

THE KARACHI MUNICIPAL SWEEPERS CO-OPERATIVE CREDIT BANK LTD.,

8TH ANNUAL REPORT & BALANCE SHEET FOR
THE YEAR 1935-36.

NOTICE.

*The Annual General Meeting of the members of the
Bank will be held on Sunday, the 29th November,
1936, at 5-30 p. m. in Bank's Office.*

AGENDA.

1. To confirm minutes of the last Annual General Meeting.
2. To adopt Managing Committee's Report and the Audited Statement of Accounts for the year ending 30th June, 1936.
3. To declare dividend and adjust Profit.
4. To elect Chairman, Vice-Chairman and 10 members of the Managing Committee.
5. To appoint Auditor/Auditors for the year 1936-37 and fix his/their remuneration.
6. To Consider letter of the Registrar co-operative Societies, regarding adopting a Byelaw for deductions of Instalments through the Municipal Salary Bills.
7. To take up any other business that may be brought forward with the permission of the Chairman.

PUNABHAI MAMIYA.

Secretary.

MANAGING COMMITTEE

[12 MEETINGS HELD DURING THE YEAR.]

		No. of Meetings <u>Attended.</u>
1.	Com: N. A. Bechar <i>Chairman</i>	12
2.	„ Bechar Nathoo <i>Vice-Chairman</i>	8
3.	„ Ranjha Nathoo	10
4.	„ Juma Dayala	10
5.	„ Amarsi Valji	7
6.	„ Hira Raja	10
7.	„ Kanji Premji	10
8.	„ Kalidas Lakhamsi	9
9.	„ Bhikha Laloo	7
10.	„ Lakhamsi Moti	7

To,

*The Members of the
Karachi Municipal Sweeper's Co-operative
Credit Bank Ltd., KARACHI.*

COMRADES,

Your Managing Committee have great pleasure in submitting 8th Annual Report and Audited Balance Sheet for the year ending 30th June 1936.

Business.

You will be more than pleased to observe that the Bank continues to march forward with clock-work regularity. During the latter part of the year, it received a sudden check due to the difficulties experienced in making recoveries on account of Municipal Audit and other objections but Corporation has now been pleased to make Rules for deductions through the salary Bills and as such the big stumbling block having been removed from our way, the Bank will play its proper part in the economy of our members.

Restropect.

The Bank has completed 8 years of its existance. Ours is the first Bank of the working class in Sind and the time has come when some of the salient points in its history should be re-called. When the idea of starting a Society was mooted, the Co-operative Depart. ment was feeling very lukewarm and hesitant in registering it, having found that the workmen's Societies, run under the auspices of the servants of India Society, Bombay, which consits of a band of tried and experienced workers, had failed. Under such circumstances our Society embarked upon its career and to-day we can take legitimate pride in having been the successful pioneers of Co-operative movement among the working class. Encouraged by our success, a number

of Societies have been started at different Towns and Cities in the Bombay Presidency, of which till recently Sind formed a part.

In Sind including Karachi about a dozen Societies have been formed. They have acquired status and have done incalculable good to their members. On account of their good management and regular payments they have proved strong links in the chain and have added a few inches to the stature of the Co-operative movement. From the neighbouring province of Punjab and its capital Lahore enquiries have been received about our Bank and other activities carried on by the Municipal Sweepers.

The Karachi Municipal Corporation may or may not realize or acknowledge it, yet the fact remains that our activities have contributed its quota to the high rank and reputation which it has attained for itself among the civic bodies of this country for being a very progressive Corporation for, the thinking section which counts and considers the progress made, not at the top but by those at the lowest rung of the ladder, as the true index of the progress of a Society, have been impressed by the work done among our people.

Our people were sunk and ground down by the debt and poverty it brought in its train. Its social consequences reflected in the sub human conditions of existence, was simply abominable. All this has become a thing of the past. The conditions have considerably improved and become tolerable. This is a positive contribution which the Co-operative movement has made, for, to contribute to human happiness is the claim of its existence.

Criticism Answered.

The Municipal Labour Co-operative Society our sister Society has in its this year's report answered effectively to the criticism levelled against Co-operative Societies. To this we should like to add a word in answer to the propaganda that our members are heavily indebted to the Pathan moneylenders in addition to being indebted to us.

This is simply not true but in order to be able to answer more effectively, two of our representations were detailed to make house to house enquiry as a result of which it was found that only men out of total of are in Pathan's bondage. Well there is a small section among every class which is irredeemable but to apply law of induction and paint a black picture is certainly highly unfair.

Membership and Share Capital.

Ours is one of the few Societies which is very near the mark of cent per cent membership of Municipal Sweepers. Our membership stands at 1313 with a Share Capital of Rs. 17495-0-0.

Loans.

During the year under review fresh loans aggregating to Rs. 28300/- were granted to 188 members. The total amount of loans outstanding is Rs. 1,10,200/- with 759 members which works out together with sureties at $2\frac{1}{2}$ months salary on an average. This must be regarded as satisfactory. The position will become more conservatory in view of the decision of the Corporation to deduct $\frac{1}{4}$ of the salary toward deductions. This coupled with our rules for repayment within two years will reduce the limit of borrowing to 6 month's salary. Normally this limit is prescribed for a salary Earners Society but in our case, the facility of deductions at source offers good security of debt, and Sind Provincial Co-operative Bank Ltd. Our bankers, had raised on this account, their limit of loans to us from three times to five times our Share Capital, and our limit to members was similarly fixed by us at 8 month's salary which ofcourse will now go down to 6 months. And while it will keep down our debts, it may drive men to undesirable quarters. Thus it is a double edged weapon but will keep a watch over the trend of events and decide for future accordingly.

Deposits.

It is a matter of satisfaction that there are 208 Savings Bank Accounts with Rs. 7098-3-10 at their credit. The fixed deposits

amounts to Rs. 15,000/- making a grand total of Rs. 22098-3-10. This speaks of the confidence enjoyed among the people. The total amount deposited however is small in comparison to our needs and the deposits placed in other Banks, but trust our deposits will grow in course of time.

Interest.

In these days when money is cheap and Banks allow interest at about 3% per annum on deposits, that we should be charging 9% to our members is a matter of regret but we must confess it is beyond us, for, our own rate of borrowing from the Sind Provincial Co-operative Bank Ltd. is $6\frac{3}{4}\%$. They have however been good enough to agree to give rebate of $\frac{3}{4}\%$ provided our deductions are made at the source and now that this will be shortly done it will be possible to pass on the benefit of this reduction to the members by charging 8% with effect from this year and for this purpose you will kindly accord your approval to the change in Bye-law reducing interest to 8%.

It would be possible to reduce interest to 6% if only the Municipal Corporation could give us a loan or deposit, whatever they are pleased to name it, of say Rs. 50,000/-. This represents only one month's salary of our members and in addition to passing the documents obtained from our members as collateral securities, are willing to give effective guarantee for due payment of loans. After all their money would be quite safe since it could be made a first charge on the deductions made by them for us. It would be a practical proof of their concern in the welfare of their men without any loss to them as they hardly realize 4% on their investments from other Banks.

Working Expenses.

The working expenses amounts to Rs. 2274-6-3 on working capital of Rs. 1,16,000/- which works out at less than 2%. Considering the amount of extra work done on account of members and maintaining ever increasing number of books on modern Banking principles the ratio is within limit. Efforts are however being made to effect further economies though the margin for this is very narrow.

Reserve.

Our Reserve Fund stands at Rs. 4447/- and reserve for bad and doubtful debt at Rs. 1300/- making a total of Rs. 5747/-. To this is proposed to be added Rs. 1300/- in Reserve including Rs. 46/- membership fee, and Rs. 700/- in Reserve for bad and doubtful debts out of this year's profit which will bring our Reserve Fund on both Heads to Rs. 7747/- representing very nearly 50% of our Share Capital. Under the Rules a provision of Rs. 700/- representing 25% of our profits would do but actually we are putting three times that amount. This certainly speaks well of our stability which will grow with the growth of years.

Profit.

Our profit this year amounts to Rs. 2792-10-10 which together with last year's balance of Rs. 65-0-6 and membership entrance fee of Rs. 46/- will stand at Rs. 2903-11-4. It is recommended that this be distributed as follows :—

Reserve Fund	...	...	...	Rs. 1300	0	0
Reserve for Bad and Doubtful Debt	...	...	...	„ 700	0	0
Dividend on shares at 5%	...	...	...	„ 793	8	0
Bonus to staff	...	...	...	„ 90	0	0
Balance carried forward	...	...	...	„ 20	3	0
				<hr/>		
				Total Rs.	2903	11 4

Conclusion.

We cannot conclude without expressing our gratitude to the Karachi Municipal Corporation, its Members and Officers for their sympathetic attitude in affording all facilities in our work.

To Mr. Jamshed Nusserwanji the Chairman particularly, and Directors of the Sind Provincial Co-operative Bank Ltd., and Mr. D.P. Dastur their General Manager are due our sincere thanks for so readily doing everything to help us forward. To Mr. Sidiqi we offer our

congratulations on his Elevation as Registrar. To the staff of the Co-operative Department are due our thanks for their friendly attitude adopted in all matters in which we approached them.

Messrs. M. B. Dalal & Co. are thanked for their valuable services. Last and not the least we desire to record our sense of appreciation of the services rendered by our small staff who have coped with growing work without grudge. The Audited Balance Sheet and Profit and Loss Account is appended to this Report.

Yours Fraternalately,

Ranjha Nathoo.

Juma Dayala.

Amersi Valji.

Hira Raja.

Kanji Premji.

Kalidas Lakhamasi.

Bhikha Laloo.

Lakhamasi Moti.

N. A. BECHAR.

Chairman.

BECHAR NATHU.

Vice-Chairman.

M E M B E R S .

The Karachi Municipal Sweepers' Co-operative Credit Bank Ltd.

KARACHI Balance Sheet as on 30th June 1936.

<u>LIABILITIES:</u>			
<i>Authorised Capital:</i>			
5000 Shares of Rs. 10/- each.			50,000 0 0
<i>Subscribed & Paid-up Capital:</i>			
Amount Collected towards Share Capital.	16,545 0 0		
Collections towards Shares to be issued.	950 0 0		17,495 0 0
<i>Funds:</i>			
Reserve Fund	4,447 0 0		
Reserve for Bad & Doubtful Debts.	1,300 0 0		5,747 0 0
Co-operative Education Fund.			19 15 0
<i>Loans:</i>			
Sind Provincial co-operative Bank Ltd., Loan Account.	36,616 15 0		
Sind Provincial co-operative Bank Ltd., Cash Credit Account.	3,1074 13 3		67,691 12 3
<i>Deposits:</i>			
Fixed Deposits.	15,000 0 0		
Savings Deposits.	7,098 3 10		22,098 3 10
<i>Other Amounts:</i>			
Sundry Deposits.	141 0 0		
Overdraft with Karachi Urban Bank Ltd.	43 2 0		
Karachi Municipal Labour Co-operative Society.	15 0 0		
Suspense Account.	15 0 0		214 2 0
<i>Other Liabilities:</i>			
Interest Payable.	569 12 4		
Audit Fees Payable.	60 0 0		
Unclaimed Dividend Account.	235 0 0		864 12 4
<i>Profit & Loss Account:</i>			
Balance of Last Year's Profit after Distribution.	65 0 6		
Add Profit for the Year as per Statement annexed.	2,792 10 10		2,357 11 4
	Rs.		1,16,988 8 9

Auditors' Report:

We have examined the above Balance Sheet with the Books and Vouchers of the Bank and have obtained all the information and explanation we have required and as referred to in our letter of date. We have also verified the Securities representing the Investments of the Bank & in our opinion the Balance Sheet is drawn up in conformity with the Law and exhibits a true and correct view of the state of the Bank's affairs according to the best of our information and explanation given to us and as shown by the books of the Bank.

The Karachi Municipal Sweeper's Co-operative Credit Bank Ltd.

KARACHI

The Balance Sheet as on 30th June 1936

<u>ASSETS :</u>		
<i>Cash and Bank Balances :</i>		
Cash on Hand.	75 4 6	
Cash at Bank.		75 4 6
<i>Investments :</i>		
Shares of the Sinp Provincial Co-operative Bank Ltd., at Cost.		4,000 0 0
<i>Loans and Advances :</i>		
To Members on Personal Sureties repayable by instalments.	100,199 2 6	
To Municipal Sweepers' Consumers. Stores Ltd., Karachi.	1,633 4 0	
—Do—	727 1 9	11,2559 8 3
<i>Other Assets :</i>		
Dead Stock, Furniture etc.	90 0 0	
Suspens Account.	263 12 0	353 12 0
		1,16,988 8 9

The above Balance Sheet to the best of our belief, contains a true account of the Capital and Liabilities and of the Property and Assets of the Company.

MANAGER.

CHAIRMAN.

The Karachi Municipal Sweepers' Co-operative Credit Bank Ltd., Karachi.

The Profit and Loss Account for the Year ending 30th June 1936

To Salaries	1,780	1	1	By Interest Account	3,783	5	1
„ Audit Fees	256	4	1	„ Commission	1,283	11	0
„ Stationery & Printing	171	2	6	„ Entrance Fees	46	0	0
„ Miscellaneous Expenses	49	14	0				
„ Postage & Telegrams	1	10	9				
„ Depreciation of Furniture and Fittings	15	7	0				
	2274	5	3				
„ Transfer to Reserve Fund							
„ Entrance Fees as per Bye-Laws	46	0	0				
„ Balance-Net Profit carried to Balance Sheet	2792	10	10				
	5113	1	1		5,113	1	5

Examined and found correct.

M. B. Dalal Co.

Registered Accountants

AUDITORS

K. D. Manek

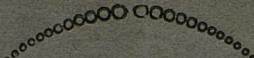
Manager

N. A. BECHAR

Chairman

KARACHI }
31 August }
1936 }

6



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