 2000 are requested to do so immediately. They are requested to please note that if the dividend is not encashed on or before December 31, 2003, it would stand forfeited by the Bank and the proceeds thereof would be transferred to the Bank's Reserve Fund, as per the provisions of the Bank's Byelaw No.91 (b). This intimation by the Bank may be treated as the final notice to the concerned members who have yet to encash their dividends.

For any correspondence relating to shares, dividend or change of address, etc. members are kindly requested to write to Datamatics Financial Software and Services Ltd. at the following address :

Datamatics Financial Software and Services Limited
Plot No.B 5, M.I.D.C. Part B Cross Lane,
Marol, Andheri (E), Mumbai - 400 093.
Tel.: 28213383-90

IMPORTANT NOTICE TO THE MEMBERS

With a view to ensure that only bonafide members attend the Annual General Meeting, the Bank has a system of obtaining 'Attendance Slip' from every member who attends the meeting. The Attendance Slip enclosed herewith must be signed by the Shareholder and should be presented at the Entrance of the Hall to the Bank's authorised representatives.

Members are requested to be in their seats before the commencement of the Meeting.



DIRECTORS' REPORT

The Board of Directors have pleasure in presenting the 97th Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2003. While getting into the exercise of an overview of the banking system in the country, it is interesting to understand that Dr. Bimal Jalan, Governor, Reserve Bank of India, Mumbai in his address to the 24th Conference of Bank Economists emphasized that there are several elements that must come together in order to make the Indian Banking system stronger, efficient and low cost. These fundamentals include :

- Strengthening of prudential norms and market discipline;
- Adoption of international benchmarks as appropriate to our situation;
- Management of Organisational change and consolidation within the financial system;
- Up gradation of the technological infrastructure of the financial system; and
- Human Resource Development as the catalyst of the transformation

Your Bank has progressed in each of these areas through implementation of plans compiled keeping in mind the macroeconomic scenario and financial developments in the economy.

MACROECONOMIC AND FINANCIAL DEVELOPMENTS:

The global financial markets have weakened significantly since the end of March, 2002. The new financial year began on a positive note for domestic markets which was led by a rally in scrips of Public Sector Undertakings (PSUs) with the announcement of disinvestment initiatives by the Government. Subsequently markets and economic activity declined through the year largely influenced by :

- Border tensions in the first quarter.
- Quarterly performances of certain Corporates not meeting market expectations.
- Monsoon uncertainties.
- A weakening of international markets following the discovery of accounting discrepancies in large US firms.
- Uncertainties in the Middle East and the possibility of oil prices hardening.
- Military Action in Iraq.

In spite of the above factors, the Indian economy has during the year exhibited signs of staying ahead of global activity. The advance estimates released by the Central Statistical Organisation (CSO) in January, 2003 has placed the GDP growth at 4.4 per cent. While this reflects an estimated decline in the output from agriculture and allied activities of as much as 3.1 per cent, the overall growth performance of the industrial sector estimated at 5.8 per cent is much higher than that of 3.2 per cent in the previous year. The services sector growth is estimated at 7.1 per cent as against 6.5 per cent in the earlier year.

As per the latest report on Currency and Finance 2001-02 released by RBI, the headline inflation measured by point to point annual changes in WPI, edged up to 4.7% on March 1, 2003 due to hardening of international oil prices and base effects. On an annual average rate however the inflation rate decelerated to 3% as on March 2003 compared to 3.9% in the preceding year. The Governor, Reserve Bank of India has said that while there was a decline in food credit reflecting subdued procurement and higher off-take, the large buffer stock with the Government acted as a deterrent to price increases of food items as also the general price level despite severe drought conditions witnessed during the year.



The gross fiscal deficit was 5.9% of the GDP in the revised estimates for 2002-03. However monetary conditions remained stable with ample liquidity creating a favourable interest rate environment conducive for investment. M3 growth and net of merger effects at 12.1% was within the projections made by the RBI's Monetary and Credit Policy for 2002-03. There was a sustained increase in credit flow to the commercial sector during 2002-03 reflecting industrial recovery. Bank credit to the commercial sector increased by 11.30% a marginal rise over 9.2% shown during the corresponding period of the previous year. The incremental non-food credit-deposit ratio during 2002-03 was 79%, the highest recorded over the last five years.

MONETARY POLICY FOR THE YEAR 2003-04

The Reserve Bank of India has introduced several welcome changes in its Monetary Policy for the year 2003-04 :-

- Reduction in CRR from 4.75% to 4.50% effective fortnight beginning June 14, 2003.
- Reduction in the Bank rate by 0.25 percentage point from 6.25% to 6.00% with effect from the close of business on April 29, 2003.
- GDP growth in 2003-04, assuming satisfactory spatial distribution of monsoon, projected at about 6%
- Inflation expected to be in the range of 5.00% to 5.50% during 2003-04.
- Money supply (M3) projected at 14% for 2003-04.
- Non-Food credit to increase by 15.5% to 16% during 2003-04.
- Sharp reduction in interest rates of banks and Government and Corporate papers.
- RBI to provide adequate liquidity to meet credit growth and support investment demand.
- A transparent system devised to determine the prime lending rate.
- Measures introduced to improve credit delivery mechanism.
- Interest rate on back stop facility to reduce by 1.0 percentage point over the present rate.
- Banks with the approval of their Boards will be free to extend direct finance to housing sector up to Rs.10.00 lakhs in rural and semi-urban areas as part of priority sector lending.
- Stage II of the transition to a pure inter-bank call/notice money market will be effective from the fortnight beginning June 14, 2003, wherein non-bank participants would be allowed to lend on average in a reporting fortnight up to 75 percent of their average daily lending in call/notice money market during 2000-01.
- From the fortnight beginning May 3, 2003, it would be mandatory for all NDS members to report all their call/notice money market deals on NDS. Deals done outside NDS should be reported within 15 minutes on NDS.
- Changes in prudential measures for UCBs in line with JPC recommendations.

URBAN CO-OPERATIVE BANKS

The Reserve Bank of India in its credit policy for 2003-04 focused on specific areas related to Urban Co-operative Banks to equip them with greater flexibility to compete in the highly competitive environment:

- Gold loans and small loans up to Rs.1.00 lakh would be exempted from the 90 days norm for recognition of loan impairment. These loans would continue to be governed by 180 days norm for classification as NPA.
- Urban Co-operative Banks are now permitted to place deposits with other strong scheduled urban co-operative banks (other than banks classified as weak or sick) with certain conditions.



- The ceiling on unsecured advances by scheduled Urban Co-operative Banks is revised to Rs.2.00 lakhs. Upward revision has also been made in the ceiling on unsecured advances in respect of non-scheduled Urban Co-operative Banks depending on their size. This enhanced ceiling would not however be applicable to weak/sick Urban Co-operative Banks.
- In line with the Joint Parliamentary Committee recommendation, it has been decided that
 - ❖ Urban Co-operative Banks would be given maximum period of six months from the date of the Inspection Report to remove irregularities pointed out in the Inspection Report in all respects failing which RBI will invoke penal provisions.
 - ❖ It would be mandatory for all Urban Co-operative Banks to introduce concurrent audit with immediate effect.

REAL TIME GROSS SETTLEMENT:

The Reserve Bank of India set up the INFINET in order to establish an efficient, cost-effective and dependable communication backbone. About 150 Banks, Primary Dealers and Mutual Funds have become members. Your Bank was the first amongst Co-operative Banks to join the INFINET.

Having established the INFINET, the Reserve Bank of India and Institute of Development and Research in Banking Technology (IDRBT) are now on the task of operationalising Real Time Gross Settlement (RTGS), which would enable real time fund transfers across different banks and thereby result in optimal utilization of funds. Research is already being done at IDRBT on messaging systems, security and design specifications for RTGS. Your Bank too is gearing up for the RTGS project

SARFAESI ACT:

A recent landmark development was the passing of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI), 2002 that empowers Banks and Financial Institutions with appropriate legal authority to speed up the recovery of the stock of impaired assets through enforcement of securities without intervention of courts, thereby leading to a one time cleaning of balance sheets. This Act however till recently was not applicable to Co-operative Banks as they did not fall within the definition of a Company as defined under Clause (c) of section 5 of the Banking Regulation Act 1949.

Members would be pleased to note that your Bank spearheaded the legal battle, successfully argued and got in its favour a historic decision (reported in Maharashtra Law Journal 2003 (2) Part I page I and several other leading journals). Consequently all the Co-operative Banks will now have access to the Debt Recovery Tribunal for recovery of its dues. This was possible on upholding the contention of the Bank that a Co-operative Bank is for the purposes of Debts due to the Bank and the Financial Institutions Act 1993 a Banking Company within the meaning of clause (c) of section 5 of the Banking Regulation Act 1949. Subsequently a notification was also issued whereby the Co-operative Banks were given recourse to the SARFAESI Act for recovery of their dues. Your Bank has already started initiating action under the provisions of the SARFAESI Act and is confident of sizable recovery.

PERFORMANCE OF THE BANK:

Your Bank has succeeded in keeping its growth curve rising by improving its performance in its 97th year of existence. Your continued faith and confidence has assisted the Board of Directors and the Management in achieving the financial results, which are now placed before the members.



Targeting an overall growth in business volumes, your Bank has focused its attention on increasing deposits and advances by aggressively marketing the existing schemes and increasing the customer base. To increase low cost deposits, your Bank:

- a. Increased the number of ATM installations
- b. Introduced 'Bfree', a scheme for payment of utility bills of customers.

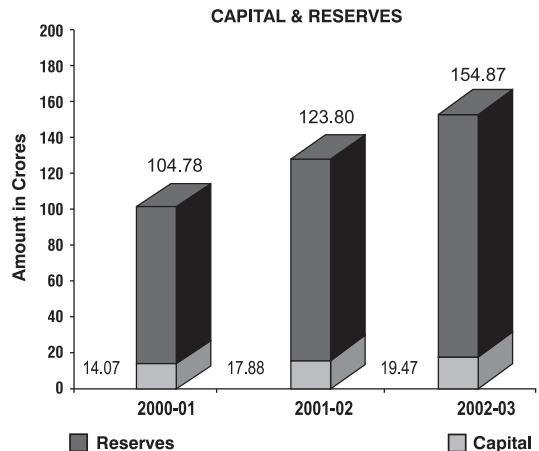
Advances to the small scale and small trade sector too were given equal emphasis as a result of which priority sector advances of your Bank stood at Rs.56163.50 lakhs, which was 60.21% of total advances. This is in conformity with the RBI guidelines on lending to the priority sector.

To be able to compete in this intensely competitive environment, the Bank gave a new dimension to its marketing function by :

- ❖ Increasing adspend
- ❖ Targeting new customers through door to door campaigning
- ❖ Initiating the Customer Relationship Management (CRM) process by keeping in touch with existing customers' requirements and fulfilling them

PERFORMANCE INDICATORS

	<i>(Rs. in lakh)</i>		
	31-03-2003	31-03-2002	Increase %
Paid-up Capital	1947.44	1787.53	8.95
Reserves	15486.60	12379.59	25.10
Deposits	144930.01	126942.82	14.17
Advances	93273.41	83370.60	11.88
Liquid Assets	66668.97	57161.80	16.63
Working Funds	168269.62	147099.58	14.39
Gross Income	19399.00	17128.99	13.25



The Board would like to acknowledge the fact that the above performance of your Bank is largely attributed to the continued faith the members have placed in the Bank's Board of Directors and the Management. Your Bank's Executives, Officers and staff through their dedication and sincerity contributed significantly in achieving the overall growth recorded by your Bank as elaborated under the head "Performance Indicators".

MEMBERSHIP

Consequent to the amendment of bye-law number 15(v) and the issue of a notice to shareholders to increase their shareholding to the minimum prescribed limit of 25 at the earliest, your Bank is pleased to inform its members that a vast majority of shareholders holding number of shares less than 25 responded to the notice and increased their shareholding. As per the notice, the process of de-listing such members who have not increased their shareholding to the minimum prescribed limit of 25 has been completed.



Members would be pleased to note that to service the shareholders with additional efficiency, your Bank has entered into an agreement with Datamatics Financial Software and Services Ltd. Hence all correspondence relating to shares should be forwarded to Datamatics Financial Software and Services Ltd. at the address mentioned on page 4.

The Bank's membership during the financial year 2002-03 recorded a net increase of 7944 members. The category-wise distribution of shares of the Bank amongst members is as under :

Shares from	No. of Members	% to total Membership	No. of Shares	Share Amount (Rs.)	% of Share Capital to Total Capital
Less than 25	38072	41.57	164582	41,14,550.00	2.11
25-200	45974	50.20	1998385	4,99,59,625.00	25.66
Over 200	7539	8.23	5626810	14,06,70,250.00	72.23
Total	91585	100.00	7789777	19,47,44,425.00	100.00

AMENDMENTS TO THE BYE-LAWS :

The Multi-state Co-operative Societies Act 1984 and the rules there under came to be repealed and was substituted by a new Act and Rules namely the Multi-State Co-operative Societies Act, 2002 and The Multi-State Co-operative Societies Rules, 2002. In view of the number of amendments made in the new Act and Rules, the Bye-laws of your Bank required a total amendment. The task of amending the Byelaws in keeping with the new Act & Rules was successfully completed and placed before you in the Special General Body Meeting held on April 19, 2003. The amended Byelaws have now been sent to the Central Registrar for approval. The Bank is awaiting the approval. The Bank also proposes to have its Rules amended.

DEPOSITS

Your Bank's deposits recorded a modest growth of 14.17% during the financial year 2002-03 as compared to 10.29% for the financial year 2001-02. This growth was achieved despite the fact that the RBI directed all Co-operative Banks to withdraw deposits kept with other Co-operative Banks. Your Bank adhered to the RBI directive to peg interest rates to the level offered by scheduled commercial banks and with the help of the Asset Liability Management System set up made continuous reductions in interest rates during the year. Realising the need for low cost deposits, the Bank increased the number of ATM installations and introduced the Bfree scheme for payment of utility bills of the customer.

The composition and growth in deposits during the financial year 2002-03 is furnished below for the information of the members:

(Rs. In crores)

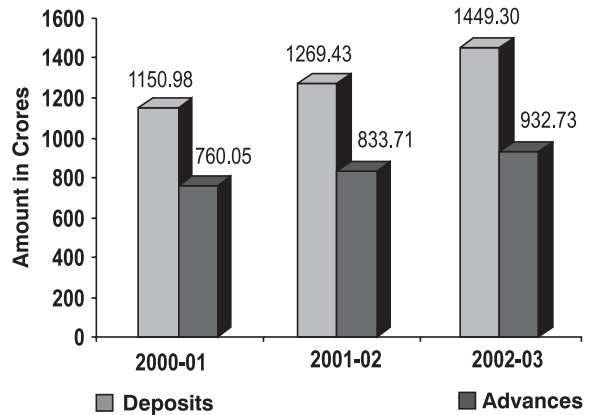
Type of Deposits	2002-03	%	2001-02	%	2000-01	%
Current	78.64	5.43	68.03	5.36	67.25	5.84
Savings	280.27	19.34	262.00	20.64	228.10	19.82
Term	1090.39	75.23	939.40	74.00	855.63	74.34
Total	1449.30	100.00	1269.43	100.00	1150.98	100.00

Additional efforts are being directed towards the objective of increasing the % of low cost deposits so as to bring down the cost of funds.

ADVANCES

Your Bank was able to bring down the lending rates in alignment with competitive market realities. A good Asset Liability Management System and a strong treasury base helped the Bank achieve this objective. Reduction in interest rates combined with effective marketing strategies resulted in an increase in advances of 11.88% as compare to 9.69% for the financial year 2001-02. The implementation of

adequate Credit Risk Management Systems have also ensured that resources were mobilised in good quality banking assets. As on March 31, 2003, the credit deposit ratio was 64.36%. The broad classification of advances as on March 31, 2003 is as under:



(Rs. in Crores)

Type of facility	2002-03	%	2001-02	%	2000-01	%
Loans	479.98	51.46	379.34	45.50	308.38	40.57
Cash Credit	349.47	37.47	296.35	35.54	277.95	36.57
Overdraft	29.25	3.13	27.99	3.36	42.55	5.60
Bills Purchased/ Discounted	74.03	7.94	130.03	15.60	131.17	17.26
Total	932.73	100.00	833.71	100.00	760.05	100.00

RECOVERY

The percentage of overdue to total advances outstanding of the Bank, which was at a level of 9.42% as on March 31, 2002 increased to 10.68% as of March 31, 2003. In absolute terms during the financial year under review the increase amounted to Rs.21.11 crores on a total advance base of Rs.932.73 crores. The net NPAs as on March 31, 2003 as a percentage to net advances are 5.06% compared to 5.02% as of March 31, 2002. The Bank has been striving hard to keep the NPAs under control.

The new Multi-state Co-operative Societies Act, 2002 became applicable with effect from August 2002. Under the said new Act, the recovery dispute redressal is referred to Arbitration under Arbitration and Conciliation Proceedings Act, 1996. The appointment of Arbitrators is yet to take place.

With the introduction of the new Act, the recovery avenues through State Co-operative Act are now not available. This was coupled with non-availability of Debt Recovery Tribunals as another recovery avenue, thereby making the year 2002-03 difficult for recovery. However, with the landmark judgement given in favour of your Bank, Co-operative Banks are now entitled to approach Debt Recovery Tribunals for recovery of dues above Rs.10 lakh. As mentioned earlier, with the inclusion of Co-operative Banks within the purview of the SARFAESI Act, 2002 by way of a special notification issued by the Central Government, the recovery efforts will now get the boost that



was really required. Your Bank has already started initiating action under the provisions of the SARFAESI Act and is confident of sizable recovery in the current financial year.

Keeping in view the fact that the NPA identification norm would shift to 90 days from the present 180 days with effect from year ending March 31, 2004, your Bank has made additional buffer provision out of profits for the year ended March 31, 2003, to prepare itself for the said change in norms, in advance.

INFORMATION TECHNOLOGY

The rollout of 'Genius I' banking software developed in house on a 3-tier architecture was one of the significant initiatives for technology implementation of the Bank. 'Genius I' is designed for central database operations. Your Bank along with ICICI Bank is one amongst the few Banks that run its branches on a software developed in-house. Rapid progress has been made during the past year in the installation & implementation of this software, leading to speeding up of customer service. Yet, more progress is on the anvil in this area.

The networking of the Mumbai branches has been completed. The connectivity of the out-of-Mumbai branches is expected to be completed as scheduled. The connectivity would facilitate smoother inter-branch transactions & communications and would also serve as a means of reducing costs of operations and at the same time, improve overall efficiency.

The Bank has increased its ATM base to 17. It has also implemented its 1st Off-site ATM at Talmakiwadi. The "Cache 24" facility is now provided across all the branches. The ATMs and the 'Genius I' would also provide the platform for any branch banking facilities across all the branches.

INFORMATION SYSTEMS AUDIT

Adequate security is a prerequisite for modern, technology intensive operations, especially where operations are carried out in a networked environment. Keeping this requirement in mind, your Bank has already initiated steps to compile an Information Systems Security Policy (ISSP) and a Business Continuity Plan (BCP). Both the documents are expected to be ready in the first half of the current financial year.

The Reserve Bank of India has directed Banks to set up appropriate audit & security systems. Towards this end your Bank, has taken the initiative to appoint an external consultant to audit the retail banking software 'Genius 1' developed by your Bank. Your Bank also plans to have a network security audit conducted shortly.

CORPORATE OFFICE BUILDING

Your Bank moved its Corporate Office into its very own Building christened SVC Tower situated at Santa Cruz (E), very close to the prestigious Bandra-Kurla Complex. All its Corporate Office departments have now been housed under one roof. As planned the building was completed in a record 22 months from the raising of the foundation stone at the hands of H. H. Shrimat Sadyojat Shankarashram Swamiji, Mathadhipati, Shri Chitrapur Math, Shirali.



HUMAN RESOURCE MANAGEMENT

Your Bank values its human resource and has always believed in continuous development of this resource.

Towards this end your Bank held various training programmes to upgrade not only the operational skills of the staff but also their mental abilities.

As at the end of the financial year, the total staff strength was 704. The turnover per employee at Rs. 3.38 crores continues to be amongst the highest in Co-operative Banks.

Your Bank continues to have cordial relations with the Officers and the staff of the Bank.

BRANCH EXPANSION

Your Bank opened its 37th branch at Vakola in Mumbai city during the financial year 2002-03. The Branch, which will be the flagship branch of your Bank, was inaugurated as a fully computerised branch on February 8, 2003 by Mr. K.V. Kamath, Managing Director and Chief Executive Officer of ICICI Bank Ltd. In his inaugural speech, Mr. K.V. Kamath observed that your Bank is well focused, well managed and well funded. He also wished your Bank a speedy 100 and a glorious 2nd century.

The Vakola branch in a short period of less than two months has been able to build up a creditable portfolio of loans and advances and recorded a profit at the end of the financial year.

INVESTMENT & TREASURY OPERATIONS

Your Bank has in place an Investment Policy, which is continuously reviewed and refined in accordance with guidelines issued by the Reserve Bank of India. The investments of your Bank mainly comprise of Government Securities, Treasury Bills, Approved Investments in Bonds of Public Sector Undertakings/All India Financial Institutions/Government Undertakings and Bonds guaranteed by State Governments.

During the second half of the financial year 2002-03 the department was able to build up its treasury activity and in a short span of time earn a profit of Rs.7.37crores through trading operations as against Rs. 0.78 crores earned in the previous financial year. Your Bank continues to comply with the RBI guidelines to Urban Co-operative Banks on the stipulated level of investments in Government Securities. Your Bank's investments in Government Securities are held in the SGL account with the RBI, Mumbai.

Trading in a new money market product called Collateralised Borrowing and Lending Obligation (CBLO) became operational, effective from January, 2003. Your Bank has become a member of the Collateralised Borrowing and Lending Obligation segment for reducing the systemic risk, liquidity risk and achieving better liquidity management.

Your Bank has implemented the system of concurrent audit of Investment & Treasury transactions. A firm of Chartered Accountants has been assigned the task as per RBI guidelines.



Summarised position of your Bank's Investments is as under:

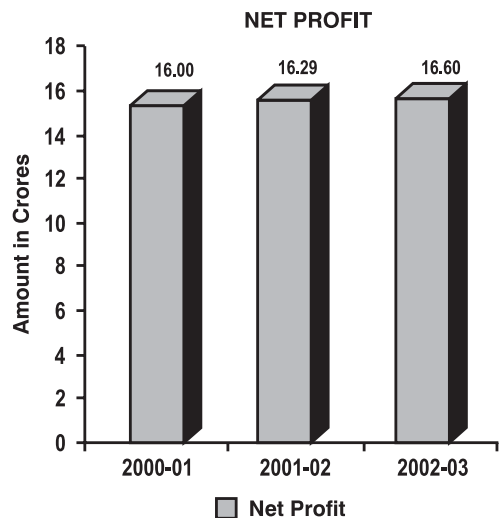
(Rs. In crores)

Type of Security	2002-2003	2001-2002
Investment in Government & Trustee Securities	424.86	384.02
Deposits with MSC Bank & other Co-op Banks/others	1.62	22.90
Investment in Certificate of Deposits	---	---
Deposits with notified banks	8.02	8.15
Money at Call & Short notice	12.99	---
PSU/Financial Institutions Bonds	67.99	64.94
Shares	---	---
TOTAL	515.48	480.01

PROPOSED APPROPRIATIONS OF NET PROFIT

The Bank made a net profit of Rs.16.60 crores for the financial year 2002-03 which along with the carried forward amount of Rs.1.11crores is available for appropriation. Your Directors recommend the following appropriations be made out of the net profit of the Bank:

	2002-2003(Rs.)	2001-2002(Rs.)
Statutory Reserve Fund	4,15,00,000.00	4,07,25,000.00
Building Fund	2,75,00,000.00	6,50,00,000.00
Dividend	3,35,00,000.00	2,80,00,000.00
Contingency Reserve as introduced u/s. 63 of Multi-State Act, 2002	1,66,00,000.00	----
Amount provided for charitable and co-operative purpose.		
a. Staff Welfare	30,00,000.00	25,00,000.00
b. Members	30,00,000.00	20,00,000.00
c. Public	15,00,000.00	15,00,000.00
Education Fund	16,60,000.00	16,29,000.00
Ex-gratia to staff	2,90,00,000.00	2,75,00,000.00
Centenary Fund	25,00,000.00	15,00,000.00
Reserve for Bad & Doubtful Debts	---	1,00,00,000.00
Balance carried forward	1,11,77,145.51	10,91,600.66
Total Profits	17,09,37,145.51	18,14,45,600.66



**DIVIDEND**

Your Board of Directors, in keeping with its tradition of rewarding loyal shareholders over the years, has once again proposed a dividend @ 18% on the subscribed share capital for an unprecedented eighth consecutive year in succession.

DICGC PREMIUM

The Bank's deposits are covered under Deposit Insurance scheme of DICGC and at present deposits up to Rs.1 lakh are covered under the scheme. The Insurance premium to DICGC has been paid, and there are no arrears payable under the scheme.

VISIT OF H. H. SHRIMAT SADYOJAT SHANKARASHRAM SWAMIJI

It was an auspicious moment for your Bank on February 11, 2003 when H. H. Shrimat Sadyojat Shankarashram Swamiji, Mathadhipati, Shri Chitrapur Math, Shirali visited the Corporate Office of your Bank and gave his blessings to the Institution.

MEMBERS' WELFARE ASSOCIATION

The activities of the Members' Welfare Association during the financial year 2002-03 are listed out separately in the Annual Report.

96TH FOUNDATION DAY – STAFF GET-TOGETHER

The Foundation day was celebrated with due pomp and gaiety. Children of the staff members participated with individual performances. Awards for excellence in specific areas of work were also given to the staff members.

MISCELLANEOUS ACTIVITIES

The coloured documentary film in English on Late Rao Bahadur Shripad Subrao Talmaki, one of the founder members of your Bank has been completed by Ms. Chitra Paleker, noted script writer and eminent theatre personality. The film has been produced as a run-up to your Bank's Centenary, to be celebrated during the year 2005-06.

Compilation of the treatise, which will trace the bank's progress since its origins in December 1906 is in progress.

BOARD OF DIRECTORS

The Board of Directors and its various Committees met regularly during the year 2002-03. These meetings have contributed to the overall growth and progress of the Bank.

TRIBUTES TO THE DEPARTED SOULS

The Board of Directors expresses its profound sorrow at the sad demise of one of its staff member, Mr. Nandkishore Beri, Assistant Branch Manager, Mangalore branch.

ACKNOWLEDGEMENT

The Board of Directors takes this opportunity to express its gratitude to the Shareholders, Depositors, Borrowers and Well-wishers for their valued support leading to another successful year of operations.



Your Bank is obliged to the Officers of the Reserve Bank of India, especially Urban Banks Department, Central Registrar of Co-operative Societies, New Delhi, Commissioner of Co-operation, Pune, The Divisional Joint Registrar, Mumbai, Officials of the Co-operative Departments in the States of Maharashtra, Karnataka and Goa for their invaluable guidance and assistance rendered to the Bank from time to time.

The Board of Directors is grateful to the Members for helping the Bank in augmenting its business.

The Board of Directors is also thankful to the Bank's Legal Advisors, Management & Tax Consultants, Architects, Concurrent & Statutory Auditors, other Consultants and vendors for their co-operation and guidance.

The Board conveys its thanks to the various authorities, institutions and individuals who have extended their support and helped the Bank to grow from strength to strength

Last but not least, the Board records its sincere appreciation of the contribution of all the Executives, Managers, Officers and other employees of the Bank for their unstinted loyalty, dedication to duty and constructive support in the Bank's progress during the year. They have put their heart and soul into the task of delivering good performance and growth at a time, which was trying and difficult for the Banking Industry as a whole.

For & on behalf of the Board of Directors

Suresh S. Hemmady

Chairman

Place : Mumbai

Date: June 27, 2003



ANNEXURE A

REGISTERED OFFICE	: CTS No. 948/B, Village Kole Kalyan, Nehru Road, Opp. Vakola Market, Santacruz (E), Mumbai – 400 055.
DATE OF REGISTRATION	: 27th December, 1906.
NO. & DATE OF R.B.I LICENCE	: UBD/MH/402 P 24th August, 1984.
JURISDICTION	: Metropolitan, Urban and Semi-urban centres in Maharashtra State & 10 Kms. peripheral rural area from the boundaries of these Centres and the Municipal limits of Hubli, Bangalore City, Mangalore City, Belgaum, Bhatkal, Karwar, Coondapura, Tumkur, Hassan, Madekeri, Mysore and Udipi in the State of Karnataka, Municipal limits of Panaji, Madgaon, Mapusa, Vasco-da-Gama in the state of Goa, Surat, Vadodara and Vapi in the State of Gujarat, Chennai in the State of Tamil Nadu, New Delhi and may be extended to other states and Union Territories of Dadra Nagar Haveli, Silvassa and Daman.

(Rs. in lakh)

Items	As on March 31, 2003
No. of Branches including Head Office	37+3 Extension Counters
Membership :	
No. of Regular Members	91585
No. of Nominal Members	5199
Paid up Share Capital	1947.44
Total Reserves and funds	15486.60
Deposits :	
Current	7864.24
Savings	28027.23
Term	109038.54
Total	144930.01
Advances :	
Secured	92834.72
Unsecured	438.69
Total	93273.41
Priority Sector Percentage to Total Advance	60.21%
Of which, Total Percentage to Weaker Section	3.45%
Overdues	9964.88
Borrowings(under Call Deposits)	NIL
Investment	51547.94
Profit	1660.00
Working Capital	168269.62
Total Staff	704



STATUTORY AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2003.

(Under Section 31 of Banking Regulation Act, 1949 and Section 73(4)
of Multi State Co-operative Societies Act, 2002 and Rule 27
of Multi-State Co-operative Societies Rules)

We have audited the attached Balance Sheet of "THE SHAMRAO VITHAL CO-OPERATIVE BANK LIMITED", Mumbai as at 31st March, 2003 and also the annexed Profit & Loss Account of the Bank for the year ended on that date in which are incorporated returns of all the branches audited by us. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis.

Subject to our comments and observations in the Audit Report of even date, we report that-

1. The schedules giving the particulars referred to in Rule 27(3)(a)(b)(c)(d)(e) and (f) to the extent applicable are attached to this report.
2. (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit;
- (ii) In our opinion, proper books of accounts as required by Rule 27 of the Multi State Co-operative Societies Rules 2002, the bye-laws and the law have been kept by the Bank, so far as appears from our examination of those books.
- (iii) To the best of our knowledge and belief and according to the information and explanations given to us, there is no material impropriety and irregularities in the expenditure or in the realization of monies due to the Bank;
- (iv) To the best of our information and explanations given to us, the guidelines issued by Reserve Bank of India as applicable to Multi-State Co-operative Banks have been adhered to.
- (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to significant Accounting Policies and Notes on Accounts forming part of accounts and our comments and observations contained in Audit Memorandum, give all the information as required by the Multi-State Co-operative Societies Act, 2002, and rules made there-under, in the manner so required, in conformity with the accounting principles generally accepted in India and give a true and fair view:
 - a. In the case of Balance Sheet, of the State of Affairs of the Bank as at 31st March, 2003 and
 - b. In case of Profit and Loss Account of the Profit for the year ended on that date.

For YARDI PRABHU & ASSOCIATES
CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 17.06.2003

Sd/-
(SUDHAN D. YARDI)
PARTNER



AT 31ST MARCH, 2003

As at 31.03.2002		PROPERTY & ASSETS				As at 31.03.2003	
Rs.	P.			Rs.	P.	Rs.	P.
		1. CASH					
		In hand and with Reserve Bank of India, State Bank of India, Maharashtra State Co-op. Bank & Dist. Central Co-op. Banks				1,472,261,642.34	
896,805,235.97							
		2. BALANCES WITH OTHER BANKS					
19,303,747.44	i)	Current Deposits				39,841,559.75	
81,474,342.00	ii)	Fixed Deposits				80,226,648.00	
		3. MONEY AT CALL & SHORT NOTICE				129,930,790.45	
		4. INVESTMENTS					
		i) In Central & State Govt. Securities					
		Face Value Rs. 392,62,05,000.00					
3,608,739,506.88		Market Value Rs. 466,92,55,314.06		4,020,680,137.29			
231,400,000.00	ii)	Other Trustee Securities		227,900,000.00			
797,895.00	iii)	Shares in Co-op. Institutions & Co-op Hsg. Societies		656,000.00			
649,410,000.00	iv)	P.S.U. Bonds & Bonds of All India Financial Institutions		679,900,000.00			
	v)	Fixed Deposit with M.S.C Bank Ltd. (of which, Fixed Deposits worth Rs.1,05,00,000.00 ear-marked against Statutory Reserve Fund)		13,000,000.00			
220,750,000.00							
7,500,000.00	vi)	Fixed Deposit with District Central Co-operative Banks		2,500,000.00			
4,718,597,401.88						4,944,636,137.29	
5,716,180,727.29		Carried Forward				6,666,896,777.83	



BALANCE SHEET AS

As at 31.03.2002		CAPITAL & LIABILITIES		As at 31.03.2003	
Rs.	P.	Rs.	P.	Rs.	P.
13,029,212,551.76				1,743,404,185.85	
2,671,513.02		2,445,045.62			
-		-			
-		-			
2,671,513.02				2,445,045.62	
664,020,035.76		774,776,949.99			
-		-			
16,253,075.47		11,647,160.78			
680,273,111.23				786,424,110.77	
398,837,468.53				358,571,688.15	
12,694,282,636.06					14,493,001,135.44
---				---	
125,586,200.92					129,376,886.28
210,080,000.00					-
1,097,458.00					-
7,839,328.54					-
57,588,317.71					69,633,811.54
251,814,397.84					337,404,103.64
9,980,314.83					8,900,422.50
13,072,328.21				16,713,820.20	
3,280,689.76				4,102,605.08	
11,149,169.63				32,640,021.19	
341,862.00				319,235.00	
121,793,117.82				87,892,840.56	
68,755,830.07				67,530,322.61	
123,715,806.85				131,886,230.70	
342,108,804.34					341,085,075.34
15,117,089,466.72					17,122,805,620.59



AT 31ST MARCH, 2003

As at 31.03.2002		PROPERTY & ASSETS			As at 31.03.2003	
Rs.	P.		Rs.	P.	Rs.	P.
10,326,312,904.56		Brought Forward			6,666,896,777.83	
		ii) Medium Term Loans				
2,791,791,958.34		Of which, secured against :		3,397,854,202.77		
5,187,883.57		a) Govt. & other approved Securities	3,597,282.31			
2,767,899,160.99		b) Other tangible Securities (including Rs. Nil against endorsements / acceptances by Banks)	3,374,588,249.68			
18,704,913.78		c) Unsecured Advances / Surety Loans with or without collateral securities	19,668,670.78			
643,936,581.70		Of the advances, amount due from individuals	556,552,444.63			
247,029,819.04		Of the advances, amount Overdue	309,920,809.99			
64,495,658.07		Considered Bad & Doubtful of recovery (Fully provided for)	70,321,495.87			
		iii) Long Terms Loans				
935,136,204.04		Of which secured against :		1,138,311,893.41		
231,857.00		a) Govt. & other approved Securities	145,425.00			
934,903,528.88		b) Other tangible Securities	1,137,976,151.41			
818.16		c) Unsecured Advances / Surety Loans with or without collateral securities	190,317.00			
643,577,105.01		Of the Advances, amount due from individuals	762,393,021.67			
21,152,137.82		Of the advances, amount Overdue	46,029,359.07			
12,030,118.21		Considered Bad & Doubtful of recovery (Fully provided for)	11,920,151.88			
8,337,060,339.65		TOTAL ADVANCES			93,27,341,073.02	
14,053,241,066.94		Carried Forward			15,994,237,850.85	

**AT 31ST MARCH, 2003**

As at 31.03.2002		PROPERTY & ASSETS			As at 31.03.2003	
Rs.	P.		Rs.	P.	Rs.	P.
14,053,241,066.94		Brought Forward			15,994,237,850.85	
		6. INTEREST RECEIVABLE				
181,303,437.67		On Investments	176,961,172.48			
24,691,652.96		On Staff Housing Loans	28,795,978.87	205,757,151.35		
251,814,397.84		On Advances - II		337,404,103.64	543,161,254.99	
125,586,200.92		7. i) BILLS RECEIVED FOR COLLECTION AS PER CONTRA			129,376,886.28	
210,080,000.00		ii) INVESTMENTS HELD ON BEHALF OF CONSTITUENTS AS PER CONTRA			---	
1,097,458.00		(iii) BILLS REDISCOUNTED WITH IDBI / SIDBI			---	
		8. BRANCH ADJUSTMENT			80,297,120.12	
		9. PREMISES LESS DEPRECIATION				
118,165,482.96		Balance as per last Balance Sheet	107,396,090.52			
11,501,286.65		Add : Additions during the year	165,638,509.39			
			273,034,599.91			
6,790,325.36		Less : Transfer during the year	4,293,811.77			
15,480,353.73		Less : Depreciation written off during the year	23,588,538.60		245,152,249.54	
107,396,090.52						
		10. FURNITURE, FIXTURES & EQUIPMENTS				
92,572,689.54		Balance as per last Balance Sheet	111,130,392.30			
66,842,135.26		Add : Additions during the year	96,457,085.09			
			207,587,477.39			
11,844,889.47		Less : Transfer during the year	14,068,038.14			
36,439,543.03		Less : Depreciation during the year	42,179,644.65			
111,130,392.30					151,339,794.60	
-						
15,066,340,697.15		Carried Forward			17,143,565,156.38	



BALANCE SHEET AS

As at 31.03.2002		CAPITAL & LIABILITIES		As at 31.03.2003			
Rs.	P.	Rs.	P.	Rs.	P.	Rs.	P.
15,298,535,067.38		Brought Forward				17,293,742,766.10	
15,298,535,067.38		TOTAL				17,293,742,766.10	

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR YARDI PRABHU & ASSOCIATES
CHARTERED ACCOUNTANTS

S. D. YARDI
PARTNER
STATUTORY AUDITORS

V. R. RANE
DIVISIONAL MANAGER
FINANCE

R. N. MASKERI
DIRECTOR

R. D. NADKARNI
CHIEF OF ADMINISTRATION

B. S. CHANDAVARKAR
DIRECTOR

PLACE : MUMBAI
DATED : JUNE 17, 2003



AT 31ST MARCH, 2003

As at 31.03.2002	PROPERTY & ASSETS			As at 31.03.2003
Rs.	P.	Rs.	P.	Rs.
				P.
15,066,340,697.15	Brought Forward			17,143,565,156.38
	11. VEHICLES			
1,467,691.25	Balance as per last Balance Sheet	1,125,500.82		
23,739.14	Add : Additions during the year	3,818,736.28		
1,491,430.39		4,944,237.10		
269,189.10	Less : Depreciation during the year	702,504.28		
96,740.47	Less : Written down value of old	282,139.24		
1,125,500.82	Vehicles sold			3,959,593.58
148,247,169.96	12. CAPITAL WORK IN PROGRESS			-
	13. OTHER ASSETS			
6,439,327.00	a) Tax Refund Receivable	18,753,384.00		
4,270,916.12	b) Court Cost Receivable	5,479,025.62		
5,449,640.58	c) Stock of Stationery	4,352,883.50		
3,369,448.96	d) Deposits with BEST, Telephones & BMC	8,949,276.63		
55,053,636.26	e) Misc. Assets	101,666,795.55		
8,238,730.53	f) Deposits towards acquisition of Premises	7,016,650.84		
82,821,699.45				146,218,016.14
15,298,535,067.38	TOTAL			17,293,742,766.10

J. K. HATTANGDI
DEPUTY GENERAL MANAGER
OPERATIONS-II

S. D. JOSHI
DEPUTY GENERAL MANAGER
OPERATIONS-I

D. S. PATIL
CHIEF EXECUTIVE OFFICER

R. N. GOKARN
VICE-CHAIRMAN

S. S. HEMMADY
CHAIRMAN

PLACE : MUMBAI
DATED : JUNE 17, 2003

**PROFIT AND LOSS ACCOUNT**

For the year ended 31.03.2002		Expenditure	For the year ended 31.03.2003	
Rs.	P.		Rs.	P.
1,075,410,686.80		1. INTEREST ON DEPOSITS	1,151,871,570.63	
4,623,957.87		2. BANK CHARGES & COMMISSION	4,844,794.80	
168,108,634.25		3. SALARIES AND ALLOWANCES	182,239,085.65	
676,633.75		4. DIRECTORS' FEES AND TRAVELLING AND CONVEYANCE	655,238.63	
52,617,043.37		5. RENT RATES TAXES, SERVICE CHARGES, INSURANCE & LIGHTING	56,193,654.79	
3,660,554.01		6. LEGAL AND PROF. CHARGES	7,204,868.87	
1,398,826.69		7. LOSS ON SALE OF ASSETS	6,470,713.35	
6,143,595.96		8. POSTAGE, TELEGRAMS, & TELEPHONE CHARGES	6,913,768.95	
6,398,527.14		9. TRAVELLING & CONVEYANCE	7,112,882.54	
2,543,905.65		10. AUDIT FEES	2,546,742.50	
52,191,608.32		11. A. DEPRECIATION	76,947,642.53	
28,368,026.67		B. REPAIRS & MAINTENANCE	26,953,733.55	
17,211,114.27		12. PRINTING, STATIONERY & ADVERTISEMENT	13,194,455.15	
22,420,152.87		13. SUNDRY EXPENSES	27,848,746.90	
		Provisions & Contingencies		
9,700,000.00		A. Gratuity Payable to Staff	5,400,000.00	
150,000.00		B. Bonus Payable to Staff	---	
		C. Bad & Doubtful Debts	---	
89,622,551.01		a. Amount provided for Bad & Doubtful Debts	182,635,744.30	
1,377,448.99		b. Contingent Provision against Standard Assets	1,865,951.87	
627,052.58		D. Development Reserve Fund	1,000,000.00	
6,748,874.00		E. Depreciation on Securities	12,000,000.00	
162,900,000.00		NET PROFIT FOR THE YEAR CARRIED FORWARD TO THE BALANCE SHEET	166,000,000.00	
1,712,899,194.20		TOTAL	1,939,899,595.01	
AS PER OUR REPORT OF EVEN DATE ATTACHED FOR YARDI PRABHU & ASSOCIATES CHARTERED ACCOUNTANTS		V. R. RANE DIVISIONAL MANAGER FINANCE	R. D. NADKARNI CHIEF OF ADMINISTRATION	
S. D. YARDI PARTNER STATUTORY AUDITORS		R. N. MASKERI DIRECTOR	B. S. CHANDAVARKAR DIRECTOR	
PLACE : MUMBAI DATED : JUNE 17, 2003				



FOR THE YEAR ENDED 31ST MARCH, 2003

For the year ended 31.03.2002		INCOME	For the year ended 31.03.2003		
Rs.	P.		Rs.	P.	
1,048,379,478.63		1. INTEREST ON ADVANCES	1,169,954,997.21		
561,542,120.94		2. INTEREST ON INVESTMENTS	572,573,236.00		
58,112,232.38		3. COMMISSION, EXCHANGE & BROKERAGE	63,750,723.53		
5,148,345.83		4. RENT ON S.D.V. LOCKERS	4,926,094.97		
7,829,225.00		5 A. PROFIT ON SALE OF SECURITIES	73,782,414.01		
-		B. PROFIT ON SALE OF PREMISES	1,778,510.29		
31,887,791.42		6. OTHER RECEIPTS	27,244,728.00		
-		7. EXCESS PROVISION OF EARLIER YEARS WRITTEN BACK	25,888,891.00		
1,712,899,194.20		TOTAL	1,939,899,595.01		
J. K. HATTANGDI DEPUTY GENERAL MANAGER OPERATIONS-II		S. D. JOSHI DEPUTY GENERAL MANAGER OPERATIONS-I		D. S. PATIL CHIEF EXECUTIVE OFFICER	
R. N. GOKARN VICE-CHAIRMAN		S. S. HEMMADY CHAIRMAN			
PLACE : MUMBAI					
DATED : JUNE 17, 2003					



NOTES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2003 AND BALANCE SHEET AS ON THAT DATE

I. SIGNIFICANT ACCOUNTING POLICIES

1) Accounting Convention:

The Financial Statements are drawn up keeping in mind the historical cost and going concern concept and in accordance with generally accepted accounting principles and practices prevailing in the Co-operative Banks in India except otherwise stated.

2) Revenue Recognition:

Income and Expenditure are accounted on accrual basis except as stated below:

- i) Interest on Advances classified as Sub-Standard, Doubtful or Loss Assets is recognised on realisation. The unrealised interest in these cases is accounted in Overdue Interest Reserve-I.
- ii) Interest on Fixed income Securities is recognised on accrual basis in case it is serviced regularly.
- iii) Leave encashment payable to employees is accounted on cash basis.
- iv) Commission exchange and locker rent are recognised as income on receipt basis.

3) Advances:

- i) Advances are classified into standard, sub-standard, doubtful and loss assets in accordance with the guidelines issued by the Reserve Bank of India from time to time.
- ii) Provision on Advances categorised under Sub-Standard, Doubtful and Loss Assets is made in accordance with the guidelines issued by the Reserve Bank of India. In addition, a general provision of 0.25% is made on all standard assets as per RBI guidelines.
- iii) The overdue interest in respect of advances classified as Non-Performing Assets is provided separately under "Overdue Interest Reserve-II" as per the directives issued by the Reserve Bank of India.

4) Investments:

The Bank has classified the investments in accordance with the RBI guidelines applicable to Urban co-operative Banks. Accordingly, classification of investments for the purpose of valuation is done under the following categories:

- a) Held to Maturity
- b) Held for Trading
- c) Available for Sale

Investments under "Held to Maturity" category have been valued at acquisition cost. Premium, if any, on such investments is amortised over the residual life of the particular investment.

Investments under "Held for Trading" category have been marked to market and have been valued at the year-end rates.

Investments under "Available for Sale" category have been marked to market on the basis of guidelines issued by Reserve Bank of India. While net depreciation, if any, under each classification have been provided for, net appreciation, if any, has been ignored.



Treasury bills under all the classifications have been valued at acquisition cost.

The shares of Co-operative Societies held by the Bank have been carried at Re.1/- per society.

For the purpose of valuation, market value in the case of Govt. and other Securities, for which quotes are not available is determined on the basis of the "Yield to Maturity" indicated by Primary Dealers Association of India (PDAI) jointly with Fixed Income and Money Market Derivates Association of India (FIMMDA).

5) Fixed Assets and Depreciation:

- i) Fixed Assets are stated at written down value.
- ii) Depreciation is calculated on written down value basis on fixed assets other than premises and computers. Depreciation on premises and computers is calculated on straight-line method.
- iii) Fixed Assets are depreciated at the rates considered appropriate by the Management as under:

Premises	10%
Furniture & Fixtures	15%
Vehicles	20%
Computers	33.33%
Machinery	25%

- iv) Depreciation on fixed assets purchased during the year is charged for the full year, if the asset is purchased and retained for 180 days or more, otherwise it is charged at 50% of the normal rate. No depreciation is charged on fixed assets sold during the year as per the generally accepted norms.
- v) Software expenses are amortised over a period of two years.
- vi) There is change in the rate of depreciation on computers from 60% WDV to 33 1/3% SLM from this year.

6) Staff Retirement Benefits:

- i) Provident Fund contribution made to a trust separately established for the said purpose is accounted for on accrual basis.
- ii) The liability towards gratuity is based on actuarial valuation.
- iii) The Bank has decided to account Leave encashment payable to employees on cash basis, as the Bank is confident of meeting the said liability as and when it arises.

II) NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2003.

1) CONTINGENT LIABILITIES:

- a) Contingent Liabilities on account of Bank Guarantees and Letters of Credit are as follows:

31.03.2002	Particulars	31.03.2003
332837661.38	Bank Guarantees	469885427.98
165923904.09	Letters of Credit	293846837.79
498761565.47	Total	763732265.77

- b) The Bank has a contingent liability towards Education Fund of Rs.94.80 lacs to be paid to the National Federation of Urban Co-operative Banks under the Multi State Co-operative Societies Act and Rules. However, the Bank has not paid the said amount till 31.03.2003 and has created an Education Fund wherein this contribution is appropriated from the profits of each year. This fund is reflected under "Sundries".

**2) PRIOR PERIOD ITEMS:**

The details of prior period items debited / credited to profit and loss account are given as under:

(Amt in Rs.)

Particulars	Debit	Credit
Depreciation on non-banking assets wrongly charged in the earlier years now reversed.		1363911.56
Retention Money and EMD of earlier years forfeited		145754.00
Depreciation on Dead Stock and Furniture wrongly charged in the earlier years now reversed		70777.57
Underwriting Commission not charged in the earlier years now charged	25000.00	
Income Tax paid	875368.00	
Misc. Expenses	88831.00	
Interest on IT Refund		408568.00
Others	127891.50	545580.87
Total	1117090.50	2534592.00

- 3) a) The fixed assets are not shown as Gross Block less accumulated depreciation. However, the Bank is in the process of compiling the particulars of Fixed Assets in accordance with the Accounting Standard 6 (AS 6) and Accounting Standard 10 (AS 10) issued by the Institute of Chartered Accountants of India (ICAI).
- b) There is change in the rate of depreciation on computers from 60% WDV to 33 1/3% SLM from this year. Had the depreciation been charged @ 60%, profit for the year would have been lower by Rs.80,13,660.48
- 4) The accounting of leave encashment on cash basis is not in accordance with the Accounting Standard 15 (AS 15) issued by the Institute of Chartered Accountants of India (ICAI). Since the figure of amount payable to employees on account of leave encashment is not made available, the effect of the same on the profit of the Bank is not quantifiable.
- 5) Excess provision of earlier years written back of Rs.2,58,88,891/- includes Leave Encashment provision of Rs.1,15,00,000/- since the Management is accounting the same on cash basis and provision for VRS of Rs.1,43,88,891/- since no such scheme is in vogue.
- 6) Premises of Rs.245152249.54 include:
- a) Ownership Premises Rs.240567577.72
- b) Non-Banking Assets Rs.4584671.82 (acquired against satisfaction of claims).
- 7) The Bank has written off an amount of Rs.77.98 lakhs towards bad debts as identified by the Management as irrecoverable, certified by the statutory auditors and approved by the General Body Meeting and Registrar of Co-operative Societies for the year 2001-02 and the same is adjusted against Bad and Doubtful Debts Reserves. This amount had been fully provided for in the earlier years.
- 8) In the absence of specific directives/guidelines from the Reserve Bank of India in respect of disclosure to be made for Segment Reporting and Related Party Disclosure as required under Accounting Standards 17 & 18 respectively, issued by the Institute of Chartered Accountants of India, the same has not been done by the Bank.
- 9) Previous years figures have been regrouped/rearranged wherever necessary to confirm to the layout of the accounts of the current year.



III) DISCLOSURE REQUIREMENTS AS PER RBI GUIDELINES

(Rs. in lakh)

Sr. No.		31.03.2002	31.03.2003
1)	Capital to Risk Asset Ratio (CRAR)	11.15%	12.36%
2)	Movement of CRAR	3.04%	10.85%
	Risk Weighted assets	87471.53	98848.51
3)	Values of Investments are as under:		
	Government/Approved Securities		
	Face Value	35561.05	39262.05
	Book Value	36087.42	40206.80
	Market value	42449.47	46692.55
	Bonds of Public Sector Undertakings	6494.10	6799.00
	Other Trustee Securities	2314.00	2279.00
	Fixed Deposits in Co-op. Banks, Dist. Central and State Co-op. Banks	2282.50	155.00
	Shares in Co-operative Institution	7.98	6.56
	Total Face Value	46659.63	48501.61
	Total Book Value	47186.00	49446.36
	Total Market Value	53548.05	55932.11
4)	Advances to sensitive sectors		
	a. Housing	7192.67	9535.14
	b. Construction business & other Real Estate	303.27	123.53
	c. Against Shares & debentures	70.32	39.75
	Total	7566.26	9698.42
5)	Advances of Rs.93273.41 lakh (Previous year Rs.83370.60 lakh) shown in the Balance Sheet include:		
Particulars		31.03.2002	31.03.2003
		31.03.2002	31.03.2003
		FUND BASED	
		NON-FUND BASED	
Advance to Directors, their relatives & Companies/Firms in which they are interested		88.79	139.77
		NIL	NIL
6)	Average cost of deposits	9.06%	8.62%
7)	NPAs		
	a) Gross NPAs	8141.75	10420.90
	b) Net NPAs	3943.60	4374.36
8)	Movement in NPA		
	Opening Balance	6276.84	8141.75
	Add: Additions during the year	2318.87	2833.34
	Less: Closed/Recovered/Written Off	453.96	554.19
	Closing Balance	8141.75	10420.90



(Rs. in lakh)

Sr. No.	31.03.2002	31.03.2003
9)		
A. Interest income as a percentage of working funds	11.08%	10.45%
B. Non-interest income as a percentage of working funds	0.56%	1.07%
C. Operating profit as a percentage of working funds	1.85%	2.23%
D. Return on Assets (Net Profit /Average of working funds)	1.11%	0.99%
E. Business (Deposits + Advances) per employee	300.45	338.36
F. Profit per employee	2.33	2.36
10)		
Provisions made towards NPA during the year	896.23	1826.37
Additional provision from last year's profits	---	100.00
11)		
Provision made towards depreciation in investments during the year	67.48	120.00
12)		
Movements in provisions		
A. Towards NPAs		
Opening Balance	3361.08	4198.15
Add: Additions during the year	896.23	1826.36
Fresh Provisions		
Additional provisions from last year's profit	---	100.00
Less: Closed/Recovered/Written Off	59.16	77.98
Closing Balance	4198.15	6046.53
B. Towards Standard Assets		
Opening Balance	173.05	186.83
Add: Additions during the year	13.78	18.65
Closing Balance	186.83	205.48
13)		
Movement in Investment Depreciation Reserve		
Opening Balance	150.00	217.48
Add: Additions during the year		
Provisions	67.48	120.00
Closing Balance	217.48	337.48

V. R. RANE
DIV. MANAGER-FINANCE

R. D. NADKARNI
CHIEF OF ADMINISTRATION

S. D. JOSHI
DY. GENERAL MANAGER
OPERATIONS-I

J. K. HATTANGDI
DY. GENERAL MANAGER
OPERATIONS-II

D. S. PATIL
CHIEF EXECUTIVE OFFICER

R. N. MASKERI
DIRECTOR

B. S. CHANDAVARKAR
DIRECTOR

R. N. GOKARN
VICE-CHAIRMAN

S. S. HEMMADY
CHAIRMAN

PER OUR REPORT OF EVEN DATE ATTACHED
FOR YARDI PRABHU & ASSOCIATES
CHARTERED ACCOUNTANTS

(S. D. YARDI)
PARTNER

STATUTORY AUDITORS

PLACE: MUMBAI
DATED: 17.06.2003



APPENDIX
CREDIT PORTFOLIO AT A GLANCE

A) OUR BORROWERS

(Rs. in Lakh)

ADVANCES	NO. OF A/cs.	%	AMOUNT
Upto Rs.5,000/-	523	3.63	243.25
Rs.5,000 – 25,000	1886	13.08	237.53
Above Rs.25,000/-	12011	83.29	92792.63
TOTAL	14420	100.00	93273.41

B) SECTORAL DEPLOYMENT OF FUNDS

(Rs. in Lakh)

SECTOR	No. of Borrowers	Outstanding as on 31.3.2003	%
Small Scale & Cottage Industries	2080	39794.80	42.67
Large & Medium Industries	252	16303.25	17.48
Trade & Commerce	1813	9112.02	9.77
Transport Operators	250	2687.27	2.88
Self Employed / Professionals	1058	1493.95	1.60
Education	756	513.05	0.55
Ceremonial Expenses Consumption	297	109.75	0.12
Housing & House Repairs	5319	9535.24	10.22
Activities Allied to Agriculture	29	950.88	1.02
Other Purposes	2566	12773.20	13.69
TOTAL	14420	93273.41	100.00

C) PRIORITY SECTOR LENDING

(Rs. in Lakh)

ACTIVITIES	No. of Accounts	Outstanding as on 31.3.2003	%
Activities Allied to Agriculture	29	950.88	1.69
Small Scale / Cottage Industries	2080	39794.80	70.85
Transport Operators	230	834.44	1.49
Small Business & Retail Traders	1745	3189.81	5.68
Self Employed / Professionals	1033	1239.31	2.21
Housing	5308	9333.15	16.62
Others	792	821.11	1.46
TOTAL	11217	56163.50	100.00



STATEMENT SHOWING PARTICULARS OF LOANS AND ADVANCES TO THE DIRECTORS AND THEIR RELATIVES

Directors/ their relatives who have borrowed from the Bank	Amount of loans outstanding at the beginning of the Co-op. year i.e. 1.4.2002 Rs.	Amount of loans sanctioned during the Co-op. year Rs.	Amount of loans outstanding at the end of the Co-op. year i.e. 31.03.2003 Rs.	% of total loans and advances
a) Directors	10,78,947.54	1,13,000.00	9,06,786.15	0.009
b) Relatives of Directors	2,51,765.80	50,000.00	5,28,440.17	0.006
c) Companies / firms in which Directors are interested	75,47,850.86	42,65,000.00	125,42,250.52	0.134
TOTAL	88,78,564.20	44,28,000.00	139,77,476.84	0.149

NOTE. :All these advances are strictly on Commercial terms and there are no overdues.

PROGRESS AT A GLANCE

(Rs. in Lakh) *

Sr. PARTICULARS No.	1996	1997	1998	1999	2000	2001	2002	2003
1. Capital & Reserves	3467	4829	6420	7942	9883	11886	14167	17434
2. Deposits	38181	44906	62691	81866	96409	115097	126943	144930
3. Advances	26958	34127	44013	51893	63556	76005	83371	93273
4. Investments	12715	12162	20458	30869	35980	44496	48001	51548
5. Total income	5781	7123	8756	11219	13406	16423	17129	19399
6. Total Expenditure & Provisions	4905	6222	7765	10129	12152	14823	15500	17739
7. Net Profit	876	901	991	1090	1254	1600	1629	1660
8. Working Capital	44234	52487	73127	93902	110423	132989	147099	168270
9. No. of Branches	23	27	30	30	34	35	36	37
10. No. of Employees	642	672	698	689	686	688	700	704
11. No. of Shareholders	61685	63085	65337	69903	74692	80109	83641	91585
12. Dividend (%)	18 %	18%	18 %	18 %	18%+2%	18%	18%	18%
13. Audit Classification	A	A	A	A	A	A	A	A

*Items No 1 to 8



AWARDS TO STAFF MEMBERS

PARTICULARS	RECEIPT	PARTICULARS	RECEIPT
Late Shamrao Vithal Kaikini Award (For Outstanding Performance)	Late Shri Shivshankar Mullerpattan Malleshwaram Branch	Vice-Chairman's Award (For Best Clerk)	Mr Mahesh Kumble S. V. Marg Branch
Late Rao Bahadur S. S. Talmaki Award (For Outstanding Performance)	Mr. Sameer J. Kerekatte Legal & Recovery Department	Chairman's Award (For Best Sub – Staff)	Mr Krishna Poojari Bandra Branch
Shamrao Vithal Bank's Award (For Best Branch)	Malleshwaram Branch	Vice-Chairman's award (For Best Sub – Staff)	Mr Shivaji Jadhav Administrative Office
Chairman's Award (For Best Manager)	Mr C. N. Puthran Bandra Branch	Shri Bijoor Ananth Bhat Award (For Best Typist-cum-Steno & Computer Staff)	Ms Geeta Nadkarni Administrative Office
Vice-Chairman's Award (For Best Manager)	Mrs Suman Nazreth Versova Branch	Smt. S. S. Gulvady Award (For Best All-round clerk)	Mr Dilip Salasthekar
Chairman's Award (For Best Officer)	Mr Ashwin R. Sajip Personnel & HRM	Late Shri Rajiv Bailoor Award (For Best Clerk)	Ms Rajani Shahane Versova Branch
Vice-Chairman's Award (For Best Officer)	Ms Linima Alias Ms Shivani S. Agre Borivali Branch	Late Shri Rajiv Bailoor Award (For Best Sub-Staff)	Mr Ravindra R.Salvi Ghatkopar Branch
Chairman's Award (For Best Clerk)	Mr Poornanand G. Shastry Hubli Branch	Shanta Mundkur Memorial Award for Branch with Best Audit Report and Lowest Non Performing Assets	Sleater Road Branch

A.O. / DEPTS / BRANCHES	TELEPHONE NO.	A.O. / DEPTS / BRANCHES	TELEPHONE NO.
Registered Office Personnel & HRM, Operations (Credit), Legal & Recovery, Administration, Marketing, Finance, Central Accounts, Facilities, Legal, Audit & Inspection, Information Technology, Planning, Secretarial, Shares.	5699 9999	Borivali Bal Vatsalaya Bldg, Kasturba Cross Rd. No.1, Borivali (E), Mumbai - 400 066.	280584252, 28086749 FAX: 28626943
CTS No.948/B, Village Kole Kalyan, Nehru Road, Opp. Vakola Market, Santacruz (E), Mumbai - 400 055.		Borivali Extension Counter Bima Nagar Education Society's New Bldg., C.T.S., 1377, Near Shanti Ashram Jeevan Bhima Nagar, Borivali (West), Mumbai - 400 103.	28943626
Clearing Anand Building Mezzanine Floor, 82/84, Kazi Syed Street, Mandvi, Mumbai - 400 009.	23439044, 23443981 23425825 FAX: 23443130	Chembur Natasha Plaza, Plot no. 913, D. K. Sandhu Marg, Chembur (E), Mumbai - 400071.	25235389, 25293193 FAX: 25244617
D. M.'s Office, Bangalore 49/1, 1st floor, 5th Cross Road, Malleshwaram, Bangalore - 560 003.	080-3466468, 3466469 FAX: 3466468	Cuffe Parade Maker Towers 'E', 1st Floor, Cuffe Parade, Mumbai - 400005.	22161836, 22166253 56374941-43 FAX: 56374944
D. M.'s Office, Pune Nandita, Jungli Maharaj Road, Deccan Gymkhana, Pune - 411 004.	020-5538371, 5532460 FAX: 020-5532519	Ghatkopar Jayant Arcade, Rajawadi Naka, Ghatkopar (East), Mumbai - 400 077.	25153308, 25101974 FAX: 25165373
Bandra Bldg No.C, Chitrapur CHS Ltd. 27th Road TPS III, Bandra (W), Mumbai - 400 050.	26426280, 26428562 FAX: 26426324		



A.O. / BRANCHES	TELEPHONE NO.	A.O. / BRANCHES	TELEPHONE NO.
Goregaon 12, Udyog Nagar, Time Star Bldg., S. V. Road, Goregaon W), Mumbai - 400 062.	28740578, 28743877 FAX : 28754174	Sleater Road A/2,3,4,5 & 6, Ganesh Prasad, Naushir Bharucha Marg, Mumbai - 400 007.	23812092, 23811541 FAX: 23813571
Kandivali Kamala Nagar, M. G. Road, Kandivali (W), Mumbai - 400 067. Branch will be shortly shifted to No.6, Ground Floor, Manek Nagar, M. G. Road, Kandivali (W), Mumbai - 400 067.	28020579, 28634490 FAX: 28634975	Thane Shop No.11 & 12, Sita Vihar, Damani Estate, L.B.S. Marg, Naupada, Thane (W) - 400 602.	25338706, 25338715 FAX: 25338706
Khar Vanvaria Apts. Corner of 2nd Road and S. V. Road, Khar (West), Mumbai - 400 052.	26465991, 26465992 FAX :26008423	Vashi Jay Mangal Oil Complex, Near APMC-II, Sector 19, Plot no. 48 & 49, (Dana Bunder) Phase II, Vashi, Turbhe - 400 703.	27657651, 27657652 FAX: 27800682
Malad 47/A, S. M. House Lourdes Colony, Orlem, Malad (W), Mumbai - 400 064.	28069163, 28656495 FAX: 28638893	Vakola SVC Tower, Nehru Road, Opp. Vakola Market, Santacruz (E), Mumbai - 400 055.	5699 9701-9714 FAX : 5699 9700
Mandvi Anand Building 82/84, Kazi Syed Street, Mandvi, Mumbai - 400 003.	23412433, 23431097 FAX: 23420933	Vile Parle Mani Villa, Nehru Road, Vile Parle (E), Mumbai - 400 057.	26124280, 26133210 FAX: 26191507
Matunga 5, Kanara House, Mogal Lane, Mahim, Mumbai - 400 016.	24379927, 24372644 FAX : 24316813	Versova 7, Sarkar Corner, J. P. Road Andheri (West), Mumbai - 400 058.	26770151, 26772738 FAX: 26770847
Mira Road Ground Floor, Royal Challenge Building, Mira-Bhayender Rd. District Thane.	28122372, 28122373 FAX: 28123503	Aurangabad Rajendra Bhavan, Plot No.1, Opp. Hotel Aurangabad Ashoka, Adalat Road, Aurangabad - 431 001.	0240-2324929 FAX: 0240-2324930
Mulund G-1,6,7,8, Ganesh Kripa, RHB Road, Mulund (W), Mumbai - 400 080.	25605735, 25917840 FAX : 25603201	Bangalore (Malleshwaram) 49/1, 5th Cross Road Malleshwaram, Bangalore - 560 003.	080-3441629 080-3447875 FAX: 080-3340014
Mahakali Caves Road Sanskriti Park, Opp. Canossa High School, Andheri (East), Mumbai - 400 093.	28370781, 28355888 FAX: 28389556	Bangalore (Peenya) 5th Cross Stage I, KSSIDC Multi Storeyed Bldg; Peenya Indstl Estate, Bangalore - 560058.	080-8399355 FAX: 080-8399354
Sakinaka Yamuna Sadan, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai - 400 072.	28522508, 28593310 FAX : 28520708	Bangalore (Rajaji Nagar) 815/23, 17th 'E', Main Road, 5th Block, Rajajinagar, Bangalore - 560 010.	080-3403271 FAX – 080-3403276
Santacruz 8/1, Saraswat Colony, Santacruz (West), Mumbai - 400 054.	26608726, 26600584 FAX: 26600965	Bangalore Extension Counter Sri. Vidya Mandir Education Society, 11th Cross, 6th Main, Malleshwaram, Bangalore - 560 003.	080-3316709
Shamrao Vithal Marg H/2, Anandashram, Shamrao Vithal Marg, Mumbai - 400 007.	23867924, 23880030 FAX: 23894564	Chitrapur Shirali Building 8-3, Survey No.426/ B, Ward No.5, M. H. No.17, Shirali, Taluka Bhatkal, Dist. Uttara Kannada - 581354.	08385-558570 FAX: 08385-558569



A.O. / BRANCHES	TELEPHONE NO.	A.O. / BRANCHES	TELEPHONE NO.
Hubli Ground Floor, Satellite Space Age Complex, Koppikar Road, Hubli - 580 020.	0836-366973 FAX: 0836-366972	Nashik Gala No.L-15 and G-16, Utility Centre, Opp Rajiv Gandhi Bhavan, N. M. C. Sharanpur Road, Nashik - 422 001.	0253-2311618 FAX: 0253-2311619
Kalyan Sai Vihar, Chhatrapati Shivaji Path, Shivaji Chowk, Kalyan - 421 301.	0251-2313786, 2313479 FAX:0251- 2313479	Panjim Midas Touch Bldg., 1st Floor, Market Area, Panjim, Goa - 403 001.	0832-2432552 FAX: 0832-2432553
Koramangala Plot No.780, Ground Floor, ESSZED Meridian, 80 ft. Road, Block No.4, Koramangala, Bangalore.	080-5503861 FAX: 080-5503862	Pune D. G. Nandita, Jungli Maharaj Road, Deccan Gymkhana, Pune - 411 004.	020-5538371, 5532460 FAX : 020-5532519
Mangalore G-07, Crystal Arc, Balmatta Road, Mangalore - 575 001.	0824-441263 FAX: 0824-441586	Pimpri-Chinchwad Plot No.63, Sector 27 A, Village Akurdi, PCNT, Nigdi Pune 411 044.	020-7659285 FAX: 020-7659286
Mangalore Extension Counter – Ganapathy High School Saraswat Education Society, Ganapathy Pre-University College Campus, Ganapathy High School Road, Mangalore - 575 001.	0824-420139 FAX: 0824-420382	Pune (Pune Satara Road) Shop No.9 to 14, Chaphalkar Centre, Near Hotel Utsav, Pune - 411 037.	020-4215075, 4215076 FAX : 020-4215080

**THE SHAMRAO VITHAL CO-OPERATIVE BANK LTD.
REGISTERED OFFICE**

CTS No. 948/B, VILLAGE KOLE KALYAN, NEHRU ROAD, OPP. YAKOLA MARKET, SANTACRUZ (E), MUMBAI - 400 055.

**ATTENDANCE SLIP
97th ANNUAL GENERAL MEETING**

Regn. No.:

I declare that I am a registered shareholder of The Shamrao Vithal Co-operative Bank Limited.

I hereby record my presence at the 97th Annual General Meeting of the Bank at the **Yashwantrao Chavan Centre, General Jagannath Bhosale Marg, Next to Sachivalaya Gymkhana, Mumbai- 400 021**, on Saturday, September 27, 2003.

NAME IN BLOCK LETTERS

SIGNATURE

NOTE: Please fill up this Attendance Slip. Sign and hand it over at the Entrance of the Hall.

THE SHAMRAO VITHAL CO-OPERATIVE BANK MEMBERS WELFARE ASSOCIATION

Registration No. F-21348(M) of July 24, 1998

c/o The Shamrao Vithal Co-operative Bank Ltd., Maker Towers 'E', Cuffe Parade, MUMBAI - 400005

NOTICE

**This Notice is to Members of the Bank who hold currently
25 shares or more and have been members as on March 31, 1998.**

Notice is hereby issued that the sixth Annual General Body Meeting of the Association will be held at 4 p.m. on Saturday, September 20, 2003, in Smt. Indirabai Kalyanpur Hall, Balak Vrinda Education Society, New Chikalwadi, Naushir Bharucha Marg (Sleater Road), Grant Road West, Mumbai - 400 007. [To reach this hall, please take the lane on the south side of the Sleater Road Branch of the SVC Bank.]

AGENDA

1. To confirm the minutes of the fifth Annual General Meeting held on September 08, 2002.
2. To adopt the Annual Report for the year 2002-2003.
3. To adopt the Income-Expenditure Account and the Balance Sheet for the year 2002-2003.
4. To receive and approve the Budget for the year 2003-2004.
5. To declare the Results of the Election of the Member-Representative of the Board.
6. Any other matter with the permission of the Chair.

M. R. Hosangady
President

August 12, 2003

Gurudutt Mundkur
Hon. Secretary

Note: The AGM will be followed by the presentation of Merit Awards to outstanding performers in the recent S.S.C. and H.S.C. examinations.

ANNUAL REPORT

The Association disbursed Awards to 26 students [last year 21] for meritorious performance, re-imbursed Medical Expenses to 246 members [last year 181], Medical check-up expenses to 26 members [last year 22] and Mediclaim Premium to 179 members [last year 89]. The amounts disbursed are given in the attached Income-Expenditure Statement.

As anticipated in last year's report, disbursements outstripped income. As a result, we found it necessary to re-programme the disbursement percentages. Earlier years surpluses could sustain additional applications for reimbursements.

In view of our limited resources as well as the growing list of members eligible for benefits, the Committee appeals to all affluent members to refrain from making claims, so that the prime objective of helping needy members is met.

The Managing Committee met six times during the year. The average attendance was 4.7 members per meeting, against the maximum possible of 7.

M. R. Hosangady
President

August 12, 2003

Gurudutt Mundkur
Hon. Secretary

**THE SHAMRAO VITHAL CO-OPERATIVE BANK
MEMBERS WELFARE ASSOCIATION**

Maker Towers 'E', Cuffe Parade, MUMBAI - 400 005.

BALANCE SHEET AS ON MARCH 31, 2003

LIABILITIES	Rs.	Rs.	ASSETS	Rs.
Corpus Fund			INVESTMENTS	
Opening Balance	6,106,949		Fixed Deposits with The SVC Bank Ltd.	
Received from The Shamrao			CP Branch. B/F	6,350,006
Vithal Co-op Bank Ltd.	<u>2,020,000</u>	8,126,949	Added	<u>2,100,000</u> 8,450,006
Members' Reserve Fund			Education Loans	
Opening Balance	592,044		B/f	1,52,000
Current year [Deficit]	<u>-30,987</u>	561,057	Less repaid	<u>72,000</u> 80,000
Payments due			Current Assets	
Audit fees for 2001-2002		3,500	Cash in Bank	1,61,494
			Cash in hand	<u>5.50</u> 1,61,500
TOTAL		8,691,506	TOTAL	8,691,506

M. R. Hosangady
President

Gurudutt Mundkur
Hon Secretary

A. R. Gulwady
Hon Treasurer

S. K. Shetty & Associates
Partner
Auditors

Mumbai, May 12, 2003

**S. K. SHETTY & ASSOCIATES
CHARTERED ACCOUNTANTS**

203, Lok Centre, Marol Maroshi Road, Marol, Andheri (E), MUMBAI - 400 059. Tel: 28506525

AUDITORS REPORT

We have audited the Balance Sheet of The Shamrao Vithal Co-operative Bank MEMBERS WELFARE ASSOCIATION as at 31st March 2003 and also the annexed Income & Expenditure Account for the period ended on that date.

1. We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
2. The Balance Sheet and the Income & Expenditure Account dealt with the Report are in agreement with the books of Accounts.
3. In our opinion and to the best of our information and according to the explanations given to us, read with Accounting Policies,
 - (i) in the case of Balance Sheet, of the state of affairs as at 31st March 2003;
 - and
 - (ii) in the case of the Income & Expenditure Account, of the excess of expenditure over Income for the year ended on that date.

For S. K Shetty & Associates

S. K. Shetty
Partner

Mumbai, May 12, 2003

**THE SHAMRAO VITHAL CO-OPERATIVE BANK
MEMBERS WELFARE ASSOCIATION**

Maker Towers 'E' Cuffe Parade, MUMBAI - 400 005.

INCOME & EXPENDITURE STATEMENT FOR THE YEAR 2002-2003

2001-02	EXPENDITURE	Rs.	Rs.	2001-02	INCOME	Rs.
	Establishment Expenses					
332	Charity Commissioner	0		703,384	By Interest on F Ds	725,668
18,000	Office Assistant	18,000				
3,818	Conveyance & Trav.	1,430		5,334	By Interest on S B A/c	4,870
2,014	Postage & Courier	1,394			By Interest on E.L.	2,334
361	Printing & Stationery	1,236		2,641	Sundry Bal w/o	332
4,981	AGM Expenses	4,487		34,259	Excess of Expenditure over Income	30,988
21,000	Printing of Annual Report	0				
3,000	Audit Fees	<u>3,500</u>				
53,505	sub-total		30,047			
	Expenditure on objects of the Trust					
21,000	Merit Awards (incl Sports)	26,000				
229,990	Mediclaime	260,752				
428,211	Medical Expenses	430,228				
12,912	Medical Check-up	<u>17,165</u>				
692,113	sub-total		734,145			
745,618	Total		764,192	745,618	Total	764,192

M. R. Hosangady
President

Gurudutt Mundkur
Hon Secretary

A. R. Gulwady
Hon Treasurer

S. K. Shetty & Associates
Partner
Auditors

Mumbai, May 12, 2003

THE SHAMRAO VITHAL CO-OPERATIVE BANK MEMBERS WELFARE ASSOCIATION

C/o The Shamrao Vithal Co-operative Bank Ltd., Maker Towers 'E', Cuffe Parade MUMBAI 400 005

General Eligibility Criteria [Applicable to all INDIVIDUAL members]

- [a] A member who **has completed 5 full years of membership** of the Bank as a shareholder as on March 31st of the Bank on the **immediate previous March 31** is automatically a member of MWA [e.g. a Member who has joined on or before March 31, 1998 is **automatically** eligible for the benefits from April 01, 2003 and so on]
- [b] For Age limits, "age nearer birthday" will be the criterion.
- [c] **The benefits shall be applied for within 3 months after the event, i.e. after discharge / cure in the case of illness or payment of Mediclaim Premium or the results in the case of public examinations.**
- [d] In joint share holding, **only the first named member** is eligible, except for Awards / Loan Scholarship.

RULES, BENEFITS AND RELATED ELIGIBILITY CRITERIA [from 05/05/2002]

1. MEDICAL/ SURGICAL:

- [a] (i) Reimbursement of costs of a **Medical Check-up up to Rs 1000/=**. The check-up shall be done at a Hospital, which has a separate department for check-up, or the KSA Health Centre.
 - (ii) This re-imburement will be made only on submission of the original Receipt/s, # every year for those over 65 years
 - # once in two years for members over 55 years;
 - # once in three years for members below 55 years.
- [b] A member shall apply not more than once in three months. Cost of non prescription medicines, like aspirin, paracetamol, pain balms etc., shall not be reimbursed. Vitamins, tonics will be considered only if prescribed with full mention of the nature of ailment. [General weakness will **not** be considered as an ailment.]

Reimbursement of 40% of cost of prescribed medicines and / or hospitalisation expense with an upper limit of

Rs 6,000 every year for members over 75 years; Rs 6,000 every TWO years for members over 65 years

Rs 4,000 every TWO years for members over 55 years; Rs 2,500 every TWO years for members below 55 years

Original receipts/ cash-memos shall be submitted with the claim. Each claim shall have to be accompanied by a photocopy of doctor's relevant prescription which shall mention ailment being treated. These prescription copies and receipts / cash memos shall not be returned.
No correspondence in this regard.

- [c] Members who have suffered cardiac attacks will be granted, on production of relevant documents, Rs 10,000 for an angio-graphy, Rs15,000 for an angio-plasty & Rs 25,000 for a cardiac by-pass surgery.

- 2. **MEDICLAIM:** Reimbursement of **50%** Mediclaim premium with an upper limit of Rs.1,500/=, on an annual basis. Spouse, parents and children may be included as a part of the same Mediclaim policy. Original receipt & copy of Policy to be submitted, with details of membership number, Bank a/c number as mentioned at the end of this page

[a] Members availing of this benefit shall not be eligible for re-imburements under Rule 1 above.

[b] Members in employment shall submit a certificate from their employers stating that the employers are not being reimbursed the medical expenses / premium claimed.

3. A. Merit Students / Sports / Artists awards

[a] A Prize of Rs 1,000/= shall be awarded to a member / member's spouse / member's child / children who passes / pass

The School Final or The H S C or equivalent examination with 85 % marks

A Graduation examination, securing 85 % in Science, 80% in Commerce or 75% in Arts.

A Post graduation examination of any discipline in the first division

[b] A prize of Rs 1000/= shall be awarded to a member achieving distinction in Sports or Fine Arts at the State or National level. This Prize/award would be given notwithstanding other awards / scholarships that the person would have secured / been awarded by other sources.

[c] A special award upto Rs 10,000 per individual may be considered by the Managing Committee for an outstanding performance in the international fields of sports and education.

- 4. Revolving Loan Schemes for full time post-graduate professional courses [including Ph.D]. Candidates who have secured admission may write to the Hon. Secretary for details.

Note: Claims for reimbursement (to be made on plain paper within 3 months) **must mention [a] Regtn. No. (Membership No.) of the Bank [b] Date of Birth [c] Bank A/c No., Bank Name & Branch [not necessarily SVC Bank] If you do not have an A/c in SVC Bank, we request you to open one.** THESE RULES SUPERSEDE ALL PREVIOUS RULES.

March 22, 2002

Gurudutt Mundkur
Hon. Secretary

please note the changes and preserve for future reference.



SPECIAL NOTICE TO THE MEMBERS

The Board of Directors at its meeting held on August 29, 2003 has decided to adopt a policy of appointing Statutory Auditors for a maximum period of three years. M/s. V. J. Kulkarni & Associates have thus been appointed as Statutory Auditors for the financial year 2003-04 in place of the existing auditors M/s. Yardi Prabhu & Associates who have completed three years in the year 2002-03. M/s. V. J. Kulkarni & Associates will hold office from the conclusion of the Annual General Meeting to be held on September 27, 2003 until the conclusion of the next Annual General Meeting as per the provisions of the Multi-State Co-operative Societies Act, 2002.

M/s. V. J. Kulkarni & Associates have consented to their appointment. They have further confirmed that they are not dis-qualified to be appointed as auditors under the provisions of the Multi-State Co-operative Societies Act 2002.

This is a special notice for resolution under item number 11 as required under section 71 of the Multi-State Co-operative Societies Act 2002.

Notice has been sent to M/s. Yardi Prabhu & Associates and they have represented that they would like to continue as Statutory Auditors for a fourth consecutive year. The Board in view of the above policy has recommended the appointment of M/s. V. J. Kulkarni & Associates from the approved panel of Statutory Auditors of the Bank.

“The Board recommends the appointment of M/s. V. J. Kulkarni & Associates, Chartered Accountants as Statutory Auditors of the Bank at a remuneration of Rs.5,75,000/-.”

No Director is in any way concerned or interested in the resolution appointing M/s. V. J. Kulkarni & Associates as Statutory Auditors.