

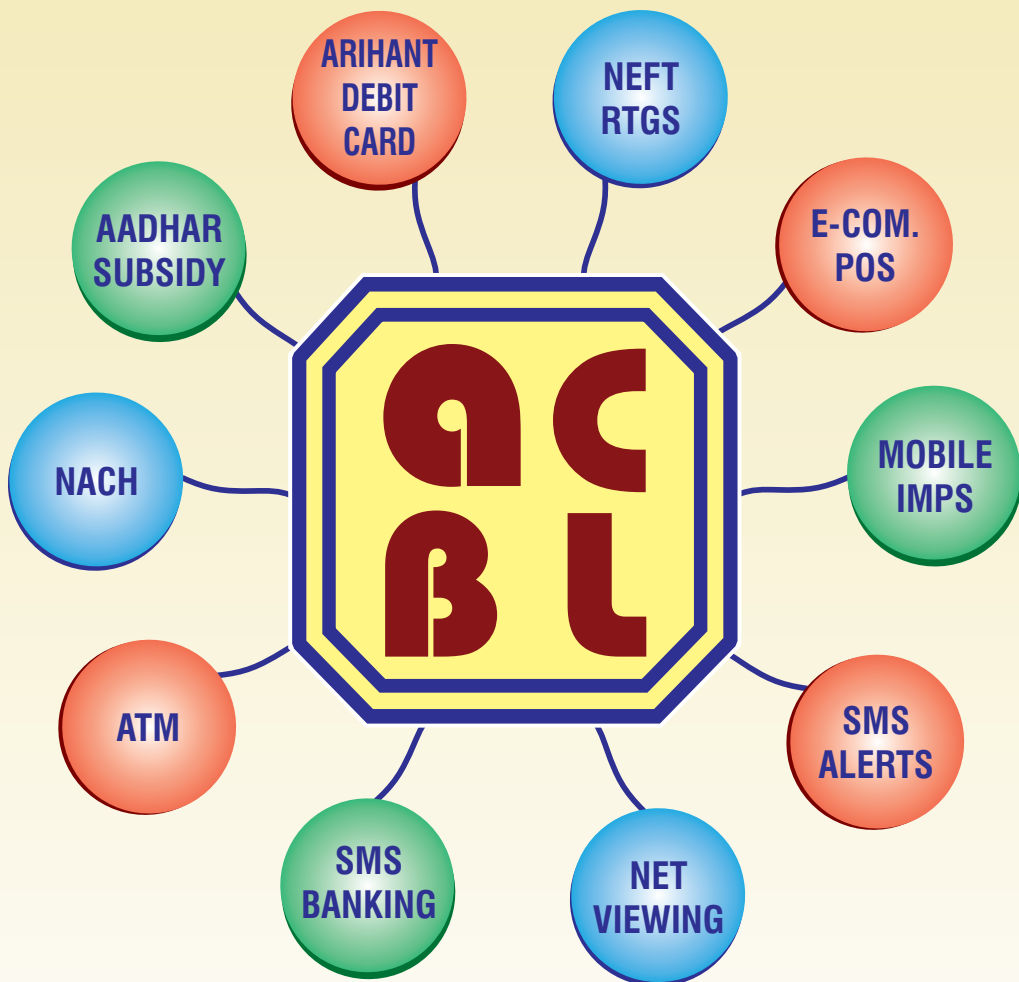


# ARIHANT BANK

SHRI ARIHANT CO-OPERATIVE BANK LIMITED

## 32<sup>nd</sup> Annual Report

2014-2015



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@arohantbank.com](mailto:acblho@arohantbank.com) • Web : [www.arohantbank.com](http://www.arohantbank.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 :**

- Constant innovation and up-gradation of banking products and services. Recently we have started POS, IMPS (Credit) & Bulk RTGS Transactions.
- 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 utmost all type of innovative products and services that are being offered in industry.

#### **2. Social Responsibility :**

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

#### **3. Corporate Ethics :**

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

#### **4. Human Capital :**

- For efficient customer service, as per changing Banking Scenario our staff is adequately trained by various institutions like RBI, Brihan Mumbai Nagarik Sahakari Banks Association Ltd etc.

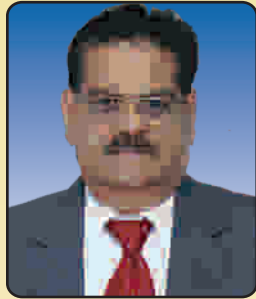
### ***OUR MOTTO :***

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

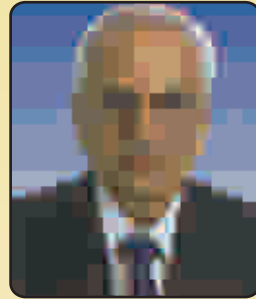


***Gnyati Shiromani  
Shethi Shri Narshi Natha***

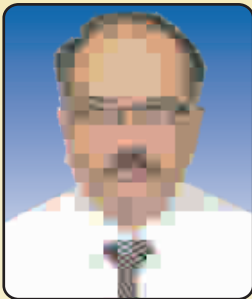
## BOARD OF DIRECTORS (2014-2015)



**Shri Mahendra D. Khona**  
(Chairman)



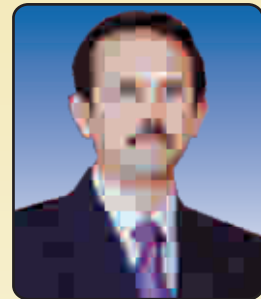
**Shri Kalyanji C. Chheda**  
(Vice Chairman)



**Shri Dhanesh K. Momaya**



**Shri Gulab D. Shah**



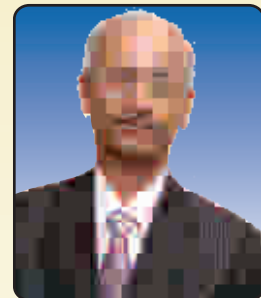
**Shri Kirankumar N. Momaya**



**Shri Kishor K. Khona**



**Shri Manikant V. Nagda**



**Shri Nitin R. Shah**



**Shri Paras L. Shah**



**Smt. Malti H. Dharamsi**



**Shri Manilal V. Barot**  
(Reserved Seat)

## BOARD OF DIRECTORS (2014-2015)



**Smt. Manali A. Matkar**  
(Workmen Director)



**Smt. Ranjana P. Patil**  
(Workmen Director)

## MANAGEMENT TEAM



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



**Shri Dilip Kulkarni**  
(H.O.)



**Shri Anil Khedekar**  
(H. O.)



**Smt. Vijayalakshmi Arunkumar**  
(H. O.)



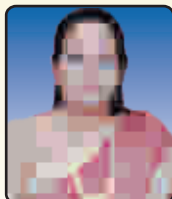
**Shri Dilip Damle**  
(E. D. P.)



**Smt. Chhaya Shah**  
(Vashi)



**Shri Nilesh Momaya**  
(Bhandup)



**Smt. Sarla K. Momaya**  
(Mohili)



**Smt. Kalpana Mota**  
(Dombivli)

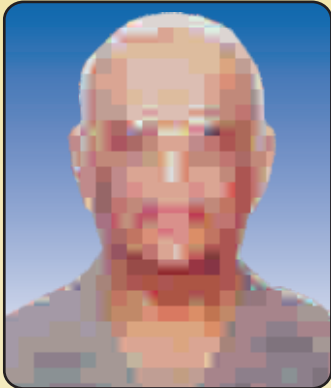


**Shri Satish Bagwe**  
(Thane)



**Smt. Kanchan Chhatre**  
(Ghatkopar)

## OUR HUMBLE TRIBUTE



### **Shri Virchand L. Munver (Chief Promoter)**

It is with profound grief and deep sorrow we pay our tribute to Late Shri Virchand Lalji Munver who expired on 7th January, 2015. Shri Virchandbhai was one of the Founders and Chief Promoters of our bank during 1981 to 1984. A very simple, soft spoken and of high principles. He extended his Skills, Wisdom and Devotion for establishment of our Bank as a social service and laid very strong foundation of the Bank. His services are always noted in the History of our Bank.

### **Shri Mulchand Lalji Khona (Director and Vice Chairman)**

We extend our tributes with deep sorrow to Shri Mulchand Lalji Khona who expired on 15th December, 2014. A self made personality, he grew from ground level to limitless heights. He served the Bank from 1991 as Director and 1996 to 2000 as Vice - Chairman. His skills helped the Bank to strengthen and development. His knowledge and experience of property and reality guided the Bank acquiring premises on ownership basis. We with deep sorrow note his departure.



### **Shri Premchand Mulji Sonawala (Promoter/Director/Vice-Chairman/Chairman)**

We pay our homage to Shri Premchand Mulji Sonawala who expired on 2nd August, 2015. During his long association of 27 years with the bank, he served as Promoter, Director, Vice-chairman and Chairman of the Bank. His vivid knowledge, experience, interest and enthusiasm was of great help to his colleagues in formation and then strengthening of the bank to the present level. With his demise the bank has lost a well wisher.



**NOTICE OF 32nd ANNUAL GENERAL MEETING**

Notice is hereby given that the 32nd Annual General Meeting of the members of **Shri Arihant Co-operative Bank Ltd**, will be held on Friday, 04th September, 2015 at 3:00 pm at Mahakavi Kalidas Natyamandir, P.K. Road, Mulund (W), Mumbai 400 080 to transact the following business. Members are requested to be present in the meeting.

1. To read and confirm the proceedings of last General Body Meeting held on 2nd August, 2014,
2. To consider and adopt Audited Statement of Accounts, Audit Report there on and Annual Report for the year ended 31st March 2015.
3. To consider and adopt rectification report of earlier audit of 2013-2014.
4. To Approprite Net Profit for the year ended 31st March 2015 as recommended by the Board of Directors as per Act, Rules & Bye-Laws.
5. To take note of Annual Budget & Development plan.
6. To consider and approve the proposed amendments to the Bye-Laws of the Bank (Bye - law No. 3, 8, 17(i), 34(d), 42(1a) & 46) as recommended by the Board of Directors.
7. To consider and approve the appointment of Statutory & Internal Auditors and fixation of their remuneration as provided in Act.
8. To consider and approve the proposal for write-off of loss assets as recommended by the Board of Directors.
9. Any other matter with the permission of the Chairman of the Meeting.

**By order of the Board of Directors**

**Sd/-**

**(Khetshi D. Khona)**

**Chief Executive Officer**

**Place : Mumbai**

**Dated : 05th August, 2015**

**Notes:**

1. In absence of quorum at 3:00 pm, the meeting shall stand adjourned and the adjourned meeting will be held on the same date and place at 3.30 pm when separate notice or quorum will not be necessary. No business shall be transacted at adjourned meeting other than the business on the agenda of the adjourned meeting.
2. If any member desires any clarification or information on accounts, he/she is requested to submit the query in writing on or before 26.08.2015 to enable us to collect the necessary information.
3. Members are requested to bring along with them their Member's Identity Card / Share Folio No. along with any other photo identification acceptable at National Election for easy entry & convenience.
4. Members are requested to either download the 32nd Annual Report from Bank's web site ([www.arihantbank.com](http://www.arihantbank.com)) or may collect printed report from any Branch/Head office of the Bank from 20th August 2015.
5. You can request for e-32nd Annual Report by sending SMS eAR <Membership No.> <email Id> to 9167209948.
6. Coupons will be issued on the date of meeting from 1.00 P.M. onwards at the hall. Members have to come personally for collecting coupon against Id Proof as mentioned in Note No 3.
7. Members who have not collected and encashed their dividend for financial Year 2011-12, 2012-13 and 2013-14 are requested to do so immediately. Please note that if the dividend for the financial year 2011-12 is not encashed on or before 31.12.2015, it would stand forfeited and proceeds thereof would be transferred to the Bank's Reserve Fund as per RBI norms.
8. With a view to ensure that only bonafide members attend the Annual General Meeting, the Bank has introduced a system of obtaining "Attendance Slip" from every member who attends the meeting.

**DIRECTORS' REPORT**

**Dear Members,**

The Board of Directors of your Bank have great pleasure in presenting the "32nd Annual Report" of the business and operations of the Bank together with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2015.

**ECONOMIC OVERVIEW**

The economic environment has broadly been static with no drastic changes in the scenario. The European and American countries continues to struggle for revival but there are no major improvements. The Financial crises of Greece has added to the problems. The overall demand for products is not improving. The industrialized or the Developed Countries face severe problems for marketing their products. The drop in crude oil prices helped to control inflation but demand for industrial products has not picked up. The economies all over the world continued to be static showing no improvements.

Two important developments took place i.e. 1) Formation of BRICS Bank 2) The Asian Infrastructure Investment Bank. The BRICS countries have very strong effect. They are developing countries with ample natural resources. The Asian Infrastructure Investment Bank is meant to mainly help activities in Asian Countries and the BRICS Bank also will play very important role providing financial support to the developing countries. India is involved in both these Banks and has to play a major role for the working of the Banks. The Infrastructure development will need heavy funding in Asia and these two Banks are entrusted with providing financial requirements. The dependence on the World Bank and the IMF would be reduced.

The Indian Economy is expected to achieve the growth rate of 7.5% for the year 2015-16 which is not impossible provided Weather God is favourable. The Government that has come to the power since one year is working hard for improvement in tax structure, infrastructure, labour laws, administrative measures, land reforms, power generation, roads, transportation etc.. This needs heavy investment and funds and government is implementing various measures for funds and investments, local as well as foreign. The banking industry has to play very important role in the coming period. The Auto, Telecommunication & Information Technology Industries are improving. The expansion of Banking services throughout the country and in rural and remote areas in particular is very encouraging. The growth is so high, more than 16 crores new banking accounts opened within a span of 6 months since August, 2014.

The reforms in tax system, removal of unnecessary laws and simple administrative measures will boost the development prospects resulting in economic upliftment. It is likely that target of 7.5% of GDP seems achievable in F.Y. 2015-2016. Consequently banking sector will have to play more important role in coming years.



**YOUR BANK'S PERFORMANCE :****1) Business & Financial performance as on 31.03.2015 is as under :**

(Figures ₹ in lacs)

Sr.No.	Performance Indicators	March 2014	March 2015
1	Paid up Capital	749.28	794.81
2	Reserves (including Revaluation Reserve ₹ 231.94 lacs as on 31st March 2014 & ₹ 208.72 lacs as on 31st March 2015)	2461.02	2547.80
3	Average Working Fund	27328.22	30601.99
4	Deposits	26671.19	28610.74
5	Advances	15479.00	15658.14
6	Gross Income	2883.38	3191.89
7	Profit (after Tax & Provision)	116.98	177.36
8	CRAR Ratio (Required minimum 9%)	19.31%	21.16%
9	Gross NPA	2.59%	2.70%
10	Net NPA	0.24%	0.29%

**2) Deposits :**

- Deposits have increased by 7.27% during the year as compared to 14.65% to previous year.
- Low Cost Deposits are 33.41% to the total deposits of ₹ 28610.74 lacs.
- Average Cost of Deposits is 7.12%

**3) (a) Advances :**

Advances of the Bank have gone up to ₹ 156.58 crore from ₹ 154.79 crore, of previous year. This is a very meager growth and is due to poor credit off take, adjustments of NPA / Potential NPA accounts, recovery in overdue accounts, shifting of some borrowal accounts to other private / public sector banks on account of lower interest rates offered by them and more cautious approach of the Bank for maintaining sound assets quality in view of alarming economic climate and mounting NPA's of banking industry

- Average Yield on Advances is 13.07%
- Exposure to priority sector 42.13%.
- Non funded facilities i.e. issue of our own Bank guarantees and also through Bank of Baroda with reasonable margin.

**(b) Non Performing Assets :**

Percentage of Gross NPA to total Advances of the Bank stands at 2.70%, while percentage of Net NPA stands at 0.29%.

**NPA MOVEMENTS****(In lacs)**

Opening Balance as on 1st April 2014	₹ 401.29
Add : During the year	₹ 131.25
Less : Recovery	₹ 109.57
Less : Write Off	₹ —
Closing Balance as on 31st March 2015	₹ 422.97



**4) Investments :**

The Bank has an investment portfolio of ₹ 133.65 Crores as on 31st March 2015, out of which

- a) Investment in Government Securities ₹ 72.04 crores
- b) Inter Bank Deposits & Shares with MDDC Bank Ltd ₹ 61.61 crores

**5) Profit :**

(Figures ₹ in lacs)

Particulars	March 2014 #	March 2015
Total Interest Income	2774.62	3022.29
Total Interest Expenditure	1701.19	1889.09
Net interest Margin	1073.43	1133.20
Profit on sale of Government Securities	6.60	60.23
Other Income	102.16	111.03
Other Expenditure	807.87	928.11
Net Operating Profit before Prov. & Tax	374.32	376.35
Less : Provisions		
- NPA & Standard Assets	2.00	16.00
- Other Provisions	138.07	62.52
Net Profit After Provision but before Tax	234.25	297.83
Provision for Income Tax	117.27	120.47
Net Profit	116.98	177.36

# Figures are regrouped wherever necessary.

**Interest income shows rise of 8.93 %**

**Interest earned on credit exposure represent 60.61%, while investment portfolio contributed 34.07% of total income.**

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

(Figures ₹ in lacs)

Particulars	2013-2014	2014-2015
Reserve Fund	29.25	44.34
Additional Reserve Fund ****	--	17.74
Dividend	85.24	90.30
Scholarship Fund	2.49	4.00
Technological Development Fund ****	--	10.00
Building Fund	--	10.98
<b>Total</b>	<b>116.98</b>	<b>177.36</b>

\*\*\*\* New Reserves to be created as per provisions of the extant Bye-Laws.

**6) Foreign Exchange Business :**

The Bank continues to hold AD Category II License by RBI. The Bank is authorised to provide remittance facilities, foreign currencies remittance, foreign currency cards, prepaid currency cards, travelers cheques.

**7) General Insurance Business :**

Our Bank has Corporate Agency for the General Insurance business through The United India Insurance Co. Ltd. Bank has canvassed 131 policies during the year. Premium paid was amounting to ₹ 11.88 lacs. Bank has earned commission of ₹ 1.20 lacs during the year.



**8) Human Resource Development :**

Our present staff strength is 113, out of which 38 are officers and 75 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 programme by experienced ex-bankers for the staff. The operating profit per employee is ₹ 3.33 lacs.

**9) Audit & Inspection :**

**(a) RBI Audit**

During the year 2014-2015, Mr. S. Nekhini, Assistant General Manager, RBI, inspected our Bank for the period 1st April, 2012 to 31st March, 2014. 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 2014-15. 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.

The rectification / compliance report of Statutory Audit for the financial year 2013-2014 was duly complied and verified by Statutory Auditor M/s. Nimesh Mehta & Associates on 29.09.2014.

**(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**

Two Branches (Chinchbunder and Bhandup Branch) are subject to Concurrent Audit. The Concurrent Audit of Chinchbunder and Bhandup Branch for the period 01.04.2014 to 31.07.2014 was conducted by M/s H. M. Gosher & Co and for the period 01.08.2014 to 31.03.2015 was conducted by Hansaria Shah & Associates and M/s Humane Raut & Associates respectively.

**(e) Tax Audit**

Tax Audit of the Bank for the Assessment year 2014-2015 was conducted by M/s. F. R. Gosher & Co., Chartered Accountants. The Income Tax return was filed on 30th September, 2014. The Income Tax Assessment of the Bank was completed upto A.Y. 2012-2013.

**(f) Service Tax and TDS Compliance**

M/s R. J. Luthia & Associates were appointed as consultant for filing Service Tax and TDS returns.

**10) Board of Directors' Meeting and attendance:**

Details of the meetings attended by the Directors in the year 2014-15 is given below.:

Sr.No	Name of the Directors	No. of Meetings Held	No. of Meetings attended
1	Shri Mahendra D Khona	23	20
2	Shri Kalyanji C. Chheda	23	23
3	Shri Dhanesh K Momaya	23	13
4	Shri Gulab D Shah	23	21
5	Shri Kishor K Khona	23	18
6	Shri Nitin R Shah	23	16
7	Shri Paras L Shah	23	19
8	Shri Kirankumar N Momaya	23	18
9	Shri Manikant V Nagda	23	17
10	Shri Manilal V Barot	23	1
11	Smt. Malti H Dharamsi	23	14
12	Smt. Manali A Matkar	23	15
13	Smt. Ranjana P Patil	23	19

**11. Education and training to the members & their family members :**

To encourage and excel the progress in education and career of the members and their family members Bank grants awards and scholarship.

**12. Renovation of Chinchbunder Branch**

The Branch premises required heavy repairs and renovations. The Branch has been renovated for better working conditions for staff members and customers. The renovated branch was inaugurated at function held in the Branch on 14.03.2015.

**13. Banking Technology**

The Bank has adopted policy of implementing and improving Banking Technology for better, efficient and beneficial working.

**1) Arihant Rupay ATM Debit Card**

Arihant Rupay ATM Debit Card has been upgraded for payment of commercial purchases at shops, restaurants, Hotels etc. having POS machines. This facility provides cashless purchase facility at more than 9,00,000 shops. ATM Card is operational for Cash withdrawal and non financial transactions at more than 1,60,000 ATMs all over India.

**2) SMS Alerts this facility provides :**

- 1) Advice of any transactions that hits the account.
- 2) Advice of balance enquiry.
- 3) Mini statement of last five transactions.
- 4) Advice of short balance, if any, for inward clearing cheques.

**3) Tax Collection**

All types of Government Taxes can be paid through any of the 8 branches.

**4) PAN Card Service**

Bank Provides service to obtain PAN Card hassle free to customers.

**14. Projects Under Implementation****1) Internet Viewing**

The Internet viewing application from V Soft is under testing by the EDP Department. This will facilitate Balance Information, Accounts Viewing, Stop Payment, Cheque book request through internet.



ESTD. 1984

**2) IMPS Credit (Mobile Banking)**

Initially the Bank will be permitted for providing services of receiving payments (24\*7 - 365 days) by the customers through their mobile number registered with the Bank. The programme is under testing by our EDP Department. The transaction will be P2P, P2A transaction, Balance enquiry and mini Statement. After successful completion of test we will apply to NPCI for the permission.

**3) NEFT / RTGS -- Bulk Uploading**

The uploading programme is under negotiation with ICICI Bank. This will facilitate NEFT / RTGS remittance in multiple batches. UTR Nos for all the uploaded remittances will be generated in a short time and upon dispatch of remittance the beneficiary will get advice of remittance by SMS. This will be implemented in a short time.

**4) Aadhar based subsidy**

Registered Arihant Bank account holders can get credit of government subsidy for LPG etc directly in account. Arihant Bank account holder getting subsidies in other Bank's account can get the same into Arihant Bank Account simply by filing one form.

**5) Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)**

Pradhan Mantri Jeevan Jyoti Bima Yojana provides life insurance cover of ₹ 2.00 lacs to the family of insured at a premium amount of ₹ 330.00 per annum.

**6) Pradhan Mantri Suraksha Bima Yojana (PMSBY)**

Pradhan Mantri Suraksha Bima Yojana provides accident insurance cover worth ₹ 2.00 lacs at a premium of ₹ 12.00 per annum.

**Acknowledgment :**

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.
3. NPCI, V soft Technologies, Sarvatra Technologies, ICICI Bank, IDBI Bank, BOB, HDFC Bank, SVC Bank for their continued co-operation and support.

**The Board of Directors also thanks :**

1. Reserve Bank of India.
2. Commissioner for Co-operation, Registrar of Co-op Societies, Pune, The Divisional Joint Registrar, Dist. Deputy Registrar & Asst. Registrar (S Ward)
3. The Directors & Officers of MDCC Bank Ltd, Fort.
4. The Maharashtra Urban Co-operative Banks' Federation Ltd.
5. Honorable Shri Anandrao Adsul (M.P.), President, Shri Sunil Salvi, Executive President & Shri Narendrakumar Sawant, General Secretary of the Co-op. Banks' Employees Union, Mumbai.
6. The Maharashtra Urban Co-operative Banks' Association.
7. Brihan Mumbai Nagari Sahakari Banks' Association Ltd.
8. Indian Banks' Association.
9. Statutory Auditors.
10. Internal/Concurrent Auditors.
11. Architect - Z. B. Sethna.

**For & on Behalf of the Board of Directors  
Sd/-**

**Mahendra D. Khona  
(Chairman)**

**Place : Mumbai  
Date : 05.08.2015**



**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, 2015, 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, 2015.
  - (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. GONSHER & Co.  
Chartered Accountants  
(Firm Reg. No. 103344W)  
Sd/-  
H.M.Gosher  
Partner  
Mem. No. F/10702  
Internal Auditor

Place : Mumbai  
Date : 08/08/2015



## 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 2015, 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, 2015; 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.

<b>MEMORANDUM OF CHANGES (SUMMARY)</b>				
		<b>No.</b>	<b>Increase</b>	<b>Decrease</b>
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**

**Place : Mumbai  
Date : 08/08/2015**

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





## Balance Sheet as at 31st March 2015

(Figures in ₹)

31.03.2014	Capital & Liabilities	SCH	31.03.2015	31.03.2014	Property & Assets	SCH	31.03.2015
74928125.00	Share Capital	A	79480650.00	22468731.00	Cash In Hand		19327571.00
246101878.90	Reserve Fund & Other Reserves	B	254779967.33	133741944.64	Cash with other bank	F	229079702.83
2667118704.14	Deposits & Other Accounts	C	2861073964.29	1240629184.00	Investments	G	1336514757.00
0.00	Borrowings		0.00	1547900259.28	Loans & Advances	H	1565813925.11
4140742.00	Bills For Collection		41917.00	59836610.12	Interest Receivable		70517398.29
69302058.69	Other Liabilities & Provisions	D	84517221.61	4140742.00	Bills Receivable		41917.00
33263196.56	Overdue Interest Reserve A/c.		31240454.62	46820366.77	Other Assets	I	56936684.82
10243.06	Branch Accounting		0.00	51025400.66	Fixed Assets	J	49567397.50
11698290.12	Profit & Loss Account	E	17735707.64	0.00	Branch Accounting		1070528.94
3106563238.47	Total ₹		3328869882.49	3106563238.47	Total ₹		3328869882.49
11611072.00	Contingent Liabilities		21309048.90				

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. Nimesh Mehta & ASSOCIATES  
Chartered Accountants

CA. Nimesh Mehta  
Partner  
Mem. No. 102582  
FRN No. 117425W  
Statutory Auditors  
Place : Mumbai, Date : 08.08.2015

Mahendra D Khona  
Chairman

Dhanesh K Momaya

Kirankumar N Momaya

Paras L Shah

Manali A Matkar

Kalyanji C Chheda  
Vice Chairman

**DIRECTORS :**

Gulab D Shah

Manikant V Nagda

Malti H Dharamsi

Ranjana P Patil

Khetshi D Khona  
Chief Executive Officer

Kishor K Khona

Nitin R Shah

Manilal V Barot



## Profit & Loss Account for the year ended 31st March 2015

(Figures in ₹)

2013-2014	EXPENDITURE	SCH	2014-2015	2013-2014	INCOME	SCH	2014-2015
170118944.86	Interest paid on Deposits/ Borrowings		188908980.39		<b>Interest &amp; Discount Received</b>		
47179499.47	Salaries, Allowances & Provident Fund		53997274.00	192989613.66	Interest on Loans		193474354.68
4265169.00	Contribution to Staff PF & Other Funds		4507927.00	84472672.16	Interest on Investments		108754433.44
185720.00	Directors Fees & Allowances		178887.00	4260.00	Dividend		4296.00
8244098.25	Rent, Taxes, Insurance, Electricity etc.		10790409.00	978295.27	Commission, Exchange & Brokerage		891428.93
516042.00	Professional & Legal Charges		892814.00		Share Transfer Fees		2953.28
1396554.40	Postage, Telegram & Telephone Charges		1389158.29	120.00	Sundry Income		1207082.82
1091353.29	Printing & Stationery		1143011.05	1229999.48	Processing Fees		2995732.51
849382.36	Audit Fees		980000.00	2969937.67	Incidental Charges		3057323.87
4251673.49	Depreciation on Fixed Assets		4249870.05	2795383.93	Profit on sale of GOI Securities & Mutual Funds		6023050.40
	<b>Other Items :</b>			659610.01	Inspection Charges		485117.96
231819.00	Repairs & Maintenance		381365.69	578193.41	Rent for Lockers		1992584.94
91415.00	Advertisement		187129.00	1630865.38	Duplicate Share Certificate Charges		854.87
21534.00	Loss on Sale of Assets		0.00	75.00	ATM Charges		81237.24
117858.00	Board Meeting Expenses		61517.00	0.00	SMS Banking Charges		212386.14
12344559.26	Other Expenditure	K	12895440.26	0.00	Excess provision for Income Tax		0.00
933211.00	Premium on GOI Securities Amortised		1156427.00	28591.00	Profit on Sale of Assets		5968.60
	<b>Provisions :</b>			0.00			
0.00	Reserve for Bad & Doubt Debts		1500000.00				
200000.00	Contingent Prov. Against Standard Assets		100000.00				
489800.00	Provision for Investment Fluctuation Reserve		0.00				
6986550.00	Provision for Investment Depreciation Reserve		0.00				
	<b>Income Tax :</b>						
11726520.00	Provision for Current Year		12046558.00				
(187114.00)	Deferred Tax Assets		(172469.00)				
	<b>Transfers:</b>						
5037932.43	Reserve Fund		6180771.35				
546805.04	Special Reserve u/s 36(i)(viii)		78027.96				
11698290.12	Net Profit Carried to Balance Sheet		17735707.64				
288337616.97	<b>Total ₹</b>		<b>319188805.68</b>	288337616.97	<b>Total ₹</b>		<b>319188805.68</b>

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. Nimesh Mehta & Associates  
Chartered Accountants

CA. Nimesh Mehta - Partner  
Mem. No. 102582 / FRN No. 117425W  
Statutory Auditors  
Place : Mumbai, Date : 08.08.2015

Mahendra D Khona  
Chairman

Dhanesh K Momaya

Kirankumar N Momaya

Paras L Shah

Manali A Matkar

Kalyanji C Chheda  
Vice Chairman

Gulab D Shah

Manikant V Nagda

Malti H Dharamsi

Ranjana P Patil

**DIRECTORS :**

Khetshi D Khona  
Chief Executive Officer

Kishor K Khona

Nitin R Shah

Manilal V Barot

**SCHEDULES TO BALANCE SHEET**

(Amounts in ₹)

31.03.2014	<b>SCHEDULE - A</b>	31.03.2015
	<b>Share Capital</b>	
	<b>A. Authorised Capital :</b> 40,00,000 shares of Rs. 25.00 each	
100000000.00		100000000.00
	<b>B. Subscribed &amp; Paid Up Capital</b>	
57484075.00	Individual	61901250.00
17444050.00	Society	17579400.00
<b>74928125.00</b>	3179226 Shares of Rs. 25.00 each fully paid (Previous year 2997125 Shares of Rs. 25.00 each)	<b>79480650.00</b>

(Amounts in ₹)

31.03.2014	<b>SCHEDULE - B</b>	31.03.2015
	<b>Reserve Fund &amp; Other Reserves</b>	
	<b>RESERVE FUND :</b>	
74530534.01	Balance as per last balance sheet	83886925.91
5000.00	Add : Entrance Fees	36390.00
8100.00	Add : Nominal Membership Fees	14950.00
128208.00	Add : Dividend transfer for the year 2010-11	113473.50
19766.00	Add : Unclaimed Deposits	10115.00
5037932.43	Add : Interest on earmarked investments	6180771.35
4157385.47	Add : Transfer from Profit & Loss Account	2924572.53
<b>83886925.91</b>		<b>93167198.29</b>
	<b>BUILDING FUND :</b>	
46117594.12	Balance as per last balance sheet	50238620.28
4121026.16	Add : Transfer from Profit & Loss Account	0.00
<b>50238620.28</b>		<b>50238620.28</b>
	<b>RESERVE FOR BAD &amp; DOUBTFUL DEBTS :</b>	
37409494.61	Balance as per last balance sheet	36442003.12
0.00	Add : Provision during the year	1500000.00
967491.49	Less : Write off	0.00
<b>36442003.12</b>		<b>37942003.12</b>
	<b>CONTINGENT PROVISION AGAINST STANDARD ASSETS :</b>	
5900000.00	Balance as per last balance sheet	6100000.00
200000.00	Add : Addition during the year	100000.00
<b>6100000.00</b>		<b>6200000.00</b>
	<b>INVESTMENT FLUCTUATION RESERVE :</b>	
12979550.00	Balance as per last balance sheet	13469350.00
489800.00	Add : Addition during the year	0.00
<b>13469350.00</b>		<b>13469350.00</b>

**SCHEDULES TO BALANCE SHEET**

(Amounts in ₹)

31.03.2014		31.03.2015
	<b>CONTINGENT PROVISION AGAINST DEPRECIATION IN INVESTMENT :</b>	
9567450.00	Balance as per last balance sheet	16554000.00
6986550.00	Add : During the year	0.00
<b>16554000.00</b>		<b>16554000.00</b>
	<b>REVALUATION RESERVE :</b>	
25768259.00	Balance as per last balance sheet	23191433.00
2576826.00	Less : Depreciation on Revaluation Reserve	2319144.00
<b>23191433.00</b>		<b>20872289.00</b>
	<b>SPECIAL RESERVE U/S. 36(1)(VIII) OF IT Act :</b>	
1460402.00	Balance as per last balance sheet	2007207.04
546805.04	Add : Addition during the year	78027.96
<b>2007207.04</b>		<b>2085235.00</b>
	<b>GENERAL RESERVE :</b>	
<b>9609315.00</b>		<b>9609315.00</b>
	<b>DIVIDEND EQUALISATION FUND :</b>	
3724439.05	Balance as per last balance sheet	4224439.05
500000.00	Add : Transfer from Profit & Loss Account	0.00
<b>4224439.05</b>		<b>4224439.05</b>
	<b>SCHOLARSHIP FUND :</b>	
154366.50	Balance as per last balance sheet	78585.50
200000.00	Add : Transfer from Profit & Loss Account	249858.09
275781.00	Less : Spent during the year	310926.00
<b>78585.50</b>		<b>17517.59</b>
	<b>PROVISION FOR NEXT ELECTION EXPENSES :</b>	
200000.00	Balance as per last balance sheet	300000.00
100000.00	Add : Addition during the year	100000.00
<b>300000.00</b>		<b>400000.00</b>
<b>246101878.90</b>	<b>Total Reserve Fund &amp; Other Reserves</b>	<b>254779967.33</b>

**SCHEDULES TO BALANCE SHEET**

(Amounts in ₹)

31.03.2014	<b>SCHEDULE - C</b> <i>Deposits &amp; Other Accounts</i>	31.03.2015
	<b>FIXED DEPOSITS :</b>	
1732139623.61	A) Individual	1872764634.96
29006000.00	B) Other Societies	32471222.00
<b>1761145623.61</b>		<b>1905235856.96</b>
	<b>SAVINGS DEPOSITS :</b>	
565144951.85	A) Individual	599916758.60
9310506.16	B) Other Societies	12171141.24
<b>574455458.01</b>		<b>612087899.84</b>
	<b>CURRENT DEPOSITS :</b>	
331095849.20	A) Individual	343177918.56
22739.38	B) Other Societies	112993.99
<b>331118588.58</b>		<b>343290912.55</b>
<b>399033.94</b>	<b>UNCLAIMED DEPOSITS :</b>	<b>459294.94</b>
<b>2667118704.14</b>	<b>Total Deposits</b>	<b>2861073964.29</b>

(Amounts in ₹)

31.03.2014	<b>SCHEDULE - D</b> <i>Other Liabilities</i>	31.03.2015
6990178.20	Bills Payable	12376949.95
10512555.51	Provision for interest on Deposits	11468460.20
8256582.50	Provision for Expenses	9823466.80
43542742.48	Others	50848344.66
<b>69302058.69</b>	<b>Total Other Liabilities</b>	<b>84517221.61</b>

(Amounts in ₹)

31.03.2014	<b>SCHEDULE - E</b> <i>Profit &amp; Loss Account</i>	31.03.2015
16629541.88	Balance as per last balance sheet	11698290.12
	Less : Transferred to	
4157385.47	Reserve Fund	2924572.53
500000.00	Dividend Equilisation Fund	0.00
4121026.16	Building Fund	0.00
200000.00	Scholar Ship Fund	249858.09
7651130.25	Dividend Payment for the year 2013-14	8523859.50
11698290.12	Add : Net Profit as per Profit & Loss Account	17735707.64
<b>11698290.12</b>	<b>Profit &amp; Loss Account</b>	<b>17735707.64</b>



**SCHEDULES TO BALANCE SHEET**

(Amounts in ₹)

31.03.2014	<b>SCHEDULE - F</b>	31.03.2015
	<b>Cash with Other Banks</b>	
4073759.61	MDCC Bank Ltd., Fort	37238199.61
10000.00	Punjab & Sind Bank, Bhandup	57938.00
103292.00	State Bank of Hyderabad, Ghatkopar	776380.00
824173.00	State Bank of Hyderabad, Mandvi	12145.00
11000.00	State Bank of India (BCP Clg Operations)	10450.00
12914829.00	Bank of Baroda , Bhandup	11118211.00
4879572.00	Bank of Baroda, Dombivli	224472.00
8455.00	Bank of Baroda, Mandvi	11687.00
2810871.54	HDFC Bank Ltd.,OBC A/c.	7920302.08
953029.61	HDFC Bank Ltd.,DD A/c.	986393.07
5926.15	HDFC Bank Ltd., SGL A/c.	17201.40
2843.32	HDFC Bank Ltd., APMC, Vashi	136103.32
1000.00	HDFC Bank Ltd., Fort (BCP Clg Operations)	1000.00
73022.00	Municipal Co-op. Bank Ltd., Mulund	1118306.00
48375.00	ICICI Bank Ltd.- CA, Vashi	9211016.00
15633323.72	ICICI Bank Ltd.- Vikhroli	50835304.71
29612471.87	ICICI Bank Ltd.- ATM	5187415.61
7455518.30	IDBI Bank - Thane	7349303.30
0.00	IDBI Bank - Dombivli	5926705.00
1305094.50	Axis Bank - CA, Bhandup	1305094.50
0.00	The Shamrao Vithal Co-op Bank Ltd. - CA , Vikhroli	49850.00
53015388.02	Reserve Bank of India	89586225.23
<b>133741944.64</b>	<b>Total Cash With Other Banks</b>	<b>229079702.83</b>

(Amounts in ₹)

31.03.2014	<b>SCHEDULE - G</b>	31.03.2015
	<b>Investments</b>	
	<b>Government Securities :</b>	
396547367.00	Held to Maturity ( FV ₹ 57,23,00,000.00 MV ₹ 54,60,79,540.00 )	563262940.00
269387000.00	Available for Sale ( FV ₹ 15,50,00,000.00 MV ₹ 15,71,05,000.00 )	157182000.00
0.00	Held for Trading ( FV ₹ 0.00 MV Rs. 0.00 )	0.00
<b>665934367.00</b>		<b>720444940.00</b>



**SCHEDULES TO BALANCE SHEET**

(Amounts in ₹)

31.03.2014	Fixed Deposits with Banks :	31.03.2015
35000000.00	FDR with Punjab & Sind Bank, Bhandup (W) (Earmarked Against Reserve Fund Rs. 3,50,00,000.00)	35000000.00
31023817.00	FDR with Bank of Baroda, Bhandup (W) (Earmarked Against Reserve Fund Rs. 2,00,00,000.00)	30898817.00
35000000.00	FDR with Corporation Bank, Mulund (W) (Earmarked Against Reserve Fund Rs. 1,50,00,000.00)	15000000.00
0.00	FDR with Canara Bank, Vikhroli (W) (Earmarked Against Reserve Fund Rs. 1,94,00,000.00)	19400000.00
16100000.00	FDR with MDCC Bank Ltd., Fort (Earmarked Against Reserve Fund Rs. 1,11,00,000.00)	16100000.00
10000000.00	FDR with Union Bank Of India, Bhandup (W)	0.00
35000000.00	FDR with The Bharat Co-op. Bank (Mumbai) Ltd., Bhandup (W)	50000000.00
0.00	FDR with The Bharat Co-op. Bank (Mumbai) Ltd., Koparkhairne	10000000.00
0.00	FDR with The Bharat Co-op. Bank (Mumbai) Ltd., Vikhroli (W)	10000000.00
13000000.00	FDR with The Saraswat Co-op. Bank Ltd., Ghatkopar (W)	13000000.00
10000000.00	FDR with The Saraswat Co-op. Bank Ltd., Ghatkopar (E)	10000000.00
12000000.00	FDR with The Saraswat Co-op. Bank Ltd., Vikhroli (W)	12000000.00
25000000.00	FDR with The Shamrao Vithal Co-op. Bank, Vikhroli (W)	35000000.00
10000000.00	FDR with The Shamrao Vithal Co-op. Bank, Kasarvadavli, Thane (W)	0.00
0.00	FDR with The Mahanager Co-op Bank Ltd., Mulund (W)	20000000.00
0.00	FDR with The Mahanager Co-op Bank Ltd., Borivali (W)	10000000.00
0.00	FDR with The Mahanager Co-op Bank Ltd., Bhandup (W)	20000000.00
0.00	FDR with Thane Bharat Sahakari Bank Ltd., Ghatkopar (W)	50000000.00
35000000.00	FDR with Thane Janta Sahakari Bank Ltd., Mulund (W)	30000000.00
20000000.00	FDR with NKGSB Co-op. Bank Ltd., Nerul (E)	15000000.00
35000000.00	FDR with Punjab & Maharashtra Co-op. Bank Ltd., Kurla (W)	25000000.00
30000000.00	FDR with Janata Sahakari Bank Ltd, Pune , Ghatkopar (E)	55000000.00
15000000.00	FDR with The Cosmos Co-op. Bank Ltd., Dahisar (E)	4200000.00
0.00	FDR with The Cosmos Co-op. Bank Ltd., Kandivali (W)	4200000.00
0.00	FDR with The Cosmos Co-op. Bank Ltd., Ghatkopar (W)	4200000.00
0.00	FDR with The Cosmos Co-op. Bank Ltd., Goregaon (W)	4200000.00
0.00	FDR with The Cosmos Co-op. Bank Ltd., Powai	2800000.00
20000000.00	FDR with The Cosmos Co-op. Bank Ltd., Mulund (E)	0.00
0.00	FDR with Dombivli Nagari Sahakari Bank Ltd., Ghatkopar (W)	35000000.00
35000000.00	FDR With IDBI Bank Ltd., Thane (W)	0.00
<b>422123817.00</b>		<b>535998817.00</b>
97500000.00	MDCC Bank Ltd., Fort – Day to Day Deposits	80000000.00
55000000.00	SBI DFHI Ltd – Day to Day Deposits	0.00
71000.00	<b>Shares in Co-op. Institutions :</b> Shares with MDCC Bank Ltd.,Fort	71000.00
<b>1240629184.00</b>	<b>Total Investments</b>	<b>1336514757.00</b>

**SCHEDULES TO BALANCE SHEET**

(Amounts in ₹)

31.03.2014	<b>SCHEDULE - H</b> <b>Loans &amp; Advances</b>	31.03.2015
	Short Term Loans (Cash Credit, Overdrafts, Bills Discounted) : Of which secured against	
276314226.75	A) Govt. & Other Approved Securities	352259351.23
645551471.68	B) Other Tangible Securities	636569781.16
3620487.69	C) Personal Sureties	2532034.44
31602949.57	Of the advances, Amount Overdue	31299321.30
31602949.57	Amount considered Bad & Doubtful of Recovery	30934472.43
<b>925486186.12</b>		<b>991361166.83</b>
	Medium Term Loans : Of Which Secured against	
67771317.49	A) Govt. & Other Approved Securities	86007772.59
552332890.20	B) Other Tangible Securities	486504141.46
2309865.47	C) Personal Sureties	1940844.23
12089807.30	Of the advances, Amount Overdue	12190524.27
8525974.96	Amount considered Bad & Doubtful of Recovery	11362075.27
<b>622414073.16</b>		<b>574452758.28</b>
<b>1547900259.28</b>	<b>Total Loans &amp; Advances</b>	<b>1565813925.11</b>

(Amounts in ₹)

31.03.2014	<b>SCHEDULE - I</b> <b>Other Assets</b>	31.03.2015
1129073.57	Stock of Stationery	1234926.27
12210.00	Stamps on Hand	8880.00
2150854.00	Security Deposits (Assets)	2154324.00
9446310.00	Deferred Tax Assets	9618779.00
34081919.20	Others	43919775.55
<b>46820366.77</b>	<b>Total Other Assets</b>	<b>56936684.82</b>





## SCHEDULES TO BALANCE SHEET

### SCHEDULE - J

#### Fixed Assets

(Amounts in ₹)

Particulars			Gross Block				Depreciation				Net Block	
Sr. No.	Particulars of Assets	Rate of Dep	Op. Bal as on 01.04.2014	Addition During the Year	Deletion in the Year	Total as on 31.03.2015 (4+5-6)	Opening Bal as on 01.04.2014	Addition During the Year	Deletion Sale / WO Trf	Total as on 31.03.2015 (8+9-10)	Closing Bal as on 31.03.2015 (7-11)	Closing Bal as on 31.03.2014
1	2	3	4	5	6	7	8	9	10	11	(#)	
								(*)			(#)	
1	Premises (#) (*)	10.00	91642080.27	2051481.54	0.00	93693561.81	54419562.27	3832225.00	0.00	58251787.27	35441774.54	37222518.00
2	Furniture & Fixtures	10.00	15862196.04	56673.75	226566.40	15692303.39	6863843.14	891357.29	87724.00	7667477.43	8024825.96	8998351.90
3	Office Equipments	15.00	5416133.79	24750.00	146385.25	5294498.54	3682869.00	257173.75	115223.25	3824819.50	1469680.04	1733265.79
4	Electrical Installation	15.00	2088369.00	369997.00	0.00	2458366.00	1014489.00	125890.10	0.00	1140379.10	1317986.90	1073880.00
5	Air Conditioners	10.00	2361465.16	29000.00	0.00	2390465.16	1678925.21	104554.65	0.00	1783479.86	606985.30	682539.95
6	Computer & Printers	33.33	13366851.31	2754960.00	35051.00	16086760.31	12553876.29	1282532.26	29204.00	13807204.55	2279554.76	812974.02
7	Motor Vehicle	15.00	750954.00	0.00	0.00	750954.00	249083.00	75281.00	0.00	324364.00	426590.00	501871.00
	<b>Total</b>		<b>131488049.57</b>	<b>5286862.29</b>	<b>408002.65</b>	<b>136366909.21</b>	<b>80462647.91</b>	<b>6569014.05</b>	<b>232151.25</b>	<b>86799511.71</b>	<b>49567397.50</b>	<b>51025400.66</b>

# Includes figures of Revaluation Reserve for ₹ 20872289.00

\* Includes figures of Depreciation on Revaluation Reserve for ₹ 2319144.00

Figures are regrouped wherever necessary

(Amounts in ₹)

2013-2014	<b>SCHEDULE - K</b> <b>Other Expenditure</b>	2014-2015
653434.00	Conveyance Charges	544647.03
1038932.19	Expenditure A/C Security Guard	1092387.67
744034.68	Sundry Charges	691250.26
1007075.45	Clearing House Charges	750535.00
8901082.94	Others	9816620.30
<b>12344559.26</b>	<b>Total Other Expenditures</b>	<b>12895440.26</b>



## ANNEXURE - 'A'

### NOTES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2015 & PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2015.

#### 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, 2015

- 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) Advances are classified into standard, sub-standard, doubtful and loss assets in accordance with the Income Recognition, Assets classification and provisioning norms prescribed by the Reserve Bank of India.
- 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 :-**

Bank has been granted Category II Foreign Exchange License by RBI.

**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 Rs. 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 some 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 ₹ 1,71,39,212.00 and other Contingent Liability towards The Depositors Education and Awareness Fund (DEAF) is ₹ 41,69,836.90.  
b) Guarantees issued by the other banks on behalf of our Branches against pledge of our Fixed deposit:
  - i) Ghatkopar Branch ₹ 5.00 lakhs
  - ii) Mohili Village Branch ₹ 15.00 lakhs  
c) The Depositor Education and Awareness Fund (DEAF) :

In accordance with the "The Depositors Education and Awareness Fund Scheme, 2014" formulated by RBI, Bank has transferred Rs. 41.70 Lacs till 31st March 2015, to the Depositors Education and Awareness Fund, details as under :-

(Rs. In Lacs)

	FY 2014-2015	FY 2013-2014
Opening balance of amounts transferred to DEAF	0.00	0.00
Add : Amounts transferred to DEAF during the year	41.70	0.00
Less : Amounts reimbursed by DEAF towards claims	0.00	0.00
Closing balance of amounts transferred to DEAF	41.70	0.00

#### Change in Accounting Policy :

In accordance with the Bank's accounting policy, all outstanding Pay orders & Demand drafts have been transferred to Reserve Fund after a period of 10 years from the date they have been transferred to unclaimed deposit. Said Pay Orders & Demand drafts are transferred to unclaimed deposit after a period of 3 years from the date they have remained due for payment. In view of the aforesaid scheme, the said Pay orders and Demand drafts are also liable to be transferred to the Fund. The Bank is in the process of identification of the pending unclaimed amounts in this respect and as when these are identified, the same would be credited to the Fund.



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**4. Segment Reporting :**

The disclosure under AS-17 on segment reporting issued by ICAI is as follows:

Business Segment	Treasury		Other Banking Operation		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Revenue						
Segment Revenue	114781780	85136542	204407026	203201075	<b>319188806</b>	288337617
Result	32145268	2143205	3723328	26679228	<b>35868596</b>	28822434
Unallocated Expenses	-	-	-	-	<b>6086330</b>	5397623
Operating Profit	-	-	-	-	<b>29782266</b>	23424810
Income Tax	-	-	-	-	<b>(12046558)</b>	(11726520)
Extra Ordinary Profit/Loss	-	-	-	-	-	-
Net Profit	-	-	-	-	<b>17735708</b>	11698290
Other Information	-	-	-	-	-	-
Segment Assets	1375791701	1267202598	1903048769	1800445767	<b>3278840469</b>	3067648365
Unallocated Assets	-	-	-	-	<b>50029413</b>	38914873
<b>Total Assets</b>	<b>1375791701</b>	<b>1267202598</b>	<b>1903048769</b>	<b>1800445767</b>	<b>3328869882</b>	<b>3106563238</b>
Segment Liabilities	-	-	-	-	-	-
Liabilities	1121089761	1021100546	1793829539	1702999168	<b>2914919301</b>	2724099714
Own Fund	210198876	170816540	132188134	152302439	<b>342387010</b>	323118979
Unallocated Liabilities	-	-	-	-	<b>71563572</b>	59344545
<b>Total Liabilities</b>	<b>1331288637</b>	<b>1191917087</b>	<b>1926017673</b>	<b>1855301607</b>	<b>3328869882</b>	<b>3106563238</b>



- 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. Khetshi D. Khona, 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. 20.26 Lakhs.
  8. **Accounting Standard 20: Earning per share (EPS) :**

(Amounts in ₹)

Particulars	31.03.2015	31.03.2014
1) Basic E.P.S.	5.79	4.07
2) Diluted E.P.S.	N.A.	N.A.
<b>Calculation of Basic E.P.S.</b>		
a) Net Profit after Tax available for Equity Shareholders	17735707	11698290
b) Weighted Average number of Equity Shares	3065607	2872622
c) Basic Earning per share (a / b)	5.79	4.07
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	31-03-2015	31-03-2014
<b>Deferred Tax Assets:</b>		
1) On account of timing difference towards provisions	8381510	8128656
2) Provision for standard assets	1915800	1884900
3) Provision for expenses	NIL	NIL
4) Others	NIL	NIL
<b>Total</b>	<b>10297310</b>	<b>10013556</b>
<b>Deferred Tax liability:-</b>		
Depreciation on Fixed assets	(678533)	(567247)
<b>Total</b>	<b>(678533)</b>	<b>(567247)</b>
<b>Net Deferred Tax Asset</b>	<b>9618777</b>	<b>9446308</b>

10. **Taxation:** The bank has provided for income tax liability of ₹ 1,20,46,558/- for the current financial year.

The Income Tax assessment has been completed up to A.Y. 2012-13 and 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:
- ₹ 5,23,817/- 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 31.03.2015 was Rs. 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 31.03.2015 was Rs. 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 31.03.15	As on 31.03.14
i)	<b>Capital to Risk Asset Ratio</b>	21.16%	19.31%
ii)	<b>Movement of CRAR</b>		
	a) Total Capital Funds	2771.38	2484.64
	b) Total Risk Weighted Assets	13100.10	12869.92
iii)	<b>Investments</b>		
	a) Face Value	7273.00	6723.00
	b) Book Value	7204.45	6659.34
	c) Market Value	7031.85	6014.31
	<b>Bonds of Public Sector Undertaking</b>	0.00	0.00
	<b>Other Trustee Securities</b>		
	Fixed Deposits in Co-op. banks, Dist. Central and State co-op banks and	5359.99	4221.24
	Other banks shares in co-operative institution / approved financial institutions	0.71	0.71
	<b>Total Face Value</b>	12633.70	10944.95
	<b>Total Book Value</b>	12565.15	10881.29
	<b>Total Market Value</b>	12392.55	10236.26
iv)	<b>Advances against</b>		
	Real Estate	158.32	212.34
	Construction Business	68.53	69.22
	Housing	1972.72	2012.43
v)	<b>Advances against shares &amp; debentures</b>	-	-
vi)	<b>Advances to Directors, their relatives, companies/firms in which they are interested.</b>		
	a) Fund Based	5.70	2.88
	b) Non-Fund Based (Guarantees, L/C, etc)	-	-



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(₹ in lacs)

Sr. No.	Particulars	As on 31.03.15	As on 31.03.14
vii)	<b>Cost of Deposits (Average Cost of Deposits)</b>	7.12%	7.22%
viii)	<b>NPA's</b>		
	a) Gross NPA's	422.97	401.29
	b) Net NPA's	43.55	36.87
ix)	<b>Movement of NPA's</b>		
	a) Gross NPA's		
	Opening Balance	401.29	416.55
	Add: Additions during the year	131.25	66.60
	Less: Closed/Recovered/Written Off during the year	(109.57)	(81.86)
	Closing Balance	422.97	401.29
	b) Net NPA's		
	Opening Balance	36.87	42.46
	Add: Additions during the year	6.68	0.00
	Less: Closed/Recovered/Written Off during the year	0.00	(5.59)
	Closing Balance	43.55	36.87
x)	<b>Profitability</b>		
	a) Interest income as a percentage of working funds	9.88%	10.15%
	b) Non-interest income as a percentage of working funds	0.56%	0.40%
	c) Operating profit as a percentage of working funds	1.23%	1.37%
	d) Return on Assets	0.64%	0.46%
	e) Business (Deposits + Advances) per employee	391.76	351.25
	f) Profit per employee	3.33	3.12
xi)	<b>Provision made towards NPA's</b>		
	NPA	15.00	0.00
	Depreciation on Investment	0.00	69.87



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(₹ in lacs)

Sr. No.	Particulars	As on 31.03.15	As on 31.03.14		
xii)	<b>Movement in provisions:</b>				
	a) Towards NPA's				
	Opening Balance	364.42	374.09		
	Add: Additions during the year	15.00	0.00		
	Less: Closed/Recovered/Written Off during the year	0.00	(9.67)		
	Closing Balance	379.42	364.42		
	b) Towards Depreciation on investments				
	Opening Balance	165.54	95.67		
	Add: Additions during the year	0.00	69.87		
	Less: Closed/Recovered/Written Off during the year	0.00	0.00		
	Closing Balance	165.54	165.54		
	c) Towards Investment Fluctuation Fund				
	Opening Balance	134.69	129.80		
	Add: Additions during the year	0.00	4.89		
	Less: Closed/Recovered/Written Off during the year	0.00	0.00		
	Closing Balance	134.69	134.69		
	c) Towards Standard Assets				
	Opening Balance	61.00	59.00		
	Add: Additions during the year	1.00	2.00		
	Less: Closed/Recovered/Written Off during the year	0.00	0.00		
	Closing Balance	62.00	61.00		
xiii)	<b>Foreign Currency Assets &amp; Liabilities</b>	-	-		
xiv)	<b>DICGC Insurance Premium paid upto</b>	Sept 2015			
xv)	<b>I) ISSUER COMPOSITION OF NON-SLR INVESTMENTS</b>			(₹ 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 2014-15**

Particulars	Minimum Outstanding during the year	Maximum outstanding during the year	Daily average during the year	As on 31.03.2015
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 K and Annexure A**

AS PER OUR REPORT OF EVEN DATE

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

Mahendra D. Khona  
Chairman

Kalyanji C. Chheda  
Vice Chairman

Khetshi D. Khona  
Chief Executive Officer

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

Malti H. Dharamsi

Manilal V. Barot

CA. Nimesh Mehta  
Partner  
Mem No. : 102582  
FRN No. : 117425W  
Statutory Auditors  
Place : Mumbai,  
Date : 08.08.2015

Manali A. Matkar

Ranjana P. Patil

**Cash Flow Statement for the year ended 31st March, 2015**

(Figures in ₹)

PARTICULARS	31.03.2015		31.03.2014	
	₹	₹	₹	₹
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit as per P/L account		17735707.64		11698290.12
<b>Add: Adjustments for:</b>				
Depreciation on Assets	4249870.05		4251673.49	
Amortisation	1156427.00		933211.00	
Provision for Taxation	12046558.00		11726520.00	
Provision for BDDR	1500000.00		0.00	
Provision for Standard Assets	100000.00		200000.00	
Provision for Election Expenses	100000.00		100000.00	
Transfer to Special Reserve U/s.36(1)(viii)	78027.96		546805.04	
Loss on Sale of Assets	0.00		21534.00	
Interest on Earmarked Investment	6180771.35		5037932.43	
Under provision of Taxation	0.00		0.00	
Software Expenses Written Off	0.00		0.00	
Depreciation on Investment	0.00		6986550.00	
Investment Fluctuation Fund	0.00		489800.00	
		25411654.36		30294025.96
		43147362.00		41992316.08
<b>Less:</b>				
Transfer Fee	2953.28		120.00	
Profit on Sale of Securities	6023050.40		659610.01	
Dividend Received	4296.00		4260.00	
Excess Provision for Income Tax	0.00		28591.00	
Deferred Tax Assets	172469.00		187114.00	
Profit on Sale of Fixed Assets	5968.60	(6208737.28)	0.00	(879695.01)
<b>Cash Profit Generated Before Working Capital Changes</b>		36938624.72		41112621.07
(Increase) / Decrease in Investments	(163518949.60)		(135624389.99)	
(Increase) / Decrease in Advances	(17913665.83)		(67883745.26)	
(Increase) / Decrease in Other Assets	998221.57		(613235.90)	
(Increase) / Decrease in Accrued Interest on Investment	(12703530.11)		5307742.16	
Increase / (Decrease) in Deposits	193955260.15		340782999.98	
Increase / (Decrease) in Other Liabilities	3496474.92		3394474.57	
Increase / (Decrease) in branch adjustment	(1080772.00)		126153.64	
Increase / (Decrease) in Borrowings	0.00		0.00	
Less: Scholarship paid during the year	(310926.00)		(275781.00)	
Less: Income tax paid	(10942070.62)		(11356939.46)	
		(8019957.52)		133857278.74
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES(A)</b>		28918667.20		174969899.81



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**Cash Flow Statement for the year Ended 31st March, 2015**

(Figures in ₹)

PARTICULARS	31.03.2015		31.03.2014	
	₹	₹	₹	₹
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets	(5286362.29)		(2250914.93)	
Sale of Fixed Assets	181320.00		81302.00	
Dividend Received	4296.00		4260.00	
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(5100746.29)</b>		<b>(2165352.93)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from issue of Share Capital	4552525.00		5506125.00	
Entrance Fees	36390.00		5000.00	
Nominal Membership Fees	14950.00		8100.00	
Transfer Fee	2953.28		120.00	
Earlier Period Dividend				
Dividend Paid	(8728141.00)		(7487432.25)	
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>		<b>(4121322.72)</b>		<b>(1968087.25)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		<b>19696598.19</b>		<b>170836459.63</b>
Cash & Cash Equivalents at the beginning of the year		308710675.64		137874216.01
Cash & Cash Equivalents at the end of the year		328407273.83		308710675.64
Cash & Cash Equivalents		31.03.2015		31.03.2014
Cash & Cash Equivalents		19327571.00		22468731.00
Balances with other Banks		229079702.83		133741944.64
Money at call & short notice		80000000.00		152500000.00
Cash & Cash Equivalents as re-stated		328407273.83		308710675.64

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

Mahendra D. Khona  
Chairman

Kalyanji C. Chheda  
Vice Chairman

Khetshi D. Khona  
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 : 08.08.2015

Dhanesh K. Momaya

DIRECTORS :

Gulab D. Shah

Kishor K. Khona

Kirankumar N. Momaya

Manikant V. Nagda

Nitin R. Shah

Paras L. Shah

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 30<sup>th</sup> 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 31.03.2015	As on 31.03.2014	As on 31.03.2013
No. of Branches including HO	<b>Nine</b>	Nine	Nine
Membership			
Regular Nos.	<b>11408</b>	11250	10814
Nominal Nos.	<b>2360</b>	2221	2058
Paid up Capital	<b>794.81</b>	749.28	694.22
Total Reserves & Funds	<b>2547.80</b>	2461.02	2274.21
Deposits			
Savings	<b>6120.88</b>	5744.55	4839.12
Current	<b>3438.00</b>	3311.19	2907.51
Fixed Deposit	<b>19051.86</b>	17615.45	15516.73
Advances			
Secured	<b>15612.12</b>	15432.75	14774.96
Unsecured	<b>46.02</b>	46.25	34.88
Priority Sector %	<b>42.13</b>	43.90	43.70
Weaker Section %	<b>4.68</b>	3.37	3.33
Borrowings	<b>Nil</b>	Nil	Nil
Investments	<b>13365.15</b>	12406.29	9597.78
Overdue %	<b>2.78</b>	2.82	3.05
Audit Classification	<b>A</b>	A	A
Profit for the year	<b>177.36</b>	116.98	166.30
Total Staff			
Sub Staff	<b>25</b>	25	19
Other Staff	<b>88</b>	95	90
Working Capital	<b>30601.99</b>	27328.22	24997.00





ESTD. 1984

**Progress at a Glance**

Particulars	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Share Capital	4,36,53,000	5,22,21,850	6,11,30,100	6,94,22,000	7,49,28,125	7,94,80,650
Reserves (Incl. Rev. Res.)	19,13,93,173	19,91,07,442	21,03,77,808	22,74,21,404	24,61,01,879	25,47,79,967
Deposits	158,10,37,417	176,97,60,984	206,59,47,854	232,63,35,704	266,71,18,704	286,10,73,964
Borrowings	-	--	--	--	--	--
Investment	68,99,96,631	72,45,37,000	94,29,05,289	95,97,78,395	124,06,29,184	133,65,14,757
Advances	98,27,87,640	117,14,07,088	124,44,94,593	148,09,84,005	154,79,00,259	156,58,13,925
Gross Income	16,72,49,279	19,05,05,126	22,75,21,148	26,70,71,202	28,83,37,617	31,91,88,806
Net Profit (After Tax)	1,05,94,673	1,28,87,491	1,85,65,267	1,66,29,542	1,16,98,290	1,77,35,708
Dividend Declared	12%	12%	12%	12%	12%	To be Declared
Audit Class	A	A	A	A	A	A

**Loans & Advances to Directors and their relatives :-**

Position of loans & advances to Directors of the Bank & their relatives, Companies/Firms in which they are interested as on 31.03.2015 is given as under :

(₹ in Lacs)

Nature of Facility	No. of Directors & their relatives		Amount Outstanding as on 31.03.2015		Overdue as on 31.03.2015	
			Principal	Interest	Principal	Interest
Fund Based	Directors	2*	4.72	1.67	0.00	0.00
	Relatives of Directors	1#	0.98	1.65	0.00	0.00
Non Fund Based	Directors	0	0.00	0.00	0.00	0.00
	Relatives of Directors	0	0.00	0.00	0.00	0.00

\* Workmen Directors (under staff Loan Scheme as per Union Agreement)

# Under staff Loan Scheme as per Union Agreement



**Head Office**

GB 10A & B, Karma Stambh,  
Opp.Kailash Commercial Complex,  
L.B.S.Marg, Vikhroli (W), Mumbai- 400 083.  
Tele. 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)**



## ANNEXURE - I

## Revised rate of interest on deposits (w.e.f. 16.04.2015)

Period	Rate Of Interest (w.e.f. 16.04.2015)
15 Days to 90 Days	4.50 %
91 Days to 180 Days	6.00 %
181 Days to 364 Days	7.00 %
12 Months to 24 Months	8.50 %
25 Months to 36 Months	8.75 %
37 Months to 48 Months	9.00 %
49 Months to 59 Months	9.25 %
60 Months	9.50 %
61 Months to 120 Months	8.50 %
500 Days Sp. Deposit	9.00 %

- Revised rates will be applicable to new deposits / renewal of existing deposits.
- Minimum amount of ₹ 10,000/- for Short Deposits up to 364 days.
- Senior Citizen (60 years & above) - 0.50 % additional interest on Term Deposits, provided deposit is for minimum period of one year or above.
- Maximum rate of interest will be 10.00 % inclusive of 0.50 % additional interest as mentioned above.
- For Bulk/Group deposit ( ₹ 15.00 lacs & above ), refer to Head Office.

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



### PROPOSED SUGGESTION FOR AMENDMENT IN BYE - LAWS.

Sr. No.	Bye Laws Sr. No.	Page No	Text of present Bye-Law	Amendments proposed.	Reasons for amendments
1	3	1	The area of operation of the Bank shall be confined to Greater Mumbai Region, Thane including Navi Mumbai & Raigad District, from Maharashtra State. For any revision in this regard, the prior approval in writing from the Reserve Bank of India and also the Registering authority shall be necessary.	The area of operation of the Bank shall be confined to Greater Mumbai Region, Navi Mumbai, Thane District, Palghar District, Raigad District and whole of State of Maharashtra. For any revision in this regard, the prior approval in writing from the Reserve Bank of India and also the Registering authority shall be necessary.	The earlier Thane District was made up of present Thane district and present Palghar district. To continue our area of operation of earlier Thane District, we need to include newly formed Palghar District in our area of operation.  Further to extend our service in the economic development of Maharashtra and also to increase and develop overall business of the bank in whole state of Maharashtra, the area of operation is required to extend to whole of Maharashtra.
2	8	6	The Authorised share capital of the Bank is Rs. 10,00,00,000/- (Rs. Ten Crores only) divided into 40,00,000/- shares of Rs. 25/- each.	The Authorised share capital of the Bank is Rs. 15,00,00,000/- (Rs. Fifteen Crores only) divided into Rs. 60,00,000 shares of Rs. 25/- each.	As per the bye law the member of the bank must have minimum shares of value of Rs. 1000/- ie. 40 shares of Rs. 25/- each. There is a scope for increase in share capital in future as the bank wishes to expand the area of operation to whole of Maharashtra, for which the authorized share capital needs to be increased.
3	17 (1)	10	Only active member shall have one vote irrespective of the number of shares held.	Only active members shall have voting right. The voter shall have one vote irrespective of number of shares held. The voters shall have to cast vote for all seats in each category.	If members do not cast their vote for all the required seats in the election, his/her voting power is underutilised. For the sake of healthy election, they should vote for all the required seats.
4	34 (d)	15	The Notice of Annual General Meeting/Special General Meeting shall be displayed on the Notice Board at the Registered office of the Bank and its branches and published in a widely circulated news paper and notice accompanied by a copy of each of the audited balance sheet, profit and loss account together with the auditor's certificate relating to the preceding year and the report of the board thereon, notice of election to the board, if any and amendment to the Bye-Laws, if any.	A copy of Annual Report shall be made available to the members, through any of the following modes, namely: 1) In electronic form at their registered email addresses. 2) On bank's website (www.arhantbank.com) 3) At the branches. 4) Copy of Annual Report will be provided to members at their registered addresses, on written request.	As a Paperless service and Green Initiative, cost saving, prompt and speedy circulation.



5	42 (1a)	19	<p>Powers and functions of the Chairman and Vice Chairman.</p> <ol style="list-style-type: none"> <li>1) The Chairman shall have the following powers and functions.             <ol style="list-style-type: none"> <li>a) He shall preside over the meeting of the General Body, Board of Directors and any two sub committees of the board of directors only.</li> </ol> </li> <li>2) In the absence of Chairman, the Vice Chairman Shall look after the work of the Chairman</li> </ol>	<p>Powers and functions of the Chairman and Vice Chairman.</p> <ol style="list-style-type: none"> <li>1) The Chairman shall have the following powers and functions.             <ol style="list-style-type: none"> <li>a) Chairman shall preside over the meeting of the General Body, Board of Directors and all the sub Committees of the Board of Directors.</li> <li>b) Chairman and Vice Chairman will be members of all the sub committees of the board of directors.</li> </ol> </li> <li>2) Chairman will supervise the working of the Bank.</li> <li>3) In the absence of Chairman, the Vice Chairman Shall look after the work of the Chairman</li> </ol>	<p>For the sake of better control of the management of the bank and for expediting the decession making process.</p>
6	46	22	<p>QUORUM OF BOARD OF DIRECTORS.</p> <p>Half the number of total strength of the Board of Directors shall form a quorum. If half number of total number of Directors is a fraction figure, it shall be rounded to the nearest figure on upper side, and such rounded figure shall constitute a quorum. For the purpose of quorum of Board of Directors, functional directors shall not be counted, other than the meeting to elect the office bearers. In all other meetings the expert directors shall be counted for quorum.</p>	<p>QUORUM OF BOARD OF DIRECTORS.</p> <p>Half the number of directors occupying the seats of elected Directors of the board shall form a quorum. If half number of total number of elected Directors is a fraction figure, it shall be rounded to the nearest figure on upper side, and such rounded figure shall constitute a quorum. For the purpose of quorum of Board of Directors, functional directors shall not be counted, other than the meeting to elect the office bearers. In all other meetings the expert directors shall be counted for quorum. In the absence of quorum, the meeting shall be adjourned for 30 minutes and then will be continued with the directors present in the meeting for constituting the quorum. In such adjourned meeting only the business prescribed in the agenda will be conducted.</p>	<p>In absence of quorum for the Board Meeting and sub committe meetings, certain important decesions are delayed / postponed to the next meeting thereby affecting the bank's bussiness. To make prompt and effective decesion making it is necessary to conduct the board meetings or sub committee meetings of the directors of the board with the strength available at the time of meeting.</p>



### 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 2011-2012 to 2013-2014 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/CA 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 31.03.2015 & 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

- \* Deposits with Bank exempted from Wealth Tax.
- \* Deposits upto ₹ 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 Rupay ATM Debit Card.
- \* IMPS (Credit)
- \* Net Viewing Facility



## Inauguration of Bulk RTGS / NEFT and Net Viewing Facility



## Renovated Chinchbunder Branch







## Highlights of 31st Annual General Meeting



## Highlights of 31st Annual General Meeting



## Highlights of 31st Annual General Meeting





## Directors at the 31st Annual General Meeting of the Bank



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