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# ARIHANT BANK

SHRI ARIHANT CO-OP. BANK LTD.



We Are **Proud**  
To **Announce**  
The **Recent Opening**  
Of Our

**9<sup>th</sup> Branch**  
Matunga (CR)

&

Shortly Opening Our

**10<sup>th</sup> Branch**  
Borivali (W)



**Our Achievement**

**34<sup>th</sup>**  
**ANNUAL REPORT**  
2016 - 2017



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## ***ABOUT US***

### **★ OUR VISION ★**

***To become a best quality bank in 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 Bank movement through utmost dedication, passion and commitment.

### **★ OUR MISSION ★**

#### ***1. Business Growth :***

- ★ Constant innovation and up-gradation of banking products and services, We have also started IMPS (Debit), Mobile banking, ATM at Dombivli, Mulund & Matunga Branches.
- ★ 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 types of innovative products and services that are being offered by UCB's.

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

- ★ Committed to help lower strata of society with more stress on education, shelter and uplifting 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 institutes 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  
Sheth Shri Narshi Natha*





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## Board of Directors (2016-2021)



**Shri Hirachand Dand**  
(Chairman)



**Shri Mukesh Maisheri**  
(Vice Chairman)



**Shri Dollar Shah**  
(Director)



**Shri Gulab Shah**  
(Director)



**Shri Hanskumar Chheda**  
(Director)



**Shri Jaykumar Dagha**  
(Director)



**Shri Kishor Khona**  
(Director)



**Shri Kirankumar Momaya**  
(Director)



**Shri Mahendra Khona**  
(Director)



**Shri Yashodhan Karani**  
(Director)



**Smt Jalpa Lodaya**  
(Director)



**Ms Manisha Poladia**  
(Director)





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### Board of Directors (2016-2021)



Shri Ratilal Shah  
(Prof. Director)



Shri Mahesh Padave  
(Workman Director)



Shri Keshav More  
(Workman Director)

### Management Team



Mr. Surendra Gosher  
(H.O.)



Shri Kiran Patel  
(Chief Executive Officer)



Mrs. Sarla Momaya  
(Matunga Br.)



Mr. Anil Khedekar  
(H.O.)



Mr. Ramesh Khatri  
(H.O.)



Mr. Narendra Dharamshi  
(H.O.)



Mrs. Lata Soni  
(H.O.)



Mrs. Chhaya Shah  
(Bhandup Br.)



Mrs. Ranjana Patil  
(Mulund Br.)



Mr. Nilesh Momaya  
(Ghatkopar Br.)



Mrs. Manali Matkar  
(Chinchbunder Br.)



Mrs. Nayana Vikamshi  
(MohiliVillage Br.)



Mrs. Kalpana Mota  
(Dombivli Br.)



Mr. Udaya Vikamshi  
(APMC, Vashi Br.)



Mrs. Nayana Naik  
(Thane Br.)



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*Matunga Branch  
Opening  
11th Jun, 2017*







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## NOTICE OF 34th ANNUAL GENERAL MEETING

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of the Members of **Shri Arihant Co-operative Bank Ltd.** will be held on 9<sup>th</sup> September 2017, at 10.00 a.m. at Vishnudas Bhawe Auditorium, Sector No.9, Opp. Vashi Bus Depot., Shivaji Chowk, Vashi, Navi Mumbai -400703 to transact the following business. Members are requested to be present in the meeting.

1. To read and confirm the minutes of last Annual General Body Meeting held on 20<sup>th</sup> August 2016.
2. Adoption of Annual Report with Audited Balance Sheet as at March 31<sup>st</sup>, 2017 and the Profit and Loss Account for the year ended March 31<sup>st</sup>, 2017.
3. Declaration of Dividend and Allocation of Profits for the financial year 2016-17 as recommended by the Board as per Act, Rules & Bye-Laws.
4. To consider and adopt Statutory Audit Report from M/s. H. M. Gosher & Co., Chartered Accountants.
5. To consider and adopt Audit rectification report of earlier Audit of Financial Year 2015-16. (Compliance report is available at Bank's Head Office).
6. To take note of Annual Budget and Development plan for current Financial Year.
7. Appoint Statutory Auditors and Internal Auditors for the financial year 2017-18 and to authorise the Board of Directors to fix their remuneration. The Board of Directors recommends M/s. Sanjay Rane & Associates and M/s. Bhavesh Mehta & Co., Chartered Accountants, for appointment as Statutory Auditors and Internal Auditors, respectively.
8. To grant leave of absence to those members of the Bank who have not attended this Annual General Meeting and requested for leave of absence.
9. Undertaking and disposal of any other business that may be brought before the meeting and answering of Member's questions, relating to the working of the Bank during the financial year 2016-17, permissible under the Bank's Bye-laws and Rules and about which at least 8 days notice, in writing, has been furnished to the Chairman at the Banks' Head Office.

**Place: Mumbai**

**Date : 18th August, 2017.**

**By order of the Board of Directors**

sd/-

**(Kiran L. Patel)**

**Chief Executive Officer.**

### Notes :

1. If quorum is not formed at the time appointed for the meeting, i.e. at 10.00 am, the meeting stand adjourned. The adjourned meeting will be held on the same date and place at 10.30 am for which 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. Bank's Audited Financial Statements including Audit Report for the F.Y. 2016-17 and earlier years' (2015 - 2016) audit report along with compliance report is available to members for inspection at Head Office during working hours.
3. If any member desires any clarification or information on accounts, he/she is requested to submit the query in writing on or before 31st August 2017, addressed to Chairman to reach Head Office of the Bank or by e-mail [chairman@arihantbank.com](mailto:chairman@arihantbank.com) so that the required information may be made available at the Annual General Meeting.
4. Members are requested to bring with them their Member's Identity Card/share folio No. along with any other photo ID for easy entry & convenience.
5. Members are requested to download Annual Report from Bank's web site ([www.arihantbank.com](http://www.arihantbank.com)). The Annual Report may be collected from any Branch/Head Office from 1st September, 2017.
6. Members who have not collected and en-cashed their dividend for the financial year ended 31st March, 2014 are requested to do so immediately. Please note if dividend for the F.Y.2013-14 is not en-cashed on or before 31st December, 2017, will be forfeited by the Bank and credited to Reserve Fund in terms of Bye-law No.58D.
7. With a view to ensure that only bonafide members attend the AGM, Bank has introduced a system of obtaining "Attendance Slip" from every member who attends the meeting.



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## DIRECTOR'S REPORT

### Dear Members,

The Board of Directors of your Bank have great pleasure in presenting the "34<sup>th</sup> 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 31<sup>st</sup> March, 2017.

### Economic Overview

Global economic growth remained subdued during the initial part of 2016, while picking up pace towards the end of the year. Overall, the global economy grew 2.6 percent in calendar year 2016. Two major political events, Brexit i.e. The vote of UK in favour of leaving the European Union and the outcome of the US Presidential elections threw surprises for financial markets.

The US economic grew at a slower pace of 1.6 per cent for calendar year 2016. The Euro area Gross Domestic Product (GDP) grew by 1.7 per cent during 2016, on the back of strong labour market, high economic sentiment and easy Monetary Policy aiding the domestic economy. The Japanese economy managed to expand by 1 percent during 2016 as weaker yen and strong global demand propelled export growth. Among BRICS countries, China recorded growth at 6.7 per cent. Overall, broader outlook indicates that the slowdown during 2016 could be bottoming out and the world economy is expected to improve during calendar year 2017 – albeit at a slower pace.

India has emerged as the fastest growing major economy in the world as per the Central Statistical Organisation (CSO), with a growth of 7.1 per cent for the fiscal 2016-17 vis-a-vis 7.6 per cent for the preceding year. Currency withdrawal (demonetisation) seems to be a major factor behind the moderation, particularly due to sudden squeezing of cash-dominated Micro, Small and Medium Enterprises (MSMEs) business. However, agriculture sector with 4.9 per cent growth, on the back of a good monsoon, played a balancing role and helped to maintain the growth at 7.1 percent.

**Inflation:** Inflation during F.Y. 2016-17, was characterized by two features viz. A downward trend in Consumer Price Index (CPI) since July 2016 as a bountiful monsoon led to good agricultural produce and decline in food prices. The other distinctive feature was in the form of reversal of Wholesale Price Index (WPI) inflation from negative territory to 5.51 per cent by March 2017.

**Fiscal Situation :** The Government maintained its fiscal deficit target of 3.5 per cent for F.Y. 2016-17, exhibiting consistent improvement in the fiscal situation over the past 3 years.

**Current Account Deficit:** The Current Account Deficit to GDP ratio remained muted during F.Y. 2016-17, at less than 1 per cent of GDP.

**Monetary Policy:** The benchmark repo rate was reduced by 50 bps by the Reserve Bank of India (RBI) during F.Y. 2016-17 i.e. 25 bps during April 2016 and 25 bps during October 2016, mirroring the inflationary trajectory.

**Major Developments in the Banking and Financial Sector in India:** The Banking and financial sector has undergone several changes during F.Y. 2016-17, prominent among which are :

**Demonetisation :** On 8<sup>th</sup> November, 2016 the Government in an unprecedented surprise move banned higher denomination i.e. Rs. 500/- and Rs. 1000/- currency notes, comprising 86 per cent of the total notes in circulation. An immediate consequence was a sharp surge of deposits with banks and consequently significant increase of liquidity in the banking system.

**Goods & Services Tax (GST):** The Goods and Services Tax is a unified single tax replacing the various indirect taxes such as excise duty, service tax, sales tax, value-added tax, etc. GST has now been implemented paving the way for single levy, replacing the multiple Central & State Taxes and making the country a seamless national market.

**Insolvency & Bankruptcy Code (IBC):** The IBC was passed by the Lok Sabha on 5th May, 2016. The Code outlines separate insolvency resolution processes for individuals, companies and partnership Firms. Going forward, the IBC is expected to play a major role in addressing the woes pertaining to Non-Performing Assets (NPA) of the banks.

**Prompt Corrective Action (PAC) framework:** RBI revised the PCA framework for banks effective from 1<sup>st</sup> April, 2017. PCA norms allow the regulator to place certain restrictions on banks such as halting branch expansion, stopping dividend payment, conducting special audit, restricting operation etc. PCA can be invoked when certain risk thresholds like asset quality, profitability, capital etc. are breached.

**Other Developments – Launch of Bharat Interface for Money (BHIM) Application, Foreign Direct Investment (FDI) Reforms, New entrants on the Banking scenario –** The RBI gave fresh nudge to the financial inclusion drive by permitting operations for Small and Payments Bank. Mega -Merger – The State Bank of India (SBI) carried out a mega-merger, by taking over fifth of its associate banks and the Bharatiya Mahila Bank, thus placing SBI in the ranks of the world's 50<sup>th</sup> largest banks. Further, the roll-out of the GST has been smooth and the monsoon is expected to be normal. Accordingly, the RBI has reduced the policy repo rate by 25 bps, but decided to keep the policy stance neutral. Overall interest rates on deposits and advances are reducing gradually. Public Sector Banks are suffering from high NPA and consequently have reported losses. Credit pick up is also low and Banks are flushed with the liquidity.





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**YOUR BANK'S PERFORMANCE :-****1) Business & Financial performance as on 31.03.2017 is as under :-**

(Figures Rs. In Lacs)

Sr. No.	Performance Indicators	2015-2016	2016-2017
1	Paid up Capital	824.71	815.50
2	Reserves (including Revaluation Reserve Rs. 187.85 Lacs as on 31 <sup>st</sup> March, 2016 & Rs. 169.07 Lacs as on 31 <sup>st</sup> March, 2017)	2468.57	2643.77
3	Average Working Capital	33831.11	38963.44
4	Deposits	32196.78	37250.30
5	Advances	15068.45	13779.61
6	Gross Income	3512.25	3610.35
7	Profit (after Tax & Provision)	268.88	158.44
8	CRAR Ratio (Required minimum 9%)	24.00%	24.83%
9	Gross NPA	2.44%	2.52%
10	Net NPA	0.10%	0.00%
11	Investment	11970.89	17261.09
12	Income from Purchase/Sale of G.Sec	115.53	355.52

**2) Deposits :-**

- Total deposits have increased by 15.70% during the year as compared to 12.53% in previous year.
- Our CASA deposit is at 41.25% of the total deposits of Rs.37250.30 lacs.
- Average cost of deposit is at 6.43%.

**3) (a) Advances :-**

Advances of the Bank has gone down due to lower credit demand, demonetisation and cut throat competition among the Banks to offer lower rate of interest. Bank has also maintained cautious approach for sound asset quality, in view of prevailing economic condition and mounting NPA's of banking industry.

- Average Yield on Advance is 12.28%
- Exposure to Priority Sector is 40.44%
- Non funded facilities i.e. issue of our Bank guarantees and also through Bank of Baroda with reasonable margin having outstanding of Rs.206.45 lacs.

**(b) Non Performing Assets :**

Percentage of Gross NPA to Total Advances of the Bank stands at 2.52% while percentage of Net NPA stands at 0.00%.

**NPA Movement**

(Figures In Lacs)

Opening Balance as on 01 <sup>st</sup> April, 2016	Rs. 368.27
Add : During the Year	Rs. 20.50
Less : Recovery	Rs. 40.87
Less : Write Off	--
Closing Balance as on 31 <sup>st</sup> March, 2017	Rs. 347.90



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**4) Investments :-**

The Bank has an investment portfolio of Rs.172.61 crores as on 31<sup>st</sup> March, 2017, out of which

- |   |                   |
|---|-------------------|
| a) Investment in Government Securities          | Rs. 120.34 crores |
| b) Inter Bank Deposit & Shares of MDCC Bank Ltd | Rs. 52.27 crores  |

**5) Profit :-**

(Figures Rs. In Lacs)

Particulars	March 2016 #	March 2017
Total Interest Income	3095.29	3066.92
Total Interest Expenditure	2084.78	2204.52
Net Interest Margin	1010.51	862.40
Profit on Sale of Government Security	115.53	355.52
Other Income	131.43	156.10
Other Expenditure	951.53	1061.23
Net Operating Profit before Provision & Tax	305.94	312.79
Less: Provisions		
- NPA & Standard Assets	0.00	1.00
- Other Provisions	59.73	60.76
Net Profit After Provision but before Tax	246.21	251.03
Add : Non Operating Income	189.76	31.81
Less : Non Operating Expenditure	0.02	0.11
Provision for Income Tax	167.07	124.29
Net Profit	268.88	158.44

# Figures are regrouped wherever necessary.

Interest income shows decline of 0.92%

Interest earned on credit exposure represent 46.47%, while interest on investment portfolio contributed 38.48% of total income.

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

(Figures Rs. In Lacs)

Particular	2015-2016	2016-2017
Reserve Fund (25%)	67.22	39.61
Additional Reserve Fund(10%)	26.89	15.84
Dividend	96.72	63.09
Scholarship Fund	4.00	0.00
Technological Development Fund	1.00	0.00
Building Fund	0.79	26.38
Investment Fluctuation Fund	72.26	13.52
<b>Total</b>	<b>268.88</b>	<b>158.44</b>





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**6) Audit & Inspection :-****a) RBI Audit :**

RBI Inspector Mr. V.D.Pathak, Assistant General Manager, inspected our Bank for the period 01<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2016. We are thankful to him for giving valuable suggestions for the improvement of the Bank's working.

**b) Statutory Audit :**

M/s. H. M. Gosher & Co., Chartered Accountants, Mumbai, were appointed as the Statutory Auditor to conduct financial audit of the Bank for the year 2016-17. 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 F.Y. 2015-2016 was duly complied and verified by Statutory Auditor M/s. H. M. Gosher & Co. on 27.10.2016.

**c) Internal Audit :**

M/s. R. Devendra Kumar & Associates, Internal Auditors, conducted 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 Audit Committee.

**d) Tax Audit :**

Tax Audit of the Bank for the A.Y. 2015-2016 was conducted by M/s. F. R. Gosher & Co., Chartered Accountants. The Income Tax return was filled on 17<sup>th</sup> October, 2016. The Income Tax Assessment of the Bank was completed up to A.Y. 2014-2015.

**e) Service Tax and TDS Compliance :**

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

**7) Foreign Exchange Business :-**

The Bank continues to hold AD Category II License by RBI. Our Bank is authorised to provide remittance facilities and foreign currencies.

**8) Human Resource Development :-**

Our staff strength as on 31<sup>st</sup> March, 2017 was 116, Out of which 39 were officers and 77 were other staff members. The Bank is deputing staff to various training programme conducted by The Maharashtra Urban Co-operative Bank's Federation Ltd. - Mumbai, Vaikunth Mehta National Institute of Co-operative Management, - Pune and The Brihan Mumbai Nagri Sahakari Banks Association Ltd.

The operating profit per employee is Rs. 2.70 lacs.

**9) Shifting of Branch :-**

During the F.Y. 2016-2017, two branches viz Thane & Dombivli were shifted to new premises. The shifting was done as a measure of cost cutting. Dombivli Branch shifted to adjoining building and Thane Branch relocated on ground floor in market area.

**10) Opening of New Branch & ATM :-**

Our Bank's 9<sup>th</sup> Branch with ATM facility was opened on 9<sup>th</sup> June, 2017 in the heart of the city i.e. at Matunga (C.R.).

Also on site ATM centre at Mulund Branch was started on 04<sup>th</sup> July, 2017.

Our Bank's 10<sup>th</sup> Branch at Borivali (W) with ATM & Locker facility is scheduled to be opened in the month of September 2017.



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**11) Banking Technologies :-**

The Bank has adopted policy of implementing and improving Banking Technology for providing efficient and better customer service.

**a) SMS Alerts :**

This facility provides advice of any transactions that hits the account, balance enquiry & short balance, if any, for inward clearing cheques.

**b) Tax Collection :**

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

**c) PAN Card Service :**

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

**d) Technological Services To Customers :**

The Beneficiaries of various services provided by the Bank are as under :

ATM Card Members	SMS Alert Members	Mobile IMPS Members	Net viewing service availed Members	APBS Availed Members
6019	12377	1187	940	260

ATM card issued by our bank is also used as debit card for POS as well as E- Commerce transactions. This service provides cashless purchase facility at almost all shops having POS terminal. ATM Card is operational for cash withdrawal and non financial transactions at all leading Banks ATM all over India. The card is issued free of cost to the customers for first time. Those Members who have not availed the ATM Card are requested to acquire the same from any of our Branches.

Under Lucky Grahak Yojna announced by our Honorable Prime Minister, 120 customers of our Bank have been awarded total amount of Rs.1,36,000/- for undertaking digital transactions using debit cards issued by our Bank.

- We offer 3 free financial or non financial transactions on ATM card at other Banks ATM.
- All transaction done through Arihant Rupay Debit Card at Arihant Bank's ATM's are free, irrespective of number of transaction.
- Our Bank also offers periodically 0.5% Cash Back on E-Commerce and POS transactions.
- Our Bank has introduced our own ATM centres at Dombivli, Matunga & Mulund Branch.
- Our Bank also offers NEFT/RTGS, IMPS Credit / Debit, NACH (National Automated Clearing House), APBS (Aadhar Payment Bridge System) & Net Viewing facility.

**12) Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) & Pradhan Mantri Suraksha Bima Yojana (PMSBY) :**

Our Bank has also implemented PMJJBY & PMSBY in tie up with LIC & UIIC.

**13) Customer Meeting:-**

Customer meeting was organized on 3<sup>rd</sup> July, 2016 at Mulund (W) for launching of Mobile Banking Application.

**14) Board of Directors Meetings & attendance :-**

Details of the meetings attended by the Directors in the year 2016-17 is given below:





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Sr. No.	Name of the Director	No. of Meetings Held	No. of Meetings Attended
1	Hirachand D. Dand	15	14
2	Mukesh D. Maisheri	15	14
3	Dollar P. Shah	15	14
4	Gulab D. Shah	15	14
5	Hanskumar L. Chheda	15	14
6	Jaykumar H. Dagha	15	10
7	Kishor K. Khona	15	09
8	Kirankumar N. Momaya	15	15
9	Mahendra D. Khona	15	12
10	Yashodhan R. Karani	15	15
11	Jalpa U. Lodaya	15	13
12	Manisha M. Poladia	15	11
13	Ratilal S. Shah *	7	6

\* Co-opted as Professional Director in the month of September 2016.

**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. Board thanks all our service providers and Bankers 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.
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. The Brihan Mumbai Nagari Sahakari Banks' Association Ltd.
8. Indian Banks' Association.
9. Statutory Auditors.
10. Internal Auditors.
11. Panel Advocates.

Place : Mumbai

Date : 18/08/2017

For & on Behalf of the Board of Directors

Sd/-

Hirachand D. Dand  
(Chairman)



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**STATUTORY AUDITOR'S REPORT**

**Report on the Financial Statements :**

1. We have audited the accompanying Financial Statements of **Shri Arihant Co-operative Bank Limited** ('the Bank'), which comprise of the Balance Sheet as at March 31, 2017, the statement of Profit & Loss and the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

**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 flow of the Bank in accordance with the Maharashtra Co-operative Societies Act, 1960 and rules made there under and The Banking Regulation Act, 1949 as applicable to Co-operative Banks and the accounting principles generally accepted in India, including the Accounting Standards issued by The Institute of Chartered Accountants of India. 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 applicable 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, whether due to fraud or error.
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 auditor's judgment, 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 but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 explanations given to us, the said accounts together with the notes thereon give the information required by the Banking Regulation Act, 1949 (A.A.C.S) as well as the Maharashtra Co-operative Societies Act, 1960 and Rules framed there under in the manner so required for the bank and give a true and fair view in conformity with the accounting principles generally accepted in India





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- (a) In case of the Balance Sheet, of the state of affairs of the Bank as at 31<sup>st</sup> March, 2017.
- (b) In case of the statement of Profit & Loss, 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.

**Emphasis of Matter :**

7. We draw attention to:

Para 7(b) of Notes to accounts, relating to Gratuity Liability towards employees covered by policy with LIC under Group Gratuity Scheme. The liability for earlier year is short provided to the extent of Rs. 17.58Lacs is short provided. Our opinion is not qualified in respect of the above matter.

**Report on Other Legal and Regulatory Matters :**

8. The Balance Sheet and the Profit & Loss Account have been drawn up in accordance with the provisions of Section 29 of Banking Regulation Act, 1949 read with the provisions of the Maharashtra Co-operative Societies Act, 1960 and Maharashtra Co-operative Societies Rules, 1961.
9. 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.
10. In our opinion, the Balance Sheet, the Profit Loss Account and Cash Flow Statement comply with the Accounting Standards issued by The Institute of Chartered Accountants of India to the extent applicable.
11. We further report that:
  - i. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and the returns.
  - ii. 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.

For H.M. GOSHER & Co.  
Chartered Accountants  
(FRN. 103344W)

Sd/-

(CA.H. M. GOSHER)  
Partner  
Mem No. F/10702

PLACE : MUMBAI  
DATE : 29/07/2017



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SHRI ARIHANT CO-OP. BANK LTD

34<sup>th</sup> Annual Report 2016-2017**Balance Sheet As on 31<sup>st</sup> March, 2017**

(Figures in Rs.)

31.03.2016	Capital & Liabilities	SCH	31.03.2017	31.03.2016	Property & Assets	SCH	31.03.2017
82471025.00	Share Capital	A	81549900.00	28936697.00	Cash In Hand		26440192.00
246856878.85	Reserve Fund & Other Reserves	B	264377270.41	771051475.94	Cash with other bank	F	877850805.32
3219677803.96	Deposits & Other Accounts	C	3725029887.17	1197089126.00	Investments	G	1726109255.00
0.00	Borrowings		0.00	1506844709.55	Loans & Advances	H	1377960811.91
19494.00	Bills For Collection		40171.00	64362686.74	Interest Receivable		87517181.63
78674246.72	Other Liabilities & Provisions	D	134852650.54	19494.00	Bills Receivable		40171.00
20488650.52	Overdue Interest Reserve A/c.		23195626.87	60170648.57	Other Assets	I	107204884.28
137244.00	Branch Accounting		497532.03	46738227.75	Fixed Assets	J	42263572.15
26887722.50	Profit & Loss Account	E	15843835.27	0.00	Branch Accounting		0.00
3675213065.55	Total Rs.		4245386873.29	3675213065.55	Total Rs.		4245386873.29
25876671.90	Contingent Liabilities		26126505.90				

AS PER OUR REPORT OF EVEN DATE

FOR M/s. H. M. Goshier &amp; Co.

Chartered Accountants

CA. H. M. Goshier  
PartnerMem. No. F/10702  
FRN No. 103344W

Statutory Auditors

Place : Mumbai,  
Date : 29.07.2017Hirachand D Dand  
Chairman

Dollar P Shah

Jaykumar H Dagher

Mahendra D Khona

Manisha M Poladia

Mahesh M Padave

Mukesh D Maisheri  
Vice Chairman

Gulab D Shah

Kishor K Khona

Yashodhan R Karani

Ratilal S Shah

Keshav N More

Kiran L Patel  
Chief Executive Officer

Hans Kumar L Chheda

Kirankumar N Momaya

Jalpa U Lodaya





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**Profit & Loss Account for the year ended 31<sup>st</sup> March, 2017**

(Figures in Rs.)

2015-2016	EXPENDITURE	SCH	2016-2017	2015-2016	INCOME	SCH	2016-2017
208477688.35	Interest paid on Deposits/ Borrowings		220451530.59	186955198.11	<b>Interest &amp; Discount Received</b>		167775739.44
57401357.00	Salaries, Allowances & Provident Fund		64722403.00	122573865.99	Interest on Loans		138916137.01
4725862.00	Contribution to Staff PF & Other Funds		4946872.00	4367.00	Interest on Investments		4296.00
143797.00	Directors Fees & Allowances		99570.00	1104917.61	Dividend		1291763.67
9802312.00	Rent, Taxes, Insurance, Electricity, etc.		9505826.00	6888.17	Commission, Exchange & Brokerage		100.00
850543.00	Professional & Legal Charges		813636.00	2084905.69	Share Transfer Fees		1500302.99
1419621.45	Postage Telegram & Telephone Charges		866149.46	3279870.55	Sundry Income		4247072.91
977781.31	Printing & Stationery		1093945.58	3423478.69	Processing Fees		4798653.43
903050.00	Audit Fees		796274.00	11553276.50	Incidental Charges		35551564.50
4296950.05	Depreciation on Fixed Assets		4415225.59	521062.00	Profit on sale of GOI Securities		592009.56
	<b>Other Items :</b>			1952013.60	Inspection Charges		2185636.00
385080.00	Repairs & Maintenance		492266.00	4319.36	Rent for Lockers		1486.10
146001.00	Advertisement		55134.00	260248.67	Duplicate Share Certificate Charges		286408.07
1926.00	Loss on Sale of Assets		10802.00	500382.43	ATM Charges		407525.55
52327.00	Board Meeting Expenses		98056.00	17000000.00	SMS Banking Charges		3181159.00
12972821.25	Other Expenditure	K	17487508.18	0.00	Excess IDR Provision		2950000.00
1075274.00	Premium on GOI Securities Amortised		730979.00		Rent Income		
	<b>Provisions :</b>						
0.00	Reserve for Bad & Doubt Debts		0.00				
0.00	Contingent Prov. Against Standard Assets		100000.00				
0.00	Provisions for Investments Depreciation Reserve		0.00				
0.00	Education Fund Contribution		120000.00				
	<b>Income Tax :</b>						
16707224.00	Provision for Current Year		12429080.00				
(1231160.00)	Deferred Tax Assets		187546.00				
(744799.00)	Deficit / (Excess) provision for Income Tax		131081.00				
	<b>Transfers:</b>						
5973415.46	Reserve Funds		5637134.56				
0.00	Special Reserve u/s 36(i)(viii)		0.00				
26887722.50	Net Profit Carried to Balance Sheet		15843835.27				
<b>351224794.37</b>	<b>Total Rs.</b>		<b>361034854.23</b>	<b>351224794.37</b>	<b>Total Rs.</b>		<b>361034854.23</b>

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

FRN No. 103344W

Statutory Auditors

Place : Mumbai,

Date : 29.07.2017

Hirachand D Dand

Chairman

Dollar P Shah

Jaykumar H Dagha

Mahendra D Khona

Manisha M Poladia

Mahesh M Padave

Mukesh D Maisheri

Vice Chairman

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Rattilal S Shah

Keshav N More

Kiran L Patel

Chief Executive Officer

Hans Kumar L Chheda

Kirankumar N Momaya

Jalpa U Lodaya



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**SCHEDULES TO BALANCE SHEET**

(Amount in Rs.)

31.03.2016	<b>SCHEDULE - A</b> <i>Share Capital</i>	31.03.2017
	<b>A. Authorised Capital :</b> 60,00,000 shares of Rs. 25.00 each	
<b>150000000.00</b>		<b>150000000.00</b>
	<b>B. Subscribed &amp; Paid Up Capital</b>	
65383875.00	<b>Individual</b>	64948725.00
17087150.00	<b>Others</b>	16601175.00
<b>82471025.00</b>	3261996 Shares of Rs. 25.00 each fully paid (Previous year 3298841 Shares of Rs. 25.00 each )	<b>81549900.00</b>
31.03.2016	<b>SCHEDULE - B</b> <i>Reserve Fund &amp; Other Reserves</i>	31.03.2017
	<b>RESERVE FUND :</b>	
93167198.29	Balance as per last balance sheet	103707791.16
21000.00	Add : Entrance Fees	11300.00
400.00	Add : Nominal Membership Fees	79500.00
111850.50	Add : Dividend transfer for the year 2012-13	90193.00
5973415.46	Add : Interest on earmarked investments	5637134.56
4433926.91	Add : Transfer from Profit & Loss Account	6721930.63
<b>103707791.16</b>		<b>116247849.35</b>
	<b>BUILDING FUND :</b>	
50238620.28	Balance as per last balance sheet	51336770.50
1098150.22	Add : Transfer from Profit & Loss Account	79361.62
<b>51336770.50</b>		<b>51416132.12</b>
	<b>RESERVE FOR BAD &amp; DOUBTFUL DEBTS :</b>	
37942003.12	Balance as per last balance sheet	35291589.79
2650413.33	Less : Write off	0.00
<b>35291589.79</b>		<b>35291589.79</b>
	<b>CONTINGENT PROVISION AGAINST STANDARD ASSETS :</b>	
6200000.00	Balance as per last balance sheet	6200000.00
0.00	Add : Addition during the year	100000.00
<b>6200000.00</b>		<b>6300000.00</b>
	<b>INVESTMENT FLUCTUATION RESERVE :</b>	
13469350.00	Balance as per last balance sheet	8147000.00
0.00	Add : Addition during the year	7226000.00
5322350.00	Less : Transfer during the year	0.00
<b>8147000.00</b>		<b>15373000.00</b>



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**SCHEDULES TO BALANCE SHEET**

(Amount in Rs.)

31.03.2016		31.03.2017
	<b>CONTINGENT PROVISION AGAINST DEPRECIATION IN INVESTMENT :</b>	
16554000.00	Balance as per last balance sheet	4876350.00
5322350.00	Add : During the year	0.00
17000000.00	Less : Transfer during the year	3181159.00
<b>4876350.00</b>		<b>1695191.00</b>
	<b>REVALUATION RESERVE :</b>	
20872289.00	Balance as per last balance sheet	18785060.00
2087229.00	Less : Depreciation on Revaluation Reserve	1878506.00
<b>18785060.00</b>		<b>16906554.00</b>
	<b>SPECIAL RESERVE U/S. 36(1)(VIII) OF IT Act :</b>	
2085235.00	Balance as per last balance sheet	2085235.00
<b>2085235.00</b>		<b>2085235.00</b>
	<b>GENERAL RESERVE :</b>	
9609315.00	Balance as per last balance sheet	8887615.00
721700.00	Less : Deferred Tax Asset	0.00
<b>8887615.00</b>		<b>8887615.00</b>
	<b>DIVIDEND EQUALISATION FUND :</b>	
4224439.05	Balance as per last balance sheet	4224439.05
<b>4224439.05</b>		<b>4224439.05</b>
	<b>SCHOLARSHIP FUND :</b>	
17517.59	Balance as per last balance sheet	34357.59
400000.00	Add : Transfer from Profit & Loss Account	400000.00
383160.00	Less : Spent during the year	265435.50
<b>34357.59</b>		<b>168922.09</b>
	<b>PROVISION FOR NEXT ELECTION EXPENSES :</b>	
400000.00	Balance as per last balance sheet	500000.00
0.00	Less : Spent during the year	500000.00
100000.00	Add : Addition during the year	200000.00
<b>500000.00</b>		<b>200000.00</b>
	<b>ADDITIONAL RESERVE FUND :</b>	
0.00	Balance as per last balance sheet	1773570.76
1773570.76	Add : Addition during the year	2688772.25
<b>1773570.76</b>		<b>4462343.01</b>
	<b>TECHNOLOGICAL DEVELOPMENT FUND :</b>	
0.00	Balance as per last balance sheet	1000000.00
1000000.00	Add : Addition during the year	100000.00
<b>1000000.00</b>		<b>1100000.00</b>
	<b>NOMINAL MEMBERSHIP FEES :</b>	
0.00	Balance as per last balance sheet	7100.00
7100.00	Add : Addition during the year	90800.00
0.00	Less : Transfer to Reserve Fund	79500.00
<b>7100.00</b>		<b>18400.00</b>
<b>246856878.85</b>	<b>Total Reserve Fund &amp; Other Reserves</b>	<b>264377270.41</b>





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**SCHEDULES TO BALANCE SHEET**

(Amount in Rs.)

31.03.2016	<b>SCHEDULE - C</b> <i>Deposits &amp; Other Accounts</i>	31.03.2017
	<b>FIXED DEPOSITS :</b>	
2085421125.24	A ) Individual	2158710907.54
37666821.00	B ) Other Societies	29714901.00
<b>2123087946.24</b>		<b>2188425808.54</b>
	<b>SAVINGS DEPOSITS :</b>	
684141831.75	A ) Individual	999446367.10
12321680.57	B ) Other Societies	19516080.40
<b>696463512.32</b>		<b>1018962447.50</b>
	<b>CURRENT DEPOSITS :</b>	
399647189.20	A ) Individual	517055080.25
131576.06	B ) Other Societies	98064.74
<b>399778765.26</b>		<b>517153144.99</b>
	<b>UNCLAIMED DEPOSITS :</b>	
<b>347580.14</b>		<b>488486.14</b>
<b>3219677803.96</b>	<b>Total Deposits</b>	<b>3725029887.17</b>

31.03.2016	<b>SCHEDULE - D</b> <i>Other Liabilities</i>	31.03.2017
2396285.01	Bills Payable	4339927.56
16324376.09	Provision for interest on Deposits	13988016.38
11340332.50	Provision for Expenses	15702213.50
48613253.12	Others	100822493.10
<b>78674246.72</b>	<b>Total Other Liabilities</b>	<b>134852650.54</b>

31.03.2016	<b>SCHEDULE - E</b> <i>Profit &amp; Loss Account</i>	31.03.2017
17735707.64	Balance as per last balance sheet	26887722.50
	Less : Transferred to	
4433926.91	Reserve Fund	6721930.63
1773570.76	Additional Reserve Fund	2688772.25
1098150.22	Building Fund	79361.62
400000.00	Scholarship Funds	400000.00
1000000.00	Technological Development Fund	100000.00
0.00	Investment Fluctuation Fund	7226000.00
9030059.75	Dividend Payment for the year 2015-16	9671658.00
26887722.50	Add : Net Profit as per Profit & Loss Account	15843835.27
<b>26887722.50</b>	<b>Profit &amp; Loss Account</b>	<b>15843835.27</b>



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**SCHEDULES TO BALANCE SHEET**

(Amount in Rs.)

31.03.2016	<b>SCHEDULE - F</b> <i>Cash with Other Banks</i>	31.03.2017
121064477.37	MDCC Bank Ltd., Fort	31169371.88
38251.00	Punjab & Sindh Bank, Bhandup	155615.00
65629.00	State Bank of Hyderabad, Ghatkopar	29845.00
17814.00	State Bank of Hyderabad, Mandvi	125888.00
11917.00	State Bank of India (BCP Clg Operations)	11284.50
99080.00	Bank of Baroda - Bhandup	3680952.25
15472.00	Bank of Baroda - Dombivli	100472.00
46630.00	Bank of Baroda - Mandvi	1563497.00
241337.76	HDFC Bank Ltd. - OBC A/c.	568230.76
998650.99	HDFC Bank Ltd. - DD A/c.	1066207.99
473026.66	HDFC Bank Ltd. - SGL A/c.	332859.33
136103.32	HDFC Bank Ltd. - APMC, Vashi	136103.32
1000.00	HDFC Bank Ltd. - Fort (BCP Clg Operations)	1000.00
713014.00	Municipal Co-op. Bank Ltd. - Mulund	56120.00
3140661.00	ICICI Bank Ltd. - CA, Vashi	129911.00
18370998.56	ICICI Bank Ltd. - Vikhroli	51045456.98
2043800.88	ICICI Bank Ltd. - ATM	10210399.59
0.00	ICICI Bank Ltd. - Thane	497675.00
147146.30	IDBI Bank – Thane	345770.30
740571.00	IDBI Bank – Dombivli	432569.00
0.00	IDBI Bank – Mulund	126536.00
305094.50	Axis Bank - CA Bhandup	15180.75
49850.00	The Shamrao Vithal Co-op. Bank Ltd. - CA , Vikhroli	49850.00
622330950.60	Reserve Bank of India	776000009.67
<b>771051475.94</b>	<b>Total Cash With Other Banks</b>	<b>877850805.32</b>

31.03.2016	<b>SCHEDULE - G</b> <i>Investments</i>	31.03.2017
486665030.00	<b>Government Securities :</b> Held to Maturity ( FV Rs. 90,23,00,000.00 MV Rs. 88,83,20,090.00 )	905210929.00
303639357.00	(Earmarked Against Reserve Fund Rs. 7,21,94,862.00 ) Available for Sale	298166191.00
0.00	( FV Rs. 29,00,00,000.00 MV Rs. 29,64,71,000.00 ) Held for Trading	0.00
	( FV Rs. 0.00 MV Rs. 0.00 )	
<b>790304387.00</b>		<b>1203377120.00</b>



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**SCHEDULES TO BALANCE SHEET**

(Amount in Rs.)

31.03.2016	Fixed Deposits with Banks :	31.03.2017
10613739.00	FDR with Bank of Baroda, Bhandup (W)	11561135.00
16100000.00	FDR with MDCC Bank Ltd., Fort (Earmarked Against Reserve Fund Rs. 1,11,00,000.00)	16100000.00
35000000.00	FDR with Union Bank Of India, Bhandup (W) (Earmarked Against Reserve Fund Rs. 4,50,00,000.00)	45000000.00
50000000.00	FDR with The Bharat Co-op. Bank (Mumbai) Ltd., Bhandup (W)	30000000.00
10000000.00	FDR with The Bharat Co-op. Bank (Mumbai) Ltd., Koparkhairne	10000000.00
10000000.00	FDR with The Bharat Co-op. Bank (Mumbai) Ltd., Vikhroli (W)	10000000.00
3000000.00	FDR with The Saraswat Co-op. Bank Ltd., Ghatkopar (W)	3000000.00
10000000.00	FDR with The Saraswat Co-op. Bank Ltd., Ghatkopar (E)	10000000.00
2000000.00	FDR with The Saraswat Co-op. Bank Ltd., Vikhroli (W)	32000000.00
25000000.00	FDR with The Shamrao Vithal Co-op. Bank, Vikhroli (W)	15000000.00
20000000.00	FDR with The Mahanager Co-op. Bank Ltd., Mulund (W)	20000000.00
20000000.00	FDR with The Mahanager Co-op. Bank Ltd., Bhandup (W)	20000000.00
20000000.00	FDR with Thane Bharat Sahakari Bank Ltd., Ghatkopar (W)	50000000.00
40000000.00	FDR with The Thane Janata Sahakari Bank Ltd., Mulund (W)	50000000.00
15000000.00	FDR with NKGSB Co-op. Bank Ltd., Nerul (E)	15000000.00
10000000.00	FDR with NKGSB Co-op. Bank Ltd., Ghatkopar (E)	35000000.00
10000000.00	FDR with Punjab & Maharashtra Co-op. Bank Ltd., Kurla (W)	50000000.00
30000000.00	FDR with Janata Sahakari Bank Ltd., Pune , Ghatkopar (E)	30000000.00
20000000.00	FDR with Janata Sahakari Bank Ltd., Pune , Vile Parle (E)	20000000.00
50000000.00	FDR with Dombivli Nagri Sahakari Bank Ltd., Ghatkopar (W)	50000000.00
<b>406713739.00</b>		<b>522661135.00</b>
71000.00	<b>Shares in Co-op. Institutions :</b> Shares with MDCC Bank Ltd.,Fort	71000.00
<b>1197089126.00</b>	<b>Total Investments</b>	<b>1726109255.00</b>





Estd. 1984

**SCHEDULES TO BALANCE SHEET**

(Amount in Rs.)

31.03.2016	<b>SCHEDULE - H</b> <i>Loans &amp; Advances</i>	31.03.2017
	Short Term Loans ( Cash Credit, Overdrafts, Bills Discounted) :	
	Of which secured against	
330013377.11	A) Govt. & Other Approved Securities	270712249.03
646697553.17	B) Other Tangible Securities	627870853.56
1101875.01	C) Personal Sureties	1099499.01
27207482.68	Of the advances, Amount Overdue	39105094.69
27207482.68	Amount considered Bad & Doubtful of Recovery	26151335.77
<b>977812805.29</b>		<b>899682601.60</b>
	Medium Term Loans : Of Which Secured against	
44109979.09	A) Govt. & Other Approved Securities	40259988.09
482895234.20	B) Other Tangible Securities	435502944.55
2026690.97	C) Personal Sureties	2515277.67
10271490.97	Of the advances, Amount Overdue	9756903.71
9619284.97	Amount considered Bad & Doubtful of Recovery	8638526.71
<b>529031904.26</b>		<b>478278210.31</b>
<b>1506844709.55</b>	<b>Total Loans &amp; Advances</b>	<b>1377960811.91</b>

(Amount in Rs.)

31.03.2016	<b>SCHEDULE - I</b> <i>Other Assets</i>	31.03.2017
985506.45	Stock of Stationery	821394.87
8190.00	Stamps on Hand	4800.00
2156174.00	Security Deposits (Assets)	2157234.00
10128239.00	Deferred Tax Assets	9940693.00
46892539.12	Others	94280762.41
<b>60170648.57</b>	<b>Total Other Assets</b>	<b>107204884.28</b>



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**SCHEDULES TO BALANCE SHEET**

**SCHEDULE - J**  
**Fixed Assets**

Branch	Particulars		Gross Block				Depreciation			Net Block		
	Assests	% of Dep	Opening Bal as on 01/04/16	Addition During the Year	Deletion in the Year	Total as on 31/03/17 (4+5-6)	Opening Bal as on 01/04/16	Addition During the Year	Deletion / Sale / WO Trf	Total as on 31/03/17 (8+9-10)	Closing Bal as on 31/03/17 (7-11)	Closing Bal as on 31/03/16
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Premises (#) (*)	10	94828925.81	0.00	0.00	94828925.81	61820653.27	3300829.30	0.00	65121482.57	29707443.24	33008272.54
2	Furniture & Fixtures	10	16452146.79	518544.48	0.00	16970691.27	8529925.83	843451.17	0.00	9373377.00	7597314.27	7922220.96
3	Office Equipments	15	5460705.84	267627.51	46175.00	5682158.35	4050759.49	231333.88	31415.00	4250678.37	1431479.98	1409947.34
4	Air Conditioners	15	2432596.16	0.00	38817.00	2393779.16	1790975.86	96010.75	37275.00	1949711.61	544067.55	641620.30
5	Electrical Installation	10	2499916.00	1400.00	0.00	2501316.00	1272179.10	122914.09	0.00	1395093.19	1106222.81	1227736.90
6	Computer & Printers	33.33	17224232.91	1047806.00	217968.79	18054070.12	14998804.20	1704401.41	217968.79	16485236.82	1568833.30	2165828.71
7	Motor Vehicle	15	750954.00	0.00	0.00	750954.00	388353.00	54390.00	0.00	442743.00	308211.00	362601.00
<b>Total</b>			<b>139649477.51</b>	<b>1835377.99</b>	<b>302960.79</b>	<b>141181894.71</b>	<b>92851650.75</b>	<b>6353330.60</b>	<b>286658.79</b>	<b>98918322.56</b>	<b>42263572.15</b>	<b>46738227.75</b>

# Includes figures of Revaluation Reserve for Rs. 16906554.00

\* Includes figures of Depreciation on Revaluation Reserve for Rs. 1878506.00

Figures are regrouped wherever necessary

<b>SCHEDULE - K</b> <b>Other Expenditures</b>		(Amount in Rs.)
2015-2016	2016-2017	
653677.23	657399.36	Conveyance Charges
1201348.29	1565644.00	Expenditure A/C Security Guard
632090.43	886569.95	Sundry Charges
762009.50	825187.00	Clearing House Charges
9723695.80	13552707.87	Others
<b>12972821.25</b>	<b>17487508.18</b>	<b>Total Other Expenditures</b>



Estd. 1984

**ANNEXURE – 'A'****NOTES FORMING PART OF THE BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2017 & PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017.****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 and disclosure of contingent liabilities at the date of the financial statements. 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 (as modified by revaluation of premises) 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 and Expense 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) Expenses arising out of claims in respect of employee matters under dispute / negotiation is accounted during the year of final settlement / determination.
- g) Interest on Saving Bank Account was accounted bi-annually and credited to respective Savings Bank Accounts.
- h) 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.
- i) Interest on unpaid and unclaimed matured term deposits are accounted for at saving bank rate.





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### 3. Investments :

- I) In accordance with the RBI directives, the bank has classified its investments portfolio into the following categories as on 31st March, 2017
  - 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 valuation.
- 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 recognized 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 recognized 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.



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**4. Advances :-**

- a) Advances are classified into standard, sub-standard, doubtful and loss assets in accordance with the Income Recognition, Asset 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 (NPA) 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 provided separately under "Overdue Interest Reserve" 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.
- 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.

**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 Scheme and an annual premium contribution is made to LIC accordingly. It has been observed that there is short provision amounting to Rs.17.58 Lacs.
- 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 Lacs during the year.



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**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 :-**

A provision is recognized when the Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

When there is a possible or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

Contingent liability is disclosed when there is a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank or any present obligation arising from past event which is not recognized since it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of such obligation cannot be made.

**IV NOTES ON 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 on 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.





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- 3) a) Contingent Liability towards Guarantees issued by the Bank on behalf of customers is Rs. 2,06,45,375=00 and other Contingent Liability towards The Depositors Education and Awareness Fund (DEAF) is Rs. 54,81,130=90.
- b) Guarantees issued by the other banks on behalf of our bank against pledge of our Fixed deposits Rs. 20.00 Lacs
- c) The Depositor Education and Awareness Fund (DEAF) :

In terms of DBOD Circulars No. DEAF Cell. BC.114/30.01.002/2013-14 dated 27th May, 2014 the Bank created Depositor Education and Awareness Fund on June 30, 2014 and transferred all credit balance mentioned in sub clause I) to viii) in Clause 3 of DEAF Scheme 2014 maintained with the Bank which have not been in operation for 10 years or more. Subsequently, Bank is transferring to the said Fund, amount becoming due in each calendar month (i.e. proceeds of inoperative accounts and balances remaining unpaid for 10 years or more) as specified in the scheme and the interest accrued thereon on the last working day of the subsequent month.

In case of demand from customer/depositors whose unclaimed amount/deposit had been transferred to the fund, the Bank repays the customer/depositor, along with interest, if applicable, and lodges a claim for refund from the Fund for an equivalent amount paid to the customer/depositor. All such unclaimed liabilities (where amount due has been transferred to DEAF) are reflected as "Contingent Liability – Others, items for which the Bank is contingently liable" under Schedule of Contingent Liability in the Annual Financial Statements.

(Rs. In Lacs)

	F.Y. 2016 - 2017	F.Y. 2015 - 2016
Opening balance of amounts transferred to DEAF	48.58	41.70
Add : Amounts transferred to DEAF during the year	6.25	6.88
Less : Amounts reimbursed by DEAF towards claims**	0.02	0.00
Closing balance of amounts transferred to DEAF	54.81	48.58

\*\* The bank has paid Rs. 9.44 lacs (Rs.0.15 lacs) to customers/ depositors towards the said deposit which have remained unclaimed for 10 years or more and also claimed refund of said amount from RBI in terms of the said scheme.

- d) Last year bank had received notice from the Trust in respect of Chinch bunder branch ownership premises relating to Repair Cess demand made by BMC for the period of October 2000 till March 2013 amounting to Rs 28.79 Lacs. The demand had been disputed by the management. The management is hopeful of contesting this demand and accordingly the amount is not provided for.



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**4. Segment Reporting :**

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

**AS-17 Primary Segment Reporting (By Business Segments)**

(Amount in Rs.)

Business Segment	Treasury		Other Banking Operation		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Revenue						
Segment Revenue	177653157	151131509	183381698	200093285	361034854	351224794
Result	71864512	53615890	-37635835	-6023487	34228677	47592403
Unallocated Expenses	-----	-----	-----	-----	5955762	3997456
Operating Profit	-----	-----	-----	-----	28272915	43594947
Income Tax	-----	-----	-----	-----	(12429080)	(16707224)
Extra Ordinary Profit/Loss	-----	-----	-----	-----	0	0
Net Profit	-----	-----	-----	-----	15843835	26887723
Other Information						
Segment Assets	1790430810	1240963162	2392460304	2386559082	4182891114	3627522244
Unallocated Assets					62495759	47690821
Total Assets	1790430810	1240963162	2392460304	2386559082	4245386873	3675213066
Segment Liabilities						
Liabilities	1582266284	1317176157	2229485790	1942330104	3811752075	3259506261
Own Fund	265283467	227681812	87599924	119646199	352883391	347328011
Unallocated Liabilities					80751408	68378793
Total Liabilities	1847549751	1544857969	2317085714	2061976303	4245386873	3675213066



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- i) The bank is organized into two main business segments mainly -
- Treasury, primarily comprising of trading/investments in Government Securities.
  - 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. Kiran L. Patel, the Chief Executive Officer of the bank. However, in terms RBI Circular dated 29<sup>th</sup> 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:
- Leases where the lessor effectively retails substantially all risks and benefits of ownership are classified as operating leases.
  - Operating Lease rent expensed in the profit and loss account in the current year amounts to Rs.21.73 Lacs.
8. **Accounting Standard 20: Earning per share (EPS) :**

Basic earning per share is calculated by dividing the net profit for the period by the weighted average number of shares outstanding during the year. The weighted average number of shares is calculated on monthly basis.

(Amount in Rs.)

PARTICULARS	31.03.2017	31.03.2016
1) Basic E.P.S.	4.86	8.33
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	15843835	26887722
b) Weighted Average number of Equity Shares	3263356	3228102
c) Basic Earning per share (a / b)	4.86	8.33
d) Nominal Value per Share	Rs 25	Rs 25



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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.

(Amount in Rs.)

Particulars	31-03-2017	31-03-2016
<b>Deferred Tax Assets:</b>		
- On account of timing difference towards provisions	93,87,834	93,87,834
- Provision for Standard Assets	21,80,430	21,45,820
- Provision for Expenses	NIL	NIL
- Others	NIL	NIL
<b>Total</b>	<b>115,68,264</b>	<b>115,33,654</b>
<b>Deferred Tax Liability:</b>		
- Depreciation on Fixed Assets	(9,05,872)	(6,83,716)
- Special Reserve U/s.36(I)(VIII)	(7,21,700)	(7,21,700)
<b>Total</b>	<b>(16,27,572)</b>	<b>(14,05,416)</b>
<b>Net Deferred Tax Asset</b>	<b>99,40,692</b>	<b>101,28,238</b>

10. **Taxation:** The Bank has provided for income tax liability of Rs. 1,24,29,080/- for the current financial year. The Income Tax assessment has been completed up to A.Y. 2014-15 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:

- Rs. 6,13,739/- pledged with Bank of Baroda for bank guarantees issued by them to Reliance Infrastructure Limited on our behalf for collection of electricity bills.
- Rs. 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 31.03.2017 was Rs. Nil.
- Rs. 1,09,47,396/- pledged with Bank of Baroda, Bhandup against overdraft limit sanctioned to the Bank. The balance outstanding against the said facility as on 31.03.2017 was Rs. Nil.

13. Figures for previous year have been re-grouped/ re-arranged 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 dated.06.03.2003.

(Figures Rs. In Lacs)

Sr. No.	PARTICULARS	As on 31.03.2017	As on 31.03.2016
i)	<b>Capital to Risk Asset Ratio</b>	24.83%	24.00%
ii)	<b>Movement of CRAR</b>		
	a) Total Capital Funds	2999.01	2906.86
	b) Total Risk Weighted Assets	12077.47	12114.00
iii)	<b>Investments</b>		
	a) Face Value	11923.00	8073.00
	b) Book Value	12033.77	7903.04
	c) Market Value	11847.91	7711.96
	<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 Other Banks	5226.61	4067.14
	Shares of co-operative institution / approved financial institutions	0.71	0.71
	<b>Total Face Value</b>	17150.32	12140.85
	<b>Total Book Value</b>	17261.09	11970.89
	<b>Total Market Value</b>	17075.23	11779.81
iv)	<b>Advances against</b>		
	Real Estate	122.82	162.86
	Construction Business	35.21	0.00
	Housing	1758.44	1869.29
v)	<b>Advances against shares &amp; debentures</b>	0.00	0.00
vi)	<b>Advances to Directors, their relatives, companies/firms in which they are interested.</b>		
	a) Fund Based	22.92	21.23
	b) Non-Fund Based (Guarantees L/C, etc)	0.00	0.00



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(Amount Rs. In lacs)

Sr. No.	PARTICULARS	As on 31.03.2017	As on 31.03.2016
vii)	<b>Cost of Deposits (Average Cost of Deposits)</b>	6.43%	7.13%
viii)	<b>NPA's</b>		
	a) Gross NPA's	347.90	368.27
	b) Net NPA's	(5.02)	15.35
ix)	<b>Movement Of NPA's</b>		
	a) Gross NPA's		
	<b>Opening Balance</b>	<b>368.27</b>	<b>422.97</b>
	Add: Additions during the year	20.50	26.72
	Less: Closed/Recovered/Written Off during the year	(40.87)	(81.42)
	<b>Closing Balance</b>	<b>347.90</b>	<b>368.27</b>
	b) Net NPA's		
	<b>Opening Balance</b>	<b>15.35</b>	<b>43.55</b>
	Add: Additions during the year	0.00	0.00
	Less: Closed/Recovered/Written Off during the year	(20.37)	(28.20)
	<b>Closing Balance</b>	<b>(5.02)</b>	<b>15.35</b>
x)	<b>Profitability :</b>		
	a) Interest income as a percentage of working funds	7.87%	9.15%
	b) Non-interest income as a percentage of working funds	1.39%	1.29%
	c) Operating profit as a percentage of working funds	0.80%	0.96%
	d) Return on Assets	0.50%	0.90%
	e) Business (Deposits + Advances) per employee	439.91	407.46
	f) Profit per employee	2.70	2.81
xi)	<b>Provision made towards NPA's:</b>		
	NPA	0.00	0.00
	Depreciation on Investment	0.00	0.00



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(Amount Rs. In lacs)

Sr. No.	PARTICULARS	As on 31.03.2017	As on 31.03.2016
xii)	<b>Movement in provisions:</b>		
	a) Towards NPA's		
	<b>Opening Balance</b>	<b>352.92</b>	<b>379.42</b>
	Add: Additions during the year	0.00	0.00
	Less: Closed/Recovered/Written Off during the year	0.00	26.50
	<b>Closing Balance</b>	<b>352.92</b>	<b>352.92</b>
	b) Towards Depreciation on investments		
	<b>Opening Balance</b>	<b>48.76</b>	<b>165.54</b>
	Add: Additions during the year	0.00	53.22
	Less: Closed/Recovered/Written Off during the year	31.81	170.00
	<b>Closing Balance</b>	<b>16.95</b>	<b>48.76</b>
	c) Towards Investment Fluctuation Fund		
	<b>Opening Balance</b>	<b>81.47</b>	<b>134.69</b>
	Add: Additions during the year	72.26	0.00
	Less: Closed/Recovered/Written Off during the year	0.00	53.22
	<b>Closing Balance</b>	<b>153.73</b>	<b>81.47</b>
	d) Towards Standard Assets		
	<b>Opening Balance</b>	<b>62.00</b>	<b>62.00</b>
	Add: Additions during the year	1.00	0.00
	Less: Closed/Recovered/Written Off during the year	0.00	0.00
	<b>Closing Balance</b>	<b>63.00</b>	<b>62.00</b>
xiii)	<b>Foreign Currency Assets &amp; Liabilities</b>	0.00	0.00

xiv) **DICGC Insurance Premium paid upto** Sept 2017

xv) **I) ISSUER COMPOSITION OF NON - SLR INVESTMENTS**

(Amount Rs. In lacs)

Sr. 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







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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

(Amount in Rs.)

PARTICULARS	31.03.2017		31.03.2016	
	Rs.	Rs.	Rs.	Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit as per P/L account</b>		1,58,43,835.27		2,68,87,722.50
<b>Add: Adjustments for:</b>				
Depreciation on Assets	44,15,225.59		42,96,950.05	
Amortisation	7,30,979.00		10,75,274.00	
Provision for Taxation	1,24,29,080.00		1,67,07,224.00	
Provision for BDDR	0.00		0.00	
Provision for Standard Assets	1,00,000.00		0.00	
Provision for Gratuity	15,00,000.00		25,00,000.00	
Provision for Election Expenses	2,00,000.00		1,00,000.00	
Transfer to Special Reserve U/s.36(I)(VIII)	0.00		0.00	
Loss on Sale of Assets	10,802.00		1,926.00	
Interest on Earmarked Investment	56,37,134.56		59,73,415.46	
Under Provision of Taxation	1,31,081.00		0.00	
Software Expenses Written Off	0.00		0.00	
Depreciation on Investment	0.00		0.00	
Investment Fluctuation Fund	0.00		0.00	
Deferred Tax Assets	1,87,546.00			
Education Fund Contribution	1,20,000.00	2,54,61,848.15	0.00	3,06,54,789.51
		41305683.42		57542512.01
<b>Less:</b>				
Transfer Fee	100.00		6888.17	
Profit on Sale of Securities	35551564.50		11553276.50	
Dividend Received	4296.00		4367.00	
Excess Provision for Income Tax	0.00		744799.00	
Excess IDR Provision trf to PL	3181159.00		17000000.00	
Deferred Tax Assets	0.00		1231160.00	
Rent Income	295000.00			
Profit on Sale of Fixed Assets	0.00	(39032119.50)	0.00	(30540490.67)
<b>Cash Profit Generated Before Working Capital Changes</b>		2273563.92		27002021.34
(Increase) / Decrease in Investments	(494199543.50)		69903633.50	
(Increase) / Decrease in Advances	128883897.64		56318802.23	
(Increase) / Decrease in Other Assets	(32661425.71)		(6011928.75)	
(Increase) / Decrease in Accrued Interest on Investment	(20447518.54)		(4597092.55)	
Increase / (Decrease) in Deposits	505352083.21		358603839.67	
Increase / (Decrease) in Other Liabilities	41697730.07		(6743312.14)	
Increase / (Decrease) in branch adjustment	360288.03		1207772.94	
Increase / (Decrease) in Borrowings	0.00		0.00	
Less: Scholarship paid during the year	(265435.50)		(383160.00)	
Less: Income tax paid	(14943858.00)		(15012235.00)	
		113776217.70		453286319.90
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES(A)</b>		<b>116049781.62</b>		<b>480288341.24</b>



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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

(Amount in Rs.)

PARTICULARS	31.03.2017		31.03.2016	
	Rs.	Rs.	Rs.	Rs.
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets	(1831377.99)		(3593235.30)	
Sale of Fixed Assets	1500.00		36300.00	
Dividend Received	4296.00		4367.00	
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>		<b>(1825581.99)</b>		<b>(3552568.30)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from issue of Share Capital	(921125.00)		2990375.00	
Entrance Fees	11300.00		21000.00	
Nominal Membership Fees	79500.00		400.00	
Transfer Fee	100.00		6888.17	
Earlier Period Dividend				
Dividend Paid	(9091150.25)		(8173537.00)	
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>		<b>(9921375.25)</b>		<b>(5154873.83)</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		<b>104302824.38</b>		<b>471580899.11</b>
Cash & Cash Equivalents at the beginning of the year		799988172.94		328407273.83
Cash & Cash Equivalents at the end of the year		<b>904290997.32</b>		<b>799988172.94</b>
<b>Cash &amp; Cash Equivalents</b>		<b>31.03.2017</b>		<b>31.03.2016</b>
Cash & Cash Equivalents		26440192.00		28936697.00
Balances with other Banks		877850805.32		771051475.94
Money at call & short notice		0.00		0.00
Cash & Cash Equivalents as re-stated		<b>904290997.32</b>		<b>799988172.94</b>

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 AccountantsCA. H. M. Gosher  
Partner  
Mem. No. F/10702  
FRN No. 103344W  
Statutory AuditorsPlace : Mumbai,  
Date : 29.07.2017Hirachand D Dand  
Chairman

Dollar P Shah

Jaykumar H Dagha

Mahendra D Khona

Manisha M Poladia

Mahesh M Padave

Mukesh D Maisheri  
Vice Chairman

DIRECTORS :

Gulab D Shah

Kishor K Khona

Yashodhan R Karani

Ratilal S Shah

Keshav N More

Kiran L Patel  
Chief Executive Officer

Hanskumar L Chheda

Kirankumar N Momaya

Jalpa U Lodaya



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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.

(Figures Rs. In Lacs)

Items	As on 31.03.2017	As on 31.03.2016	As on 31.03.2015
No. of Branches including HO	Nine	Nine	Nine
Membership			
Regular Nos.	11162	11200	11408
Nominal Nos.	1606	710	2360
Paid up Capital	815.50	824.71	794.81
Total Reserves & Funds	2643.77	2468.57	2547.80
Deposits			
Savings	10189.62	6964.64	6120.88
Current	5176.42	4001.76	3438.00
Fixed Deposit	21884.26	21230.38	19051.86
Advances			
Secured	13742.46	15032.94	15612.12
Unsecured	37.15	35.51	46.02
Priority Sector %	40.44	42.49	42.13
Weaker Section %	7.43	6.67	4.68
Borrowings	Nil	Nil	Nil
Investments	17261.09	11970.89	13365.15
Overdue %	3.55	2.49	2.78
Audit Classification	A	A	A
Profit for the year	158.44	268.88	177.36
Total Staff			
Sub Staff	26	26	25
Other Staff	90	90	88
Working Capital	38963.44	33831.11	30601.99



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**PROGRESS AT A GLANCE**

Particulars	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Share Capital	6,11,30,100	6,94,22,000	7,49,28,125	7,94,80,650	8,24,71,025	8,15,49,900
Reserves (Incl. Rev. Res.)	21,03,77,808	22,74,21,404	24,61,01,879	25,47,79,967	24,68,56,879	26,43,77,270
Deposits	206,59,47,854	232,63,35,704	266,71,18,704	286,10,73,964	321,96,77,804	372,50,29,887
Borrowings	--	--	--	--	--	--
Investment	94,29,05,289	95,97,78,395	124,06,29,184	133,65,14,757	119,70,89,126	172,61,09,255
Advances	124,44,94,593	148,09,84,005	154,79,00,259	156,58,13,925	150,68,44,710	137,79,60,812
Gross Income	22,75,21,148	26,70,71,202	28,83,37,617	31,91,88,806	35,12,24,794	36,10,34,854
Net Profit (*After Tax)	1,85,65,267	1,66,29,542	1,16,98,290	1,77,35,708	2,68,87,723	158,43,835
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 31.03.2017 is given as under:

(Rs. In Lacs)

Nature of Facility	No. of Directors & their relatives		Amount Outstanding as on 31.03.2017		Overdue as on 31.03.2017	
			Principal	Interest	Principal	Interest
Fund Based	Directors	2* +1=3	22.53	1.87	0.00	0.00
	Relatives of Directors	1#	0.39	1.58	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





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SHRI ARIHANT CO-OP. BANK LTD

34<sup>th</sup> Annual Report 2016-2017

**Head Office**

GB 10A & 10B, Karma Stambh,  
L.B.S Marg, Vikhroli (W), Mumbai - 400 083.  
Tel. No: 2579 9326 Fax no: 2579 9323  
Mobile: 96194 86622

**Mulund Branch**

51, Safalya, Dr. Ambedkar Road, Mulund (W),  
Mumbai - 400 080.  
Tel. No: 2564 7157/ 96194 86617  
Fax no: 2567 1018  
Mobile: 99301 37642 / 79770 99810  
ATM Facility

**Chinchbunder Branch**

G-1, Anant Niwas, 262/70, Narshi Natha Street,  
Chinch Bunder, Mumbai - 400 009.  
Tel. No: 2347 3158 / 96194 86619  
Telefax no: 2347 8134  
Mobile: 99301 37644 / 79770 99812

**Dombivli Branch**

Shop No.6, 7 & 8, Vinayak Chhaya Building,  
Ground Floor, Baba Saheb Joshi Marg,  
Dombivli (E), Thane - 421 201.  
Tel.No. : 0251-244 5809  
Mobile: 96194 86621 / 79770 99814  
ATM Facility

**Thane Branch**

Shop no 2 and 3, Ground Floor, Shree Datta  
Prasad Building, Ram Maruti Cross Road,  
Opp New English School, Naupada,  
Thane (W) - 400 602.  
Tel. No: 9819086624 / Telefax no: 2543 7977  
Mobile: 99301 37649 / 79770 99816

**Borivali Branch (Proposed)**

Shop No. 001, Ground Floor, A Wing, Shreyans  
Kesar Baug C.H.S., Lokmanya Tilak Road,  
Borivali West, Mumbai- 400 092.  
ATM Facility

**Bhandup Branch**

A, Anant Siddhi, 107, L.B.S. Marg,  
Bhandup (W), Mumbai - 400 078.  
Tel. No: 2595 4422/ 96194 86616  
Fax no: 2595 4635  
Mobile: 99301 37641 / 79770 99809

**Ghatkopar (E) Branch**

5/6, Laxmi Palace, R. B. Mehta Marg,  
Ghatkopar (E), Mumbai - 400 077.  
Tel. No: 2501 5820/ 96194 86618  
Fax no: 2501 5594  
Mobile: 99301 37643 / 79770 99811

**Mohili Village Branch**

C/2, Dhanlaxmi Co-op. Hsg. Soc. Ltd.,  
Ghatkopar-Andheri Link Road,  
Mohili Village, Asalfa, Ghatkopar (W),  
Mumbai - 400 072.  
Tel. No: 84199 06850/ 80970 70775  
Mobile: 99301 37645 / 79770 99813

**APMC (Vashi) Branch**

H101, F-1, Vyapar Bhavan, Market -2,  
Phase -II, Sector -19, APMC Vashi,  
Navi Mumbai - 400 703.  
Tel. No: 96198 46623  
Telefax No.: 2784 9430  
Mobile: 99308 38647 / 79770 99815

**Matunga Branch**

9 & 10, Ground Floor, Nishant Building,  
Dadar Matunga Estate, Matunga Division,  
Bhau Daji Road, Matunga, Mumbai - 400 019.  
Telefax No.: 2401 0427  
Mobile: 98199 16651 / 90825 60849  
ATM Facility

**\*\* Reliance Energy Collection Centre – Mohili Village Branch \*\***

**LOCKERS FACILITY AVAILABLE IN BRANCHES AT:**

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



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**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 2013-2014 to 2014-2015 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 Bank's record as on 31.03.2017 & 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.

**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.
- ★ Standing instruction facilities at no extra cost.
- ★ Safe Deposit Vaults are available at Bhandup, Mulund, Chinch Bunder, Mohili Village, Dombivli, APMC (Vashi) & Borivali Branch.
- ★ Arihant Rupay ATM Debit Card.
- ★ IMPS (Credit / Debit).
- ★ Net Viewing Facility.
- ★ Mobile Banking Facility.
- ★ POS Machines.



Estd. 1984



*GST Seminar  
with KDO  
CA Associates  
22nd Oct, 2016*







Estd. 1984



Opening of New Premise Thane Branch, 14th May, 2017







Estd. 1984



*Opening of  
New Premise  
Dombivli Branch  
28th May, 2017*







*Mulund Branch  
ATM Opening  
4th Jul, 2017*







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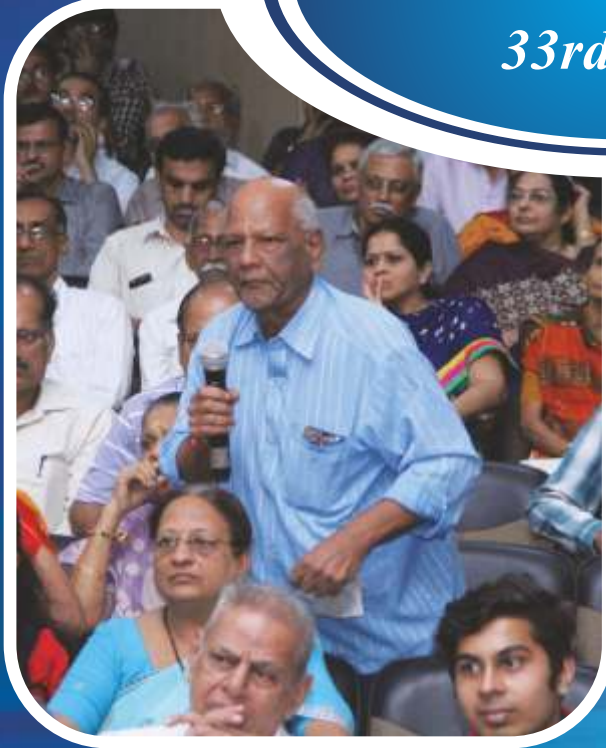


*GST  
Awareness  
Tree Plantation  
under Green Army*





*Glimpses  
of  
33rd AGM*



Estd. 1984

**ARIHANT BANK**

**SHRI ARIHANT CO-OP. BANK LTD.**

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