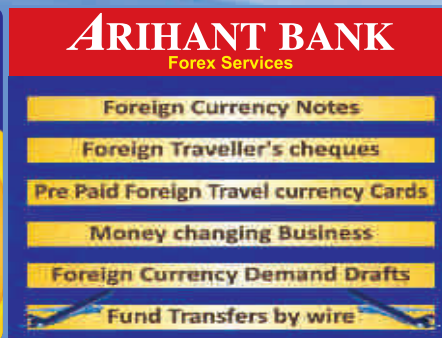


30 Years of Glorious Service

31st ANNUAL REPORT
2013 - 2014



ARIHANT BANK
SHRI ARIHANT CO-OPERATIVE BANK LIMITED

Head Office : GB10A & B, Karma Stambh, LBS Marg, Vikhroli (W), Mumbai - 400 083.
Tel.: 022-2579 9326 / 96194 86622 • Telefax : 022-2579 9323
Email : acblho@arivantbank.com • Web : www.arivantbank.com



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 two Branches in the current financial year.

2. Recognition of customer needs :

- Constant innovation and upgradation of banking products and services. This year we have introduced ATM cum Rupay debit card.
- 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 (2013-2014)



Shri Kumar B. Dand
Chairman
(Since Resigned)



Shri Mahendra D. Khona
(Present Chairman)



Shri Kalyanji C. Chheda
(Vice Chairman)



Shri Dhanesh K. Momaya



Shri Gulab D. Shah



Shri Kishor K. Khona



Shri Kirankumar N. Momaya



Shri Manikant V. Nagda



Shri Nitin R. Shah



Shri Paras L. Shah



Ms. Dipti N. Momaya



Smt. Malti H. Dharamsi



BOARD OF DIRECTORS (2013-2014)



Shri Manilal V. Barot
(Director, Reserved Seat)



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



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

MANAGEMENT TEAM



Shri Khetshi D. Khona
(Chief Executive Officer)



Shri Satish Prabhakar
(H. O.)



Shri Dilip Kulkarni
(H.O.)



Shri Anil Khadekar
(H. O.)



Shri Vijayraj Phirki
(H. O.)



Shri Dilip Shah
(Bhandup)



Smt. Chhaya Shah
(Mulund)



Smt. Sarla K. Momaya
(Mohili)



Smt. Kalpana Mota
(Dombivli)



Shri Satish Bagwe
(Thane)



CHIEF PROMOTER AND FOUNDER CHAIRMAN
LATE SHRI PRAVIN D. KHONA





Tribute to Shri Pravin D. Khona

Shri Arihant Co-op. Bank Ltd. family is plunged into profound grief and deep sorrow with the sad demise of Shri Pravin Devji Khona, Chief Promoter & Founder Chairman of the Bank, on 15/04/2014.

As is well known, Shri Pravinbhai was a very competent practicing Chartered Accountant who took very keen interest in the social work and welfare of the Kutchi Dasa Oswal [KDO] Jain Community since his young age. He had urge to do something significant that would benefit the businessmen, needy, educated & deserving community members. He got this opportunity by the second Adhiveshan of Shree Kutchi Dasha Oswal Jain Community held at Hubli in 1980, and mooted the idea of forming a Co-operative Bank of the Community in association with his friends.

Shri Pravinbhai as well as two other members of the community, late Shri Laxmichand Shivji Ratani, and Shri Virchand Lalji Munwar from Mumbai who initiated the procedure of forming a Bank. They held a meeting of the community members of Mumbai where it was unanimously decided to open a Community Bank. The meet appointed Shri Pravinbhai Devji Khona, Shri Laxmichand Shivji Ratani and Shri Virchand Lalji Munwar as Chief Promoters and authorized them to take necessary steps for the formation of the Bank. They alongwith other prominent members of the community virtually went door to door for enrolling 2000 members /Shareholders for the Bank to collect a Capital of ₹ 4.50 lacs. They applied to the Registrar of Co-operative Societies, Reserve Bank of India and Maharashtra State Co-op. Bank for the registration of the Bank. Their efforts bore the fruits and the dream of starting a co-operative Bank of KDO community became a reality on 25th January, 1984 when registration was granted. After getting Banking License from the Reserve Bank of India, the Bank started operations from our present Bhandup premises from 17th May, 1984. Gradually with the vision and foresight of Shri Pravinbhai and other directors the Bank grew from strength to strength by opening of Mulund, Ghatkopar and Chinch Bunder branches till Mr. Pravinbhai laid down the office of the Chairman in 1995 to groom others in running the Bank and remained a director till 2000 on Board to guide them.

Although he relinquished the post of Chairman of the Bank in 1995 and that of a director in the year 2000, he continued to take active interest in the functioning of the Bank and offered valuable advice and guidance from time to time. At times he would even criticize the management of the day for betterment of the Bank which was taken in right perspective. His sound advice and criticism will be sadly missed. The void left by him will be hard to fill.

We the members of Shri Arihant Bank family, take a pledge to pursue the principles of Shri Pravinbhai Khona and carry forward his unfinished work legacy of serving the community.

We also pray to God to grant peace to the departed soul and give strength to his family to bear the irreparable loss.

Also in mourning, we,

All Board of Directors and Members of Staff of

Shri Arihant Co-op. Bank Ltd.

Shri Mahendra D. Khona
Chairman

Shri Kalyanji C. Chheda.
Vice Chairman.



TRIBUTE TO MY FRIEND LATE CA PRAVIN KHONA

Pravin, my dear friend, who was instrumental in the very formation of our esteemed Shri Arihant Co-operative Bank Ltd, attained the lotus feet on 15.04.2014 and is not in our midst, physically.

In the year 1980, Gnati Sammelan was held at Hubli. During the discussion, an idea was conceived to form a co-operative bank of the community. However, the said idea was persuaded by Late Mr. Ratani, Late Mr. Pravin Khona, Mr. Munver and some other youngsters at Mumbai. Initially there were about 15 members and finally Late Mr. Ratani, Late Mr. Pravin Khona and Mr. Munver were appointed as Promoters to follow up the matter. Late Mr. Ratani had to go out of Mumbai for his business and so I joined as one of the promoter with Mr. Pravin Khona and Mr. Munver.

He was actively involved in all the formalities for registration and for obtaining approvals from the Reserve Bank of India. After a lot of efforts and hurdles, the bank was born in 1984 with the mammoth efforts of Pravinbhai and other promoters. I am sure without his efforts, it would not have been easy to scale such heights.

Pravin was the Chief promoter of the bank and was rightly appointed as the Founding Chairman of our esteemed bank. He has done his best and brought it to the position, on which it now stands.

I myself and Late Mr. Pravin Khona had stayed at Chandaramji Building in Bhat Bazar during my childhood. I left Chandaramji Building at very early age. However, during our college time, we both were associated with Vidyarthi Sangh activities and also we were co-trustees for two terms in the Shri Anantnathji Maharaj Jain Temple and its Sadharan Funds Trust. He was very out spoken person but was always available for anyone who needed assistance. He was a very hardworking and good hearted person. Above all, he had very good leadership qualities. I am sure all of us, including the existing members of Board shall keep him as a role model by adopting his qualities of unity and cooperation.

I am sure all of us, including me, will deeply miss you in our journey.

May God give peace to the departed soul. I am sure he will always be there to guide us from where he is.

(THAKARSHI MEGHJI GOSHER)



NOTICE OF 31st ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of the members of **Shri Arihant Co-operative Bank Ltd**, will be held on Saturday 02nd August, 2014 at 3.30 pm at Mahakavi Kalidas Natyamandir, P.K. Road, Mulund (W), Mumbai 400080 to transact the following business. All the members are requested to be present in the meeting.

1. To read and confirm the minutes of the 30th Annual General Meeting held on 13th July 2013.
2. To receive, consider and adopt the report of the Board of Directors and Audited Statements of account of the Bank for the year ended 31st March 2014.
3. To receive, consider and adopt the Statutory Audit Report and Internal Audit Report for the year ended 31st March 2014.
4. To appropriate profit and declare dividend for the year ended 31st March 2014 as recommended by the Board.
5. To appoint Internal Auditors for the year 2014-2015 and fix their remuneration.
6. To appoint Statutory Auditors for the year 2014-2015 and fix their remuneration.
7. To consider the proposal for Write off of the Advances.
8. Any other business with permission of the Chair.

By order of the Board of Directors

Sd/-

**(Khetshi D. Khona)
Chief Executive Officer**

**Place : Mumbai
Dated : 10th July, 2014**

Notes:

1. In absence of quorum at 3.30 pm, the meeting shall stand adjourned and the adjourned meeting will be held on the same date and 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 28.07.2014 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 31st 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-31st 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 "31st Annual Report" on the business and operations of the Bank together with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2014.

ECONOMIC OVERVIEW

The global economic environmental has broadly strengthened, and is likely to improve further, with much of the growth impetus emanating from advanced economies. The outlook for world economy is positive with 3.5% growth forecast for 2014.

India's GDP, according to the CSO, is expected to improve moderately to 4.7% in F.Y. 2014 against 4.5% growth in the previous year. The recovery is led by agriculture and external sector. Agricultural GDP, including allied sector, is poised to grow by 4.7% in F.Y. 2013-14. On the external front, stable rupee and improvement in the Current Account Deficit (CAD) from 4.8% of GDP in F.Y. 2013 to 1.7% estimated for F.Y. 2014 is good news. The narrowing of CAD followed a lower trade deficit due to higher exports as well as moderation in imports.

The Indian economy is now on the threshold of major transformation, with expectations of policy initiatives by the newly elected Central Government. The economy is on the road to smart recovery, due to positive business sentiments, improved consumer confidence and more controlled inflation. The sectors which were significantly impacted by the crisis and slowdown in the economy are now showing definite signs of improvement. The challenge for maintaining disinflationary momentum over the medium term, however, remains on the horizon. A moderate recovery is likely to be seen in F.Y. 2015 when real GDP may grow by 5.4% to 5.7% as per recent economic survey.



YOUR BANK'S PERFORMANCE :

1) Business & Financial performance as on 31.03.2014 is as under :

(Figures ₹ in lacs)

Sr.No.	Performance Indicators	March 2013	March 2014
1	Paid up Capital	694.22	749.28
2	Reserves (including Revaluation Reserve ₹ 257.68 lacs as on 31st March 2013 & ₹ 231.91 lacs as on 31st March 2014)	2274.21	2461.02
3	Average Working Fund	24997.00	27328.22
4	Deposits	23263.36	26671.19
5	Advances	14809.84	15479.00
6	Gross Income	2622.38	2883.38
7	Profit (after Tax & Provision)	166.30	116.98**
8	CRAR Ratio (Required 9%)	19.14%	19.31%
9	Net NPA	0.29%	0.24%
10	Gross NPA	2.81%	2.59%

** After making provision of ₹ 69.87 lacs (in addition to earlier provision of ₹ 95.67 lacs) for depreciation in the value of Government Securities.

2) Deposits :

- Deposits have increased by 14.65% during the year as compared to growth of 12.60% in the previous year.
- Low Cost Deposits have increased from 33.30% to 33.95% of the total deposits, registering a marginal increase of 0.65%.
- Average Cost of Deposits is 7.22%.

3) (a) Advances :

Advances of the Bank have gone up from ₹ 148.10 crore to ₹ 154.79 crore, registering a growth of 4.52%. The lower growth in Advances was due to poor credit off-take due to slowed down economy and adjustment of potential NPA accounts to the tune of ₹ 10.00 crores during the year. Our exposure to priority sector is 43.90% against the stipulated 40%.

- Average Yield on Advances is 13.05%.
The Credit Deposit Ratio of 58.04% 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 Bank Guarantees to the customers with 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 2.59%, while percentage of Net NPA stands at 0.24%.

NPA MOVEMENTS

(In lacs)

Opening Balance as at April 2013	₹ 416.55
Add : During the year	₹ 66.60
Less : Recovery	₹ 72.19
Less : Write Off (approved in the last AGM)	₹ 9.67
Closing Balance as at March 2014	₹ 401.29

The Bank has made a recovery of ₹ 81.86 lacs against the fresh slippage of ₹ 66.60 lacs.



ESTD. 1984

4) Investments :

The Bank has an Investment portfolio of ₹ 124.06 crores as on 31st March 2014, consisting of :

- a) Investment in Government Securities ₹ 66.59 crores
b) Investment in FDRs ₹ 57.47 crores

The Bank's total investment in Government and other approved securities amounted to ₹ 66.59 crores, which is well above the required 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 provisions of the Regulatory Authorities in terms of investments.

5) Profit :

(Figures ₹ in lacs)

Particulars	March 2013	March 2014
Total Interest Income	2491.37	2774.62
Total Interest Expenditure	1489.17	1701.19
Net Interest Margin	1002.20	1073.43
Other Income	131.01	108.76
Other Expenditure	761.83	807.87
Net Operating Profit before Prov. & Tax	371.38	374.32
Less : Provisions		
- NPA	35.36	2.00
- Other Provisions	66.24	138.07
Net Profit After Provision but before Tax	269.78	234.25
Provision for Income Tax	103.48	117.27
Net Profit	166.30	116.98

Interest income shows rise of 11.37%.

Interest earned on credit exposure represent 66.93 %, while investment portfolio contributed 29.30 % of total income.

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

(Figures ₹ in lacs)

Particulars	March 2013	March 2014
Reserve Fund	41.58	29.25
Building Fund	41.46	--
Dividend	76.26	85.24
Dividend Equalisation Fund	5.00	0.49
Scholarship Fund	2.00	2.00
Total	166.30	116.98

6) Foreign Exchange Business :

The Bank has been granted AD Category II License by RBI. Bank has 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 :

Our Bank has Corporate Agency for the General Insurance business through the United India Insurance Co. Ltd. Bank has canvassed 136 policies during the year. Premium paid was amounting to ₹ 11.10 lacs. Bank has earned commission of ₹ 1.45 lacs during the year.



ESTD. 1984

- 8) Human Resource Development :**
Our present staff strength is 120. Out of which 42 are officers and 78 are other staff members. The Bank is deputing staff to various training programmes conducted by Reserve Bank of India, Training College, Pune. The Bank is also having in house training programmes by experienced ex-bankers for the staff. The operating profit per employee is ₹ 3.12 lacs.
- 9) ARIHANT ATM-Rupay Card facility :**
Bank has successfully introduced 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 get access in more than 1,00,000 ATMS across the Nation, under tie up arrangement with ICICI Bank. It is issued free of cost. To provide debit card facility to this ATM Card is under progress & will shortly be provided.
- 10) Model Bye Laws :**
A Special General Body Meeting was convened on 13th April 2013 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. Accordingly, Model Bye Laws approved in the Special General Body Meeting had been forwarded to the Registrar of Societies, Maharashtra State - Pune, for registration. The same has been approved by the Registrar of Societies, Pune.
- 11) Audit & Inspection :**
- (a) RBI Audit**
During the year 2012-2013, Mr. Nitin R.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. Nimesh Mehta & Associates, Chartered Accountants, Mumbai, were appointed as the Statutory Auditor to conduct financial audit of the Bank for the year 2013-14. 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. JDNG & Associates, 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 and Bhandup branches are under Concurrent Audit by M/s. H.M.Gosher & Co., Chartered Accountants. They submit daily concurrent audit report on monthly basis for onward placement in the Audit Committee of the Board.
- (e) Tax Audit**
M/s. F. R. Gosher & Co., Tax Auditor, appointed in the last AGM, has conducted Tax Audit of the Bank.
- (f) Service Tax and TDS Compliance**
M/s R.J.Luthia & Associates was appointed as consultant for filing Service Tax and TDS returns.
- 12) Directors' Meeting attendance:**
In the year 2013-14, details of the meetings attended by the Directors are given below.



ESTD. 1984

BOARD MEETINGS HELD DURING THE YEAR 2013-14

Sr.No	Name of the Directors	No. of Meetings Held	No. of Meetings attended
1	Shri Kumar B Dand	20	20
2	Shri Kalyanji C Chheda	20	20
3	Shri Mahendra D Khona	20	16
4	Shri Dhanesh K Momaya	20	13
5	Shri Gulab D Shah	20	20
6	Shri Kishor K Khona	20	12
7	Shri Nitin R Shah	20	17
8	Shri Paras L Shah	20	16
9	Shri Kirankumar N Momaya	20	20
10	Shri Manikant V Nagda	20	14
11	Shri Navinchandra Chheda (Since Deceased)	20	0
12	Shri Manilal V Barot	20	1
13	Smt Malti H Dharamsi	20	9
14	Ms Dipti N Momaya	20	5
15	Smt. Manali A Matkar	20	17
16	Smt. Ranjana P Patil	20	18

LOAN & RECOVERY COMMITTEE MEETINGS HELD DURING THE YEAR 2013-14

Sr.No	Name of the Directors	No. of Meetings Held	No. of Meetings attended
1	Shri Kumar B Dand	16	14
2	Shri Kalyanji C Chheda	16	16
3	Shri Mahendra D Khona	16	9
4	Shri Gulab D Shah	16	15
5	Shri Nitin R Shah	16	12

EXPENDITURE COMMITTEE MEETINGS HELD DURING THE YEAR 2013-14

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

CBS COMMITTEE MEETINGS HELD DURING THE YEAR 2013-14

Sr.No	Name of the Directors	No. of Meetings Held	No. of Meetings attended
1	Shri Kumar B Dand	7	7
2	Shri Kalyanji C Chheda	7	6
3	Shri Mahendra D Khona	7	5
4	Shri Kirankumar N Momaya	7	7
5	Shri Manikant V Nagda	1	0
6	Shri Dhanesh K Momaya	6	1

INVESTMENT COMMITTEE MEETINGS HELD DURING THE YEAR 2013-14

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



ESTD. 1984

H R COMMITTEE MEETINGS HELD DURING THE YEAR 2013-14

Sr.No	Name of the Directors	No. of Meetings Held	No. of Meetings attended
1	Shri Kumar B Dand	10	9
2	Shri Kalyanji C Chheda	10	10
3	Shri Kishor K Khona	10	2
4	Ms Dipti N Momaya	10	2
5	Shri Paras L Shah	10	9

AUDIT COMMITTEE MEETINGS HELD DURING THE YEAR 2013-14

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

BUSINESS DEVELOPMENT COMMITTEE MEETINGS HELD DURING THE YEAR 2013-14

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

ALCO COMMITTEE MEETINGS HELD DURING THE YEAR 2013-14

Sr.No	Name of the Directors	No. of Meetings Held	No. of Meetings attended
1	Shri Dhanesh K Momaya	5	0
2	Shri Manikant V Nagda	5	3
3	Shri Nitin R Shah	1	1
4	Shri Mahendra D Khona	4	4

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 Narendra Sawant, 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/-

Mahendra D. Khona
(Chairman)Place : Mumbai
Date : 10.07.2014

**INTERNAL AUDITOR'S REPORT**

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

Report on the Financial Statements

We have audited the accompanying Financial Statements of Shri Arihant Co-op Bank Ltd., which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Bank's Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position and financial performance in accordance with the Banking Regulation Act, 1949, complying with Reserve Bank of India Guidelines and other relevant provisions of Other Acts. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and 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

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 misstatements.

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 statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank'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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Bank as at 31st March, 2014;
- in the case of the statement of Profit and Loss, of the Profit of the Bank for the year ended on that date, and
- in the case of the Cash Flow Statement, of Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

The Balance Sheet and the Profit & Loss Account have been drawn up in accordance with provisions of Section 31 of the Banking Regulation Act, 1949 (as applicable to Co-operative Societies).

We report that

- 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.
- The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
- In our opinion, proper books of Accounts as required by law have been kept by Bank, so far as appears from our examination of those books.
- The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with this report are in agreement with the books of Account maintained by the Bank.

For M/s JDNG & Associates,
Chartered Accountants
(FRN-104315W)

Sd/-
CA Jayesh S. Rawal
Partner
MEM NO. 104738
Internal Auditor

Place : Mumbai
Date : 26th June, 2014



STATUTORY AUDITOR'S REPORT

Report on Financial Statements :

1. We have audited the accompanying Financial Statements of Shri Arihant Co-op Bank Ltd., which comprise the Balance Sheet as at 31st March 2014, Profit and Loss Account for the year then ended, and other explanatory information.

Management's Responsibility for the Financial Statements :

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.

Auditors' 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 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.

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, 2014; and
 - (b) in the case of Profit and Loss Account, of the Profit / Loss for the year ended on that date;



ESTD. 1984

Report on other Legal & Regular Requirements :

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 M/s Nimesh Mehta & Associates,
Chartered Accountants**

Sd/-

**CA Nimesh Mehta
Partner**

**MEM NO. 102582
FRN NO. 117425W**

**Place : Mumbai
Date : 30/06/2014**



Balance Sheet As at 31st March 2014

(Figures in ₹)

31.03.2013	Capital & Liabilities	SCH	31.03.2014	31.03.2013	Property & Assets	SCH	31.03.2014
69422000.00	Share Capital	A	74928125.00	20134176.00	Cash In Hand		22468731.00
227421404.29	Reserve Fund & Other Reserves	B	246101878.90	110740040.01	Cash with other banks	F	133741944.64
2326335704.16	Deposits & Other Accounts	C	2667118704.14	959778395.00	Investments	G	1240629184.00
0.00	Borrowings		0.00	1480984005.51	Loans & Advances	H	1547900259.28
233765.00	Bills For Collection		4140742.00	67783247.44	Interest Receivable		59836610.12
65442758.12	Other Liabilities & Provisions	D	69302058.69	233765.00	Bills Receivable		4140742.00
35902091.72	Overdue Interest Reserve A/c.		33263196.56	45911904.41	Other Assets	I	46820366.77
0.00	Branch Accounting		10243.06	55705821.22	Fixed Assets	J	51025400.66
16629541.88	Profit & Loss Account	E	11698290.12	115910.58	Branch Accounting		0.00
2741387265.17	Total ₹		3106563238.47	2741387265.17	Total ₹		3106563238.47
22404570.00	Contingent Liabilities		11611072.00				

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

CA. Jayesh Rawal
Partner
Mem. No. 104738
Internal Auditors

AS PER OUR REPORT OF EVEN DATE
FOR M/s. Nimesh Mehta & ASSOCIATES
Chartered Accountants

CA. Nimesh Mehta
Partner
Mem. No. 102582
FRN No. 117425W
Statutory Auditors
Place : Mumbai, Date : 30.06.2014

Mahendra D Khona
Chairman

Dhanesh K Momaya

Kirankumar N Momaya

Paras L Shah

Manilal V Barot

Kalyanji C Chheda
Vice Chairman

Gulab D Shah

Manikant V Nagda

Dipti N Momaya

Manali A Matkar

Alok S Bhattacharya
Chief Executive Officer

Kishor K Khona

Nitin R Shah

Malti H Dharamsi

Ranjana P Patil

DIRECTORS :



Profit & Loss Account for the year ended 31st March 2014

(Figures in ₹)

2012-2013	EXPENDITURE	SCH	2013-2014	2012-2013	INCOME	SCH	2013-2014
148916045.67	Interest paid on Deposits/ Borrowings		170118944.86		Interest & Discount Received		
44264475.00	Salaries, Allowances & Provident Fund		47179499.47	170338845.14	Interest on Loans		192989613.66
3433290.00	Contribution to Staff PF & Other Funds		4265169.00	78798019.08	Interest on Investments		84472672.16
182652.00	Directors Fees & Allowances		185720.00	4260.00	Dividend		4260.00
6849648.75	Rent, Taxes, Insurance, Electricity etc.		8244098.25	1010238.81	Commission, Exchange & Brokerage		978295.27
576050.00	Professional & Legal Charges		516042.00	250.00	Share Transfer Fees		120.00
1305387.23	Postage, Telegram & Telephone Charges		1396554.40	2203911.62	Sundry Income		1229999.48
1202581.46	Printing & Stationery		1091353.29	3803005.46	Processing Fees		2969937.67
864003.42	Audit Fees		849382.36	2344366.07	Incidental Charges		2795383.93
4772947.42	Depreciation on Fixed Assets		4251673.49	1599000.00	Profit on sale of GOI Securities & Mutual Funds		659610.01
30000.00	Education Fund Contribution		0.00	609636.99	Inspection Charges		578193.41
	Other Items :			1526868.83	Rent for Lockers		1630865.38
665428.07	Repairs & Maintenance		231819.00	250.00	Duplicate Share Certificate Charges		75.00
164033.00	Advertisement		91415.00	4832550.00	Depreciation on Investment		0.00
36316.95	Loss on Sale of Assets		21534.00	0.00	Excess provision for Income Tax		28591.00
74377.00	Board Meeting Expenses		117858.00				
11763699.08	Other Expenditure	K	12344559.26				
1900711.00	Premium on GOI Securities Amortised		933211.00				
	Provisions :						
2735802.00	Reserve for Bad & Doubtful Debts		0.00				
800000.00	Contingent Prov. Against Standard Assets		200000.00				
4832550.00	Provisions for Investment Fluctuation Reserve		489800.00				
0.00	Provisions for Investment Depreciation Reserve		6986550.00				
	Income Tax :						
10348212.00	Provision for Current Year		11726520.00				
(431645.00)	Deferred Tax Assets		(187114.00)				
	Transfers :						
5007963.07	Reserve Funds		5037932.43				
147132.00	Special Reserve u/s 36(i)(viii)		546805.04				
16629541.88	Net Profit Carried to Balance Sheet		11698290.12				
267071202.00	Total ₹		288337616.97	267071202.00	Total ₹		288337616.97

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

CA. Jayesh Rawal - Partner
Mem. No. 104738
Internal Auditors

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

CA. Nimesh Mehta - Partner
Mem. No. 102582 / FRN No. 117425W
Statutory Auditors
Place : Mumbai, Date : 30.06.2014

Mahendra D Khona
Chairman

Dhanesh K Momaya

Kirankumar N Momaya

Paras L Shah

Manilal V Barot

Kalyanji C Chheda
Vice Chairman

DIRECTORS :

Gulab D Shah

Manikant V Nagda

Dipti N Momaya

Manali A Matkar

Alok S Bhattacharya
Chief Executive Officer

Kishor K Khona

Nitin R Shah

Malti H Dharamsi

Ranjana P Patil



SCHEDULES TO BALANCE SHEET

(Amounts in ₹)

31.03.2013	SCHEDULE - A	31.03.2014
	Share Capital	
	A. Authorised Capital : 40,00,000 shares of Rs. 25.00 each	
100000000.00		100000000.00
	B. Subscribed & Paid Up Capital	
52850450.00	Individual	57484075.00
16571550.00	Society	17444050.00
69422000.00	2997125 Shares of Rs. 25.00 each fully paid (Previous year 2776880 Shares of Rs. 25.00 each)	74928125.00

(Amounts in ₹)

31.03.2013	SCHEDULE - B	31.03.2014
	Reserve Fund & Other Reserves	
	RESERVE FUND :	
64750502.72	Balance as per last balance sheet	74530534.01
6240.00	Add : Entrance Fees	5000.00
4850.00	Add : Nominal Membership Fees	8100.00
119661.50	Add : Dividend transfer for the year 2009-10	128208.00
0.00	Add : Unclaimed Deposits	19766.00
5007963.07	Add : Interest on earmarked investments	5037932.43
4641316.72	Add : Transfer from Profit & Loss Account	4157385.47
74530534.01		83886925.91
	BUILDING FUND :	
39490571.23	Balance as per last balance sheet	46117594.12
6627022.89	Add : Transfer from Profit & Loss Account	4121026.16
46117594.12		50238620.28
	RESERVE FOR BAD & DOUBTFUL DEBTS :	
35503918.88	Balance as per last balance sheet	37409494.61
2735802.00	Add : Provision during the year	0.00
830226.27	Less : Write off	967491.49
37409494.61		36442003.12
	CONTINGENT PROVISION AGAINST STANDARD ASSETS :	
5100000.00	Balance as per last balance sheet	5900000.00
800000.00	Add : Addition during the year	200000.00
5900000.00		6100000.00
	INVESTMENT FLUCTUATION RESERVE :	
8147000.00	Balance as per last balance sheet	12979550.00
4832550.00	Add : Addition during the year	489800.00
12979550.00		13469350.00



SCHEDULES TO BALANCE SHEET

(Amounts in ₹)

31.03.2013		31.03.2014
	CONTINGENT PROVISION AGAINST DEPRECIATION IN INVESTMENT :	
14400000.00	Balance as per last balance sheet	9567450.00
4832550.00	Less : During the year	0.00
0.00	Add : During the year	6986550.00
9567450.00		16554000.00
	REVALUATION RESERVE :	
28631399.00	Balance as per last balance sheet	25768259.00
2863140.00	Less : Depreciation on Revaluation Reserve	2576826.00
25768259.00		23191433.00
	SPECIAL RESERVE U/S. 36(1)(VIII) OF IT Act :	
1313270.00	Add : Addition during the year	1460402.00
147132.00		546805.04
1460402.00		2007207.04
	GENERAL RESERVE :	
9609315.00		9609315.00
	DIVIDEND EQUALISATION FUND :	
3224439.05	Add : Transfer from Profit & Loss Account	3724439.05
500000.00		500000.00
3724439.05		4224439.05
	SCHOLARSHIP FUND :	
107392.50	Balance as per last balance sheet	154366.50
200000.00	Add : Transfer from Profit & Loss Account	200000.00
153026.00	Less : Spent during the year	275781.00
154366.50		78585.50
	PROVISION FOR NEXT ELECTION EXPENSES :	
100000.00	Balance as per last balance sheet	200000.00
100000.00	Add : Addition during the year	100000.00
200000.00		300000.00
227421404.29	Total Reserve Fund & Other Reserves	246101878.90



SCHEDULES TO BALANCE SHEET

(Amounts in ₹)

31.03.2013	SCHEDULE - C <i>Deposits & Other Accounts</i>	31.03.2014
	FIXED DEPOSITS :	
1528806346.21	A) Individual	1732139623.61
22485916.00	B) Other Societies	29006000.00
1551292262.21		1761145623.61
	SAVINGS DEPOSITS :	
479188622.49	A) Individual	565144951.85
4723027.64	B) Other Societies	9310506.16
483911650.13		574455458.01
	CURRENT DEPOSITS :	
290613010.44	A) Individual	331095849.20
137526.18	B) Other Societies	22739.38
290750536.62		331118588.58
381255.20	UNCLAIMED DEPOSITS :	399033.94
2326335704.16	Total Deposits	2667118704.14

(Amounts in ₹)

31.03.2013	SCHEDULE - D <i>Other Liabilities</i>	31.03.2014
7203792.43	Bills Payable	6990178.20
11378279.00	Provision for interest on Deposits	10512555.51
12542422.42	Provision for Expenses	8256582.50
34318264.27	Others	43542742.48
65442758.12	Total Other Liabilities	69302058.69

(Amounts in ₹)

31.03.2013	SCHEDULE - E <i>Profit & Loss Account</i>	31.03.2014
18565266.86	Balance as per last balance sheet	16629541.88
	Less : Transferred to	
4641316.72	Reserve Fund	4157385.47
500000.00	Dividend Equilisation Fund	500000.00
6627022.89	Building Fund	4121026.16
200000.00	Scholarship Fund	200000.00
6596927.25	Dividend Payment for the year 2012-13	7651130.25
16629541.88	Add : Net Profit as per Profit & Loss Account	11698290.12
16629541.88	Profit & Loss Account	11698290.12

SCHEDULES TO BALANCE SHEET

(Amounts in ₹)

31.03.2013	SCHEDULE - F	31.03.2014
	Cash with Other Banks	
1547590.12	MDCC Bank Ltd., Fort	4073759.61
14703.00	Punjab & Sind Bank, Bhandup	10000.00
190049.00	State Bank of Hyderabad, Ghatkopar	103292.00
14969.00	State Bank of Hyderabad, Mandvi	824173.00
8276513.00	Bank of Baroda , Bhandup	12914829.00
5694662.00	Bank of Baroda, Dombivli	4879572.00
8567.00	Bank of Baroda, Mandvi	8455.00
7897868.71	HDFC Bank Ltd.,OBC A/c.	2810871.54
630259.05	HDFC Bank Ltd.,DD A/c.	953029.61
11439.01	HDFC Bank Ltd., SGL A/c.	5926.15
6350.00	Municipal Co-op. Bank Ltd., Mulund	73022.00
22024.00	ICICI Bank Ltd.- CA	48375.00
29815519.68	ICICI Bank Ltd.- Vikhroli	15633323.72
0.00	ICICI Bank Ltd.- ATM	29612471.87
2880794.97	HDFC Bank Ltd., APMC, Vashi	2843.32
1000.00	State Bank of India (BCP Clg Operations)	11000.00
1000.00	HDFC Bank Ltd., Fort (BCP Clg Operations)	1000.00
10095231.30	IDBI Bank – Thane	7455518.30
1301094.50	Axis Bank CA Bhandup	1305094.50
42330405.67	Reserve Bank of India	53015388.02
110740040.01	Total Cash With Other Banks	133741944.64

(Amounts in ₹)

31.03.2013	SCHEDULE - G	31.03.2014
	Investments	
	Government Securities :	
341492578.00	Held to Maturity (FV ₹ 40,23,00,000.00 MV ₹ 34,84,96,720.00)	396547367.00
149344000.00	Available for Sale (FV ₹ 27,00,00,000.00 MV ₹ 25,29,34,000.00)	269387000.00
110247000.00	Held for Trading (FV ₹ 0.00 MV Rs. 0.00)	0.00
601083578.00		665934367.00



SCHEDULES TO BALANCE SHEET

(Amounts in ₹)

31.03.2013	Fixed Deposits with Banks :	31.03.2014
40000000.00	FDR with Punjab & Sind Bank., Bhandup (W) (Earmarked Against Reserve Fund Rs. 3,50,00,000.00)	35000000.00
51100000.00	FDR with MDCC Bank Ltd., Fort (Earmarked Against Reserve Fund Rs. 1,11,00,000.00)	16100000.00
500000.00	FDR with MDCC Bank Ltd., Mulund (W)	0.00
3000000.00	FDR with Saraswat Co-op. Bank Ltd., Ghatkopar (W)	13000000.00
20000000.00	FDR with Shamrao Vithal Co-op. Bank Ltd., APMC, Vashi	0.00
10000000.00	FDR with Shamrao Vithal Co-op. Bank Ltd., Vikhroli (W)	25000000.00
0.00	FDR with Shamrao Vithal Co-op. Bank Ltd., Kasarvadavli, Thane	10000000.00
0.00	FDR with Cosmos Co-op. Bank Ltd., Mulund (E)	20000000.00
10000000.00	FDR with Abhyudaya Co-op. Bank Ltd., Kurla (E)	0.00
20000000.00	FDR with Abhyudaya Co-op Bank Ltd., Bhandup (W)	0.00
31023817.00	FDR with Bank of Baroda., Bhandup (W) (Earmarked Against Reserve Fund Rs. 2,00,00,000.00)	31023817.00
30000000.00	FDR with Union Bank of India., Bhandup (W) (Earmarked Against Reserve Fund Rs. 1,00,00,000.00)	10000000.00
30000000.00	FDR with Bharat Co-op. Bank Ltd., Bhandup (W)	35000000.00
0.00	FDR with Saraswat Co-op. Bank Ltd., Ghatkopar (E)	10000000.00
20000000.00	FDR with Thane Janta Sahakari Bank Ltd., Mulund (W)	35000000.00
0.00	FDR with Saraswat Co-op. Bank Ltd., Vikhroli (W)	12000000.00
15000000.00	FDR with Corporation Bank, Mulund (W) (Earmarked Against Reserve Fund Rs. 1,50,00,000.00)	35000000.00
15000000.00	FDR with Dena Bank., Mulund (W)	0.00
36000000.00	FDR with IDBI Bank., Thane (W)	35000000.00
20000000.00	FDR with Oriental Bank of Commerce., Bhandup (W)	0.00
0.00	FDR with NKGSB Co-op. Bank Ltd., Nerul (E)	20000000.00
0.00	FDR with Janata Sahakari Bank Ltd., Pune, Ghatkopar (E)	30000000.00
0.00	FDR with Punjab & Maharashtra Co-op. Bank Ltd., Kurla (W)	35000000.00
0.00	FDR with Cosmos Co-op. Bank Ltd., Dahisar (E)	15000000.00
351623817.00		422123817.00
7000000.00	MDCC Bank Ltd., Fort – Day to Day Deposits	97500000.00
0.00	SBI DFHI Ltd – Day to Day Deposits	55000000.00
71000.00	Shares in Co-op. Institutions : Shares with MDCC Bank Ltd.,Fort	71000.00
959778395.00	Total Investments	1240629184.00

(Amounts in ₹)

31.03.2013	SCHEDULE - H Loans & Advances	31.03.2014
	Short Term Loans (Cash Credit, Overdrafts, Bills Discounted) Of which secured against	
221037465.86	A) Govt. & Other Approved Securities	276314226.75
646542762.35	B) Other Tangible Securities	645551471.68
3030629.26	C) Personal Sureties	3620487.69
33578211.35	Of the advances, Amount Overdue	31602949.57
33578211.35	Amount considered Bad & Doubtful of Recovery	31602949.57
870610857.47		925486186.12
	Medium Term Loans : Of Which Secured against	
46183044.00	A) Govt. & Other Approved Securities	67771317.49
562229571.57	B) Other Tangible Securities	552332890.20
1960532.47	C) Personal Sureties	2309865.47
11661535.50	Of the advances, Amount Overdue	12089807.30
8076851.00	Amount considered Bad & Doubtful of Recovery	8525974.96
610373148.04		622414073.16
1480984005.51	Total Loans & Advances	1547900259.28

**SCHEDULES TO BALANCE SHEET**

(Amounts in ₹)

31.03.2013	SCHEDULE - I	31.03.2014
	Other Assets	
1279713.61	Stock of Stationery	1129073.57
13180.00	Stamps on Hand	12210.00
2150224.00	Security Deposits (Assets)	2150854.00
9259196.00	Deferred Tax Assets	9446310.00
33209590.80	Others	34081919.20
45911904.41	Total Other Assets	46820366.77

SCHEDULE - J**Fixed Assets**

(Amounts in ₹)

Particulars			Gross Block				Depreciation					Net Block	
Sr. No.	Particulars of Assets	Rate of Dep	Op. Bal as on 01.04.2013	Addition During the Year	Deletion in the Year	Total as on 31.03.2014	Opening Bal as on 01.04.2013	Addition	Addition During the Year	Deletion Sale / WO Trf	Total as on 31.03.2014	Closing Bal as on 31.03.2014	Closing Bal as on 31.03.2013
			(#)				(*)						
1	Premises (#)	10.00	91622855.52	19224.75	0.00	91642080.27	50284789.04	0.00	4134773.23	0.00	54419562.27	37222518.00	41338066.48
2	Furniture & Fixtures	10.00	14652203.74	1308930.30	98938.00	15862196.04	5900922.66	0.00	993684.48	30764.00	6863843.14	8998351.90	8751280.08
3	Office Equipments	15.00	5363901.91	162921.88	110690.00	5416133.79	3489529.69	0.00	296105.31	102766.00	3682869.00	1733265.79	1874373.22
4	Electrical Installation	15.00	2088369.00	0.00	0.00	2088369.00	895165.14	0.00	119323.86	0.00	1014489.00	1073880.00	1193203.86
5	Air Conditioners	10.00	2334260.16	110700.00	83495.00	2361465.16	1605480.46	0.00	120451.75	47007.00	1678925.21	682539.95	728779.70
6	Computer & Printers	33.33	14018525.31	662388.00	1314062.00	13366851.31	12788843.43	0.00	1075594.86	1310562.00	12553876.29	812974.02	1229680.88
7	Motor Vehicle	15.00	750954.00	0.00	0.00	750954.00	160517.00	0.00	88566.00	0.00	249083.00	501871.00	590437.00
	Total		130831069.64	2264164.93	1607185.00	131488049.57	75125248.42	0.00	6828499.49	1491099.00	80462648.91	51025400.66	55705821.22

Includes figures of Revaluation Reserve for ₹ 23191433.00

* Includes figures of Depreciation on Revaluation Reserve for ₹ 2576826.00

Figures are regrouped wherever necessary

SCHEDULES TO BALANCE SHEET

(Amounts in ₹)

2012-2013	SCHEDULE - K <i>Other Expenditure</i>	2013-2014
541628.50	Conveyance Charges	653434.00
1077029.56	Expenditure A/C Security Guard	1038932.19
504399.97	Sundry Charges	744034.68
1283142.42	Clearing House Charges	1007075.45
8357498.63	Others	8901082.94
11763699.08	Total Other Expenditures	12344559.26

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.

ARIHANT ATM cum DEBIT Card

Shortly introducing **Debit Card** facility on your present ARIHANT ATM Card to facilitate your payment of utility bills, purchases, reservations etc. in addition to the current facility of Cash Withdrawal from ATM.

**ANNEXURE - 'A'****NOTES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2014 & PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2014.****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 and service 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, 2014

- 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.

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 ₹ 1,16,11,072.00
- 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 |



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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	85136542	80401279	203201075	181837373	288337617	262238652
Result	2143205	24006886	26679228	7694318	28822434	31701204
Unallocated Expenses	-	-	-	-	5397623	4723450
Operating Profit	-	-	-	-	23424810	26977754
Income Tax	-	-	-	-	(11726520)	(10348212)
Extra Ordinary Profit/Loss	-	-	-	-	-	-
Net Profit	-	-	-	-	11698290	16629542
Other Information	-	-	-	-	-	-
Segment Assets	1267202598	991659551	1800445767	1711270761	3067648365	2702930312
Unallocated Assets	-	-	-	-	38914873	38456953
Total Assets	1267202598	991659551	1800445767	1711270761	3106563238	2741387265
Segment Liabilities	-	-	-	-	-	-
Liabilities	1021100546	764238146	1702999168	1614740857	2724099714	2378979003
Own Fund	170816540	171126453	152302439	132737178	323118979	303863631
Unallocated Liabilities	-	-	-	-	59344545	58544631
Total Liabilities	1191917087	935364599	1855301607	1747478035	3106563238	2741387265



- 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.
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. Alok S. Bhattacharya, 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 disclosed.
 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. 18.68 lakhs.
 8. **Accounting Standard 20: Earning per share (EPS)**

(Amounts in ₹)

Particulars	2013-2014	2012-2013
1) Basic E.P.S.	4.07	6.43
2) Diluted E.P.S.	N.A.	N.A.
Calculation of Basic E.P.S.		
a) Net Profit after Tax available for Equity Shareholders	11698290	16629542
b) Weighted Average number of Equity Shares	2872622	2587258
c) Basic Earning per share (a / b)	4.07	6.43
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	2013-2014	2012-2013
Deferred Tax Assets:		
1) On account of timing difference towards provisions	8128656	8125109
2) Provision for standard assets	1884900	1823100
3) Provision for expenses	NIL	NIL
4) Others	NIL	NIL
Total	10013556	9948209
Deferred Tax liability:-		
Depreciation on Fixed assets	(567247)	(689015)
Total	(567247)	(689015)
Net Deferred Tax Asset	9446308	9259194

10. **Taxation:** The Bank has provided for income tax liability of ₹ 1,17,26,520.00 for the current financial year.

The Income Tax assessment has been completed up to A.Y. 2012-13 except for A.Y. 2011-12 which is pending & 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 31.03.2014 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 31.03.2014 was ₹ Nil.
13. Figures for previous year have been re-grouped wherever necessary to make them comparable with the current year.



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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 31.03.14	As on 31.03.13
i)	Capital to Risk Asset Ratio	19.31%	19.14%
ii)	Movement of CRAR		
	a) Total Capital Funds	2484.64	2421.03
	b) Total Risk Weighted Assets	12869.92	12646.76
iii)	Investments		
	a) Face Value	6723.00	6023.00
	b) Book Value	6659.34	6010.84
	c) Market Value	6014.31	5674.74
	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	4221.24	3516.24
	Other banks shares in co-operative institution / approved financial institutions	0.71	0.71
	Total Face Value	10944.95	9539.95
	Total Book Value	10881.29	9527.79
	Total Market Value	10236.26	9191.69
iv)	Advances against		
	Real Estate	212.34	217.52
	Construction Business	69.22	58.60
	Housing	2012.43	1857.34
v)	Advances against shares & debentures	-	-
vi)	Advances to Directors, their relatives, companies/firms in which they are interested.		
	a) Fund Based	2.88	4.59
	b) Non-Fund Based (Guarantees, L/C, etc)	-	-



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(₹ in lacs)

Sr. No.	Particulars	As on 31.03.14	As on 31.03.13
vii)	Cost of Deposits (Average Cost of Deposits)	7.22%	6.94%
viii)	NPA's		
	a) Gross NPA's	401.29	416.55
	b) Net NPA's	36.87	42.46
ix)	Movement of NPA's		
	a) Gross NPA's		
	Opening Balance	416.55	242.26
	Add: Additions during the year	66.60	225.37
	Less: Closed/Recovered/Written Off during the year	(81.86)	(51.08)
	Closing Balance	401.29	416.55
	b) Net NPA's		
	Opening Balance	42.46	0.00
	Add: Additions during the year	0.00	42.46
	Less: Closed/Recovered/Written Off during the year	(5.59)	0.00
	Closing Balance	36.87	42.46
x)	Profitability		
	a) Interest income as a percentage of working funds	10.15%	9.97%
	b) Non-interest income as a percentage of working funds	0.40%	0.52%
	c) Operating profit as a percentage of working funds	1.37%	1.49%
	d) Return on Assets	0.46%	0.67%
	e) Business (Deposits + Advances) per employee	351.25	349.30
	f) Profit per employee	3.12	3.40
xi)	Provision made towards NPA's		
	NPA	0.00	27.35
	Depreciation on Investment	69.87	0.00



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(₹ in lacs)

Sr. No.	Particulars	As on 31.03.14	As on 31.03.13
xii)	Movement in provisions:		
	a) Towards NPA's		
	Opening Balance	374.09	355.04
	Add: Additions during the year	0.00	27.35
	Less: Closed/Recovered/Written Off during the year	(9.67)	(8.30)
	Closing Balance	364.42	374.09
	b) Towards Depreciation on investments		
	Opening Balance	95.67	144.00
	Add: Additions during the year	69.87	0.00
	Less: Closed/Recovered/Written Off during the year	0.00	(48.33)
	Closing Balance	165.54	95.67
	c) Towards Investment Fluctuation Fund		
	Opening Balance	129.80	81.47
	Add: Additions during the year	4.89	48.33
	Less: Closed/Recovered/Written Off during the year	0.00	0.00
	Closing Balance	134.69	129.80
	c) Towards Standard Assets		
	Opening Balance	59.00	51.00
	Add: Additions during the year	2.00	8.00
	Less: Closed/Recovered/Written Off during the year	0.00	0.00
	Closing Balance	61.00	59.00
xiii)	Foreign Currency Assets & Liabilities	-	-
xiv)	DICGC Insurance Premium paid upto	Sept 2014	

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 2013-14

Particulars	Minimum Outstanding during the year	Maximum outstanding during the year	Daily average during the year	As on 31.03.2014
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. JDNG & Associates
Chartered Accountants

Mahendra D. Khona
Chairman

Kalyanji C. Chheda
Vice Chairman

Alok S. Bhattacharya
Chief Executive Officer

CA. Jayesh Rawal
Partner
Mem. No. 104738
Internal Auditors

DIRECTORS :

Dhanesh K. Momaya

Gulab D. Shah

Kishor K. Khona

AS PER OUR REPORT OF EVEN DATE
For M/s Nimesh Mehta & Associates
Chartered Accountants

Kirankumar N. Momaya

Manikant V. Nagda

Nitin R. Shah

Paras L. Shah

Dipti N. Momaya

Malti H. Dharamsi

CA. Nimesh Mehta
Partner
Mem No. : 102582
FRN No. : 117425W
Statutory Auditors
Place : Mumbai,
Date : 30.06.2014

Manilal V. Barot

Manali A. Matkar

Ranjana P. Patil

Cash Flow Statement for the year ended 31st March, 2014

(Figures in ₹)

PARTICULARS	31.03.2014		31.03.2013	
	₹	₹	₹	₹
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit as per P/L account		11698290.12		16629541.88
Add: Adjustments for:				
Depreciation on Assets	4251673.49		4772947.42	
Amortisation	933211.00		1900711.00	
Provision for Taxation	11726520.00		10348212.00	
Provision for BDDR	-		2735802.00	
Provision for Standard Assets	200000.00		800000.00	
Provision for Election Expenses	100000.00		100000.00	
Transfer to Special Reserve U/s.36(1)(viii)	546805.04		147132.00	
Loss on Sale of Assets	21534.00		36316.95	
Interest on Earmarked Investment	5037932.43		5007963.07	
Depreciation on Investment	6986550.00			
Investment Fluctuation Fund	489800.00			
		30294025.96		25849084.44
		41992316.08		42478626.32
Less: Adjustments for				
Transfer Fee	120.00		250.00	
Profit on Sale of Securities	659610.01		1599000.00	
Dividend Received	4260.00		4260.00	
Excess Provision for Income Tax	28591.00		0.00	
Deferred Tax Assets	187114.00		431645.00	
Profit on Sale of Fixed Assets	-	(879695.01)	0.00	(2035155.00)
Cash Profit Generated Before Working Capital Changes		41112621.07		40443471.32
(Increase) / Decrease in Investments	(135624389.99)		(10174817.00)	
(Increase) / Decrease in Advances	(67883745.26)		(237319638.90)	
(Increase) / Decrease in Other Assets	(613235.90)		(1371603.79)	
(Increase) / Decrease in Accrued Interest on Investment	5307742.16		(5830022.05)	
Increase / (Decrease) in Deposits	340782999.98		260387850.13	
Increase / (Decrease) in Other Liabilities	3394474.57		9120043.30	
Increase / (Decrease) in branch adjustment	126153.64		(1564735.94)	
Increase / (Decrease) in Borrowings	-		(1516019.08)	
Less: Scholarship paid during the year	(275781.00)		(153026.00)	
Less: Income tax paid	(11356939.46)		(11472785.00)	
		133857278.74		105245.67
NET CASH GENERATED FROM OPERATING ACTIVITIES(A)		174969899.81		40548716.99



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Cash Flow Statement for the year Ended 31st March, 2014

(Figures in ₹)

PARTICULARS	31.03.2014		31.03.2013	
	₹	₹	₹	₹
CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(2250914.93)		(2356010.20)	
Sale of Fixed Assets	81302.00		20100.00	
Dividend Received	4260.00		4260.00	
NET CASH USED IN INVESTING ACTIVITIES(B)		(2165352.93)		(2331650.20)
CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from issue of Share Capital	5506125.00		8291900.00	
Entrance Fees	5000.00		6240.00	
Nominal Membership Fees	8100.00		4850.00	
Transfer Fee	120.00		250.00	
Dividend Paid	(7487432.25)		(6462898.75)	
NET CASH GENERATED FROM FINANCING ACTIVITIES (C)		(1968087.25)		1840341.25
NET INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)		170836459.63		40057408.04
Cash & Cash Equivalents at the beginning of the year		137874216.01		97816807.97
Cash & Cash Equivalents at the end of the year		308710675.64		137874216.01
Cash & Cash Equivalents		31.03.2014		31.03.2013
Cash & Cash Equivalents		22468731.00		20134176.00
Balances with other Banks		133741944.64		110740040.01
Money at call & short notice		152500000.00		7000000.00
Cash & Cash Equivalents as re-stated		308710675.64		137874216.01

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. JDNG & Associates
Chartered Accountants

CA. Jayesh Rawal
Partner
Mem. No. 104738
Internal Auditors

Mahendra D. Khona
Chairman

Kalyanji C. Chheda
Vice Chairman

Alok S. Bhattacharya
Chief Executive Officer

AS PER OUR REPORT OF EVEN DATE
For M/s Nimesh Mehta & Associates
Chartered Accountants

CA. Nimesh Mehta
Partner
Mem No. : 102582
FRN No. : 117425W
Statutory Auditors
Place : Mumbai,
Date : 30.06.2014

Dhanesh K. Momaya

DIRECTORS :

Gulab D. Shah

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Kirankumar N. Momaya

Manikant V. Nagda

Nitin R. Shah

Paras L. Shah

Dipti N. Momaya

Malti H. Dharamsi

Manilal V. Barot

Manali A. Matkar

Ranjana P. Patil



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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 31.03.2014	As on 31.03.2013	As on 31.03.2012
No. of Branches Including HO	Nine	Nine	Nine
Membership			
Regular Nos.	11250	10814	10286
Nominal Nos.	2221	2058	2704
Paid up Capital	749.28	694.22	611.30
Total Reserves & Funds	2461.02	2274.21	2103.78
Deposits			
Savings	5744.55	4839.12	4810.57
Current	3311.19	2907.51	2735.01
Fixed	17615.45	15516.73	13113.89
Advances			
Secured	15432.75	14774.96	12362.95
Unsecured	46.25	34.88	82.00
Priority Sector %	43.90	43.70	53.78
Weaker Section %	3.37	3.33	4.41
Borrowing	Nil	Nil	Nil
Investments	12406.29	9597.78	9429.05
Overdue %	2.82	3.05	2.14
Audit Classification	A	A	A
Profit for the year	116.98	166.30	185.65
Total Staff			
Sub Staff	25	19	19
Other Staff	95	90	76
Working Capital	27328.22	24997.00	21885.86



ESTD. 1984

Progress at a Glance

Particulars	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Share Capital	3,72,64,050	4,36,53,000	5,22,21,850	6,11,30,100	6,94,22,000	7,49,28,125
Reserves (Incl. Rev. Res.)	17,62,13,451	19,13,93,173	19,91,07,442	21,03,77,808	22,74,21,404	24,61,01,879
Deposits	130,42,86,792	158,10,37,417	176,97,60,984	206,59,47,854	232,63,35,704	266,71,18,704
Borrowings	--	-	--	--	--	--
Investment	56,49,06,847	68,99,96,631	72,45,37,000	94,29,05,289	95,97,78,395	124,06,29,184
Advances	82,81,44,798	98,27,87,640	117,14,07,088	124,44,94,593	148,09,84,005	154,79,00,259
Gross Income	14,22,85,725	16,72,49,279	19,05,05,126	22,75,21,148	26,70,71,202	28,83,37,617
Net Profit (After Tax)	1,36,58,797	1,05,94,673	1,28,87,491	1,85,65,267	1,66,29,542	1,16,98,290
Dividend Declared	12%	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

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 : 2784 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 Center

Mohili Village Branch.

LOCKERS FACILITY AVAILABLE IN BRANCHES AT :

Bhandup, Mulund, Chinch Bunder, Mohili Village, Dombivli & APMC (Vashi)



PRESENT BOARD OF DIRECTORS

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

SUB COMMITTEES OF BOARD (w.e.f 21.05.2014)

LOAN & RECOVERY COMMITTEE

- 1) Shri Mahendra D Khona
- 2) Shri Kalyanji C Chheda
- 3) Shri Gulab D Shah
- 4) Shri Manikant V Nagda
- 5) Shri Nitin R Shah
- 6) CEO

AUDIT COMMITTEE

- 1) Shri Mahendra D Khona
- 2) Shri Kirankumar N Momaya
- 3) Shri Manikant V Nagda
- 4) Shri Nitin R Shah
- 5) Shri Paras L Shah
- 6) CEO

INVESTMENT COMMITTEE

- 1) Shri Mahendra D Khona
- 2) Shri Kalyanji C Chheda
- 3) Shri Dhanesh K Momaya
- 4) Shri Kishore K Khona
- 5) Shri Manikant V Nagda
- 6) CEO

EXPENDITURE COMMITTEE

- 1) Shri Gulab D Shah
- 2) Shri Kishore K Khona
- 3) Shri Paras L Shah
- 4) Smt. Malti H Dharamsi
- 5) CEO

CBS COMMITTEE

- 1) Shri Mahendra D Khona
- 2) Shri Dhanesh K Momaya
- 3) Shri Kishore K Khona
- 4) Shri Kirankumar N Momaya
- 5) Smt. Malti H Dharamsi
- 6) CEO

BUSINESS DEVELOPMENT

- 1) Shri Mahendra D Khona
- 2) Shri Kalyanji C Chheda
- 3) Shri Dhanesh K Momaya
- 4) Shri Manikant V Nagda
- 5) Shri Nitin R Shah
- 6) CEO

H R COMMITTEE

- 1) Shri Mahendra D Khona
- 2) Shri Kalyanji C Chheda
- 3) Shri Gulab D Shah
- 4) Shri Kishore K Khona
- 5) Smt. Malti H Dharamsi
- 6) CEO

ALCO

- 1) Shri Mahendra D Khona
- 2) Shri Kalyanji C Chheda
- 3) Shri Dhanesh K Momaya
- 4) Shri. Paras L Shah
- 5) Shri Manikant V Nagda
- 6) CEO



Dear Shareholder,

Date : 10th July, 2014

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. Khetsi D. Khona)
Chief Executive Officer**

ANNEXURE

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

Dear Sir,

E-Annual Report 2014 - 2015 onwards.

I refer to your letter dated 10.07.2014 on the above subject and shall be glad to receive the Annual Report from Financial Year 2014 - 2015 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 2010-2011 to 2012-2013 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 31.03.2014 & 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. deduction from members on Term Deposit Interest.
- * Deposits with Bank exempted from Wealth Tax.
- * Deposits upto Rs. 1.00 Lakh are insured.

We Offer

- * 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, Mohili Village, Dombivli & APMC (Vashi) Branch.
- * Arihant ATM-Rupay Card.



OUR LOAN SCHEMES

Scheme	Purpose
● Arihant – Term Loan	Finance for Industries & SSI units
● Arihant – Mortgage Over Draft & Loan	For Business purpose
● Arihant – Transport	For Truck, Tractor & Heavy Vehicle
● Arihant – Vehicles	Two & four Wheeler
● Arihant – Home Loan	Housing Finance
● Arihant – Top up	For Renovation of House
● Arihant – Education	For Students
● Arihant – Health	For Doctors
● Arihant – Comfort	For Consumer Durable
● Arihant – Rent	Loan Against Rent Receivable
● Arihant – Personal	For Personal Needs
● Arihant – Securities	Against Govt. Security, NSC, LIP, RBI – Bonds
● Arihant – Gold Loan	Against Gold Ornaments
● Arihant – Trade	For Traders



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 Puraskar 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 Puraskar 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 less than Rs. 300 Crores from The Brihan Mumbai Nagri Sahakari Bank's Association, Mumbai for the year 2010-11.
9. 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 2011-12.
10. Kutch Shakti National Award 2013 – Best Banking Award for exceptional achievement in the field of Banking.





REQUIREMENTS FOR BECOMING THE ORDINARY / ACTIVE / NOMINAL MEMBER OF BANK AS PER THE MODEL BYE LAWS OF THE BANK

As per the adoption of model bye laws, in the Special General Meeting of the Bank held on 13/04/2013 and subsequent approval by the commissioner of co-operation, Govt. of Maharashtra State, Pune on 14th March 2014, the members are hereby requested to take note of certain changes as applicable with effect from 14/03/2014. The details are stated as below :

ORDINARY MEMBER:- A person of the age of 18 years and above, residing or engaged in any occupation/profession/business within the area of operation of the bank and who has any type of account with minimum credit balance of ₹ 500/- and avails of genuinely needed services from the bank may be admitted as the Ordinary Member of the Bank with a payment of :-

- 1) Admission fee of ₹ 100/-
- 2) Holding minimum shares of value ₹ 1000/- (In our case 40 shares)

There are two types of Ordinary Members.

1) Active Member and 2) Non Active Member.

ACTIVE MEMBER:- The Ordinary Member can become an Active Member by :-

- 1) Holding shares of value ₹ 1000/- (In our case 40 shares) **And**
- 2) Has minimum Deposit of ₹ **5000/-** in the bank (Aggregate deposits in all types of accounts) continuously.

OR is enjoying any type of sanctioned and availed loan of ₹ 50,000/-

Active member will have right to one vote in general election to the Board of the Bank (Not by Proxy) provided such active member is not a defaulter to the Bank.

NON ACTIVE MEMBER:- A member who did not attend atleast one General Body Meeting and not availed minimum level of any services of the bank in previous five consecutive years will be classified as non active member and he/she will be informed by the bank within 30 days from the date of close of financial year. Non Active member will not be entitled to any concessional benefit from the Bank. Non Active member will not have right to vote in general election to the Board of Directors.

ASSOCIATE MEMBER :- A person/s whose name appear next the name of first holder in the Share Certificate is an associate member. Associate member will not receive the notice of General Body Meeting and dividend declared by the bank. Only in absence of first holder of the Share Certificate, the associate member will have right to vote in the election of the board provided that such member is not Minor.

Associate members are severally and jointly liable for all the payments which are to be made in respect of such share/shares.

NOMINAL MEMBER:- A person who is coparcener or who desires to stand as surety for borrowing member of the Bank may be enrolled as Nominal Member by payment of non refundable entrance fee of ₹ 100/- with an application. They will not receive Share Certificate, Annual Report of the Bank, dividend. They are not eligible to attend, to participate and vote in the General Body Meeting and /or vote in the election to the Board.

ELIGIBILITY TO CONTEST ELECTION OF BOARD OF DIRECTORS:-

An Active Member can contest the election to the board of directors provided :-

- 1) He/She should have minimum Shares of value ₹ 10,000/- (in our case 400 shares).
- 2) For contesting the election, the candidate should have a deposit of ₹ 50,000/- with the bank.
- 3) **The elected directors should keep the deposit of ₹ 50,000/- with the Bank for the entire tenure of the board for five years.**

The persons contesting from Reserve Seat u/s 73 B and 73 C of MCS Act 1960, will have to comply with 50% of above criteria of Share Capital and Deposit amount.



Highlights of 30th Annual General Meeting





Highlights of 30th Annual General Meeting





Highlights of 30th Annual General Meeting





Highlights of 30th Annual General Meeting





Directors at the 30th Annual General Meeting of the Bank



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