

Agenda

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

www.citizensbank.in

No. CUCB:AGM:2016-17 – 1–5000

Dated: 21.08.2017

Subject: NOTICE OF ANNUAL GENERAL MEETING

Dear Members,

We are pleased to inform you that the Annual General Meeting of the Members of The Citizens Urban Coop. Bank Ltd., Jalandhar shall be held on the 9th September 2017 Saturday at 11.00 AM at Hotel Skylark, 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 24.09.2016.
2. To consider to approve the Audited Balance Sheet and Profit & Loss Account for the year 2016-17 along with Auditor's Report.
3. To consider and approve the distribution of profit for the year 2016-2017 as recommended by the Board of Directors.
4. To approve the appointment of Auditor for the year 2017-18.

For THE CITIZENS URBAN COOP. BANK LTD.



(P. K. Chauhan)
CHIEF EXECUTIVE OFFICER

NOTE : 1. Registration of Delegates/Members shall start at 9.00 AM
2. Defaulters are requested to clear their dues upto 07-9-2017

Agenda

AGENDA NO. 1

To consider to confirm the proceeding of the last Annual General Meeting held on 24-09-2016

Confirmed

sd/-
(Chairman)

AGENDA NO. 2

To consider to approve the Audited Balance Sheet and Profit and Loss Account for the year 2015-2016 along with auditor's report.

The Audited Balance Sheet and Profit and Loss Account for the year 2015-2016 along with Auditor's Report was considered in the meeting. The performance of the bank was appreciated by the members present in the Meeting. The audited Balance Sheet and Profit & Loss Account for the year 2015-16 was unanimously approved.

sd/-
(Chairman)

AGENDA NO. 3

To consider and approve the distribution of Profit for the year 2015-16 as recommended by the Board of Directors.

It is unanimously resolved to approve the allocation of Profit of Rs. 5,42,03,421.00 for the year 2015-16 after paying the income tax as under

1 Statutory Reserve Fund	25%	Rs. 1,35,50,855.00
2. Bad and Doubtful Reserve		Rs. 1,11,79,456.00
3. Building Fund		Rs. 50,00,000.00
4. Investment Fluctuation Fund		Rs. 95,35,000.00
5. Proposed Dividend		Rs. 1,41,96,783.00
6. Undivided Profit		Rs. 7,41,327.00

Total **Rs. 5,42,03,421.00**

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

Sd/-
Chairman

Agenda

AGENDA NO. 4

To approve the appointment of auditor for the year 2016-17.

The Board of Directors of the Bank is authorized to appoint Chartered Accountants for the Statutory and Tax Audit of the Bank for year 2016-17

Sd/-
Chairman

AGENDA NO. 5

To consider to enhance the authorized share capital from Rs. 15.00 Crores to Rs. 25.00 Crores.

The authorized share capital of the Bank is Rs. 15.00 Crores. The share capital subscribed as on date is Rs. 14.30 Crores. Keeping in view the demand of the members, it is unanimously resolved to enhance the limit of the authorized share capital to Rs. 25.00 Crores. Necessary amendment in the Bye-laws of the bank is amended as under :-

EXISTING BYE-LAWS BYE-LAWS NO. 8 (I)

The authorized share capital of the bank is Rs. 15.00 Crores (Rs. Fifteen Crores) made of shares of Rs. 25.00 each.

PROPOSED AMENDMENT BYE-LAWS NO. 8 (I)

The authorized share capital of the bank is Rs. 25.00 Crores (Rs. Twenty Five Crores) made of shares of Rs. 25.00 each. Further, the General Body Meeting authorized Capt. S. K. Datta, Director and Sh. P. K. Chauhan, Chief Executive Officer to Sign these amendments on behalf of the Bank.

Sd/-
Chairman

THE CITIZENS URBAN CO-OPERATIVE BANK LTD.
BALANCE SHEET AS AT 31st MARCH, 2017

LIABILITIES	Schedule	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
Capital	1	140150025.00	146604450.00
Reserve and Surplus	2	484417375.67	521861277.67
Deposits	3	6237065436.17	6963157334.15
Borrowings	4	0.00	0.00
Other Liabilities & Provisions	5	257078038.05	337978767.80
TOTAL		7118710874.89	7969601829.62
ASSETS	Schedule	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
Cash & Balances with Reserve Bank of India, State Bank of India, State Co-op. Bank & Central Co-op.Bank	6	162300315.24	169921746.30
Balances with Banks and Money at Call and Short Notice	7	710495574.48	686117098.68
Investments	8	2720631156.50	3416929988.50
Advances	9	3312442517.46	3420657530.65
Fixed Assets	10	51893945.01	48374351.69
Other Assets	11	160947366.20	227601113.80
Total		7118710874.89	7969601829.62
Contingent Liabilities	12	36971973.00	44327000.00
Bills for Collection		195397.99	53000.00
Liability on account of DEAF Accounts		2364273.00	2364273.00
Accounting Policies and Notes to Accounts	18		

Sd/-
Accountant

Sd/-
Sr. 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 Umesh Dada
B.Com., F.C.A.
FRN : 015299N
M.No. 094639

PLACE : JALANDHAR
DATE : 04 - 08 - 2017

THE CITIZENS URBAN CO-OPERATIVE BANK LTD.
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2017

PARTICULARS		Schedule	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
I.	Income			
	Interest Earned	13	619969929.35	679131900.80
	Other Income	14	46867586.79	45288629.64
	Total		666837516.14	724420530.44
II.	Expenditure			
	Interest Expended	15	475096362.49	507379256.48
	Operating Expenses	16	100701807.15	109118570.01
	Provisions & Contingencies	17	36835925.50	59278014.95
	Total		612634095.14	675775841.44
III.	Profit/Loss			
	Net Profit for the year		54203421.00	48644689.00
	Total		54203421.00	48644689.00

Sd/-
Accountant

Sd/-
Sr. Manager

Sd/-
CEO

Sd/-
Director

Sd/-
Director

Sd/-
Chairman

AUDITOR'S REPORT
 As per our separate report of
 even date annexed herewith.

PLACE : JALANDHAR
 DATE : 04 - 08 - 2017

for Umesh Dada & Co.
 CHARTERED ACCOUNTANTS
 CA Umesh Dada
 B.Com., F.C.A.
 FRN : 015299N
 M.No. 094639

AUDITOR'S REPORT

To The management,

The Citizens Urban Co-op. Bank Ltd.

- 1) We have audited the accompanying financial statements of **THE CITIZEN URBAN CO-OPERATIVE BANK LIMITED** (Head Office and the Fifteen Branches of the Bank) as at 31st March, 2017, which comprise the Balance Sheet as at 31st March, 2017, and Profit and Loss Account for the year ended on 31st March 2017 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2) Management is responsible for the preparation of these financial statements in accordance with the provision of section 29 of the Banking Regulation Act, 1949 and to disclose the information as may be necessary to conform to forms 'A' & 'B' respectively of the Third Schedule to the Banking Regulation Act, 1949. These financial statements comply with the Accounting Standards notified by the institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material mis-statement, 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 Standards on Auditing issued by the institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 4) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank'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.
- 6) We have also verified and signed the following statements, as required by Head Office of the Bank - Balance Sheet with Profit & Loss as on 31st March 2017.

Opinion

Subject to what is stated above, the Memorandum of Changes (Annexure MOC), and other adjustments usually made at the Head Office of the Bank, in our Opinion and to the best of our information and according to the explanations given to us, and as shown by the books of the Bank and read with the Accounting Policies (as given by the Head Office to the extent applicable to the Branch), and the notes on the Banks Accounts attached along with the Audit Report, we have report that:

- I. The balance Sheet, is a full and fair Balance Sheet of **THE CITIZENS URBAN CO-OPERATIVE BANK LTD.** containing all the necessary particulars, as required by the Banking Regulation act 1949 and, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31st March,2017 in conformity with accounting principles generally accepted in India;
- II. The Profit and Loss Account, Shows a true balance of profit/loss, in conformity with accounting principles generally accepted in India, for the year covered by the account;

Report on Other Legal and Regulatory Requirements

In our opinion, the Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949 and is in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, and,

- a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory.
- b) The transactions of the Branches, which have come to our notice, have been within the power of the Bank.
- c) The returns submitted by the Branches have been found adequate for the purposes of our audit.
- 7) In our opinion the Balance Sheet, Profit & Loss Account comply with the applicable Accounting Standards.

for Umesh Dada & Co.
CHARTERED ACCOUNTANTS

CA Umesh Dada
B.Com., F.C.A.
FRN : 015299N
M.No. 094639

THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

Schedule I - SHARE CAPITAL

PARTICULARS		As at 31st March, 2016 (Rs.)	As at 31st March, 2017 (Rs.)
I.	Authorised Share Capital		
	10000000 Shares of Rs. 25/- Each	150000000.00	250000000.00
	(Previous year 6000000 Shares of Rs. 25 Each)		
II.	Subscribed, Called Up and Paid Up Capital		
	5864178 Shares of Rs. 25/- Each	140150025.00	146604450.00
	(Previous Year 5606001 Shares of Rs. 25/- Each)		
III.	Of (3i) above, held by :		
	(a) Individuals	140150025.00	146604450.00
	(b) Co-Operative Institutions	0.00	0.00
	(c) State Government	0.00	0.00
	Total	140150025.00	146604450.00

THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

Schedule II - RESERVES AND SURPLUS

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
I. Revenue and other Reserves		
Profit And Loss Account		
Opening Balance	2436381.66	3177708.66
Adjustments (+/-)		
Add: Profit brought forward from P & L A/c.	54203421.00	48644689.00
TOTAL	56639802.66	51822397.66
Less : Appropriations		
Statutory Reserve Fund	13550855.00	12161172.00
Bad & Doubtful Debt Reserves	11179456.00	10032967.00
Building Fund	5000000.00	0.00
Investment Flactuation Fund	9535000.00	12640043.00
Staff Welfare Fund	0.00	0.00
Proposed Dividend	14196783.00	13810507.00
Closing Balance	3177708.66	3177708.66
II Statutory Reserve		
(a) Opening Balance	203422889.90	218092984.90
(b) Additions During the year	14670095.00	12756792.00
(c) Deductions During the year	0.00	0.00
TOTAL	218092984.90	230849776.90
III Building Fund		
(a) Opening Balance	35108594.50	40108594.50
(b) Additions During the year	5000000.00	0.00
(c) Deductions During the year		
TOTAL	40108594.50	40108594.50
IV Common Good Fund		
(a) Opening Balance	3942036.00	3942036.00
(b) Additions During the year	0.00	0.00
(c) Deductions During the year	0.00	0.00
TOTAL	3942036.00	3942036.00
V Share Transfer Fund		
(a) Opening Balance	5244091.00	6112641.00
(b) Additions During the year	868550.00	89300.00
(c) Deductions During the year	0.00	0.00
TOTAL	6112641.00	6201941.00
VI Staff Welfare Fund		
(a) Opening Balance	966416.00	966416.00
(b) Additions During the year	0.00	0.00
(c) Deductions During the year	0.00	0.00
TOTAL	966416.00	966416.00

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
VII Coop. Edu. Fund		
(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
TOTAL	210500.00	210500.00
VIII Dividend Equalization Fund		
(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
TOTAL	11659616.69	11659616.69
IX Investment Fluctuation Fund		
(a) Opening Balance	43846320.41	53381320.41
(b) Additions During the year	9535000.00	12640043.00
(c) Deductions During the year	0.00	0.00
TOTAL	53381320.41	66021363.41
X Provision on Standard Assets		
(a) Opening Balance	13160541.00	13898090.00
(b) Additions During the year	737549.00	591800.00
(c) Deductions During the year	0.00	0.00
TOTAL	13898090.00	14489890.00
XI Housing Loan Reserve		
(a) Opening Balance	8757000.00	9973000.00
(b) Additions During the year	1216000.00	1333000.00
(c) Deductions During the year	0.00	0.00
TOTAL	9973000.00	11306000.00
XII Bad & Doubtful Debt Reserves		
(a) Opening Balance	111715011.51	122894467.51
(b) Additions During the year	11179456.00	10032967.00
(c) Deductions During the year	0.00	0.00
TOTAL	122894467.51	132927434.51
GRAND TOTAL (I and II)	484417375.67	521861277.67

THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

Schedule III - DEPOSITS

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
I. Demand Deposits/Current Accounts		
(i) From Individuals #	73063264.46	122548493.63
(ii) From Central Co-op. Banks	0.00	0.00
(iii) From other Societies	0.00	54954.00
Total	73063264.46	122603447.63
II. Savings Bank Deposits		
(i) From Individuals #	1059096173.55	1292814216.11
(ii) From Central Co-op. Banks	0.00	0.00
(iii) From other Societies	46479919.48	57038024.09
Total	1105576093.03	1349852240.20
III. Term Deposits @		
(i) From Individuals #	4325313064.91	4810757585.06
(ii) From Central Co-op.Banks	0.00	0.00
(iii) From other Societies	733113013.77	679944061.26
Total	5058426078.68	5490701646.32
Total (I, II and III)	6237065436.17	6963157334.15

@ Including reserve fund deposits of societies, employees provident fund deposit, 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	6237065436.17	6963157334.15
(ii) Deposits of Branches outside India	0.00	0.00
Total (i+ii)	6237065436.17	6963157334.15

THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

Schedule IV - BORROWINGS

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (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
Total (I, II)	0.00	0.00

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,2016 (Rs.)	As at 31st March,2017 (Rs.)
I. Bills payable (net)	3726375.73	7067859.33
II. Inter-office adjustments (net)	0.00	0.00
III. Interest accrued/Payable	18654545.00	19921518.57
IV. Others (including provisions)	234697117.32	310989389.90
Total (I, II, III, IV)	257078038.05	337978767.80

THE CITIZENS URBAN CO-OPERATIVE BANK LTD.**Schedule VI - Cash and Balances with Reserve Bank of India,
State Bank of India, State Coop. Bank**

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
I. Cash in Hand	54451140.00	67035431.00
II. Balances with Reserve Bank of India		
(a) In Current Account (RBI)	60614307.94	36851727.86
(b) In other Accounts (Central Coop Banks)	47234867.30	109466.92
(SBI and Associates)		65925120.52
Total (I, II)	162300315.24	169921746.30

THE CITIZENS URBAN CO-OPERATIVE BANK LTD.**Schedule VII - Balances with Banks and Money at Call and Short Notice**

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
I. India		
i. Balance with other Banks		
(a) Current deposits	233879883.51	271404557.68
(b) Savings bank deposits	0.00	0.00
(c) Fixed deposits	376615690.97	179712541.00
Total	610495574.48	451117098.68
ii. Money at Call and Short Notice		
(a) With banks	100000000.00	235000000.00
(b) With other institutions	0.00	0.00
Total	100000000.00	235000000.00
Total (i and ii)	710495574.48	686117098.68
II. Outside India		
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
Total (i,ii and iii)	0.00	0.00
Grand Total (I and II)	710495574.48	686117098.68

THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

Schedule VIII - Investments

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
I. Investments in India		
i In Central & State Government Securities	2325618206.50	2941908138.50
ii In other Approved Securities	0.00	0.00
iii In shares of co-operative institutions (other than out of the Principal/ Subsidiary State Partnership Fund)	12950.00	21850.00
iv In debentures and bonds		
v Others (To be specified) Mutual Funds & Bonds	395000000.00	475000000.00
Total (i,ii,iii,iv and v)	2720631156.50	3416929988.50
II. Investments Outside India		
i Government Securities	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
Total (i,ii, and iii)	0.00	0.00
Grand Total (I, II)	2720631156.50	3416929988.50

THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

Schedule IX - Advances

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
I. (a) Bills purchased & discounted	4409159.90	3979715.37
(b) Cash credits, overdrafts & loans repayable on demand	1203939474.80	1270192758.37
(c) Term Loans	2104093882.76	2146485056.91
Total (a,b,c)	3312442517.46	3420657530.65
II. Secured by :		
II. (a) Secured by tangible assets	3290950691.46	3401383190.65
(b) Secured by bank/ Govt guarantees	0.00	0.00
(c) Unsecured	21491826.00	19274340.00
Total	3312442517.46	3420657530.65
C.I. Advances in India		
I) Priority Sectors	2595642624.00	2393040604.31
II) Non Priority Sectors	716799893.46	1027616926.34
III) Banks	0.00	0.00
IV) Others	0.00	0.00
Total (I,II,III,IV)	3312442517.46	3420657530.65
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
Total (I,II)	0.00	0.00
Grand Total	3312442517.46	3420657530.65

THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

Schedule X - Fixed Assets

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
I. Premises		
(a) At cost as on 31st March of the preceding year	27620957.75	25798270.75
(b) Additions	0.00	0.00
(c) Deductions during the year	0.00	0.00
(d) Total Cost (a and b minus c)	27620957.75	25798270.75
(e) Less: Depreciation to date	1822687.00	1640419.00
Total (d minus e)	25798270.75	24157851.75
II. Other Fixed Assets (including furniture and fixtures)		
(a) At cost as on 31st March of the preceding year	27247216.26	26095674.26
(b) Additions during the year	5199784.00	3216131.00
(c) Deductions during the year	1425000.00	72153.00
(d) Total Cost (a and b minus c)	31022000.26	29239652.26
(e) Less: Depreciation to date	4926326.00	5023152.32
(f) Total (d minus e)	26095674.26	24216499.94
Grand Total	51893945.01	48374351.69

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

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
i. Inter-office adjustment (net)	0.00	0.00
ii. Interest accrued	31184363.00	64713416.00
iii. Tax paid in Advance	124174291.00	145731961.00
iv. Stationery and stamps	911887.36	1539116.30
v. Non-banking assets acquired in satisfaction of claims	0.00	0.00
vi. Others	5588712.20	15616620.50
Total (i, ii, iii, iv, v, vi)	161859253.56	227601113.80

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

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (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)	23457975.00	44327000.00
vi. Other items for which the bank is contingently liable (DEAF Accounts)	2364273.00	2417273.00
Total (i, ii, iii, iv, v and vi)	25822248.00	46744273.00

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

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
i. Interest/discount on advances/bills	398644494.34	401425641.58
ii. Income on investments	221325435.01	277706259.22
iii. Interest on balances with Reserve		
Bank of India, State Bank of India, State Co-op. Bank and Central Co-op. Bank	0.00	0.00
iv. Others	0.00	0.00
Total	619969929.35	679131900.80

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

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
i. Commission, exchange and brokerage	1387254.91	1216098.16
ii. Profits on sale of investments	37616142.24	36002419.96
Less: Loss on sale of investments	0.00	0.00
iii. Profit on revaluation of investments	0.00	0.00
Less: Loss on revaluation of investments	0.00	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	0.00	0.00
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	7864189.64	8070111.52
Total	46867586.79	45288629.64

THE CITIZENS URBAN CO-OPERATIVE BANK LTD.**Schedule XV- Interest Expended**

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
i. Interest on Deposits	475096362.49	507379256.48
ii. Interest on Borrowings	0.00	0.00
iii. Others	0.00	0.00
Total	475096362.49	507379256.48

THE CITIZENS URBAN CO-OPERATIVE BANK LTD.**Schedule XVI- Operating Expenses**

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
i. Payments to and provisions for employees	56361894.00	58321915.00
ii. Rent, taxes and lighting	9924184.00	10528181.00
iii. Printing and stationery	1189586.66	1517404.06
iv. Advertisement and publicity	1797680.00	1828487.90
v. Depreciation on bank's property and expenses	6749013.00	6663571.32
vi. Directors' fees, allowances	243600.00	270680.00
vii. Auditors' fees and expenses	150000.00	150000.00
viii. Law Charges	453406.00	481583.00
ix. Postages, Telegrams, Telephones, etc.	618679.00	644822.00
x. Repairs and maintenance	3958359.00	2137052.00
xi. Insurance	6502146.00	7273471.00
xii. Other Expenditure	12753259.49	19301402.73
Total	100701807.15	10911570.01

THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

**Cash Flow Statement Annexed to and forming
a part of Balance Sheet As on 31-03-2017**

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT AVAILABLE FOR APPROPRIATION	52,284,587	48,644,689
Adjustment for		
Current Tax	28,577,656	34,216,546
Provision on Standard Assets	970,693	591,800
Depreciation	6,918,137	6,663,571
Provision on NPA's	9,248,815	23,136,669
Investment Depreciation	(25,680,493)	7,253,500
Profit on sale of Investment	(34,820,909)	(313,708,679)
House Building Reserve	1,095,000	1,333,000
Proposed Dividend	13,002,902	(13,810,507)
Amortization of Govt. Securities	2,536,754	286,750
Operating Profit before working capital changes	29,278,506	(205,392,661)
Trade and other Receivables	(247,362,239)	(108,215,013)
Decrease in other Liabilities and Provisions	1,109,651	70,154,276
Increase in other Assets	(7,061,334)	(87,681,418)
Increase in Trade Investments	(316,337,281)	(696,298,832)
Trade Payables/Other liabilities	494,444,852	726,091,98
Cash Generated from Operation	(45,927,846)	(301,341,750)
Direct Taxes Paid	(22,832,931)	(21,027,670)
Cash Flow Before Extraordinary Items	(68,760,777)	(322,369,420)
Net Cash received (+)used(-)		
from operating Activities	(68,760,777)	(322,369,420))
B. CASH FROM INVESTING ACTIVITIES		
Purchases of fixed Assets	(8,054,407)	(3,216,131)
Sales of Fixed Assets/subsidy on FA	379,014	72,153
Profit from Sale/revaluation of Investments	60,501,402	313,708,679
Net Cash used in Investing Activities	52,826,009	310,564,701

PARTICULARS	As at 31st March,2016 (Rs.)	As at 31st March,2017 (Rs.)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Capital /		
Share Application Money	11,421,075	6,454,425
Dividend Paid	(11,772,708)	(12,180,971)
Share Transfer/Admission Fee/Nominal Fee	—	89,300
Increase/Decrease in Share Fund/Statutory Fund	(562,200)	684,920
Net Cash received(+)/used(-)		
from Financing Activities	(913,833)	(4,952,326)
Net increase (+) decrease(-)		
in cash and equivalents (A+B+C)	(16,848,601)	(16,757,045)
Cash and Cash Equivalents as at beginning of the year	923,182,433	872,795,890
Cash and Cash Equivalents as at the close of the year	906,333,833	856,038,485
Increase / (Decrease) in cash & cash Equivalent	(16,848,600)	(16,757,045)

We have verified the above cash flow statement of M/s The Citizens Urban Co-operative Bank Ltd. drawn from audited financial statements and the books of account maintained by the Bank the year ended 31-03-2017 and found the same in agreement therewith

FOR AND ON BEHALF OF BOARD

sd/-
CHAIRMAN

sd/-
DIRECTOR

sd/-
DIRECTOR

for Umesh Dada & Co.
CHARTERED ACCOUNTANTS
CA Umesh Dada
B.Com., F.C.A.
FRN : 015299N
M.No. 094639

THE CITIZENS URBAN CO-OP. BANK LTD. JALANDHAR

Schedules Forming Part of the Balance Sheet as on 31st March 2017 and Profit & Loss Account for the year ended 31st March 2017
Schedule-18 – Notes to Accounts for the year 2016-2017

(in Crore)

1. CAPITAL	(Current year) 31-03-2017	(Previous year) 31-03-2016
i) Paid up Capita	14.66	14.01
ii) Statutory Reserves	23.08	27.99
iii) Risk Weighted Assets	801.39	716.75
Adjusted Risk Weighted Assets	390.48	381.25
iv) Tier 1 capital	4308.82	41.15
v) Tier 2 capital	1046.52	9.01
vi) Total Capital Funds	53.55	50.16
vii) Tier 1 capital ratio (%)	11.03%	10.77%
viii) Tier 2 capital ratio (%)	2.68%	2.36%
ix) Total Capital ratio (CRAR) (%)	13.71%	13.12%
x) Amount of equity capital raised	0.65	0.86
xi) Amount of Additional Tier 1 capital raised; of which	1.94	2.79
Perpetual Non - Cumulative Preference Shares :	0.00	0.00
Perpetual Debt Instruments :	0.00	0.00
Details of Additional Tier 1 Capital raised :		
Paid up Capital	0.65	0.84
Statutory Reserve Fund	1.28	1.46
Building Fund	0.00	0.50
Share Transfer Fund	0.01	0.00
xii) Amount of Tier 2 capital raised; of which	1.45	1.14
Debt capital Instrument :	Nil	Nil
Preference Share Capital Instruments : [Perpetual Cumulative	Nil	Nil
Preference Shares (PNCPS) /Redeemable Non - Cumulative	Nil	Nil
Preference Shares (RNCPS) /Redeemable Cumulative	Nil	Nil
Preference Shares (RCPS)	Nil	Nil
Details of Additional Tier 2 Capital raised :		
Provision on Standard Assets	0.06	0.07
Housing Loan Reserve	0.13	0.12
Investment Fluctuation Fund	1.26	0.95
xiii) Net Worth	53.55	50.16

2 (I) INVESTMENTS	31-03-2017	31-03-2016
Value of Investments - In India		
Gross Value of Investments	383.16	319.72
Provision for Depreciation	0.00	0.00
Net Value of Investments	383.16	319.72
* includes Fixed Deposits with other Bank (Rs. 17.97 Cr.), Money at Call (Rs. 23.50 Cr.), Govt. Securities (Rs. 294.19 Cr.) and Mutual Funds Rs. 47.50 Cr)		
Market Value of Investments	391.32	
2 (ii) MOVEMENT OF PROVISIONS HELD FOR DEPRECIATION ON INVESTMENTS		
Opening Balance	0.00	2.57
Add : Provisions made during the year	0.00	0.00
Less : Write back of excess provision during the year	0.00	2.57
Less : Written off	0.00	0.00
Closing Balance	0.00	0.00

(in Crore)

2 iii) REPO TRANSACTIONS	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31-03-2017
Securities sold under Repos				
i) Govt. Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Securities Purchased under reverse Repos				
i) Govt. Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

Figures in Brackets pertains to previous year

2 (IV) NON-SLR INVESTMENT PORTFOLIO

ISSUER COMPOSITION OF NON-SLR INVESTMENTS AS ON 31-03-2016

(in Crore)

S. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
1	PSUs	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
2	FIs	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
3	Banks (Bonds of Capital Small Finance Bank Ltd.)	2.00 (2.00)	2.00 (2.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
4	Private Corporates	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
5	Subsidiaries/Joint ventures**	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
6	Others	86.97 (85.16)	86.97 (85.16)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
7	Provision held towards depreciation	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
	TOTAL	88.97	88.97	0.00	0.00	0.00
	Previous year	87.16	87.16	0.00	0.00	0.00

Figures in Brackets pertains to Previous year

Others include 45.50 crore (Previous year 37.50 crore) in Mutual Funds, 17.97 crore (Previous year 37.66 crore) in Certificates of Deposit and 23.50 crore (Previous year 10.00 crore) in Call money with HDFC Bank.

2(V) Non-Performing Non-SLR Investments

(in crore)

PARTICULARS	AMOUNT AS ON 31-03-2017	AMOUNT AS ON 31-03-2016
Opening Balance	0.00	0.00
Addition during the year	0.00	0.00
Reduction during the year	0.00	0.00
Closing Balance	0.00	0.00
Total Provision Held	0.00	0.00

2 (VI) Sales and Transfer to HTM Category exceeding 5% during the Financial Year

NIL

Particulars	Backed by NPAs sold by the bank as underlying		Backed by NPAs sold by other banks / financial institutions / financial institutions / non-banking financial companies as underlying		Total	
	(2016-17)	(2015-16)	(2016-17)	(2015-16)	(2016-17)	(2015-16)
Book Value of Investments in Security receipts	0.00	0.00	0.00	0.00	0.00	0.00

3. ASSET QUALITY**(in Crore)**

3 (I)	NON-PERFORMING ASSETS	2016-17	2015-16
i)	Net NPAs to Net Advances (%)	2.68%	2.18%
ii)	Movement of NPAs (Gross)		
	a) Opening Balance	28.88	21.26
	b) Additions during the year	8.67	9.22
	c) Reductions during the year	3.47	1.60
	d) Reductions NCA/UIPY(Unrealised Interest)	0.00	0.00
	e) Closing Balance	34.08	28.88
iii)	Movement of Net NPAs		
	a) Opening Balance	6.59	0.66
	b) Net Additions during the year	1.88	5.93
	c) Reductions during the year	0.00	0.00
	d) Closing Balance	8.47	6.59
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	a) Opening Balance*	22.29	20.59
	b) Provisions made during the year	3.32	1.70
	c) Write-off/write-back of excess provisions	0.00	0.00
	d) Closing Balance	25.61	22.29
	*Opening balance of diminution in fair value in respect of NPA restructured accounts grouped with specific provision for NPAs under IRAC norms	0.00	0.00
v)	Movement of Advances under collection account and technical write offs/recoveries made there on during the year 2015-16		
	PARTICULARS		
	Opening Balance	0.00	0.00
	Add: Technical/Prudential write offs/AUCA during the year	0.00	0.00
	Sub-Total (A)	0.00	0.00
	Less : Recoveries made from previously technical/prudential written-off/AUCA during the year*	0.00	0.00
	Closing Balance	0.00	0.00

3. (ii) MOVEMENT OF GROSS NPAs**(in Crore)**

Particulars	2016-17	2015-16
Gross NPAs as on April 1 of 2016 (Opening Balance)	28.88	21.26
Additions (Fresh NPAs) during the year	8.67	9.22
Sub-Total (A)	37.55	30.48
Less : (I) Upgradations	0.00	0.00
(ii) Recoveries (excluding recoveries made from upgraded accounts)	3.47	1.60
Technical / Prudential Write-offs	0.00	0.00
Write-off other than those under (iii) above	0.00	0.00
Sub-total (B)	3.47	1.60
Gross NPAs as on 31st March 2017 (Closing Balance) (A-B)	34.08	28.88
% of Gross NPA	9.96%	8.72%
4. Provision held for Standard Advances (in Crore)	1.45	1.39

Annual Report 2016-17

5.	Business Ratios	2016-17	2015-16
	Interest income as a percentage to working funds	8.52%	9.14%
	Non-Interest income as a percentage to working funds	0.57%	0.69%
	Operating Profit as a percentage to working funds	1.35%	1.23%
	Return on assets	0.61%	0.80%
	Net Interest Income ('in Cr)	17.17	14.48
	Net Interest Margin	2.45%	2.31%
	Weighted average cost of deposit	7.54%	8.05%
	Weighted average cost of advances	12.20%	12.89%
	Business (Deposits plus advances) per employee (in Cr.)	5.29%	4.63
	Profit per employee (in Cr.)	0.02	0.03
6.	LENDING TO SENSITIVE SECTORS		(in Crore)
6 I)	Exposure to Real Estate Sector	31-03-2017	31-03-2016
a)	Direct exposure		
i)	Residential Mortgages :	29.46	28.57
	Lendings fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
ii)	Commercial Real Estate :		
	Lendings secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose/ multi-tenanted commercial premises, multi-family residential buildings, industrial or warehouse space, hotels, land acquisition, development and construction, etc.,). Exposure includes Non Fund Bases (NFB) Limits also.	33.93	36.47
iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures:		
	a) Residential	0.00	0.00
	b) Commercial Real Estate	0.00	0.00
b)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	0.00	0.00
	Total Exposure to Real Estate Sector	63.39	65.04
6. ii)	Exposure to Capital Market		
i)	Direct investment in equity shares, convertible bonds, convertible debentures, and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	0.00	0.00
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/Esops), convertible bonds, convertible debentures, and units of equity-oriented 'mutual funds'	0.00	0.00
iii)	Advances for any other purposes where shares or convertible or convertible debentures or units of equity oriented mutual funds are taken as primary security	0.00	0.00
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures/units of equity oriented mutual funds does not fully cover the advances	0.00	0.00
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stock brokers and market makers	0.00	0.00
vi)	Loans sanctioned to corporate against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	0.00	0.00

vii)	Bridge loans to companies against expected equity flows/issues	0.00	0.00
viii)	Underwriting commitments taken up by banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	0.00	0.00
ix)	Financing to stockbrokers for margin trading	0.00	0.00
x)	All exposures to Venture Capital Funds (both registered and unregistered)	0.00	0.00
	Total Exposure to Capital Market	0.00	0.00

(As compiled by Management and relied upon by Auditors)

6. iii) Risk Category Wise Country Exposure

(in Crore)

Risk Category*	Exposure (net) as at 31-03-2017	provision held as at 31-03-2017	Exposure (net) as at 31-03-2016	provision held as at 31-03-2016
Insignificant	0.00	0.00	0.00	0.00
Low	0.00	0.00	0.00	0.00
Moderate	0.00	0.00	0.00	0.00
High	0.00	0.00	0.00	0.00
Very High	0.00	0.00	0.00	0.00
Restricted	0.00	0.00	0.00	0.00
Off-Credit	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00
Previous Year	0.00	0.00	0.00	0.00

(*Basis of Category Classification - ECGC)

6. iv) Details of Single Borrower Limit (SGL) & Group Borrower Limit (GBL) exceeding the prudential exposure of 15% of Banks Capital Funds, but are within the additional exposure of 5% permitted by RBI as on 31-03-2017.

NIL

(Amount in Crore)

6 v)	Loans and Advances secured by Intangible Assets viz, Rights, Licenses, Authorisations etc.	31-03-2017	31-03-2016
	No of Account	NIL	NIL
	Amount outstanding	NIL	NIL
	Value of intangible Securities	NIL	NIL
7 i)	Amount of Provisions made for Income-Tax during the year	3.42	2.91
ii)	Penalties imposed by RBI Penalties imposed by RBI under the provisions of Section 46 (4) of the Banking Regulation Act, 1949	NIL	NIL

7. RECONCILIATION

- Inter branch/office balances are subject to reconciliation and consequential adjustments. Matching entries for the purpose of reconciliation is an ongoing exercise.
- Accounts for Inter Bank Accounts, Branch System Suspense accounts, Suspense account, are at various stages of reconciliation, the consequential effect of which cannot be ascertained.
- Based on the past experience on completion of matching/reconciliation exercise in respect of the above accounts, the management does not anticipate any material impact on the financial statements.

Agenda

THE CITIZENS URBAN CO-OPERATIVE BANK LTD.

Agenda No. - 3

Abstract of Board of Director Meeting held on 28-07-2017

To consider the allocation of Profit for the year ending March 2017.

It is unanimously resolved to allocate the net profit of Rs. 4,86,44,689.00 for the year ending March 2017 as under

i)	Statutory Reserve Fund	25%	Rs. 1,21,61,172.00
ii)	Bad & Doubtful Reserve		Rs. 1,00,32,967.00
iii)	Investment Fluctuation Fund		Rs. 1,26,40,043.00
iv)	Proposed Dividend		Rs. 1,38,10,507.00

It is further resolved to pay 10% dividend to the shareholders of the bank after the allocation of funds

APPROVED
(Sd/-)
CHAIRMAN

THE CITIZENS URBAN CO-OP. BANK LTD.

Dear Members,

Your bank has the culture and habit of leading from the front in providing ethical modern banking services to one and all. The journey so far as demonstrated sound relationship based on mutual trust and performance among all the members and customers. The bank delves to carry forward with its ethics, values and principles as well as add on new technology. The whole team including board of directors, every single human resource is geared up and systems are set in place to help every person falling within our area of operation to get opportunity to materialize his/her potential for reaching financial inclusion. Your Directors are pleased to present your bank's Annual Report on business and operations together with the audited accounts for the year ended March 31, 2017.

INDIAN ECONOMIC OVERVIEW FOR FY 2016-17

Indian economy has emerged as the fastest growing economy in the world during the year. India's economic growth recorded to be at 6.5 percent for the current fiscal year, down from 7.6 percent as recorded in the last financial year, but it is expected to be rebound in the range of 6.75 and 7.5 percent in 2017-18 fiscal year. International monetary fund (IMF) has projected rate of 6.6% in 2016-17 and 7.2% 2017-18. GST and the other structural reforms can take the trend growth rate to 8-10%. However fiscal gain form GST will take time to realize. Farm sector to grow at 4.1% this fiscal, up from 1.2% last year. Industrial sector growth rate to be 5.2% this fiscal down from 7.6% from last year.

INFLATION

The inflation rate remained well under control and remained within the Reserve Bank of India (RBI) comfort level. The retail inflation rate measured by Consumer Price Index (CPI) came down to 3.89% in March 2017 compared to 4.83% in March 2016. However, Wholesale Price Index (WPI) rose to 5.29% in March 2017 against a decline of 1.09% in March 2016.

GDP OUTLOOK FOR 2016-17

The country's economic growth is facing challenges viz. subdued manufacturing, lower exports of the services and lower capital expenditure. However, during FY 18, cheap borrowing cost and the fading impact of demonetization could increase the private consumption and thereby drive the economic growth. The implementation of Goods and services Tax (GST) is expected to improve the tax compliance and governance and might provide an impetus to the investments and growth in the country. Due to favorable indicators such as moderate levels of inflation, reduced current account deficit (CAD), fiscal consolidation and impact of demonetization the government expects India's GDP to expand at a growth rate between 6.75 and 7.5 percent during FY 2017-18

MAJOR POLICY MEASURES ANNOUNCED BY RBI

- | The year 2016-17 saw the following changes in the key policy measures as announced by the RBI.
- | Repo rate decreased by 50 basis points (bps) to 6.25% and reverse repo rate stood at 5.75%, the same level as of last year.
- | Marginal Standing Facility (MSF) Rate and Bank Rate were aligned 50 bps above the repo rate at 6.75%. Cash Reserve Ratio (CRR) was kept unchanged at 4% of Net Demand and Time Liabilities (NDTL) during the year.
- | Statutory Liquidity Ratio (SLR) was decreased by 75 basis points to 20.50% during the year.

DIRECTORS' REPORT

FINANCIAL HIGHLIGHTS OF YOUR BANK

In The financial year 2016-17 ended for the bank on a very positive note amidst economic uncertainties in the banking sector. The bank has achieved satisfactory results on all fronts as observed below.

FINANCIAL PARAMETERS

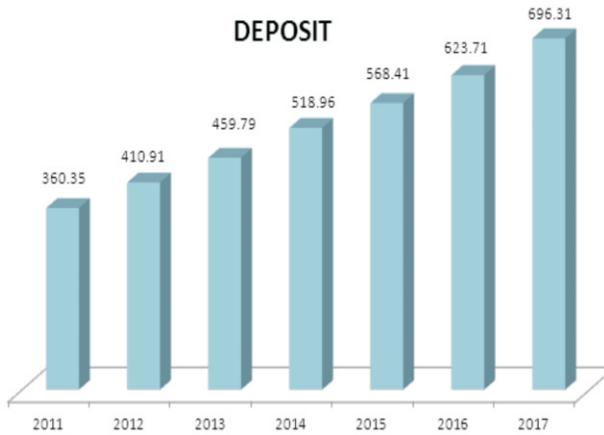
(Rs. in Crores)

Particulars	March-17	March-16	%
Deposits	696.32	623.71	11.64
Advances	342.07	331.24	3.27
Total Assets/Liabilities	796.96	711.87	11.95
Net Interest Income	17.18	14.49	18.56
Non-Interest Income	4.53	4.69	(3.41)
Operating Profit	10.79	9.11	18.44
Provisions and Contingencies	2.51	0.78	221.79
Profit before Tax	8.28	8.33	(0.60)
Provision for Taxes	3.42	2.91	17.53
Net Profit	4.86	5.42	(10.33)
Add : Surplus/(deficit) brought forward from last period	0.32	0.24	
Amount Available for appropriation APPROPRIATIONS	5.18	5.66	
Statutory Reserve	1.22	1.35	
Building Fund	0.00	0.50	
Bad and Doubtful Reserve	1.00	1.12	
Investment Fluctuation Reserve	1.26	0.95	
Proposed Dividend	1.38	1.42	
Surplus carried to Balance Sheet	0.32	0.32	
KEY PERFORMANCE INDICATORS			
Net Interest Margin	2.45	2.31	
Return on Average total Assets	0.61	0.80	
Return on Equity	33.15	38.68	
Cost to Income Ratio	50	53	
Capital Adequacy Ratio	13.71	13.12	
Credit Deposit Ratio	49.13	53.11	
Net worth	53.55	50.16	
Own Funds	62.46	66.84	

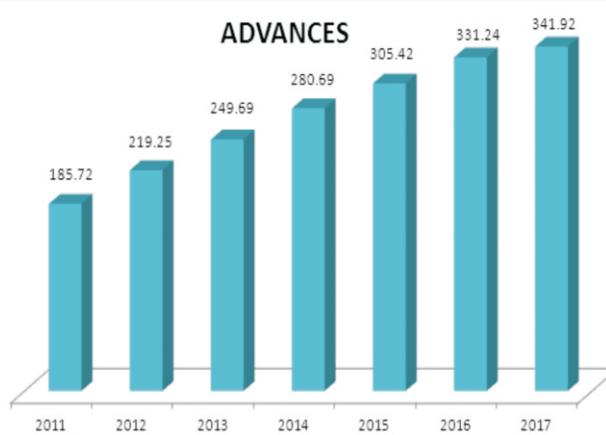
DEPOSITS AND ADVANCES

The total deposit of the bank in the current FY is Rs. 696.32 Crore as against Rs. 623.71 Crore in the FY 2015-16, thereby depicting a growth of 11.64%. The Bank's CASA stands at 21% of the total deposit. The bank has a very diverse credit portfolio to the tune of Rs. 342.07 Crore. Moreover, the CD ratio of the bank is 49.13%.

DEPOSIT



ADVANCES



TREASURY

The treasury group under the supervision and guidance of the investment committee is looking after the assets and liabilities, compliance of regulatory reserve requirements, market and liquidity risks. The bank strictly adheres to the established prudent norms for building suitable trading portfolio to make most of the available opportunities. The total investment of the bank in FY 2016-17 is Rs 383.16 crore comprising Rs 294.19 crore in Sovereign Government Securities, Rs 47.50 crore in debt based mutual funds and bonds, Rs 23.50 crore in Call money and Rs 17.97 crore in Fixed deposit with other banks. The bank has classified its investments in "Held to maturity" & "Available for Sale" categories.

PROFITABILITY RATIOS

The yield on advances is 12% whereas the Cost of deposit is 7.54% in March 2017. Return on average earning Assets is 0.61% and the net interest margin is 2.45% in March 2017. The average yield on investment is 8.66%. The focused approach towards customer services result increase in total business mix by 8.73% to reach the level of Rs 1038 crore on 2017 from Rs 955 Crore in 2016.

DIVIDEND

The bank has a proud history of being an investor friendly bank. Moreover, it has granted consecutive cash dividend to its members since its inception. In view of current financial performance of your bank and further adhering to RBI guidelines of retention of capital to maintain a healthy CRAR for the future growth, the Board of directors have recommended dividend @ of 10% for the year ended March 31, 2017.

SHARE CAPITAL



RESERVES



DIRECTORS' REPORT

CAPITAL ADEQUACY RATIO (CAR)

Your Bank is well capitalized with a Capital Adequacy Ratio of 13.71% as on March 31, 2017 comprising of Tier I Capital Ratio to the tune of 11.03% and Tier II Capital Ratio 2.68%. The capital adequacy is well above the RBI Norms of 9% for Urban Cooperative Banks.

ASSET QUALITY

Since the FY 2017 was a challenging year for the banking industry in terms of stress in asset quality on account of various macroeconomic and other assets. The Net NPA of the bank is 2.68% and the Gross NPA is 9.96%. The provision coverage ratio is 75.16% as on March 2017. Moreover, adequate measures have been taken by the bank to keep strict vigil on the special mentioned accounts (SMA), thereby curbing the menace of NPA.

AUDIT & INSPECTION

During the year, RBI carried out its customary on-sight inspection of the Bank with respect to financial position as on March 31, 2016. The report has expressed satisfaction on liquidity, capital adequacy, adherence to the RBI guidelines and policies and various compliance.

The Bank has system in place for internal / concurrent audit. All the branches are put under internal and concurrent audit system. The Audit Committee of the board gives direction, oversees the total audit function of the Bank and follows-up on audit of the Bank.

HUMAN RESOURCE DEVELOPMENT

The HR policies of the Bank have been revising to suit the changing banking scenario. HR initiatives, like, **Transform to Perform** programme for bringing attitudinal change among staff and Executives grooming through significant HR tools, like, Staff Meetings and Brain Storming Sessions have been implemented for effective team building and fostering collective excellence. Various effective Communications were brought out to boost the morale of the employees and educate them in various facets of banking. The productivity of the staff has been consistently increasing from the facts of the business per employee increased from Rs 4.63 crore in March 2016 to Rs 5.29 core on 2017

CORPORATE SOCIAL RESPONSIBILITY

The bank has always followed the principle of giving back to society as a founding principle and old tradition. The bank has always stepped in for needy and worthy causes. Therefore, Bank has contributed by donation for Medical Checkup Camp etc. Social cultural activities like Republic day was celebrated by flag hoisting at Red Cross Bhawan.

OTHER BANKING SERVICES

New products and services were also launched to facilitate the needs of our existing customers as well as prospective customers viz.

“**Point Of Sale**”- Alliances agreement were entered into with the India Transact services Ltd. (ITSL) for facilitating our customers to set up point of sale terminals.

“**Rupay Card**” – was successfully fully launched by the bank.

ACKNOWLEDGEMENT

We humbly acknowledge with recognition the timely advice, valuable guidance and support received by the bank from Government authorities specially Reserve Bank of India, Registrar cooperative societies and local media. We extend our gratitude to all the members for their confidence and unflinching belief in our ability to deliver service. We would like to take this opportunity to reiterate our commitments to work towards meeting your high expectation.

For and on behalf of the Board
The Citizens Urban Co-op. Bank Ltd.
(K.K.Sharma)
Chairman

8. (i) Disclosure Under Accounting Standards

8.1 AS-5 : Net Profit and Loss for the Period. Prior Period items and Changes Accounting Policies.

There are no material prior period income/expenditure accounted for during the year. The provision made during the year for Non Performing Assets (NPA) and other provisions pointed out by the Reserve Bank of India (RBI) in Inspection Report of the Bank for the year ended 31-03-2016 is not considered as a prior period item.

8.2 Employee Benefits, Accounting Standards (AS)-15 (Revised)

The Bank is not making any provision for Gratuity/Other Retirement benefits. The same is accounted for as and when paid. In our view, an actuarial valuation should be done for all retirement benefits on a yearly basis and be provided for.

8.3 AS-17 : Segment Reporting :

Part A : Business Segments

The Bank's operations are solely in financial services and consist of providing Banking services including commercial lending activities, treasury operations etc.

The Reserve Bank of India has issued revised guidelines for Segment Reporting vide Circular No. DBOD. No. BP. BC. 81/21. 04.018/2006-07 dated 18-04-2007 in respect of Accounting Standard 17. Accordingly, the Bank has adopted the following business segments for public reporting purposes from March 31, 2008 :

a) Treasury

b) Other Banking Operations

(in Rs.)

A)	Revenue	Banking Treasury Insurance etc. TOTAL		
(i)	Segment Revenue	410,448,967 313,958,714 724,407,681		
		(407,895,939) (258,941,577) (666,837,516)		
(ii)	Unallocated Revenue	---		
	Total	410,448,967 313,958,714 724,407,681		
		(407,895,939) (258,941,577) (666,837,516)		
B)	Result			
(i)	Segment Result	410,448,967 313,958,714 724,407,681		
		(407,895,939) (258,941,577) (666,837,516)		
(ii)	Unallocated Expenses net of Unallocable Income	641,549,017		
		(583,574,795)		
(iii)	Operating Profit	82,858,665		
		(83,262,721)		
(iv)	Financial Expenses	—		
(v)	Income Taxes and Deferred Taxes	34,216,546		
		(29,059,300)		
	Profit	48,642,119		
		(54,203,421)		
C) (i)	Segment Assets	4,833,565,528 2,941,929,989 7,775,495,517		
		(3,511,515,908) (3,431,126,731)		
vii)	Bridge loans to companies against expected equity flows/issues		0.00	0.00
viii)	Underwriting commitments taken up by banks in respect of primary issue of			