

## THE CITIZENS URBAN CO-OP. BANK LTD.

506, NEW JAWAHAR NAGAR, MODEL TOWN ROAD, JALANDHAR CITY

PHONE : 0181-5031547 – 555, FAX : 0181-2230169

Mail id : bank.citizens@gmail.com

No. CUCB:AGM:2013-14:1-4923

Dated: 09.10.2014

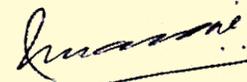
**Subject: ANNUAL GENERAL MEETING**

Dear Members,

We are pleased to inform you that Annual General Meeting of the Members of The Citizens Urban Coop. Bank Ltd., Jalandhar shall be held on 26th October 2014 at 11.00 AM at 506, New Jawahar Nagar, Model Town Road, Jalandhar City to consider and approve the following agenda:-

1. To consider to confirm the proceedings of last Annual General Meeting held on 26.10.2013.
2. To consider to approve the Audited Balance Sheet and Profit and Loss Account for the year 2013-14 along with Auditor's Report.
3. To consider and approve the distribution of profit for the year 2013-2014 as recommended by the Board of Directors.
4. To approve the appointment of Auditor for the year 2014-15.

For THE CITIZENS URBAN COOP. BANK LTD.



(S.K.MALHOTRA)

CHIEF EXECUTIVE OFFICER

**NOTE :** 1. Registration of Delegates/Members shall start at 9.00 AM  
2. Defaulters are requested to clear their dues upto 22-10-2014

# Agenda

The Annual General Body Meeting of the Bank held on 26-10-2013 under the Chairmanship of Smt. Sudershan Sharma, Chairperson to discuss the following agenda

## AGENDA NO. 1:

**To consider to confirm the proceeding of the last Annual General Meeting held on 06-10-2012**

**Confirmed**

sd/–  
(Chairperson)

## AGENDA NO. 2

**To consider to approve the Audited Balance Sheet and Profit and Loss Account for the year 2012-2013 along with auditor's report.**

The Audit Report along with the audited Balance Sheet and Profit and Loss Account for the year 2012-2013 which was circulated to the members was considered in the meeting. The members present in meeting showed their satisfaction on the overall performance of the bank and unanimously approved the audited Balance Sheet and Profit & Loss Account for the year 2012-13.

sd/–  
(Chairperson)

## AGENDA NO. 3

**To consider and approve the distribution of Profit for the year 2012-13 as recommended by the Board of Directors.**

It is unanimously resolved to approve the allocation of profit for the year 2012-13 as under

1 Statutory Reserve Fund	25%	Rs. 1,04,99,798.00
2. Bad and doubtful Reserve (of the remaining current profit)	27%	Rs. 85,04,837.00
3. Building fund	5%	Rs. 20,99,960.00
4. Investment Fluctuation Fund		Rs. 1,03,44,375.00
5. Staff Welfare Fund		Rs. 49,403.00
6. Proposed Dividend		Rs. 1,05,00,820.00
<b>Total</b>		<b>Rs. 4,19,99,193.00</b>

It is further resolved to pay 11% dividend to the shareholders of the bank after allocation of funds.

Sd/-  
Chairperson

### AGENDA NO. 4

#### **To approve the appointment of auditor for the year 2013-14.**

The Statutory and Tax Audit of the bank for year 2012-13 was got conducted from the Chartered Accountants – M/s. Umesh Dada & Co., Jalandhar.

The Board has further decided to appoint M/s. Umesh Dada & Co., Jalandhar for the Statutory and Tax Audit for year 2013-14 and the appointment is confirmed and approved

Sd/-  
Chairperson

### AGENDA NO. 5

#### **To consider to enhance the Area of Operation to the entire State of Punjab as the RBI has already given approval for amendment vide their office letter No. UBD (Chd)/511/07.07.03/2012-13 dated 26.03.2013. The proposed amendment is as under :-**

It is unanimously resolved to enhance the Area of Operation of the Bank to the entire State of Punjab as approved by Reserve Bank of India vide their Office letter No. UBD (Chd)/511/07.07.03/2012-13 dated 26.03.2013 as under :

#### EXISTING BYE-LAW NO. 3 AREA OF OPERATION

The Area of Operation of the bank shall extend over the limits of Districts of Jalandhar, Kapurthala, Nawanshahar, Ropar, Hoshiarpur and Mohali

#### PROPOSED BYE-LAW NO. 3 AREA OF OPERATION

The Area of Operation of the bank shall extend to entire State of Punjab.

Sd/-  
Chairperson

# Annual Report 2013-14

## THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

### BALANCE SHEET AS AT 31ST MARCH, 2014

LIABILITIES	Schedule	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
Capital	1	120145500.00	108590500.00
Reserve and Surplus	2	398893867.67	361191579.67
Deposits	3	5189655576.33	4597988234.26
Borrowings	4	0.00	0.00
Other Liabilities & Provisions	5	224792613.77	164309644.25
<b>TOTAL (Rs.)</b>	<b>Total</b>	<b>5933487557.77</b>	<b>5232079958.18</b>
ASSETS	Schedule	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
Cash & Balances with Reserve Bank of India, State Bank of India, State Co-op. Bank & Central Co-op.Bank	6	102114921.05	109110636.91
Balances with Banks and Money at Call and Short Notice	7	821067512.21	824172307.71
Investments	8	2043869148.00	1689337200.00
Advances	9	2806922607.71	2496994380.65
Fixed Assets	10	54110918.15	53109023.15
Other Assets	11	105402450.65	59356409.76
<b>Total</b>		<b>5933487557.77</b>	<b>5232079958.18</b>
Contingent Liabilities	12	<b>25532500.00</b>	<b>106109340.00</b>
Bills for Collection		<b>304880.00</b>	
Accounting Policies and Notes to Accounts	17		

Sd/-  
Accountant

Sd/-  
Manager

Sd/-  
CEO

Sd/-  
Director

Sd/-  
Director

Sd/-  
Chairman

#### AUDITOR'S REPORT

*As per our separate report of  
even date annexed herewith.*

**for UMESH DADA & CO**  
CHARTERED ACCOUNTANTS

CA TINA ARORA  
B.Com., F.C.A.  
FRN : 015299N  
M.No. 404796

PLACE : JALANDHAR  
DATE : 28-07-2014

# Annual Report 2013-14

## THE CITIZENS URBAN CO-OPERATIVE BANK LTD. PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31-03-2014

PARTICULARS		Schedule	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
<b>I.</b>	<b>Income</b>			
	Interest Earned	13	544659697.99	455719781.80
	Other Income	14	5946297.94	51475757.85
	<b>Total</b>		<b>550605995.93</b>	<b>507195539.65</b>
<b>II.</b>	<b>Expenditure</b>			
	Interest Expended	15	389801441.33	360450504.40
	Operating Expenses	16	84405005.75	78317365.07
	Provisions & Contingencies		29698372.85	26428477.18
	<b>Total</b>		<b>503904819.93</b>	<b>465196346.65</b>
<b>III.</b>	<b>Profit/Loss</b>			
	Net Profit for the year		46701176.00	41999193.00
	<b>Total</b>		<b>46701176.00</b>	<b>41999193.00</b>

Sd/-  
Accountant

Sd/-  
Manager

Sd/-  
CEO

Sd/-  
Director

Sd/-  
Director

Sd/-  
Chairman

### AUDITOR'S REPORT

*As per our separate report of  
even date annexed herewith.*

**for UMESH DADA & CO**  
CHARTERED ACCOUNTANTS

CA TINA ARORA  
B.Com., F.C.A.  
FRN : 015299N  
M.No. 404796

PLACE : JALANDHAR  
DATE : 28-07-2014

## AUDITOR'S REPORT

1. We have audited the attached Balance Sheet and Profit & Loss Account of THE CITIZENS URBAN CO-OPERATIVE BANK LTD, JALANDHAR, in which are incorporated 14 Branches and Controlling Office audited by us, for the year ending 31<sup>st</sup> March 2014.
2. These statements are the responsibility of the Branch management. Our responsibility is to express an opinion on these financial statements based on our audit.
3. We conducted the audit in accordance with Accounting Standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining on test basis, evidence supporting the amounts & disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management as well as evaluating the overall financial statements presentation. We believe that our audit provided a reasonable basis for our opinion.
4. On the basis of our audit as indicated in Para 1 above and subject to adjustment remaining to be made at the Head Office and subject to our observations in Annexure-I attached, in our opinion & to the best of the our information & explanations given to us as shown by the books of the Bank;
  - i) The Balance Sheet attached herewith is a full & fair Balance Sheet containing the necessary particulars and are properly drawn up so as to exhibit a true & fair view of the affairs of the Bank as at 31<sup>st</sup> March, 2014.
  - ii) The Profit & Loss Account read with the notes thereon shown a true balance of the Profit/Loss of the Bank for the year ended 31<sup>st</sup> March, 2014.
5. We have obtained all the information's & explanations which to the best of our knowledge & belief were necessary for the purpose of our audit and we have found the same to be satisfactory.
6. The information and explanations provided to us have been found to be satisfactory.
7. The transactions of the Bank which have come to our notice are within the powers of the Bank.
8. The returns received form the Branch offices of the Bank have been found adequate for the purpose of audit.
9. On the basis of our audit, we feel that there are no other matters that we consider need to be brought to the notice of the shareholders of the Bank.

**for UMESH DADA & CO**  
CHARTERED ACCOUNTANTS

CA TINA ARORA  
B.Com., F.C.A.  
FRN : 015299N  
M.No. 404796

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## THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

### Schedule I - SHARE CAPITAL

PARTICULARS		As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
1.	Authorised Share Capital		
	6000000 Shares of Rs. 25/- Each	150000000.00	150000000.00
2.	Subscribed, Called Up and Paid Up Capital		
	4805820 Shares of Rs. 25/- Each	120145500.00	108590500.00
3.	Of (3i) above, held by :		
	(a) Individuals	120145500.00	108590500.00
	(b) Co-Operative Institution	0.00	0.00
	(c) State Government	0.00	0.00
	<b>Total</b>	<b>120145500.00</b>	<b>108590500.00</b>

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## THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

### Schedule II - RESERVES AND SURPLUS

PARTICULARS	As at 31st March, 2014 (Rs.)	As at 31st March, 2013 (Rs.)
<b>1 Statutory Reserve</b>		
(a) Opening Balance	176851418.90	166205995.90
(b) Additions during the year	12710071.00	10645423.00
(c) Deductions during the year		
<b>Total</b>	<b>189561489.90</b>	<b>176851418.90</b>
<b>II Revenue and other Reserves</b>		
(to be specified)		
<b>i. Profit And Loss Account</b>		
Opening Balance	1213917.66	1623503.66
Adjustments (+/-)	0.00	-409586.00
Add: Profit brought forward from P&L A/c	46701176.00	41999193.00
<b>Total</b>	<b>47915093.66</b>	<b>43213110.66</b>
<b>Less: Appropriations</b>		
Statutory Reserve Fund	11675294.00	10499798.00
Bad & Doubtful Debt Reserves	9632117.00	8504837.00
Building fund	5954400.00	2099960.00
Investment Fluctuation Fund	7005176.00	10344375.00
Staff Welfare Fund	0.00	49403.00
Proposed Dividend	11851734.00	10500820.00
Closing Balance	<b>1796372.66</b>	<b>1213917.66</b>
<b>ii Common Good Fund</b>		
(a) Opening Balance	3942036.00	4042036.00
(b) Additions during the year	0.00	0.00
(c) Deductions during the year	0.00	100000.00
<b>Total</b>	<b>3942036.00</b>	<b>3942036.00</b>
<b>iii Housing Loan Reserve</b>		
(a) Opening Balance	6745000.00	5701000.00
(b) Additions during the year	917000.00	1044000.00
(c) Deductions during the year	0.00	0.00
<b>Total</b>	<b>7662000.00</b>	<b>6745000.00</b>
<b>iv Investment Fluctuation Fund</b>		
(a) Opening Balance	27858144.41	17513769.41
(b) Additions during the year	7005176.00	10344375.00
(c) Deductions during the year	0.00	0.00
<b>Total</b>	<b>34863320.41</b>	<b>27858144.41</b>

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<b>v</b>	<b>Share Transfer fund</b>		
	(a) Opening Balance	6173216.00	6115816.00
	(b) Additions during the year	2680175.00	57400.00
	(c) Deductions during the year	3047100.00	0.00
	<b>Total</b>	<b>5806291.00</b>	<b>6173216.00</b>
<b>vi</b>	<b>Staff Welfare Fund</b>		
	(a) Opening Balance	966416.00	917013.00
	(b) Additions during the year	0.00	49403.00
	(c) Deductions during the year	0.00	0.00
	<b>Total</b>	<b>966416.00</b>	<b>966416.00</b>
<b>vii</b>	<b>Coop. Edu. Fund</b>		
	(a) Opening Balance	210500.00	210500.00
	(b) Additions during the year	0.00	0.00
	(c) Deductions during the year	0.00	0.00
	<b>Total</b>	<b>210500.00</b>	<b>210500.00</b>
<b>viii</b>	<b>Provision on Standard Assets</b>		
	(a) Opening Balance	10921854.00	9393831.78
	(b) Additions during the year	1267994.00	1528022.22
	(c) Deductions during the year	0.00	0.00
	<b>Total</b>	<b>12189848.00</b>	<b>10921854.00</b>
<b>ix</b>	<b>Building Fund</b>		
	(a) Opening Balance	23154194.50	21054234.50
	(b) Additions during the year	5954400.00	2099960.00
	(c) Deductions during the year	0.00	0.00
	<b>Total</b>	<b>29108594.50</b>	<b>23154194.50</b>
<b>x</b>	<b>Dividend Equalization Fund</b>		
	(a) Opening Balance	11659616.69	11659616.69
	(b) Additions during the year	0.00	0.00
	(c) Deductions during the year	0.00	0.00
	<b>Total</b>	<b>11659616.69</b>	<b>11659616.69</b>
<b>xi</b>	<b>Bad &amp; Doubtful Debt Reserves</b>		
	(a) Opening Balance	91495265.51	82990428.51
	(b) Additions during the year	9632117.00	8504837.00
	(c) Deductions during the year	0.00	0.00
	<b>Total</b>	<b>101127382.51</b>	<b>91495265.51</b>
	<b>GRAND TOTAL (I and II)</b>	<b>398893867.67</b>	<b>361191579.67</b>

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## THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

### Schedule III - DEPOSITS

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
<b>I. Demand Deposits/Current Accounts</b>		
(i) From Individuals #	74750695.35	57567265.98
(ii) From Central Co-op. Banks	0.00	0.00
(iii) From other Societies	0.00	0.00
<b>Total</b>	<b>74750695.35</b>	<b>57567265.98</b>
<b>II. Savings Bank Deposits</b>		
(i) From Individuals #	947760353.09	849100754.37
(ii) From Central Co-op. Banks	0.00	0.00
(iii) From other Societies	48751264.23	29266941.87
<b>Total</b>	<b>996511617.32</b>	<b>878367696.24</b>
<b>III. Term Deposits @</b>		
(i) From Individuals #	3565793079.66	3155434353
(ii) From Central Co-op.Banks	0.00	0.00
(iii) From other Societies	552600184.00	506618919.00
<b>Total</b>	<b>4118393263.66</b>	<b>3662053272.04</b>
<b>Total (I, II and III)</b>	<b>5189655576.33</b>	<b>4597988234.26</b>

@ Including reserve fund deposits of societies, employees provident fund deposits, staff security deposits, recurring deposits, cash certificates, CDS Security etc.

# Individual include deposits from institutions other than co-operative banks and societies.

B.	(i) Deposits of Branches in India	5189655576.33
	(ii) Deposits of Branches outside India	0.00
	<b>Total</b>	<b>5189655576.33</b>

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## THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

### Schedule IV - BORROWINGS

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
I. Borrowing in India		
i.From the Reserve Bank of India	0.00	0.00
ii. Other banks	0.00	0.00
iii. Other institutions and agencies	0.00	0.00
II. Borrowing Outside India	0.00	0.00
<b>Total (I, II )</b>	<b>0.00</b>	<b>0.00</b>

Notes :1. Secured borrowings included in I and II above Rs. **Nil**

## THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

### Schedule V - Other Liabilities and Provision

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
I. Bills payable (net)	0.00	0.00
II. Inter-office adjustments (net)	0.00	0.00
III. Interest accrued/Payable	14410927.00	20824517.00
IV. Others (including provisions)	210381686.77	143485127.25
<b>Total (I, II, III, IV )</b>	<b>224792613.77</b>	<b>164309644.25</b>

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## THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

Schedule VI - Cash and Balances with Reserve Bank of India,  
State Bank of India, State Coop. Bank and Central Coop. Bank

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
I. Cash in Hand	72575488.20	57121673.20
II. Balances with Reserve Bank of India		
(a) In Current Account	2525913.19	1000000.00
(b) In other Accounts	27013519.66	50988963.71
<b>Total (I, II)</b>	<b>102114921.05</b>	<b>109110636.91</b>

## THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

Schedule VII - Balances with Banks and Money at Call and Short Notice

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
<b>I. India</b>		
i. Balance with other Banks		
(a) Current deposits	176094331.58	111466551.91
(b) Savings bank deposits	23260.63	21381.80
(c) Fixed deposits	494949920.00	562684374.00
<b>Total</b>	<b>671067512.21</b>	<b>674172307.71</b>
ii. Money at Call and Short Notice		
(a) With banks	150000000.00	150000000.00
(b) With other institutions	0.00	0.00
<b>Total</b>	<b>150000000.00</b>	<b>150000000.00</b>
<b>Total (i and ii)</b>	<b>821067512.21</b>	<b>824172307.71</b>
<b>II. Outside India</b>		
i). In Current Accounts	0.00	0.00
ii). In other Deposit Accounts	0.00	0.00
iii). Money at Call & Short Notice	0.00	0.00
<b>Total (i,ii and iii)</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (I and II)</b>	<b>821067512.21</b>	<b>824172307.71</b>

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## THE CITIZENS URBAN CO-OPERATIVE BANK LTD. Schedule VIII - Investments

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
<b>I. Investments in India</b>		
i In Central & State Government Securities	1803856198.00	1424324250.00
ii In other Approved Securities	0.00	0.00
iii III. In shares of co-operative institutions (other than out of the Principal/ Subsidiary State Partnership Fund)	12950.00	12950.00
iv In debentures and bonds		
v Others (To be specified) Mutual Funds	240000000.00	265000000.00
<b>Total ( i,ii,iii,iv and v )</b>	<b>2043869148.00</b>	<b>1689337200.00</b>
<b>II. Investments Outside India</b>		
i Government Securities(Including Local Authorities)	0.00	0.00
ii Subsidiaries and /or joint ventures abroad	0.00	0.00
iii Other Investments (To be specified)	0.00	0.00
<b>Total ( i,ii, and iii )</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total ( I, II )</b>	<b>2043869148.00</b>	<b>1689337200.00</b>

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## THE CITIZENS URBAN CO-OPERATIVE BANK LTD. Schedule IX - Advances

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
I. (a) Bills purchased & discounted	15007192.00	13186369.31
(b) Cash credits, overdrafts & loans repayable on demand	916523247.47	843829920.70
(c) Term Loans	1875392168.24	1639978090.64
<b>Total</b>	<b>2806922607.71</b>	<b>2496994380.65</b>
II. (a) Secured by tangible assets	2806922607.71	2496994380.65
(b) Secured by bank/ Govt guarantees	0.00	0.00
(c) Unsecured	0.00	0.00
<b>Total</b>	<b>2806922607.71</b>	<b>2496994380.65</b>
C.I. Advances in India		
I) Priority Sectors	2037620000.00	1735144033.30
II) Non Priority Sectors	0.00	0.00
III) Banks	0.00	0.00
IV ) Others	0.00	0.00
<b>Total</b>	<b>2037620000.00</b>	<b>1735144033.30</b>
C.II. Advances Outside India		
I) Due from Banks	0.00	0.00
II) Due from Others	0.00	0.00
a) Bills Purchased And Discounted	0.00	0.00
b) Syndicated Loans	0.00	0.00
c) Others	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total</b>	<b>2806922607.71</b>	<b>2496994380.65</b>

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## THE CITIZENS URBAN CO-OPERATIVE BANK LTD. Schedule X - Fixed Assets

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
I. Premises		
(a) At cost as on 31st March of the preceding year	31602425.75	34070019.75
(b) Additions	0.00	0.00
(c) Deductions during the year	0.00	0.00
(d) Total Cost (a and b minus c)	31602425.75	34070019.75
(e) Less: Depreciation to date	2220835.00	2467594.00
<b>Total (d minus e)</b>	<b>29381590.75</b>	<b>31602425.75</b>
II. Other Fixed Assets (including furniture and fixtures)		
(a) At cost as on 31st March of the preceding year	21506597.40	20419343.73
(b) Additions during the year	7706606.00	4542550.00
(c) Deductions during the year	420116.00	67940.00
(d) Total Cost (a and b minus c)	<b>28793087.40</b>	<b>24893953.73</b>
(e) Less: Depreciation to date	4063760.00	3387356.33
(f) <b>Total (d minus e)</b>	<b>24729327.40</b>	<b>21506597.40</b>
<b>Grand Total</b>	<b>54110918.15</b>	<b>53109023.15</b>

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## THE CITIZENS URBAN CO-OPERATIVE BANK LTD. Schedule XI - Other Assets

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
i. Inter-office adjustment (net)		0.00
ii. Interest accrued	48463902.00	21444144.67
iii. Tax paid in Advance	52458932.00	33473895.00
iv. Stationery and stamps	2001959.34	2288834.16
v. Non-banking assets acquired in satisfaction of claims	0.00	0.00
vi. Others	2477657.31	2149535.93
<b>Total (i, ii, iii, iv and v)</b>	<b>105402450.65</b>	<b>59356409.76</b>

## THE CITIZENS URBAN CO-OPERATIVE BANK LTD. Schedule XII - Contingent Liabilities

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
i. Claims against the bank not acknowledged as debts	0.00	0.00
ii. Liability for partly paid investments	0.00	0.00
iii. Liability on account of outstanding forward exchange contracts	0.00	0.00
iv. Guarantees given on behalf of constituents	0.00	0.00
v. Acceptances, endorsements and other obligations (including bills for collection)	25532500.00	106109340.00
vi. Other items for which the bank is contingently liable	0.00	0.00
<b>Total (i, ii, iii, iv, v and vi)</b>	<b>25532500.00</b>	<b>106109340.00</b>

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## THE CITIZENS URBAN CO-OPERATIVE BANK LTD. Schedule XIII - Interest Earned

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
i. Interest/discount on advances/bills	350861387.01	302610314.95
ii. Income on investments	193798310.98	152983789.76
iii. Interest on balances with Reserve		
Bank of India, State Bank of India, State Co-op. Bank and Central Co-op. Bank	0.00	125677.09
iv. Others	0.00	0.00
<b>Total</b>	<b>544659697.99</b>	<b>455719781.80</b>

## THE CITIZENS URBAN CO-OPERATIVE BANK LTD. Schedule XIV - Other Income

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
i. Commission, exchange and brokerage	682579.55	804289.12
ii. Profits on sale of investments	38179697.93	23217449.77
Less: Loss on sale of investments	0.00	0.00
iii. Profit on revaluation of investments	0.00	19960200.00
Less: Loss on revaluation of investments	-40150244.00	0.00
iv. Profit on sale of land, buildings and other assets	0.00	0.00
Less: Loss on sale of land, buildings and other assets	-141784.00	-29976.00
v. Profit on exchange transactions	0.00	0.00
Less : Loss on exchange transactions	0.00	0.00
vi. Subsidies and Donations	0.00	0.00
vii. Income from non-banking assets and profit (Loss) on sale of or dealing in such assets	0.00	0.00
viii. Misc Income	7376048.46	7523794.96
<b>Total</b>	<b>5946297.94</b>	<b>51475757.85</b>

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## THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

### Schedule XV- Interest Expended

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
i. Interest on Deposits	389801441.33	360450504.40
ii. Interest on Borrowings	0.00	0.00
iii. Others	0.00	0.00
<b>Total</b>	<b>389801441.33</b>	<b>360450504.40</b>

## THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

### Schedule XVI- Operating Expenses

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
i. Payments to and provisions for employees	50080940.00	45871496.00
ii. Rent, taxes and lighting	8368925.50	8170130.32
iii. Printing and stationery	1611764.62	1219797.30
iv. Advertisement and publicity	1525030.00	1420113.00
v. Depreciation on bank's property and expenses	6284595.00	5854950.33
vi. Directors' fees, allowances	199104.00	236072.00
vii. Auditors' fees and expenses	150000.00	150000.00
viii. Law Charges	280515.00	280750.00
ix. Postages, Telegrams, Telephones, etc.	505652.69	408975.14
x. Repairs and maintenance	1167297.54	1078931.00
xi. Insurance	4774796.00	4186289.00
xii. Other Expenditure	9456385.40	9439860.98
<b>Total</b>	<b>84405005.75</b>	<b>78317365.07</b>

## THE CITIZENS URBAN CO-OP.BANK LTD.

### DIRECTORS' REPORT

**Dear Members,**

I, on behalf of the Board of Directors, have great pleasure in presenting the Annual Report on the business and operations of the bank along with the audited accounts for the financial year ended on March 31, 2014. Our bank has made noteworthy all round progress under the guidance of experienced professional management and faithful and diligent employees. We are happy to present the report on progress made by the bank during the year 2013-14.

#### **Economic & Banking Overview**

The financial year 2013-14 (FY14) began with multifarious developments including elevation of inflation, heightened rupee volatility and worsening current account deficit apart from growth slowdown and sharp industrial contraction. However, as the year progressed, especially from the third quarter onwards, there were firm signs of stability on the external front, partial easing of inflationary pressures and positive outlook towards growth.

The world economy witnessed a year of financial turbulence contemplating US tapering its purchase of large –scale assets programme. The event resulted in financial deterioration of all emerging economies including India. Rupee depreciated against dollar and touched all time high resulting depletion of reserves. To defend the rising rupee exchange rate RBI raised short term rates to reduce liquidity.

First half of the year witnessed high inflation, low industrial growth, low economic growth, low investment appetite, high current account deficit, exchange rate volatility etc. However, in the 2<sup>nd</sup> half, due to cohesive measures and focused action taken by Government and Reserve Bank of India some of the concerns were addressed appropriately and India become favored investment destination. For the economy as a whole for the banks in particulars, the financial year 2013-14 was definitely a challenging year.

Due to tight monetary policy followed by Reserve Bank of India, Inflation both wholesale and retail come down from peak of 7.50% to 4.7% and 9.4% to 8.1% respectively in February 2014.

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

India's GDP during the last fiscal has increased from 4.7% to 5.7% in quarter 1 of 2014-15. However, the economic growth and the industrial growth is yet to revive. As for banks, mounting non-performing assets continue to remain as area of concern.

Most of the private and public think-tanks from across the globe including International Monetary

# Annual Report 2013-14

Fund (IMF) believe that Indian economy will recover in FY15 and the recovery will be enabled by a relatively stronger world economy.

Your bank is proud to have brought in high-tech, customized, through professional banking services with a personal touch with all the customers. The bank is going to strive hard to better accomplish its goals of providing world class banking at affordable prices in its area of operations. The bank has given a record performance in every sphere which is mentioned below.

## YOUR BANK'S PERFORMANCE

- H Deposits of the Bank has increased to Rupees 518.97 crore from Rupees 459.80 crore last year. Year-on-Year basis, total deposits grew by 12.86%.
- H Advances of the Bank has increased to Rupees 280.69 crore from Rupees 249.70 crore last year. Year-on-Year basis, the gross credit increased by 12.41%.
- H Total Business of the Bank increased to Rupees 799.66 crore as against Rupees 709.50 crore in previous year showing a Year-on-Year growth of 12.70%.
- H Gross income has increase to Rupees 55.06 crore as against Rupees 50.72 crore in the previous year showing Year-on-Year growth by 8.55%.
- H The net profit of the Bank stood at Rupees 4.67 crore as on 2013-14 against Rupees 4.20 crore during 2012-13.

## FINANCIAL PERFORMANCE

We are proud that our achievements are a result of a conscious planning & excellent team work where each team member worked with complete dedication to the bank.

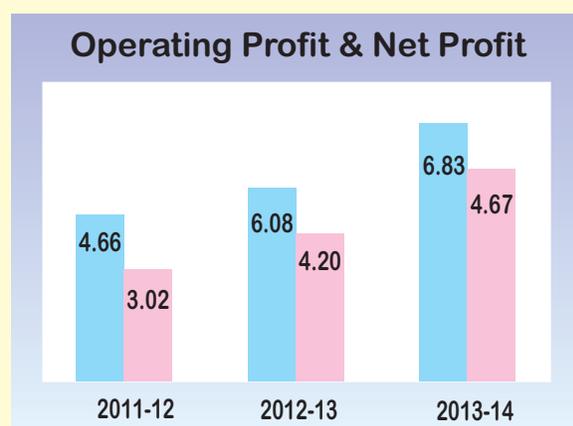
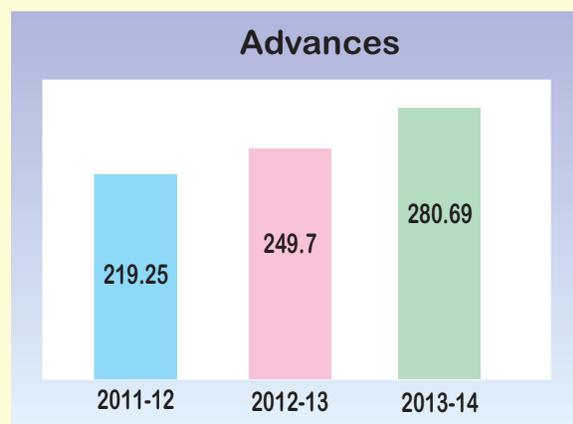
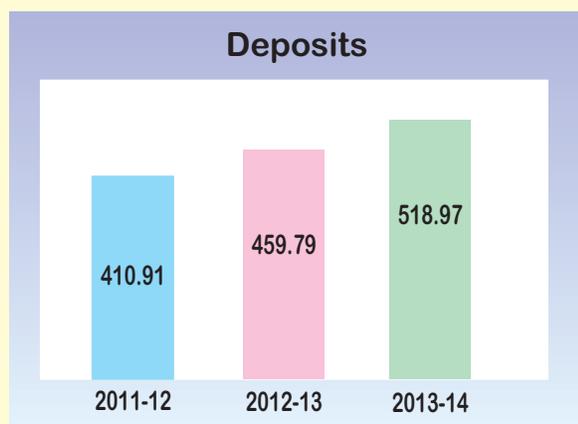
Below is the list of achievements of the bank during the year in a tabular form.

(Rupees in crore)

	March 2014	March 2013	Growth %
Deposits	518.97	459.80	12.86
Advances	280.69	249.70	12.41
Total Business	799.66	709.50	12.70
Gross Income	55.06	50.72	8.55
Total Expenses	50.39	46.81	7.64
Gross Profit	7.42	6.60	12.42
Profit before Tax	6.83	6.08	12.33
Net Profit	4.67	4.20	11.19
CRAR	14.10%	14.61%	

## BUSINESS GROWTH

(Rs. in Crores)



## DEPOSITS & ADVANCES

The Bank during the year has made concerted efforts in reaching to the masses through various promotional initiatives which alongwith promotion of financial inclusion at its centres has enabled garnering of good deposits without affecting the average cost of deposits. The Bank's diversified credit portfolio includes all productive segments of the economy like Agriculture and allied activities, MSME, Housing, Weaker section etc. The bank is maintaining a high credit deposit ratio of 54.08% as against 35% in the area. The Bank is committed to serve its urban clientele and fulfill their banking needs with good return on their investment and hassle free credit.

## PROFITABILITY RATIOS

Yield on advances is 13.23% in FY 2014 as same in the last year. However, Cost of Deposit has reduced to 7.94 % from 8.44 %. Business per employee is Rupees 4.16 crore during FY 2014 as against Rupees 3.38 crore in FY 2013. Focused approach towards enhanced customer services, network expansion resulted increase of total business mix by 12.70 % to reach the level of Rupees 799.66 crore as on financial year ended on March 31, 2014 from Rupees 709.50 crore in the financial year ended on March 31, 2013.

## INVESTMENTS

The treasury group under the supervision and guidance of investment committee is looking after the Assets and Liabilities, compliance of regulatory reserve requirements and market and liquidity risks. The core team strictly adheres to the prudent norms for building suitable trading portfolio to make the best of the available opportunities. The objective of the treasury desk is to constantly watch the global and local developments, to take proactive steps to make most of all the opportunities across asset classes and manage all the uncertainties and adverse moves prudently.

The bond market responded favorably in the first quarter to cut in policy rates. With coherent strategies along with increased volumes, the Bank has earned trading profit in G-securities of 0.96 Crore and Rupees 2.86 crore in Mutual Funds. The total investment portfolio of the Bank is Rupees 204.38 crore, comprising of Rupees 165.48 crore in Government Securities Rupees 14.90 Crore in T-bills and 24.00 crore in other debt instruments as at March 31, 2014 .

## MEMBER'S BENEFIT

The bank has shown remarkable growth in business and profitability. The bank has transferred Rupees 3.48 crore to Statutory and other reserves besides making provisions against standard assets as per norms of the Reserve Bank of India . Keeping in view the twin objectives to strengthen the capital base and to reward the shareholders the Bank's Board of Directors has recommended a dividend of 11 % for 2013-14 amounting to Rupees 1.18 crore,

## ASSET QUALITY

Maintaining asset quality has been a challenge to the banking industry for the last couple of years. The rising costs on account of rising inflation are building stress on the credit portfolio of the banking sector. However, Banking sector needs to support the growth momentum in the economy while giving due attention to the asset quality and prudent provisioning to balance emerging returns and risks. The Bank is conscious about accretion in NPA due to continuing liquidity stress in the economy and low growth. With special efforts by Recovery Department, conscientious lending by Credit Department and better control mechanism by Credit Monitoring Department, Bank has been able to contain the NPAs.

## CAPITAL TO RISK ASSET RATIO (CRAR)

During the financial year, Share capital of the bank increased from Rs.10.85 crore to Rupees 12.01crore. As per the norms prescribed by Reserve Bank of India, the minimum CRAR required is 9%.The capital adequacy ratio stood at 14.10 per cent as on 31.03.2014 of which Tier I is 12.25 per cent and Tier II.is 1.85 per cent.

## AUDIT AND INSPECTION

Functioning of all the branches are monitored and audited by the concurrent, internal auditors and statutory auditors. The scope of concurrent and internal audit covers all the areas of branch operations. Auditors proactively recommend the improvements in the operational processes and service quality. The internal audit department directly reports to the Board of the Bank. The audit

committee of the board reviews the performance of the effective control and the compliances with the regulatory guidelines and reviews the internal audit reports.

## INFORMATION TECHNOLOGY.

All the branches of your bank are on CBS. Further, your bank has strategy to build up a strong technological platform so the bank has set up its own Integrated 'Data Centre'. The Bank has also changed his software vendor from Theme Technology to V-Soft for further up gradation in technology to facilitate ATM, Mobile Banking, internet Banking etc.

## EXPANSION IN AREA OF OPERAITON AND BRANCH EXPANSION

The Bank has received approval from Registrar Cooperative Societies for extension of area of operation to whole of Punjab State. Approval from Reserve Bank has already been received. This is a milestone in the history of the Bank which has provided huge opportunities and potential for growth. The bank has opened two Branches at Tanda and Kapurthala. The branches are successfully operating and has done remarkable business in all spheres. The bank has applied for opening of two new branches at Ludhiana and Amritsar, Licenses are expected shortly from Reserve Bank of India.

## CORPORATE SOCIAL RESPONSIBILITY

We understand that fulfillment of social responsibility is an essential element in achieving the good business practices and effective leadership. In order to fulfill our commitment to social responsibility, we undertake many social activities. Your bank has contributed by way of donations to various institutions. Eye checkup Camp was also organized at bank premises.

We believe that one of the reasons behind our strong corporate image is our social responsibility on the economic, social and environmental landscape which directly affects our relationship with the all shareholders including customers, staff, government and public at large.

## ACKNOWLEDGEMENT

We sincerely thank all the shareholders, customers and well-wishers for their whole hearted support and for being the major driving force for us to strive for excellence.

We sincerely thank Reserve Bank of India and Cooperative Department for their timely help, advice, guidance and support.

We acknowledge with thanks to the faithful services rendered by all the executives, officers and all other staff members during the year.

We also express our sincere thanks to media for their encouraging cooperation in all endeavors and initiatives of our bank.

**For & on behalf of Board of Directors**  
**K.K. Sharma**  
**Chairman**

### THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

To consider and approve the distribution of profit for the year 2013-2014 as recommended by the Board of Directors,

It is unanimously resolved to approve the allocation of profit of Rs. 4,67,01,176.00 after paying the income tax as proposed by the Board of Directors in its meeting held on 28-06-2014

i)	Statutory Reserve Fund	25%	Rs. 1,16,75,294.00
ii)	Bad & Doubtful Debt Reserves (of the remaining profit)	27.50%	Rs. 96,32,117.00
iii)	Building Fund	17%	Rs. 59,54,400.00
iv)	Investment Fluctuation Fund	20%	Rs. 70,05,176.00
v)	Proposed Dividend		Rs. 1,18,51,734.00

It is further resolved to pay 11% dividend to the shareholders of the bank.

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## THE CITIZENS URBAN CO-OPERATIVE BANK LTD. Cash Flow Statement Annexed to and forming a part of Balance Sheet As on 31-03-2014

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT AVAILABLE FOR APPROPRIATION	46,701,176	41,999,193
Adjustment for		
Current Tax	21,608,985	18,875,156
Loss on sale of Fixed Assets	141,784	29,976
Provision on Standard Assets	1,267,994	1,379,177
Depreciation	6,284,595	5,854,950
Provision on NPA's	5,904,394	5,130,144
Investment Depreciation	40,150,244	(19,960,200)
Profit on sale of Investment	(38,179,698)	-
Write offs	13,851	-
Staff Welfare Fund	-	-
House Building Reserve	917,000	1,044,000
Investment Fluctuation Fund	-	-
Forfeiture of Dividend	-	-
Amortization of Govt. Securities	276,250	2,536,754
Operating Profit before working capital changes	85,086,575	56,889,151
Trade and other Receivables	(309,928,227)	(304,422,640)
Decrease in other Liabilities and Provisions	1,109,651	1,109,651
Increase in Borrowings	-	(106,291,802)
Increase in other Assets	(27,061,004)	28,093,597
Increase in Trade Investments	(362,984,224)	(332,321,250)
Trade Payables/Other liabilities	591,667,342	488,866,291
<b>Cash Generated from Operation</b>	<b>(22,109,887)</b>	<b>(168,077,002)</b>
Interest Paid	-	-
Direct Taxes Paid	(18,985,037)	(19,953,961)
<b>Cash Flow Before Extraordinary Items</b>	<b>(41,094,924)</b>	<b>(188,030,963)</b>
Net Cash received (+)used(-)		
from operating Activities	(41,094,924)	(188,030,963)

## Annual Report 2013-14

PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
<b>B. CASH FROM INVESTING ACTIVITIES</b>		
Purchases of fixed Assets	(7,706,606)	(4,520,389)
Sales of Fixed Assets	278,332	15,803
Profit from Sale of Investments	38,179,698	–
Advance Against Purchase of Fixed Assets	–	–
<b>Net Cash used in Investing Activities</b>	<b>30,751,424</b>	<b>(4,504,586)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Proceeds from Share Capital/Share		
Application Money	11,555,000	10,521,675
Dividend Paid	(11,153,526)	(9,497,591)
INCREASE/Decrease in Common Good Fund	–	(100,000)
Share Transfer/Admission Fee/Nominal Fee	208,440	145,625
Increase/Decrease in Share Fund	(366,925)	57,400
<b>Net Cash received(+)/used(-) from Financing Activities</b>	<b>242,989</b>	<b>1,127,109</b>
<b>Net increase (+) decrease(-) in cash and equivalents (A+B+C)</b>	<b>(10,100,511)</b>	<b>(191,408,440)</b>
Cash and Cash Equivalents as at beginning of the year	933,282,945	1,124,691,385
Cash and Cash Equivalents as at the close of the year	923,182,433	933,282,945
Increase / Decrease in cash & cash Equivalent	(10,100,511)	(191,408,440)

FOR AND ON BEHALF OF BOARD

sd/-  
CHAIRMAN

sd/-  
DIRECTOR

sd/-  
DIRECTOR

We have verified the above cash flow statement of the Citizens Urban Co-operative Bank Ltd. drawn from audited financial statements.

**for UMESH DADA & CO**  
CHARTERED ACCOUNTANTS

sd/-  
CA TINA ARORA  
B.Com., F.C.A.

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## THE CITIZENS URBAN CO-OPERATIVE BANK LTD. Details Regarding Disclosure Norms

Sr.	PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)			
I	Capital to Risk Weighted Assets Ratio (CRAR)					
II	Movement of CRAR					
	Tier I Capital (Rs. Crores)	36.32	33.28			
	Tier II Capital (Rs. Crores)	5.47	6.90			
	Total Capital Fund (Rs. Crores)	41.79	40.18			
	Risk Weighted Assets (Rs. Crores)	296.42	275.02			
	CRAR% Tier I	12.25	12.10			
	CRAR% Tier II	1.85	2.51			
	Total CRAR% (Tier I +Tier II)	14.10	14.61			
III	Investments (SLR)					
A	Book Value of Investments	165.47	142.43			
B	Face Value of Investments	165.48	143.70			
C	Market Value of Investments	162.91	142.25			
Issuer Wise Composition of Non SLR Investment						
	<b>Issuer</b>	<b>31/03/2014</b>	<b>31/03/2013</b>	<b>Extent of below Investment Grade Securities</b>	<b>Extent of Un-Rated Securities</b>	<b>Extent of Unlisted Securities</b>
	PSU's	Nil	Nil	Nil	Nil	Nil
	FI's	Nil	Nil	Nil	Nil	Nil
	Public Sector Banks	Nil	Nil	Nil	Nil	Nil
	Mutual Funds	24.00	26.50	Nil	Nil	Nil
	Others	Nil	Nil	Nil	Nil	Nil
	Provision held towards Depreciation	Nil	Nil	Nil	Nil	Nil
IV	Non Performing Non SLR Investment					
	Opening Balance	Nil	Nil			
	Additions during the year since 1st April	Nil	Nil			
	Reduction during the above period	Nil	Nil			
	Total Provision Held	Nil	Nil			

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### THE CITIZENS URBAN CO-OPERATIVE BANK LTD. Details Regarding Disclosure Norms

Sr.	PARTICULARS	As at 31st March,2014 (Rs.)	As at 31st March,2013 (Rs.)
V	Advance against Shares and Debentures	Nil	Nil
VI	Advances to directors, their relatives, companies/firms in which they are interested		
	Fund Based	Nil	Nil
	Non-Fund Based	Nil	Nil
VII	Cost of Deposits (avg cost of deposits)	7.94%	8.44%
VIII	Non Performing Assets		
	Gross NPA%	7.92%	5.83%
	Net NPA%	1.26%	Nil
IX	Movement of NPA		
	Gross NPA%	22.23	14.56
	Bad & Doubtful Debts Reserve	10.11	9.14
	Provision for NPA's	8.80	8.21
	Total of BDDR & Provision	18.91	17.35
	Net NPA's	3.32	Nil
X	Profitability		
	Interest Income as % of Working Funds	9.17%	9.25%
	Non-Interest Income as % of Working Funds	0.09%	1.04%
	Operating Profit as % of Working Funds	1.15%	1.23%
	Return on Assets	0.78%	0.85%
	Business (Dep+Adv) per employee (Rs. Crores)	4.16	3.38
	Profit per employee (Rs. Crores)	0.02	0.02
XI	Provision made towards NPA (Rs. Crores)	0.59	0.58
	Provision made towards Standard Assets (Rs. Crores)	0.13	0.14
	Provision made towards Investment (Rs. Crores)	2.39	-1.99
XII	Movement of Provision (Rs. Crores)		
	Towards NPA	8.81	8.22
	Towards Depreciation on Investment	2.56	0.19
	Towards Standard Assets	1.22	1.09