



ESTD. 1984

ARIHANT BANK

SHRI ARIHANT CO-OPERATIVE BANK LIMITED

Head Office : GB10A & B, Karma Stambh, LBS Marg, Vikhroli (W), Mumbai - 400 083.

Tel.: 25799326 / 9619486622 • Telefax : 25799323

Email : acblho@arihantbank.com • Web : www.arihantbank.com

30TH ANNUAL REPORT 2012-2013





About Us

OUR VISION :

“To become a best quality bank in a co-operative sector”

Bank is committed to its long term vision of serving lower strata of society keeping in view objectives of a co - operative movement through utmost dedication, passion and commitment.

OUR MISSION :

1. Business Growth :

The Bank is planning to cross total business of Rs. 500.00 crores by 31.03.2015 and earn Net Profit of Rs. 2.50 crores for the FY 2014-15. The Bank is also planning to open one or more Branches in the current financial year.

2. Recognition of customer needs :

- Constant innovation and upgradation of banking products and services.
- Foreseeing and adopting the changes in the economic and technological fronts to meet the growing expectations of the customers and society as a whole.
- Bank is presently offering almost all type of innovative products and services that are being offered by public and private sector banks.

3. Social Responsibility :

- Committed to help lower strata of society with more stress on education, shelter and upliftment of Common man of the society.

4. Corporate Governance :

- Trust, Transparency and Responsible Banking.
Bank considers transparency and accountability of paramount importance.

5. Human Capital :

- To impart knowledge through training to staff members at all levels and thereby endeavouring to offer quick and quality services to customers with human touch.

OUR MOTTO :

- **Contributing to customer's growth is the ultimate parameter of our success.**



**Gnyati Shiromani
Shethi Shri Narshi Natha**



BOARD OF DIRECTORS (As on 31-03-2013)



Shri Kumar B. Dand
(Chairman)



CA Shri Kalyanji C. Chheda
(Vice Chairman)



Shri Mahendra D. Khona
(Director)



CA Shri Dhanesh K. Momaya
(Director)



Shri Gulab D. Shah
(Director)



Shri Kishor K. Khona
(Director)



Shri Kirankumar N. Momaya
(Director)



CA Shri Manikant V. Nagda
(Director)



Shri Nitin R. Shah
(Director)



Shri Paras L. Shah
(Director)



CA Ms. Dipti N. Momaya
(Director)



Smt. Malti H. Dharamsi
(Director)



BOARD OF DIRECTORS (As on 31-03-2013)



Shri Manilal V. Barot
(Director, Reserved Seat)



Shri Navinchandra K. Chheda
(Director, Reserved Seat)
(Since Deceased)



Smt. Manali A. Matkar
(Workmen Director)
(B. M. Ghatkopar)



Smt. Ranjana P. Patil
(Workmen Director)
(B. M. APMC)

MANAGEMENT TEAM



Shri Manjappa C. Shetty
(Chief Executive Officer)



Shri Dilip Bhutta
(Sr. Manager)
(H. O.)



Shri Dilip Shah
(H. O.)



Shri Chandan Bhattacharya
(H. O.)



Shri Dilip Kulkarni
(H.O.)



Shri Jitendra Joshi
(H.O.)



Shri Vijayraj Phirki
(H. O.)



Shri Khetshi D. Khona
(Sr. Manager)
(Chinch Bunder)



Smt. Chhaya Shah
(Mulund)



Smt. Sarla K. Momaya
(Dombivli)



Smt. Kalpana Mota
(Thane)



Shri Satish Prabhakar
(Bhandup)



Shri Satish Bagwe
(Mohili Village)



Awards & Accolades

1. Award for 3rd best bank in Maharashtra out of 667 co-op. Banks in category of deposit base of 50 to 100 crores organised by the Maharashtra Urban Co-operative Banks' Federation for the year 2003-04.
2. Maharashtra Gaurav Purashkar 2004 organised by Maharashtra Kala Niketan, for performance excellence in Co-op. Banks ,
3. 3rd prize in the category of Best Bank from The Brihan Mumbai Nagari Sahakari Bank's Association, Mumbai for the year 2004-05.
4. Maharashtra Gaurav Purashkar 2006 organised by Maharashtra Kala Niketan, for Best Co-operative Bank .
5. 3rd Prize in the category of Best Bank, Banks with working capital less than Rs. 300 Crores from The Brihan Mumbai Nagri Sahakari Bank's Association, Mumbai for the year 2008-09.
6. 2nd Prize in the category of Best Bank, Banks with working capital less than Rs. 300 Crores from The Brihan Mumbai Nagri Sahakari Bank's Association, Mumbai for the year 2009-10.
7. Banking Frontiers, Runner Up Trophy for Annual Report Excellence in the year 2010.
8. 2nd Prize in the category of Best Bank, Banks with working capital upto Rs. 300 Crores from The Brihan Mumbai Nagri Sahakari Bank's Association, Mumbai for the year 2010-11.

*“Kutch Shakti National Award 2013”
will be conferred to our Bank on 10th July 2013*





NOTICE OF 30th ANNUAL GENERAL MEETING

Notice is hereby given that the **30th Annual General Meeting** of the members of **Shri Arihant Co-operative Bank Ltd**, will be held on Saturday 13th July, 2013 at 3.30 p.m. at Mahakavi Kalidas Natyamandir, P.K. Road, Mulund (W), Mumbai 400080 to transact the following business. All members are requested to be present in the meeting.

1. To read and confirm the minutes of the 29th Annual General Meeting held on 4th August 2012.
2. To read and confirm the minutes of the Special General Meeting held on 13th April 2013.
3. To receive, consider and adopt the report of the Board of Directors and Audited Balance Sheet and Profit & Loss account of the bank for the year ended 31st March, 2013.
4. To receive and consider the Statutory Audit Report and Internal Audit Report for the year ended 31st March 2013.
5. To appropriate profit and declare dividend for the year ended 31st March, 2013.
6. To appoint Internal Auditors for the year 2013-2014 and fix their remuneration.
7. To appoint Statutory Auditors for the year 2013-2014 and fix their remuneration.
8. To consider the proposal for Write off of the Advances.
9. Any other business with permission of the Chair.

By order of the Board of Directors

Place : Mumbai
Dated : 26th June, 2013

Sd/-
(M. C. Shetty)
Chief Executive Officer

Notes:

- 1 In absence of quorum at 3.30 p.m., the meeting shall stand adjourned and the adjourned meeting will be held on the same date & place at 4.00 p.m. when quorum will not be necessary.
- 2 If any member desires any clarification for information on accounts, he/she is requested to submit the query in writing on or before 10.07.2013 to enable us to collect the necessary information.
- 3 Members are requested to bring along with them their Identity Card/Share Folio No., for easy entry & convenience.
4. Members are requested to either download the 30th Annual Report from Bank's web site (www.arihantbank.com) or may collect printed report from any Branch/ Head-Office of the Bank against surrender of requisition slip duly filled in and signed.
5. You can request for e-30th Annual report by sending SMS-9167209948 Membership No. <eAR> email Id.

**DIRECTORS' REPORT**

Dear Members,

The Board of Directors of your bank have great pleasure in presenting the "30th Annual Report" on the business and operation of the Bank together with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2013.

GLOBAL ECONOMIC SCENARIO

In the current scenario, emerging market and developing economies are doing well but in advanced economies, there is a bifurcation between United States on one hand and the Euro area on the other hand. Growth in emerging market and developing economies was 5.3% in 2013 and estimated to reach 5.7% in 2014. In contrast, the growth in the Euro area is expected to be -0.03% in 2013 and expected to be 1.1% in 2014.

OUTLOOK FOR 2013-2014

World output was 3.00% in 2013 and is estimated to reach 4.00%. In major advanced economies, activity is expected to gradually accelerate, following a weak start in 2013. Advanced economy policy makers have successfully defused two of the biggest threats to the global recovery, a break-up of the Euro Area and a sharp fiscal contraction in the United States caused by a plunge of the "Fiscal Cliff".

DOMESTIC ECONOMIC SCENARIO.

According to CSO (Central Statistical Organization), Indian Economy grew by 5.00% in 2012-2013. Inflation did ease in 2012-2013 but the pace of decline has been slow, denying requisite flexibility to RBI to sufficiently reduce policy rates. The Indian economy is expected to register growth of 5.7% in 2013-2014. On the fiscal deficit front, government is committed to a fiscal consolidation target of 4.8% of GDP. However, a rising current account deficit is a concern. It was 6.7% of GDP during the last quarter of 2012-2013.

OUTLOOK FOR 2013-14

Growth prospects for 2013-2014 are expected to be better as compared to 2012-2013. While IMF and private economists peg the growth rate at 5.7%, the PMEAC (Prime Minister Economics Advisory Council) estimates India to grow at 6.4% during 2013-2014 with easing of inflation, RBI is expected to cut interest rates during 2013-2014.

BANKING SCENARIO

As a result of subdued economic activity, the Banking sector has witnessed deceleration in credit and deposit growth in 2012-2013. Aggregate deposits of Scheduled Commercial Banks registered 13.5% y-o-y growth in 2012-2013 compared to 17.4% recorded last year. Non-food credit for Scheduled Commercial Banks (SCBs) registered a y-o-y growth of 13.8% in 2012-2013 compared to 17% recorded last year. With the y-o-y non-food credit outpacing deposit growth in 2012-2013, the credit deposit (CD) ratio increased sharply to 77.95% as at end March 2013.

Monetary policy in 2012-2013 has sought to balance the growth inflation dynamics through a combination of steps for liquidity easing and policy rate cut. The RBI reduced Cash Reserve Ratio (CRR) by 75 bps in 2012-2013 and the Statutory Liquidity Ratio (SLR) by 100 bps to improve liquidity conditions and credit flows. To support growth, the RBI reduced repo rate by 100 bps in 2012-2013.

The Banking sector in India remained healthy, resilient, and profitable and performed reasonably well during 2012-2013. However, the slowdown in Macro economy has resulted in deterioration in asset quality and profitability of some banks.



1) Business & Financial performance as 31.03.2013 are as under :

(Figures in Lacs)

Sr.No.	Performance Indicators	March 2012	March 2013
1	Paid up Capital	611.30	694.22
2	Reserves (including Revaluation Reserve	2103.78	2274.21
	₹ 286.31 Lacs as on March 2012 &		
	₹ 257.68 Lacs as on March 2013.)		
3	Average Working Capital Fund	21885.86	24997.00
4	Deposits	20659.48	23263.36
5	Advances	12444.95	14809.84
6	Gross Income*	2275.21	2622.38
7	Profit (after Tax & Provision)	185.65	166.30
8	CRAR Ratio (Required 9%)	19.11%	19.14%
9	Net NPA	0.00%	0.29%

*(The figures of Depreciation on Investment (on Income side) and provision for Investment fluctuation fund (on Expenditure side) are excluded from both the sides)

2) Deposits :

- Deposits increased by 12.60%
- Low Cost Deposits represent 33.30 % of the total deposits.
- Average Cost of Deposits is 6.94%

3) (a) Advances :

Advances of the Bank has gone up from Rs. 124.45 Crore to Rs. 148.10 crore, Showing the growth of 19%. Our exposure to priority sector is 43.70% against the stipulated 40%

- Average Yield on Advances is 12.83%

The credit deposit ratio of 63.66% as on year end indicates profitable use of the Bank's resources.

- Your bank continues to extend the non funded facility i.e. issue of the bank guarantees to the customers with the reasonable cash margin through the tie up with Bank of Baroda.

(b) Non Performing Assets :

Percentage of Gross NPA to Total Advances of the Bank stands at 2.81%, while percentage of Net NPA stands at 0.29%.

NPA MOVEMENTS

(In Lacs)

Opening Balances as at April 2012	₹ 242.26
Add : During the year	₹ 225.37
Less : Recovery	₹ 42.78
Less : Write Off	₹ 8.30
Closing Balance as at March 2013	₹ 416.55

The Bank has made a recovery of ₹ 51.08 Lacs against the fresh slippage of ₹ 225.37 Lacs.



4) Investments :

The bank has an investment portfolio of ₹ 95.98 Crores as on 31st March 2013, out of which

- a) Investment in Government Securities ₹ 60.11 Crores
- b) Investment in FDRs ₹ 35.87 Crores

The Bank's total investment in Government and other approved securities amounted to ₹ 60.11 Crores, which is well above the limit stipulated by Reserve Bank of India. All the securities except Held to Maturity category are marked to market and provided fully for the shortfall.

Your bank is complying with statutory provision of the Regulatory Authorities in terms of investments.

5) Profit :

(Figures in Lacs)

Particulars	March 2012	March 2013
Total Interest Income	2164.25	2491.37
Total Interest Expenditure	1202.48	1489.17
Net interest Margin	961.77	1002.20
Other Income	110.96	131.01
Other Expenditure	712.16	761.83
Net Operating Profit before Prov. & Tax	360.57	371.38
Less : Provisions		
- NPA	28.35	35.36
- Other Provisions	35.43	66.24
Net Profit After Provision but before Tax	296.79	269.78
Provision for Income Tax	111.14	103.48
Net Profit	185.65	166.30

(The figures of Depreciation on Investment (on Income side) and provision for Investment fluctuation fund (on Expenditure side) are excluded from both the sides while compiling the above figures)

Interest income shows rise of 15.11 %

Interest earned on credit exposure represent 64.96 %, while investment portfolio contributed 30.05 % of total income.

Your Directors propose to allocate the profit in the following manner :

(Figures in Lacs)

Particulars	March 2012	March 2013
Reserve Funds	46.41	41.58
Building Funds	66.37	41.46
Dividend	65.87	76.26
Dividend Equalisation Funds	5.00	5.00
Scholarship Funds	2.00	2.00
Total	185.65	166.30

6) Foreign Exchange Business :

The bank has been granted AD Category II License by RBI. Bank has also made a tie up arrangement with Axis Bank for issuance of prepaid travels currency cards and outward remittances in foreign currencies.

7) General Insurance Business :

During the year our Bank has obtained Corporate Agency for the General Insurance business through the United India Insurance Co. Ltd. Bank has canvassed 49 policies during November 2012 to March 2013. Premium paid was amounting to ₹ 4.25 Lacs. Bank has earned commission of ₹ 0.46 Lacs.



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8) Human Resource Development :

Our present staff strength is 109. Out of which 46 are officers and 63 are other staff members. The bank is deputing staff to various training programme conducted by Reserve Bank of India, Training College, Pune. The Bank is also having in house training programme by experienced ex-banker for the staff. The operating profit per employee is ₹ 3.40 Lacs.

9) ARIHANT ATM-Rupay Card facility :

Our Bank is shortly introducing ARIHANT ATM CARD for all its customers. It allows our customers to use the facility of withdrawal of cash, balance enquiry, mini statement etc. for 365 days in a year. Our customers will get access in more than 1,00,000 ATMS across the Nation, under tie up arrangement with ICICI Bank.

10) Special General Meeting :

Bank has called a Special General Body Meeting on 13th April 2013, at Gnyati Shiromani Seth Shri Narshi Natha Banquet Hall, Ground Floor, Anant Siddhi, 107, L. B. S. Marg, Bhandup (W), Mumbai - 400 078, to approve & adopt the Model Bye-Laws of the Primary (Urban) Co-operative Bank (State of Maharashtra) as amended by the Maharashtra Co-operative Societies (Amendment) Ordinance, 2013 and to appoint Statutory Auditors for the financial year 2012-13 from the panel approved by the Government of Maharashtra and fix their remuneration.

Accordingly, Model Bye Laws approved by the Special General meeting has been forwarded to the Registrar of Societies, Maharashtra State - Pune, for registration.

11) Audit & Inspection :

(a) RBI Audit

During the year, Mr. Nitin Puppal, Assistant General Manager, RBI, inspected our bank for the period 1st April, 2010 to 31st March, 2012. We are thankful to him for giving valuable suggestions for the improvement of the bank.

(b) Statutory Audit

M/s. J Kala & Associates, Chartered Accountants, Mumbai, were appointed as the Statutory Auditor to conduct financial audit of the Bank for the year 2012-13.

Observations of the Statutory Auditors on the operations of the bank during the year under audit, are stated separately.

Bank continues to maintain "A-Grade" under Audit classification.

(c) Internal Audit

M/s. H.M. Gosher & Co., Chartered Accountants, Internal Auditors, appointed in the last AGM, conducts full fledged audit of all Branches as well as Investment Portfolio of the Head Office and they submit the reports at quarterly intervals to be placed in the Audit Committee.

(d) Concurrent Audit

Our Chinch bunder & Mulund Branches continue to be under Concurrent Audit by the two external firms of the Chartered Accountants and they submit the reports on monthly basis for onward placement in the Audit Committee of the Board.

(e) Tax Audit

Mr. F R Gosher, Tax Auditor, appointed in the last AGM, has conducted tax audit of the Bank.

12) Directors' Meeting attendance:

In the year 2012-13, details of the meetings attended by the Directors are given below.



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BOARD MEETINGS HELD DURING THE YEAR 2012-13

Sr.No	Name of the Directors	No. of Meeting Held	No. of Meetings attended
1	Shri Kumar B Dand	19	19
2	CA Shri Kalyanji C Chheda	19	18
3	Shri Mahendra D Khona	19	13
4	CA Shri Dhanesh K Momaya	19	10
5	Shri Gulab D Shah	19	18
6	Shri Kishor K Khona	19	16
7	Shri Nitin R Shah	19	17
8	Shri Paras L Shah	19	13
9	Shri Kirankumar N Momaya	19	16
10	CA Shri Manikant V Nagda	19	10
11	Shri Navinchandra Chheda (Since Deceased)	19	0
12	Shri Manilal V Barot	19	4
13	Smt Malti H Dharamsi	19	12
14	CA Ms Dipti N Momaya	19	12
15	Smt. Manali A Matkar	19	19
16	Smt. Ranjana P Patil	19	17

LOAN & RECOVERY COMMITTEE MEETINGS HELD DURING THE YEAR 2012-13

Sr.No	Name of the Directors	No. of Meeting Held	No. of Meetings attended
1	Shri Kumar B Dand	12	10
2	CA Shri Kalyanji C. Chheda	12	12
3	Shri Mahendra D Khona	12	9
4	Shri Gulab D Shah	12	11
5	Shri Nitin R Shah	12	10
6	CA Shri Manikant V Nagda	3	0
7	Smt Malti H Dharamsi	3	1

EXPENDITURE COMMITTEE MEETINGS HELD DURING THE YEAR 2012-13

Sr.No	Name of the Directors	No. of Meeting Held	No. of Meetings attended
1	Shri Kumar B Dand	4	4
2	CA Shri Kalyanji C. Chheda	4	4
3	Shri Gulab D Shah	4	3
4	Shri Paras L Shah	4	2
5	CA Ms Dipti N Momaya	4	1

CBS COMMITTEE MEETINGS HELD DURING THE YEAR 2012-13

Sr.No	Name of the Directors	No. of Meeting Held	No. of Meetings attended
1	Shri Kumar B Dand	3	3
2	CA Shri Kalyanji C. Chheda	3	3
3	Shri Mahendra D Khona	3	3
4	CA Shri Manikant V Nagda	3	0
5	Shri Kirankumar N Momaya	3	1
6	Shri Kishor K Khona	1	1

INVESTMENT COMMITTEE MEETINGS HELD DURING THE YEAR 2012-13

Sr.No	Name of the Directors	No. of Meeting Held	No. of Meetings attended
1	Shri Kumar B Dand	3	3
2	CA Shri Kalyanji C. Chheda	3	3
3	Shri Mahendra D Khona	3	0
4	CA Shri Manikant V Nagda	3	1
5	Shri Kishor K Khona	3	2



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H R COMMITTEE MEETINGS HELD DURING THE YEAR 2012-13

Sr.No	Name of the Directors	No. of Meeting Held	No. of Meetings attended
1	Shri Kumar B Dand	8	8
2	CA Shri Kalyanji C. Chheda	8	8
3	Shri Kishor K Khona	8	7
4	CA Ms Dipti N Momaya	8	6
5	Shri Paras L Shah	8	6

AUDIT COMMITTEE MEETINGS HELD DURING THE YEAR 2012-13

Sr.No	Name of the Directors	No. of Meeting Held	No. of Meetings attended
1	Shri Kumar B Dand	4	4
2	CA Shri Kalyanji C. Chheda	4	4
3	Shri Mahendra D Khona	4	3
4	CA Shri Manikant V Nagda	4	1
5	Shri Kirankumar N Momaya	4	4

BUSINESS DEVELOPMENT COMMITTEE MEETINGS HELD DURING THE YEAR 2012-13

Sr.No	Name of the Directors	No. of Meeting Held	No. of Meetings attended
1	Shri Kumar B Dand	9	9
2	CA Shri Kalyanji C. Chheda	9	9
3	Shri Mahendra D Khona	9	7
4	Shri Nitin R Shah	9	7
5	CA Shri Dhanesh K Momaya	9	3
6	Smt Malti H Dharamsi	2	1
7	Shri Gulab D Shah	2	2

ALCO COMMITTEE MEETINGS HELD DURING THE YEAR 2012-13 *(COMMITTEE CONSTITUTED ON 28.08.2012)

Sr.No	Name of the Directors	No. of Meeting Held	No. of Meetings attended
1	CA Shri Dhanesh K Momaya	2	0
2	CA Shri Manikant V Nagda	2	1
3	Shri Nitin R Shah	2	0
4	Shri Kumar B Dand	1	1
5	CA Shri Kalyanji C. Chheda	1	1

* In addition to above, Internal ALCO Committee of Bank Officials headed by CEO was held 10 meetings during financial year 2012-2013

Acknowledgement :

1. The Board appreciates for the continued co-operation and ever growing support from valued customers , depositors , Shareholders & Well wishers.
2. Your Directors take the opportunity to express their sincere appreciation for the dedicated efforts and total commitment by the Bank's staff members at all levels.

The Board of Directors also express grateful thanks to the following authorities :

3. The Reserve Bank Of India, Urban Banks Department, Foreign Exchange Dept., Central Office & Regional Office, Mumbai.
4. Commissioner for Co-operation, Registrar of Co-op Societies, Pune, The Divisional Joint Registrar, Dist. Deputy Registrar & Asst. Registrar (S Ward)
5. The Directors & Officers of MDCC Bank Ltd, Fort.
6. The Maharashtra Urban Co-operative Banks' Federation Ltd.
7. Honorable Shri Anandrao Adsul (M.P.), President, Shri Sunil Salvi, Executive President & Shri Chandrakant Bobade, General Secretary of the Co-op. Banks' Employees Union, Mumbai.
8. The Maharashtra Urban Co-operative Banks' Association.
9. Brihan Mumbai Nagri Sahakari Banks' Association Ltd.
10. Indian Banks' Association.
11. Statutory Auditors for their suggestions.
12. Internal/Concurrent Auditors.

For & on Behalf of the Board of Directors**Sd/-
Kumar B. Dand
(Chairman)****Place : Mumbai
Date : 26.06.2013**



INTERNAL AUDITOR'S REPORT

To,
The Members,
Shri Arihant Co-operative Bank Ltd.,
Mumbai

Report on the Financial Statements

1. We have audited the accompanying financial statements of Shri Arihant Co-Operative Bank Ltd. which comprise the Balance Sheet as at March 31, 2013, the profit & Loss account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Bank's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the Banking Regulation Act, 1949, complying with Reserve Bank of India guidelines from time to time. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Banking Regulation Act, 1949 and the societies act & rules made there under, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India and:
 - (a) In case of the Balance Sheet, of the state of affairs of the Bank as at 31st March, 2013.
 - (b) In case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Matters

5. The Balance Sheet and the Profit & Loss Account have been drawn up in accordance with the provisions of Section 31 of Banking Regulation Act, 1949 (as applicable to Co - Operative Societies).
6. **We report that :**
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found them to be satisfactory.
 - (b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
 - (c) In our opinion, proper books of account as required by law have been kept by the Bank, so far as appears from our examination of those books.
 - (d) The balance sheet, profit & loss account and cash flow statement dealt with by this report are in agreement with the books of account maintained by the Bank.

For H.M. Gosher & Co.
Chartered Accountants
(Firm Reg. No. 103344W)

Sd/-
(H.M.Gosher)
Partner

Mem.No.F/10702
Internal Auditor

Place : Mumbai
Date : 12.06.2013



STATUTORY AUDITOR'S REPORT

1. We have audited the accompanying Financial Statements of Shri Arihant Co-op Bank Ltd., which comprise the Balance Sheet as at 31st March 2013, Profit and Loss Account for the year then ended, and other explanatory information.
2. Management of the Bank is responsible for the preparation of these Financial Statements that give true and fair view of the financial position and financial performance of the Bank in accordance with the Banking Regulation Act, complying with Reserve Bank of India Guidelines from time to time. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion.
6. In our opinion, and to the best of our information and according to the explanation given to us, read with the Memorandum of Changes mentioned in paragraph 10 below, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Bank as at March 31, 2013; and
 - (b) In the case of Profit and Loss Account, of the Profit / Loss for the year ended on that date;
7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;



8. Subject to the limitations of the audit as indicated in Paragraphs 3 to 5 above, we report that:
- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit and have found them to be satisfactory.
- (b) The transactions of the bank which have come to my/our notice have been within the powers of the Bank.
9. We further report that:
- (a) The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account and returns;
- (b) In our opinion, proper books of account as required by law have been kept by the bank so far as appears from our examination of those books;
10. The following is a summary of Memorandum of Changes submitted by us to the bank management.

MEMORANDUM OF CHANGES (SUMMARY)				
		No.	Increase	Decrease
a) In respect of Income	Yes/ No	NIL	NIL	NIL
b) In respect of expenditure	Yes/ No	NIL	NIL	NIL
c) In respect of Assets	Yes/ No	NIL	NIL	NIL
d) In respect of Liabilities	Yes/ No	NIL	NIL	NIL
e) In respect of Gross NPAs	Yes/ No	NIL	NIL	NIL
f) In respect of Provision on NPAs	Yes/ No	NIL	NIL	NIL
g) In respect of Classification of Advances	Yes/ No	NIL	NIL	NIL
h) In respect of Risk Weighted Assets	Yes/ No	NIL	NIL	NIL
i) Other items (if any)	Yes/ No	NIL	NIL	NIL

11. The appointment of Auditor is made by Bank Management under MCS Act 1960.

**For J. Kala & Associates
Chartered Accountants**

**Sd/-
(Jayesh Kala)
Partner**

**Place : Mumbai
Date : 12.06.2013**

**Membership No.: 101686
FRN No.: 118769W**



Balance Sheet As on 31st March 2013

(Figures in ₹)

31.03.2012	Capital & Liabilities	SCH	31.03.2013	31.03.2012	Property & Assets	SCH	31.03.2013
61130100.00	Share Capital	A	69422000.00	13260452.00	Cash In Hand		20134176.00
210377808.38	Reserve Fund & Other Reserves	B	227421404.29	84556355.97	Cash with other banks	F	110740040.01
2065947854.03	Deposits & Other Accounts	C	2326335704.16	942905289.00	Investments	G	959778395.00
1516019.08	Borrowings		0.00	1244494592.88	Loans & Advances	H	1480984005.51
3083326.00	Bills For Collection		233765.00	63931721.03	Interest Receivable		67783247.44
52386943.32	Other Liabilities & Provisions	D	65442758.12	3083326.00	Bills Receivable		233765.00
37880587.36	Overdue Interest Reserve A/c.		35902091.72	39062678.12	Other Assets	I	45911904.41
1448825.36	Branch Accounting		0.00	61042315.39	Fixed Assets	J	55705821.22
18565266.86	Profit & Loss Account	E	16629541.88	0.00	Branch Accounting		115910.58
2452336730.39	Total ₹		2741387265.17	2452336730.39	Total ₹		2741387265.17
47034586.00	Contingent Liabilities		22404570.00				

AS PER OUR REPORT OF EVEN DATE
FOR M/s. H M Goshel & Co.

Chartered Accountants

CA. H M Goshel - Partner

Mem. No. F/10702

Internal Auditors

AS PER OUR REPORT OF EVEN DATE

FOR M/s. J Kala & Associates

Chartered Accountants

C.A. Jayesh Kala, Partner

Mem. No. 101686 / FRN No. 118769W

Statutory Auditors

Place : Mumbai, Date : 12.06.2013

M C Shetty
Chief Executive Officer

Kalyanji C Chheda
Vice Chairman

Kumar B Dand
Chairman

DIRECTORS :

Dhanesh K Momaya

Kirankumar N Momaya

Paras L Shah

Manilal V Barot

Ranjana P Patil

Gulab D Shah

Manikant V Nagda

Dipti N Momaya

Manali A Matkar



ESTD. 1984

Profit & Loss Account for the year ended 31st March 2013

(Figures in ₹)

2011-2012	EXPENDITURE	SCH	2012-2013	2011-2012	INCOME	SCH	2012-2013
120247672.63	Interest paid on Deposits/Borrowings		148916045.67	150641138.66	Interest & Discount Received		170338845.14
37637162.00	Salaries, Allowances & Provident Fund		44264475.00	65783539.68	Interest on Loans		78798019.08
2950092.00	Contribution to Staff PF & Other Funds		3433290.00	4260.00	Interest on Investments		4260.00
126425.00	Directors Fees & Allowances		182652.00	1332226.23	Dividend		1010238.81
6433734.00	Rent, Taxes, Insurance, Electricity etc.		6849648.75	110.00	Commission, Exchange & Brokerage		250.00
971042.00	Professional & Legal Charges		576050.00	1415613.81	Share Transfer Fees		2203911.62
957902.10	Postage Telegram & Telephone Charges		1305387.23	3401405.40	Sundry Income		3803005.46
1477118.81	Printing & Stationery		1202581.46	2170162.68	Processing Fees		2344366.07
875674.00	Audit Fees		864003.42	722000.00	Incidental Charges		1599000.00
5196225.01	Depreciation on Fixed Assets		4772947.42	610973.16	Profit on sale of GOI Securities & Mutual Funds		609636.99
30000.00	Education Fund Contribution		30000.00	1433359.97	Inspection Charges		1526868.83
	Other Items :				Rent for Lockers		250.00
353370.30	Repairs & Maintenance		665428.07	150.00	Duplicate Share Certificate Charges		0.00
147647.00	Advertisement		164033.00	6208.10	Profit on Sale of Fixed Assets		4832550.00
0.00	Loss on Sale of Assets		36316.95	0.00	Depreciation on Investments		
59908.00	Board Meeting Expenses		74377.00				
13999505.45	Other Expenditure		11763699.08				
0.00	Premium on GOI Securities Amortised		1900711.00				
	Provisions :						
2435000.00	Reserve for Bad & Doubt Debts		2735802.00				
400000.00	Contingent Prov. Against Standard Assets		800000.00				
0.00	Provision for Investments Fluctuation Fund		4832550.00				
	Income Tax :						
11113720.00	Provision for Current Year		10348212.00				
16524.00	Under Provision of Income Tax		0.00				
(707082.00)	Deferred Tax Assets		(431645.00)				
	Transfers:						
3962370.53	Reserve Funds		5007963.07				
271270.00	Special Reserve u/s 36(i)(viii)		147132.00				
18565266.86	Net Profit Carried to Balance Sheet		16629541.88				
227521147.69	Total ₹		267071202.00	227521147.69	Total ₹		267071202.00

AS PER OUR REPORT OF EVEN DATE FOR M/s. H M Goshier & Co. - Chartered Accountants

CA. H M Goshier - Partner
Mem. No. F/10702
Internal Auditors

AS PER OUR REPORT OF EVEN DATE FOR M/s. J Kalia & Associates - Chartered Accountants

CA. Jayesh Kalia - Partner
MEM. NO. 101686 / FRN No. 118769W
Statutory Auditors
Place : Mumbai, Date : 12.06.2013

Kumar B Dand
Chairman

Mahendra D Khona
Kishor K Khona
Nitin R Shah
Maiti H Dharamsi

Kalyanji C Chheda
Vice Chairman

Dhanesh K Momaya
Kiran Kumar N Momaya
Paras L Shah
Manilal V Barot
Ranjana P Patil

M C Shetty
Chief Executive Officer

Gulab D Shah
Manikant V Nagda
Dipti N Momaya
Manali A Matkar



SCHEDULES TO BALANCE SHEET

(Amounts in ₹)

31.03.2012	SCHEDULE - A	31.03.2013
	Share Capital	
	A. Authorised Capital : 40,00,000 shares of Rs. 25.00 each	
100000000.00		100000000.00
	B. Subscribed & Paid Up Capital	
46145325.00	Individual	52850450.00
14984775.00	Society	16571550.00
61130100.00	2776880 Shares of ₹ 25.00 each fully paid (Previous year 2445204 Shares of ₹ 25.00 each)	69422000.00

(Amounts in ₹)

31.03.2012	SCHEDULE - B	31.03.2013
	Reserve Fund & Other Reserves	
	RESERVE FUND :	
57472098.73	Balance as per last balance sheet	64750502.72
5750.00	Add : Entrance Fees	6240.00
6480.00	Add : Nominal Membership Fees	4850.00
81940.80	Add : Dividend transfer for the year 2008-09	119661.50
3962360.53	Add : Interest on earmarked investments	5007963.07
3221872.66	Add : Transfer from Profit & Loss Account	4641316.72
64750502.72		74530534.01
	BUILDING FUND :	
36102722.23	Balance as per last balance sheet	39490571.23
3387849.00	Add : Transfer from Profit & Loss Account	6627022.89
39490571.23		46117594.12
	RESERVE FOR BAD & DOUBTFUL DEBTS :	
33068918.88	Balance as per last balance sheet	35503918.88
2435000.00	Add : Provision during the year	2735802.00
0.00	Less : Write off	830226.27
35503918.88		37409494.61
	CONTINGENT PROVISION AGAINST STANDARD ASSETS :	
4700000.00	Balance as per last balance sheet	5100000.00
400000.00	Add : Addition during the year	800000.00
5100000.00		5900000.00
	INVESTMENT FLUCTUATION RESERVE :	
8147000.00	Balance as per last balance sheet	8147000.00
0.00	Add : Addition during the year	4832550.00
8147000.00		12979550.00

SCHEDULES TO BALANCE SHEET

(Amounts in ₹)

31.03.2012		31.03.2013
	CONTINGENT PROVISION AGAINST DEPRECIATION IN INVESTMENT :	
14400000.00	Balance as per last balance sheet	14400000.00
0.00	Less : During the year	4832550.00
14400000.00		9567450.00
	REVALUATION RESERVE :	
31812666.00	Balance as per last balance sheet	28631399.00
3181267.00	Less : Depreciation on Revaluation Reserve	2863140.00
28631399.00		25768259.00
	SPECIAL RESERVE U/S. 36(1)(VIII) OF IT Act	
1042000.00	Add : Addition during the year	1313270.00
271270.00		147132.00
1313270.00		1460402.00
	GENERAL RESERVE :	
9609315.00		9609315.00
	DIVIDEND EQUALISATION FUND :	
2724439.05	Add : Transfer from Profit & Loss Account	3224439.05
500000.00		500000.00
3224439.05		3724439.05
	SCHOLARSHIP FUND :	
28282.50	Balance as per last balance sheet	107392.50
200000.00	Add : Transfer from Profit & Loss Account	200000.00
120890.00	Less : Spent during the year	153026.00
107392.50		154366.50
	PROVISION FOR NEXT ELECTION EXPENSES :	
100000.00	Balance as per last balance sheet	100000.00
0.00	Add : Addition during the year	100000.00
100000.00		200000.00
210377808.38	Total Reserve Fund & Other Reserves	227421404.29

SCHEDULES TO BALANCE SHEET

(Amounts in ₹)

31.03.2012	SCHEDULE - C <i>Deposits & Other Accounts</i>	31.03.2013
	FIXED DEPOSITS :	
1292651310.24	A) Individual	1528806346.21
18436730.00	B) Other Societies	22485916.00
1311088040.24		1551292262.21
	SAVINGS DEPOSITS :	
476326832.44	A) Individual	479188622.49
4730335.24	B) Other Societies	4723027.64
481057167.68		483911650.13
	CURRENT DEPOSITS :	
273412492.89	A) Individual	290613010.44
88785.02	B) Other Societies	137526.18
273501277.91		290750536.62
301368.20	UNCLAIMED DEPOSITS :	381255.20
2065947854.03	Total Deposits	2326335704.16

(Amounts in ₹)

31.03.2012	SCHEDULE - D <i>Other Liabilities</i>	31.03.2013
5807873.24	Bills Payable	7203792.43
6985551.00	Provision for interest on Deposits	11378279.00
9549317.85	Provision for Expenses	12542422.42
30044201.23	Others	34318264.27
52386943.32	Total Other Liabilities	65442758.12

(Amounts in ₹)

31.03.2012	SCHEDULE - E <i>Profit & Loss Account</i>	31.03.2013
12887490.66	Balance as per last balance sheet	18565266.86
	Less : Transferred to	
3221872.66	Reserve Fund	4641316.72
500000.00	Dividend Equilisation Fund	500000.00
3387849.00	Building Fund	6627022.89
200000.00	Scholar Ship Funds	200000.00
5577769.00	Dividend Payment for the year 2011-12	6596927.25
18565266.86	Add : Net Profit as per Profit & Loss Account	16629541.88
18565266.86	Profit & Loss Account	16629541.88



SCHEDULES TO BALANCE SHEET

(Amounts in ₹)

31.03.2012	SCHEDULE - F	31.03.2013
	Cash with Other Banks	
10384.17	Maharashtra State Co-op. Bank Ltd.	0.00
31258570.43	MDCC Bank Ltd., Fort	1547590.12
13962.00	MDCC Bank Ltd., Mulund	0.00
11188.00	MDCC Bank Ltd., Ghatkopar	0.00
14528.00	MDCC Bank Ltd., Bhandup	0.00
9835.00	MDCC Bank Ltd., Kurla	0.00
5017302.00	Punjab & Sindh Bank, Bhandup	14703.00
128726.00	State Bank of Hyderabad, Ghatkopar	190049.00
11123.12	State Bank of Hyderabad, Mandvi	14969.00
10573.00	State Bank of Bikaner & Jaipur	0.00
9188487.00	Bank of Baroda , Bhandup	8276513.00
1200000.00	Bank of Baroda, Dombivli	5694662.00
8678.00	Bank of Baroda, Mandvi	8567.00
0.00	HDFC Bank Ltd.,OBC A/c.	7897868.71
621924.05	HDFC Bank Ltd.,DD A/c.	630259.05
5504.53	HDFC Bank Ltd., SGL A/c.	11439.01
1911038.00	Municipal Co-op. Bank Ltd., Mulund	6350.00
12224.00	ICICI Bank Ltd. APMC, Vashi	22024.00
5089776.00	ICICI Bank Ltd.- Vikhroli	29815519.68
2626806.61	HDFC Bank Ltd., APMC, Vashi	2880794.97
1000.00	State Bank of India (BCP Clg Operations)	1000.00
1000.00	HDFC Bank Ltd., Fort(BCP Clg Operations)	1000.00
3706777.75	IDBI Bank, Thane	10095231.30
0.00	Axis Bank, Bhandup	1301094.50
23696948.31	Reserve Bank of India	42330405.67
84556355.97	Total Cash With Other Bank	110740040.01

(Amounts in ₹)

31.03.2012	SCHEDULE - G	31.03.2013
	Investments	
	Government Securities :	
343393289.00	Held to Maturity (FV ₹ 34,23,00,000.00, MV ₹ 30,88,58,150.00)	341492578.00
168360000.00	Available for Sale (FV ₹ 15,00,00,000.00, MV ₹ 14,85,41,000.00)	149344000.00
30341000.00	Held for Trading (FV ₹ 11,00,00,000.00, MV ₹ 11,00,75,000.00)	110247000.00
542094289.00		601083578.00

SCHEDULES TO BALANCE SHEET

(Amounts in ₹)

31.03.2012		31.03.2013
	Fixed Deposits with Banks :	
20000000.00	FDR with Punjab & Sind Bank., Bhandup (Earmarked Against Reserve Fund Rs. 1,00,00,000.00)	40000000.00
61150000.00	FDR with MDCC Bank Ltd., Fort (Earmarked Against Reserve Fund Rs. 4,61,00,000.00)	51100000.00
500000.00	FDR with MDCC Bank Ltd., Mulund	500000.00
37000000.00	FDR with Saraswat Co-op. Bank Ltd., Ghatkopar	3000000.00
20000000.00	FDR with Shamrao Vithal Co-op. Bank., APMC, Vashi	20000000.00
0.00	FDR with Shamrao Vithal Co-op. Bank., Vikhroli	10000000.00
2500000.00	FDR with Shamrao Vithal Co-op. Bank., Ghatkopar	0.00
20000000.00	FDR with Cosmos Co-op. Bank Ltd., Mulund	0.00
0.00	FDR with Abhyudaya Co-op. Bank Ltd., Nehru Nagar, Kurla	10000000.00
0.00	FDR with Abhyudaya Co-op Bank Ltd., Bhandup	20000000.00
31000000.00	FDR with Bank of Baroda., Bhandup (Earmarked Against Reserve Fund Rs. 2,00,00,000.00)	31023817.00
30000000.00	FDR with Union Bank of India., Bhandup	30000000.00
20000000.00	FDR with Bharat Co-op. Bank Ltd., Bhandup	30000000.00
20000000.00	FDR with Thane Janta Sahakari Bank Ltd., Bhandup	0.00
0.00	FDR with Thane Janta Sahakari Bank Ltd., Mulund	20000000.00
19990000.00	FDR with State Bank of Travancore., Mulund	0.00
25000000.00	FDR with Corporation Bank, Mulund	15000000.00
25000000.00	FDR with Dena Bank., Mulund	15000000.00
21000000.00	FDR with IDBI Bank., Thane	36000000.00
20000000.00	FDR with Oriental Bank of Commerce., Bhandup	20000000.00
25100000.00	FDR with ICICI Bank., Vikhroli	0.00
2500000.00	FDR with HDFC Bank., APMC, Vashi	0.00
400740000.00		351623817.00
0.00	MDCC Bank Ltd., Fort – Day to Day Deposits	7000000.00
71000.00	Shares in Co-op. Institutions : Shares with MDCC Bank Ltd., Fort	71000.00
942905289.00	Total Investments	959778395.00

(Amounts in ₹)

31.03.2012	SCHEDULE - H Loans & Advances	31.03.2013
	Short Term Loans (Cash Credit, Overdrafts, Bills Discounted) : Of which secured against	
179015836.11	A) Govt. & Other Approved Securities	221037465.86
523588074.86	B) Other Tangible Securities	646542762.35
3034019.26	C) Personal Sureties	3030629.26
14178670.08	Of the advances, Amount Overdue	33578211.35
14175697.54	Amount considered Bad & Doubtful of Recovery	33578211.35
705637930.23		870610857.47
	Medium Term Loans : Of Which Secured against	
38330969.09	A) Govt. & Other Approved Securities	46183044.00
495359361.10	B) Other Tangible Securities	562229571.57
5166332.46	C) Personal Sureties	1960532.47
12451131.91	Of the advances, Amount Overdue	11661535.50
10050104.41	Amount considered Bad & Doubtful of Recovery	8076851.00
538856662.65		610373148.04
1244494592.88	Total Loans & Advances	1480984005.51

SCHEDULES TO BALANCE SHEET

		(Amounts in ₹)	
		31.03.2012	31.03.2013
SCHEDULE - I			
Other Assets			
	Stock of Stationery		1279713.61
	Stamps on Hand		13180.00
	Security Deposits (Assets)		2150224.00
	Deferred Tax Assets		9259196.00
	Others		33209590.80
	Total Other Assets	39062678.12	45911904.41

SCHEDULE - J

Fixed Assets

(Amounts in ₹)

Sr. No.	Particulars	Rate of Dep	Gross Block			Depreciation			Net Block				
			Op. Bal as on 01.04.2012	Addition During the Year	Deletion in the Year	Total as on 31.03.2013	Opening Bal as on 01.04.2012	Addition During the Year	Deletion Sale / WO Trf	Total as on 31.03.2013	Closing Bal as on 31.03.2012	Closing Bal as on 31.03.2013	
1	Premises (#)	10.00	91520055.52	102800.00	0.00	91622855.52	45697379.18	0.00	4587409.86	0.00	50284789.04	41338066.48	45822676.34
2	Furniture & Fixtures	10.00	14194330.54	491373.20	33500.00	14652203.74	4918371.13	36673.00	954957.53	9078.00	5900922.66	8751280.08	9275959.41
3	Office Equipments	15.00	4270525.91	1251629.00	158253.00	5363901.91	3214148.41	11021.00	325371.33	61011.05	3489529.69	1874373.22	1056377.50
4	Electrical Installation	10.00	2088369.00	0.00	0.00	2088369.00	762585.65	0.00	132579.49	0.00	895165.14	1193203.86	1325783.35
5	Air Conditioners	15.00	2387252.16	139015.00	192007.00	2334260.16	1630228.72	0.00	120887.74	1456636.00	1605480.46	728779.70	757023.44
6	Computer & Printers	33.33	13488020.31	593905.00	63400.00	14018525.31	11378156.96	31698.68	1410686.47	31698.68	12788843.43	1229680.88	2109863.35
7	Motor Vehicle	15.00	750954.00	0.00	0.00	750954.00	56322.00	0.00	104195.00	0.00	160517.00	590437.00	694632.00
	Total		128699507.44	2578722.20	447160.00	130831069.64	67657192.05	79392.68	7636087.42	247423.73	75125248.42	55705821.22	61042315.39

Includes figures of Revaluation Reserve for ₹ 25768259.00

* Includes figures of Depreciation on Revaluation Reserve for ₹ 2863140.00

Figures are regrouped wherever necessary

SCHEDULES TO BALANCE SHEET

(Amounts in ₹)

2011-2012	SCHEDULE - K <i>Other Expenditure</i>	2012-2013
424486.50	Conveyance Charges	541628.50
935492.16	Expenditure A/C Security Guard	1077029.56
439953.82	Sundry Charges	504399.97
1517673.71	Clearing House Charges	1283142.42
10681899.26	Others	8357498.63
13999505.45	Total Other Expenditures	11763699.08

FOREX BUSINESS

Bank has received AD category II License from RBI and Commenced forex business. Contact nearest branch for money changing, outward remittances for foreign tours, education, medical services etc.



ANNEXURE - 'A'

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013 & PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013.

I. BACK GROUND : -

SHRI ARIHANT CO-OPERATIVE BANK LTD., was incorporated on 04.05.1984 and provides services through 8 Branches and Head Office. The area of operation is restricted to Greater Mumbai, Thane including Navi Mumbai & Raigad Districts.

II. BASIS OF PREPARATION : -

The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting unless otherwise stated, and in accordance with generally accepted accounting principles and conform to the statutory requirements prescribed under the Banking Regulation Act, 1949, circulars issued by the Reserve Bank of India (RBI) from time to time and practices prevailing in co-operative banks within the banking industry in India.

The presentation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

III. SIGNIFICANT ACCOUNTING POLICIES : -

1. Accounting Convention : -

The financial statements are drawn up in accordance with the historical cost convention and on the going concern basis. They are in conformity with generally accepted principles and practices prevailing in India, Statutory provisions and guidelines issued by RBI except where otherwise stated.

2. Revenue Recognition : -

- a) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the bank and the revenue can be reliably measured.
- b) Income and Expenditure are accounted on accrual basis except as otherwise stated.
- c) Interest income is recognized in the profit and loss account on an accrual basis, except in the case of non-performing assets where it is recognized upon realisation as per RBI norms



- d) Dividend on investment, commission, incidental charges, services charges are accounted on cash basis.
- e) Income from interest on refund of income tax is accounted for in the year the order is passed by the income tax authority.
- f) Interest on Saving Bank Account was accounted bi-annually and credited to respective Savings Bank Account.
- g) Interest on Matured Term deposits is not taken into cognizance. Interest is paid in respect of Term deposits renewed within 14 days of the maturity.
- h) Interest on unpaid and unclaimed matured term deposits are accounted for at saving bank rate.

3. Investments :

- i) In accordance with the RBI directives, the bank has classified its investments portfolio into the following categories as on 31st March, 2013.
 - a) Held to Maturity (HTM)
 - b) Available for Sale (AFS)
 - c) Held for Trading (HFT)

- ii) The valuation of investments in the above categories has been done as follows :-

a) Held to Maturity (HTM) :-

Investments in HTM category are carried at cost of acquisition. The premium if any, paid on acquisition is amortized over the balance period of maturity.

b) Available for Sale (AFS) : -

Investments made under this category are valued at market rate and net depreciation in each category, if any is provided and Net appreciation in each category is ignored.

c) Held for Trading (HFT) :-

Investments made under this category are valued at market rate and net depreciation in each category, if any is provided and Net appreciation in each category is ignored.

Securities are valued scrip-wise and depreciation/appreciation is aggregated for each category. Net appreciation in each category, if any, being unrealised, is ignored, while net depreciation is provided for. Non-performing investments are identified based on the RBI guidelines.



iii. Amortization : -

Premium on acquisition of Government Securities under HTM category has been amortized over the balance period of maturity.

iv. The valuation of investments in Government Securities is determined as per the rates quoted in the FIMMDA guidelines.

v. Broken period interest (the amount of interest from the previous interest payment date till the date of purchase/sale of instruments) on debt instruments is treated as a revenue item.

vi. Profit/loss on sale of investments in the 'Held to Maturity' category is recognised in the profit and loss account and profit is thereafter appropriated (net of applicable taxes and statutory reserve requirements) to Capital Reserve. Profit/loss on sale of investments in 'Available for Sale' and 'Held for Trading' categories is recognised in the profit and loss account.

vii. Costs including brokerage and commission pertaining to investments, paid at the time of acquisition, are charged to the profit and loss account.

4. Advances : -

a) The bank as per prudential norms on Income recognition and Assets classification has classified its advances portfolio into three categories as a) Short Term Loans, b) Medium Term Loans and c) Bad and Doubtful debt of Recovery. The advances have been further classified into Standard, Sub-standard, Doubtful and Loss Assets in accordance with the prudential norms laid down by RBI.

b) Provision for non-performing advances comprising sub-standard, doubtful and loss assets are made in accordance with the RBI guidelines which prescribes minimum provision levels and also encourages banks to make higher provisions based on sound commercial judgment. Non-performing advances are identified by periodic appraisals of the loan portfolio by the management. The provisioning done is higher than the minimum prescribed under RBI guidelines.

c) Overdue interest in respect of NPA is shown as Interest Receivable on Loans & Advances, as per guidelines of RBI.

5. Foreign Exchange Transaction : -

The bank has been granted Category II Foreign Exchange License by RBI. Bank has also made a tie up arrangement with Axis Bank.

6. Fixed Assets : -

a) Land and Premises stated at Revalued cost less Depreciation.



- b) Other Fixed Assets are stated at their written down value.
- c) Profit / Loss on sale of assets is recognized in the year of sale / disposal.
- d) Depreciation on Fixed Assets is charged on written down value (WDV) basis as per the rates determined by the Income Tax Act, 1961 except in the case of computer (including computer software) where the depreciation is charged at the rate of 33.33% on Straight Line Method as stipulated in RBI circular.

Building	10.00 %
Furniture & Fixtures	10.00 %
Computer & software	33.33 %

- e) Depreciation on fixed assets purchased and put to use during the year is charged for entire year if the asset is purchased and retained for 180 days or more, otherwise it is charged at 50% of the normal rate.

Accounting standards 6 and 10 issued by the Institute of Chartered Accountants of India relating to Accounting for Fixed Assets and depreciation requires for disclosure of gross and net values of assets and accumulated depreciation thereon. However, as per the format applicable to the Co-operative Banks, the above disclosure are not made in the accounts and to that extent, the disclosure norms of the Accounting standards as referred above have not been followed. However, the same has no impact on the results of the bank.

7. Staff Retirements Benefits : -

- a) Provident Fund contributions are made to Government Provident Fund on accrual basis.
- b) Gratuity liability towards employees is covered by policy with LIC under group gratuity & insurance scheme and an annual contribution is made to LIC accordingly.
- c) The accounting of leave encashment on cash basis is not in accordance with the Accounting Standard-15(AS-15) and Accounting Standard-9 (AS-9) issued by the Institute of Chartered Accountants of India. Since the figure of amount payable to employees on account of leave encashment is not made available, the extent of the same on the profit of the bank is not quantifiable. The bank has provided adhoc amount of ₹ 5.00 Lakhs during the year. Total provision for Leave Encashment amounts to ₹ 25.00 Lakhs as on 31.03.2013.

8. Taxation :-

- a) Tax expenses comprises of both Deferred & current taxes. Current tax is provided in accordance with the applicable provisions of Income Tax Act, 1961 and Rules framed there under.



- b) Deferred tax is measured based on tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

9. Accounting for Provisions, Contingent Liabilities :-

- i. As per Accounting Standard 29 - Provisions, Contingent Liabilities issued by the Institute of Chartered Accountants of India, the bank recognizes provisions only when it has a present obligation as a result of past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank.
- ii. Contingent Assets are not recognized since this may result in the recognition of income that will never be realized.

IV NOTES TO ACCOUNTS : -

1. Certain items of Income & Expenditure as stated in para 'III' above of the significant accounting policies are accounted on cash basis. These are in deviation from the generally accepted practice and as laid down by Accounting Standard-9 on 'Revenue Recognition' issued by The Institute of Chartered Accountants of India, which specifies such items to be accounted for on accrual basis of accounting. This has resulted in such items being accounted for only in the year of realization / payment instead of splitting the same over two or more accounting periods due to the nature of the transactions. Consequently the Income / Profit of the Bank is understated/overstated to that extent. Further in the absence of information, we are unable to quantify the effect of the same to the profit of the bank.
2. The bank has made adequate provision for sub-standard, doubtful, and loss assets. Provision has also been made on the standard assets of the outstanding advances, as per guidelines issued by RBI.
3. a) Contingent Liability towards Guarantees issued by the bank on behalf of customers is ₹ 2,24,04,570.00
- b) Guarantees issued by the other banks on behalf of our Branches against pledge of our Fixed deposit:
- | | |
|---------------------------|---------------|
| i) Ghatkopar Branch | ₹ 20.00 Lakhs |
| ii) Mohili Village Branch | ₹ 20.00 lakhs |



4. The disclosure under AS-17 on segment reporting issued by ICAI is as follows:
AS-17 Primary Segment Reporting (By Business Segments)

Business Segment	Treasury		Other Banking Operation		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Revenue						
Segment Revenue	80401279	66509800	181837373	161019148	262238652	227528948
Result	24006886	17182536	7694318	16039533	31701204	33222069
Unallocated Expenses	-	-	-	-	(4723450)	(3526559)
Operating Profit	-	-	-	-	26977754	29695511
Income Tax	-	-	-	-	(10348212)	(11130244)
Extra Ordinary Profit/Loss	-	-	-	-	-	-
Net Profit	-	-	-	-	16629542	18565267
Other Information	-	-	-	-	-	-
Segment Assets	991659551	968956423	1711270761	1450971955	2702930312	2419928377
Unallocated Assets	-	-	-	-	38456953	32408353
Total Assets	991659551	968956423	1711270761	1450971955	2741387265	2452336730
Segment Liabilities	-	-	-	-	-	-
Liabilities	764238146	757435114	1614740857	1371073879	2378979003	2128508993
Own Fund	171126453	147295049	132737178	133168811	303863631	280463860
Unallocated Liabilities	-	-	-	-	58544631	43363877
Total Liabilities	935364599	904730164	1747478035	1504242690	2741387265	2452336730

The figures of Depreciation on Investment (on Income side) and provision for Investment fluctuation fund (on Expenditure side) are excluded from both the sides while compiling the above statement.



- i) The bank is organized into two main business segments mainly -
 - a. Treasury, primarily comprising of trading/investments in Government Securities.
 - b. Other Banking operations primarily comprising of loans & advances to corporate, retails loans and advances to customers.
- ii) The above segments are based on the currently identified segments taking into the nature of services provided, the risks and returns and overall organisation structure of the bank and internal financial reporting system.
- iii) Segment revenues, results, assets & liabilities include the respective amounts identifiable to each of the segment and amounts apportioned/allocated on a reasonable basis.
- iv) Secondary segment information: the bank caters mainly to the needs of Indian customers and hence separate information regarding secondary segment i.e.; Geographical segment is not given.

The segment Reporting is prepared as per AS 17 (Primary Segment Reporting)

- 5. The bank has ascertained that there is no material impairment of any of it's assets except unsecured portion of NPA advance, against which necessary provision is made in line with the RBI guidelines. Hence, in the opinion of bank no separate provision under accounting standard - 28 on impairment of Assets (AS-28) issued by the ICAI is required.
- 6. Related parties requiring a disclosure under Accounting Standard-18 issued by ICAI. The bank is a co-operative society under the Maharashtra Co-Operatives Societies Act, 1960 and there are no related parties requiring disclosure under Accounting Standard 18 issued by ICAI other than Key Management Personnel i.e. Mr. M C Shetty, The Chief Executive Officer of the bank. However, in terms RBI Circular dated 29th March, 2003, he being a single party coming under this category, no further details there on needs to be discussed.
- 7. **Leases:** The bank has cancellable operating leases and the disclosure under AS-19 on "Leases" issued by ICAI are as follows:
 - a) Leases where the lessor effectively retails substantially all risks and benefits of ownership are classified as operating leases.
 - b) Operating Lease rent expensed in the profit and loss account in the current year amounts to Rs. 18.48 Lakhs.

8. Accounting Standard 20: Earning per share (EPS)

(Amounts in ₹)

Particulars	2012-2013	2011-2012
1) Basic E.P.S.	6.43	8.29
2) Diluted E.P.S.	N.A.	N.A.
Calculation of Basic E.P.S.		
a) Net Profit after Tax available for Equity Shareholders	16629542	18565267
b) Weighted Average number of Equity Shares	2587258	2239684
c) Basic Earning per share (a / b)	6.43	8.29
d) Nominal Value per Share	₹ 25	₹ 25

9. **Deferred Tax:** Deferred tax has been recognized on account of timing differences between the book profits and the taxable profits. The tax asset of timing differences between the book profits and the taxable profits are reflected through Deferred Tax Assets (DTA)/ Deferred Tax Liability (DTL). DTA has been recognized only to the extent that there is reasonable certainty that the asset would be realized in near future.

(Amounts in ₹)

Particulars	2012-2013	2011-2012
Deferred Tax Assets:		
1) On account of timing difference towards provisions	8125109	8073113
2) Provision for standard assets	1823100	1575900
3) Provision for expenses	NIL	NIL
4) Others	NIL	NIL
Total	9948209	9649013
Deferred Tax liability:-		
Depreciation on Fixed assets	(689015)	(821464)
Total	(689015)	(821464)
Net Deferred Tax Asset	9259194	8827549

10. **Taxation:** The bank has provided for income tax liability of ₹ 1,03,48,212.00/- for the current financial year.

The Income Tax assessment has been completed up to A.Y. 2010-11 & there is no disputed / undisputed liabilities outstanding till above assessment year.

11. Cash flow statement as required by Accounting Standard - 3 issued by ICAI is enclosed.
12. Investments include fixed deposits pledged as follows:
- ₹ 10,23,817/- pledged with Bank of Baroda for bank guarantees issued by them to Reliance Infrastructure Limited on our behalf for collection of electricity bills.
 - ₹ 50,00,000/- pledged with Mumbai District Central Co-operative Bank Ltd. against overdraft limit sanctioned to the bank. The balance outstanding against the said facility as on 31.03.2013 was ₹ Nil.
 - ₹ 1,00,00,000/- pledged with Bank of Baroda, Bhandup against overdraft limit sanctioned to the bank. The balance outstanding against the said facility as on 31.03.2013 was ₹ Nil.
13. Figures for previous year have been re-grouped wherever necessary to make them comparable with the current year.



V. ADDITIONAL DISCLOSURE AS PER RBI CIRCULAR NO. UBD.CO.BP.PCB.20/16.45.00/ 2002-03., BDT. 30.10.02. Ref. No. B.P.38/16.45.00/2002-03 dtd. 06.03.2003.

(₹ In Lacs)

Sr. No.	Particulars	As on 31.03.13	As on 31.03.12
i)	Capital to Risk Asset Ratio	19.14%	19.11%
ii)	Movement of CRAR		
	a) Total Capital Funds	2421.03	2118.92
	b) Total Risk Weighted Assets	12646.76	11071.80
iii)	Investments		
	a) Face Value	6023.00	5423.00
	b) Book Value	6010.84	5420.94
	c) Market Value	5674.74	4863.49
	Bonds of Public Sector Undertaking	0.00	0.00
	Other Trustee Securities		
	Fixed Deposits in Co-op. banks, Dist. Central and State co-op banks and	3516.24	4007.40
	Other banks shares in co-operative institution / approved financial institutions	0.71	0.71
	Total Face Value	9539.95	9431.11
	Total Book Value	9527.79	9429.05
	Total Market Value	9191.69	8871.60
iv)	Advances against		
	Real Estate	217.52	213.12
	Construction Business	58.66	48.50
	Housing	1857.34	1695.70
v)	Advances against shares & debentures	-	-
vi)	Advances to Directors, their relatives, companies/firms in which they are interested.		
	a) Fund Based	4.59	4.45
	b) Non-Fund Based (Guarantees L/C, etc)	-	-



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(₹ In Lacs)

Sr. No.	Particulars	As on 31.03.13	As on 31.03.12
vii)	Cost of Deposits (Average Cost of Deposits)	6.94%	6.35%
viii)	NPA's		
	a) Gross NPA's	416.55	242.26
	b) Net NPA's	42.46	0.00
ix)	Movement of NPA's		
	a) Gross NPA's		
	Opening Balance	242.26	254.86
	Add: Additions during the year	225.37	93.08
	Less: Closed/Recovered/Written Off during the year	(51.08)	(105.68)
	Closing Balance	416.55	242.26
	b) Net NPA's		
	Opening Balance	0.00	0.00
	Add: Additions during the year	42.46	0.00
	Less: Closed/Recovered/Written Off during the year	0.00	0.00
	Closing Balance	42.46	0.00
x)	Profitability		
	a) Interest income as a percentage of working funds	9.97%	9.85%
	b) Non-interest income as a percentage of working funds	0.52%	0.51%
	c) Operating profit as a percentage of working funds	1.49%	1.64%
	d) Return on Assets	0.67%	0.85%
	e) Business (Deposits + Advances) per employee	349.30	348.47
	f) Profit per employee	3.40	3.79
xi)	Provision made towards NPA's		
	NPA	27.35	24.35
	Depreciation on Investment	0.00	0.00



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(₹ In Lacs)

Sr. No.	Particulars	As on 31.03.13	As on 31.03.12
xii)	Movement in provisions:		
	a) Towards NPA's		
	Opening Balance	355.04	330.69
	Add: Additions during the year	27.35	24.35
	Less: Closed/Recovered/Written Off during the year	(8.30)	(0.00)
	Closing Balance	374.09	355.04
	b) Towards Depreciation on investments		
	Opening Balance	144.00	144.00
	Add: Additions during the year	0.00	0.00
	Less: Closed/Recovered/Written Off during the year	(48.33)	0.00
	Closing Balance	95.67	144.00
	c) Towards Investment Fluctuation Fund		
	Opening Balance	81.47	81.47
	Add: Additions during the year	48.33	0.00
	Less: Closed/Recovered/Written Off during the year	0.00	0.00
	Closing Balance	129.80	81.47
	d) Towards Standard Assets		
	Opening Balance	51.00	47.00
	Add: Additions during the year	8.00	4.00
	Less: Closed/Recovered/Written Off during the year	0.00	0.00
	Closing Balance	59.00	51.00
xiii)	Foreign Currency Assets & Liabilities	-	-
xiv)	DICGS Insurance Premium paid upto	Sept 2013	

xv) I) ISSUER COMPOSITION OF NON-SLR INVESTMENTS (₹ In lacs)

No.	Issuer	Amount	Extent of 'below invt. Grade'. Securities	Extent of unrated securities	Extent of unlisted securities
1	PSU's	NIL	NIL	NIL	NIL
2	FI's	NIL	NIL	NIL	NIL
3	Nationalised Banks	NIL	NIL	NIL	NIL
4	Others	NIL	NIL	NIL	NIL
5	Provisions held for depreciation	NIL	NIL	NIL	NIL



II) NON-PERFORMING NON-SLR INVESTMENTS :

No.	Particulars	Amount (₹ In lacs)
a)	Opening Balance	NIL
b)	Additions during the year	NIL
c)	Reductions during the year	NIL
d)	Closing Balance	NIL
e)	Total Provisions held	NIL

III) Statement of securities sold/ purchased under REPO transactions during the year 2012-13

Particulars	Minimum Outstanding during the year	Maximum outstanding during the year	Daily average during the year	As on 31.03.2013
Securities sold under REPO	NIL	NIL	NIL	NIL
Securities under Reverse REPO	NIL	NIL	NIL	NIL

Note : Above statement has been compiled in accordance with the information submitted to Reserve Bank of India annually and definitions of various terms have also been considered in consistent with statement No. II of RBI Inspection format submitted to RBI.

Signatures to Schedule A to L

AS PER OUR REPORT OF EVEN DATE

FOR M/s. H M Gosher & Co.
Chartered Accountants

Kumar B Dand
Chairman

Kalyanji C Chheda
Vice Chairman

M. C. Shetty
Chief Executive Officer

CA. H M Gosher
Partner
Mem. No. F/10702
Internal Auditors

DIRECTORS :

Mahendra D Khona

Dhanesh K Momaya

Gulab D Shah

AS PER OUR REPORT OF EVEN DATE
FOR M/s. J Kala & Associates
Chartered Accountants

Kishor K Khona

Kirankumar N Momaya

Manikant V Nagda

Nitin R Shah

Paras L Shah

Dipti N Momaya

CA Jayesh Kala
Partner
Statutory Auditors

Malti H Dharamsi

Manilal V Barot

Manali A Matkar

Mem No. : 101686
FRN No. : 118769W
Place : Mumbai,
Date : 12.06.2013

Ranjana P Patil

Cash Flow Statement for the year Ended 31st March, 2013

(Figures in ₹)

PARTICULARS	31.03.2013		31.03.2012	
	₹	₹	₹	₹
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit as per Profit and Loss Account		16629541.88		18565266.86
Add: Adjustments for				
Depreciation on Assets	4772947.42		5196225.01	
Amortisation of Investments	1900711.00		0.00	
Provision for Taxation (Net of Deferred Tax)	9916567.00		10423162.00	
Provision for Non-Performing Assets (Including Prudential Provision on Standard Assets)	3535802.00		2835000.00	
Provision for Election Expenses	100000.00		100000.00	
Transfer to Special Reserve U/s.36(1)(viii)	147132.00		271270.00	
(Profit)/Loss on Sale of Fixed Assets	36316.95		(6208.10)	
Interest on Earmarked Investment	5007963.07		3962370.53	
Software Expenses Written Off	-		2258576.83	
		25417439.44		25040396.27
Less: Adjustments for				
Transfer Fee	250.00		110.00	
Profit on Sale of Securities	1599000.00		722000.00	
Dividend Received	4260.00		4260.00	
Depreciation on Amortisation of Premium on Government Securities	-	(1603510.00)	101760.00	(828130.00)
Cash Profit Generated Before Working				
Capital Changes		40443471.32		42777533.13
(Increase) / Decrease in Investments	(10174817.00)		(251590289.00)	
(Increase) / Decrease in Advances	(237319638.90)		(73087504.88)	
(Increase) / Decrease in Other Assets	(1371603.79)		8598686.64	
(Increase) / Decrease in Accrued Interest on Investment	(5830022.05)		(7640542.42)	
Increase / (Decrease) in Deposits	260387850.13		296186869.63	
Increase / (Decrease) in Other Liabilities	9120043.30		(16633521.11)	
Increase / (Decrease) in branch adjustment	(1564735.94)		(97655.24)	
Increase / (Decrease) in Borrowings	(1516019.08)		(189195.78)	
Less: Scholarship paid during the year	(153026.00)		(120890.00)	
Refund/ (Payment) of Direct Taxes	(11472785.00)		(9650621.00)	
		105245.67		(54224663.16)
NET CASH GENERATED FROM OPERATING ACTIVITIES(A)		40548716.99		(11447130.03)



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Cash Flow Statement for the year Ended 31st March, 2013

(Figures in ₹)

PARTICULARS	31.03.2013		31.03.2012	
	₹	₹	₹	₹
CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(2356010.20)		(2475778.85)	
Sale of Fixed Assets	20100.00		35591.90	
Dividend Received	4260.00		4260.00	
NET CASH USED IN INVESTING ACTIVITIES(B)		(2331650.20)		(2435926.95)
CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from issue of Share Capital	8291900.00		8908250.00	
Entrance Fees	6240.00		5750.00	
Nominal Membership Fees	4850.00		6480.00	
Transfer Fee	250.00		110.00	
Dividend Paid	(6462898.75)		(5286618.60)	
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)		1840341.25		3633971.40
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)		40057408.04		(10249085.58)
Cash & Cash Equivalents at the beginning of the year		97816807.97		108065893.55
Cash & Cash Equivalents at the end of the year		137874216.01		97816807.97
Cash & Cash Equivalents		31.03.2013		31.03.2012
Cash & Cash Equivalents		20134176.00		13260452.00
Balances with other Banks		110740040.01		84556355.97
Money at call & short notice		7000000.00		0.00
Cash & Cash Equivalents as re-stated		137874216.01		97816807.97

The Above Cash Flow Statement has been prepared under 'Indirect Method' as set out in the Accounting Standard - 3 on Cashflow Statements

AS PER OUR REPORT OF EVEN DATE

FOR M/s. H M Gosher & Co.

Chartered Accountants

CA. H M Gosher - Partner

Mem. No. F/10702

Internal Auditors

AS PER OUR REPORT OF EVEN DATE

FOR M/s. J. Kala & Associates

Chartered Accountants

CA Jayesh Kala - Partner

Mem No. : 101686

FRN No. : 118769W

Statutory Auditors

Place : Mumbai,

Date : 12.06.2013

Kumar B Dand

Chairman

Kalyanji C Chheda

Vice Chairman

M. C. Shetty

Chief Executive Officer

DIRECTORS :

Mahendra D Khona

Kishor K Khona

Nitin R Shah

Malti H Dharamsi

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Kirankumar N Momaya

Paras L Shah

Manilal V Barot

Ranjana P Patil

Gulab D Shah

Manikant V Nagda

Dipti N Momaya

Manali A Matkar



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Annexure - A

In terms of circular No. UBD/D.74/AR/Inform/92, Dated 30th May 1992, from the Commissioner for Co-operation and Registrar of Co-op. Societies, Maharashtra State, Pune-1.

Name of the Bank	: Shri Arihant Co-operative Bank Limited
Head Office Address	: "GB 10A & B, Karma Stambh, Opp. Kailash Commercial Complex, L.B.S.Marg, Vikhroli (W), Mumbai-400 083.
Date of Registration	: BOM/BNK/175 of 1984 DATED 25.01.1984
Date & No. of RBI License	: 04.05.1984 License No. UBD MH-390 P.
Jurisdiction	: Greater Mumbai Region, Thane Including Navi Mumbai & Raigad District.

(₹ in Lacs)

Items	As on 31.03.2013	As on 31.03.2012	As on 31.03.2011
No. of Branches Including HO	Nine	Nine	Nine
Membership			
Regular Nos.	10814	10286	9711
Nominal Nos.	2058	2704	2154
Paid up Capital	694.22	611.30	522.22
Total Reserves & Funds	2274.21	2103.78	1991.07
Deposits			
Savings	4839.12	4810.57	4873.57
Current	2907.51	2735.01	2855.55
Fixed	15516.73	13113.89	9968.48
Advances			
Secured	14774.96	12362.95	11663.52
Unsecured	34.88	82.00	50.55
Priority Sector %	43.70	53.78	53.45
Weaker Section %	3.33	4.41	4.98
Borrowing	Nil	Nil	Nil
Investments	9597.78	9429.05	7245.37
Overdue %	3.05	2.14	2.39
Audit Classification	A	A	A
Profit for the year	166.30	185.65	128.87
Total Staff			
Sub Staff	19	19	17
Other Staff	90	76	69
Working Capital	24997.00	21885.86	19261.32



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Progress at a Glance

Particulars	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Share Capital	3,24,50,825	3,72,64,050	4,36,53,000	5,22,21,850	6,11,30,100	6,94,22,000
Reserves (Incl. Rev. Res.)	17,25,29,338	17,62,13,451	19,13,93,173	19,91,07,442	21,03,77,808	22,74,21,404
Deposits	116,58,26,936	130,42,86,792	158,10,37,417	176,97,60,984	206,59,47,854	232,63,35,704
Borrowings	--	--	--	-	--	--
Investment	51,86,86,983	56,49,06,847	68,99,96,631	72,45,37,000	94,29,05,289	95,97,78,395
Advances	75,06,90,010	82,81,44,798	98,27,87,640	117,14,07,088	124,44,94,593	148,09,84,005
Gross Income	12,51,34,818	14,22,85,725	16,72,49,279	19,05,05,126	22,75,21,148	26,70,71,202
Net Profit (After Tax)	1,09,92,125	1,36,58,797	1,05,94,673	1,28,87,491	1,85,65,267	1,66,29,542
Dividend Declared	14 %	12 %	12 %	12 %	12 %	To be Declared
Audit Class	A	A	A	A	A	A

SMS ALERTS

***To know your Account, Transactions, Balances,
Mini Statements instantly on
your Mobile through SMS,
Register your Mobile No. with Branch.***



Head Office

GB 10A & B, Karma Stambh,
Opp.Kailash Commercial Complex,
L.B.S.Marg, Vikhroli (W), Mumbai- 400 083.
Telephone No.: 25799326
Fax: 25799323
Mob.:9619486622/9930137646/9167252620

Bhandup Branch

A, Anant Siddhi,
107, L.B.S. Marg, Bhandup (W),
Mumbai- 400 078.
Tele. No.: 2595 4422 / 96194 86616
Fax : 2595 4635
Mobile : 99301 37641

Mulund Branch

51, Safalya, Dr. Ambedkar Road,
Mulund (W), Mumbai- 400 080.
Tele. No.: 2564 7157 / 96194 86617
Fax : 2567 1018
Mobile : 99301 37642

Ghatkopar (E) Branch

5/6, Laxmi Palace, R.B. Mehta Marg,
Ghatkopar (E), Mumbai - 400 077.
Tele. No.: 2501 5820 / 96194 86618
Fax : 2501 5594
Mobile : 99301 37643

Chinch Bunder Branch

G-1, Anant Niwas,
262/70, N.N. Street,
Chinch Bunder, Mumbai - 400 009.
Tele. No.: 2347 3158 / 96194 86619
Telefax : 2347 8134
Mobile : 99301 37644

Mohili Village Branch

C/2, Dhanlaxmi Co-op. Hsg. Soc. Ltd.,
Ghatkopar Andheri Link Road,
Mohili Village, Ghatkopar (W),
Mumbai - 400 072.
Tele. No.: 96194 86620 Telefax : 2502 3778
Mobile : 99301 37645

Dombivli Branch

1, Rachana Pride, Babasaheb Joshi Path,
Phadke Cross Road,
Dombivli (E) - 421201.
Tele. No.: 0251-2445809 / 96194 86621
Fax : 0251-2445534
Mobile : 99300 47646

APMC (Vashi) Branch

Shop No. H-101 (f-1), 1st floor,
Vyapar Bhavan, APMC Grain Market,
Sector - 19, Vashi,
Navi Mumbai - 400 703.
Tele. No.: 96198 46623 Telefax : 2788 9430
Mobile : 99308 38647

Thane Branch

Thane Nagarvachan Mandir, 1st floor,
Tembhi Naka, Thane (W) - 400 601
Tele. Fax: 25437977
Tele. No.: 9819086624
Mobile : 99301 37649

Reliance Energy Collection Centers

Ghatkopar (East) Branch & Mohili Village Branch.

Lockers facility available at Bhandup, Mulund, Chinch Bunder, Dombivli
& APMC (Vashi) Branch



SUB COMMITTEES OF BOARD (w.e.f 16.06.2012)

LOAN & RECOVERY COMMITTEE

1. Shri Kumar B Dand
2. CA Shri Kalyanji C Chheda
3. Shri Mahendra D Khona
4. Shri Gulab D Shah.
5. Shri Nitin R Shah
6. Shri M. C. Shetty - CEO

AUDIT COMMITTEE

1. Shri Kumar B Dand
2. CA Shri Kalyanji C Chheda
3. Shri Mahendra D Khona
4. CA Shri Manikant Nagda
5. Shri Kirankumar N Momaya
6. Shri M. C. Shetty - CEO

INVESTMENT COMMITTEE

1. Shri Kumar B. Dand
2. CA Shri Kalyanji C. Chheda
3. Shri Mahendra D. Khona
4. CA Shri Manikant V. Nagda
5. Shri Kishor K. Khona
6. Shri M. C. Shetty - CEO

EXPENDITURE COMMITTEE

1. Shri Kumar B. Dand
2. CA Shri Kalyanji C. Chheda
3. Shri Gulab D. Shah
4. Shri Paras L. Shah
5. CA Ms. Dipti N. Momaya
6. Shri M. C. Shetty - CEO

CBS COMMITTEE

1. Shri Kumar B. Dand
2. CA Shri Kalyanji C. Chheda
3. Shri Mahendra D. Khona
4. CA Shri Manikant V. Nagda
5. Shri Kirankumar N. Momaya
6. Shri M. C. Shetty - CEO

BUSINESS DEVELOPMENT

1. Shri Kumar B Dand
2. CA Shri Kalyanji C Chheda
3. Shri Mahendra D Khona
4. Shri. Nitin R Shah
5. CA Shri Dhanesh K Momaya
6. Shri M. C. Shetty - CEO

H R COMMITTEE

1. Shri Kumar B Dand
2. CA Shri Kalyanji C Chheda
3. Shri Kishor K Khona
4. CA Ms. Dipti N Momaya
5. Shri Paras Shah
6. Shri M. C. Shetty - CEO

ALCO

1. CA Shri Dhanesh K Momaya
2. Shri Nitin R Shah
3. CA Shri Manikant V Nagda
4. Shri M. C. Shetty - CEO
5. Shri Dilip Bhuta (Sr. Manager)
6. Shri Dilip Shah (Manager)
(Treasury & Inv./Co-ordinator)
7. Shri Chandan Bhattacharya
(Manager-Credit)
8. Shri Dilip Kulkarni (Manager-Admin.)
9. Smt Manisha Shah
(EDP - IT Incharge)

PRESENT BOARD OF DIRECTORS

Chairman	:	Shri Kumar B. Dand	
Vice-Chairman	:	CA Shri Kalyanji C. Chheda	
Directors	:	Shri Mahendra D. Khona CA Shri Dhanesh K. Momaya Shri Gulab D. Shah Shri Kishor K. Khona Shri Kirankumar N. Momaya CA Shri Manikant V. Nagda Shri Nitin R. Shah Shri Paras L. Shah	
		Smt. Malti H. Dharamsi	} Reserved Seats
		CA Ms. Dipti N. Momaya	} for Ladies
		Shri Manilal V. Barot	} Reserved Seats
		Shri Navinchandra K. Chheda (Since Deceased)	} Reserved Seats
		Smt. Manali A. Matkar	} Workmen Director
		Smt. Ranjana P. Patil	} Workmen Director
Chief Executive	:	Shri Manjayya C. Shetty	
Internal Auditors	:	M/s. H.M. Gosher & Co. (Chartered Accountants)	
Legal Advisors	:	M/s. Legaleye Associates	
Bankers	:	The Mumbai District Central Co-op. Bank Ltd. Maharashtra State Co-op. Bank Ltd. Punjab & Sind Bank HDFC Bank Ltd. Bank of Baroda ICICI Bank IDBI Bank Axis Bank	



Dear Shareholder,

Date : 26th June, 2013

Green Initiative in Corporate Governance - E-Annual Report.

Shri Arihant Co-operative Bank Ltd., in its pursuance of "Going Green," has decided to adopt the "Green Initiative in Corporate Governance" (as mooted by the Ministry of Corporate Affairs and supported by the Ministry of Finance, Government of India) whereby communication and Annual Reports will hereafter be sent through the Electronic Mode.

We observe from our records that you are holding shares of our Bank and have not registered your E - mail ID with the Bank. We request you to join us in this noble initiative to receive the Annual Reports in Electronic Form and submit the required information as per Annexure to Head Office at the earliest.

In case of any updations / changes in your E - mail address, you are requested to promptly intimate the same through E-mail to H.O. (E-mail - acblho@arihantbank.com).

We are sure that you will appreciate the "Green Initiative" taken by your Bank and hope that you will enthusiastically participate in the effort.

We seek your co - operation in our above endeavor.

Sd/-

(Mr. Manjappa C Shetty)
Chief Executive Officer

ANNEXURE

The Manager,
Shares Department
Shri Arihant Co-operative Bank Ltd.,
Head Office - GB 10A & 10B,
Karma Stambh, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083.

Dear Sir,

E-Annual Report 2013 - 2014 onwards.

I refer to your letter dated 26.06.2013 on the above subject and shall be glad to receive the Annual Report from Financial Year 2013 - 2014 onwards in electronic form at my E-mail address given below.

Name : _____

E-mail Address : _____

Membership No. : _____

Place : _____

Date : _____

(Signature)

Name & Address of Shareholder

Important Note to Members

1. Members who have not collected their share certificates are requested to collect the same from the Bank on any working day at the earliest.
2. Members having less than 50 shares may apply for additional shares to make their share holding to minimum of 50 shares to reduce the administrative cost.
3. Members who have not collected dividend for the previous years i.e. from 2009-2010 to 2011-12 are requested to collect the same immediately. Dividend not collected after 3 years shall be credited to Reserve Fund of the Bank.
4. Members are requested to open SB account with our Bank & to intimate their account number to share department/nearest branch to deposit their Dividend in their respective account.
5. Dividend will be paid to those shareholders whose names appear on the Banks record as on 31.03.2013 & who are entitled to receive the dividend proportionately.
6. Members are requested to intimate any change in nomination, Address, Status etc. so as to update our records. Those members who have not yet availed of nomination facility are requested to submit their nomination in the prescribed form.
7. All Branches of the Bank are inter-connected. Customers/Members are requested to take benefit of the facility.
8. Members who have not returned the Identity Cards with details & photographs are required to do so immediately

Your Benefits

- * No T.D.S. deductions from members on Term Deposit Interest.
- * Deposits with Bank Exempted from Wealth Tax.
- * Deposits upto 1.00 lakh are Insured.

We Offer

- * Mortgage Loan for Business.
- * Loans, Cash Credit & Overdrafts to Business & Industries.
- * Loans to Small Traders, Professionals & Self Employed.
- * Loans for Transport-Operators .
- * Loans for S.S.I. & SME Sectors.
- * Loan for Higher Education.
- * Loans for retail products i.e. Housing Loans, Car Loans.
- * Loans for consumer durable.
- * Loans against RBI Bonds/Bima Nivesh at attractive Rate.
- * Loans against Future Rent Receivables.
- * Bank Guarantees & Inland Letter of Credit.
- * RTGS/NEFT facility
- * E Tax Remittance
- * PAN card Service
- * SMS Alert Service
- * General Insurance Business
- * Forex services as permissible under AD category II licence.
- * Standing instruction facilities at no extra cost.
- * Safe Deposit Vaults are available at Bhandup, Mulund, Chinch Bunder, Dombivli & APMC (Vashi) Branch.



29TH ANNUAL GENERAL MEETING



▶ Shareholders and staff at the registration counters

▶ Audience seen keenly observing the business of the 29th AGM of the Bank



▶ Chairman, Vice Chairman and Directors along with dignitaries lighting the lamp

▶ Prayers by staff members



▶ CA Ms. Dipti Momaya, Director compering at the 29th AGM of the Bank



29TH ANNUAL GENERAL MEETING



▶ Shri M C Shetty, CEO of the bank reading the minutes of the 28th AGM of the Bank

▶ Chairman felicitating valued clients of our Bank



▶ Vice Chairman felicitating valued clients of our Bank

▶ Chairman, Vice Chairman and Directors felicitating Shri Pratap Oza, Ex- CEO of the Bank



▶ Chairman, Vice Chairman and Director felicitating Shri Kirit Shah, Ex-CTO of the Bank



29TH ANNUAL GENERAL MEETING



Chairman and Vice Chairman with Dignitaries at the 29th AGM of the Bank

CA Shri Kalyanji C Chheda, Vice Chairman giving vote of thanks



Shri Nitin Shah, Director compering at the 29th AGM of the Bank

Chairman of the Bank, Shri Kumar B. Dand, Vice Chairman CA Shri Kalyanji C. Chheda and Shri Kirankumar N. Momaya-Director exchanging the signed copy of Memorandum of settlement with Shri Anandrao Adsul (M.P.), President along with Shri Sunil Salvi-Executive President, Shri Chandrakant Bobade- General Secretary and Shri Narendra Sawant Treasurer of Co-op Banks' Employee's Union, Mumbai



Chairman of the Bank Shri Kumar B. Dand, Vice Chairman CA Shri Kalyanji C. Chheda along with Other directors and CEO and Shri Anandrao Adsul (M.P.), President of Employee's Union, Mumbai on occasion of signing of Memorandum of Settlement.

Excellence in Academics





Excellence in Academics



Staff Members ◀





Directors at the 29th Annual General Meeting of the Bank



Head Office : GB 10A & B, Karma Stambh, L.B.S. Marg, Vikhroli (W), Mumbai - 400 083.