

# PEOPLE'S URBAN CO-OPERATIVE BANK LTD. NO: 51, TRIPUNITHURA

## BALANCE SHEET AS AT 31st MARCH 2014

|        |   | As on 31.03.2014<br>Rs. | As on 31.03.2013<br>Rs. |       |   | As on 31.03.2014<br>Rs. | As on 31.03.2013<br>Rs. |
|--------|---|-------------------------|-------------------------|-------|---|-------------------------|-------------------------|
| 1      | <b>Capital and Liabilities</b>                              |                         |                         | 1     | <b>Property and Assets</b>  |                         |                         |
| (i)    | <b>Capital:</b>   |                         |                         |       | <b>Cash</b>   |                         |                         |
|        | Authorised capital  | 140,000,000.00          | 90,000,000.00           |       | In hand and with Reserve Bank of India, State Bank of India                       | 943,008,868.31          | 780,428,828.86          |
|        | 5600000 'A' Class shares of Rs. 25/- each                   | 10,000,000.00           | 10,000,000.00           |       | State Co-operative Bank and Central Co-operative Bank                             | 943,008,868.31          | 780,428,828.86          |
|        | 10000 'B' Class shares of Rs. 1000/- each                   | 150,000,000.00          | 100,000,000.00          | 2     | <b>Balances with other banks</b>  |                         |                         |
| (ii)   | Subscribed capital  | 96,356,110.00           | 78,980,010.00           | (i)   | Current deposits  | 80,602,889.12           | 42,548,391.41           |
|        | 3854244 'A' Class shares of Rs. 25/- each                   | 3,368,000.00            | 3,212,500.00            | (ii)  | Savings bank deposits   | 215.00                  | 215.00                  |
|        | 3368 'B' Class shares of Rs. 1000/- each                    | 99,724,110.00           | 82,192,510.00           |       |   | 80,603,104.12           | 42,548,606.41           |
| (iii)  | Amount called and paid up                                   | 96,356,110.00           | 78,980,010.00           | 3     | <b>Money at call and short Notice</b>   |                         |                         |
|        | 3854244 'A' Class shares of Rs. 25/- each                   |                         |                         | 4     | <b>Investments</b>  |                         |                         |
|        | each less calls unpaid                                      |                         |                         | (i)   | In Central and State Government securities (at book value)                        | 891,570,882.00          | 848,213,740.00          |
|        | on... shares at Rs.....                                     |                         |                         |       | Face value  | Rs. 900,604,000.00      |                         |
|        | each less calls unpaid                                      |                         |                         |       | Market value  | Rs. 857,584,239.00      |                         |
|        | Of (iii) above held by                                      |                         |                         | (ii)  | Other Trustee securities  | -                       | -                       |
|        | (a) individuals   |                         |                         | (iii) | Shares in co-operative institutions other than in item (5) below                  | 120,500.00              | 120,500.00              |
|        | (b) Co-operative institutions                               | 3,368,000.00            | 3,212,500.00            | (iv)  | Other investments   | -                       | -                       |
|        | (c) State Government  | 99,724,110.00           | 82,192,510.00           |       |   | 891,691,382.00          | 848,334,240.00          |
|        | 3368 'B' Class shares of Rs. 1000/- each                    |                         |                         | 5     | Investments out of the Principal/Subsidiary State partnership Fund In shares of-  |                         |                         |
| 2      | <b>Reserve Fund and other reserves:</b>                     |                         |                         | (i)   | Central Co-operative Bank   |                         |                         |
| (i)    | Statutory Reserve   | 61,858,067.22           | 55,837,241.22           | (ii)  | Primary Agricultural Credit Societies.  |                         |                         |
| (ii)   | Agricultural (Credit Stabilization Fund)                    | -                       | -                       | (iii) | Other Societies   |                         |                         |
| (iii)  | Building Fund   | 48,043,564.54           | 48,043,564.54           | 6     | <b>Advances:</b>  |                         |                         |
| (iv)   | Dividend Equalization Fund                                  | 15,632,013.11           | 13,235,540.73           | (i)   | Short-term loans, cash credits, overdrafts and bills                              |                         |                         |
| (v)    | Special Bad Debts Reserve                                   | 127,000,129.66          | 127,000,129.66          |       | discounted  |                         |                         |
| (vi)   | Bad and Doubtful debts reserve                              | -                       | -                       |       | Of which secured against -  |                         |                         |
| (vii)  | Investment and Depreciation Reserve                         | -                       | -                       | (a)   | Government and other approved securities  | Rs. -                   |                         |
| (viii) | Other funds and Reserves                                    |                         |                         | (b)   | Other tangible securities   | Rs. -                   |                         |
|        | Capital Reserve   | 287,887.00              | 287,887.00              |       | Of the advances, amount due from individuals                                      | Rs. -                   |                         |
|        | Investment Fluctuation Reserve                              | 12,756,589.00           | 9,206,589.00            |       | Of the advances, amount overdue   | Rs. -                   |                         |
|        | Reserve for Computer Recoupment                             | 2,096,652.00            | 2,096,652.00            |       | Considered bad and doubtful of recovery *   | Rs. 11,785,562.00       |                         |
|        | Special Reserve u/s 36 (1) (viii) of I.T. Act               | 5,308,814.00            | 4,592,700.00            | (ii)  | Medium-term loans   |                         |                         |
|        | Staff Welfare Fund  | 1,713,961.29            | 1,168,241.29            |       | Of which secured against -  |                         |                         |
|        | Common Good Fund  | 1,912,457.55            | 1,932,457.55            | (a)   | Government and other approved securities  | Rs. -                   |                         |
|        | Vehicle Recoupment Fund                                     | 1,168,901.20            | 1,168,901.20            | (b)   | Other tangible securities   | Rs. -                   |                         |
|        | Revaluation Reserve   | 21,510,605.55           | 21,510,605.55           |       | Of the advances, amount due from individuals                                      | Rs. -                   |                         |
|        | Provision for salary revision                               | 800,000.00              | -                       |       | Of the advances, amount overdue   | Rs. -                   |                         |
|        | Members Relief fund   | 1,000,000.00            | -                       |       | Considered bad and doubtful of recovery *   | Rs. 29,267,819.00       |                         |
|        | Contingent Provision against Standard Assets                | 18,161,301.72           | 14,434,892.72           | (iii) | Long-term loans   |                         |                         |
|        |   | 318,350,943.84          | 300,515,402.46          |       | Of which secured against and  |                         |                         |
| 3      | <b>Principal/Subsidiary State Partnership Fund Account:</b> |                         |                         | (a)   | Government and other approved securities  | Rs. -                   |                         |
| 4      | <b>Deposits and other accounts:</b>                         |                         |                         | (b)   | Other tangible securities   | Rs. -                   |                         |
| (i)    | Fixed Deposits  |                         |                         |       | Of the advances, amount due from individuals                                      | Rs. -                   |                         |
| (a)    | Individuals   | 2,848,942,005.05        | 2,446,075,005.65        |       | Considered bad and doubtful of recovery *   | Rs. 242,372.00          |                         |
| (b)    | Central Co-operative Banks                                  | -                       | -                       | 7     | Interest receivable   |                         |                         |
| (c)    | Other societies   | 70,816,231.00           | 124,569,362.00          |       | Of which overdue:   |                         |                         |
| (ii)   | Savings bank deposits                                       |                         |                         |       | Considered bad and doubtful of recovery   | Rs. 1,94,45,999.00      |                         |
| (a)    | Individuals   | 479,707,890.24          | 543,431,074.11          | 8     | Bills receivable being bills for collection as per contra                         |                         |                         |
| (b)    | Central Co-operative Banks                                  | -                       | -                       | 9     | Branch adjustments  | 2,68,86,122.66          | 2,824,364.27            |
| (c)    | Other societies   | 11,013.00               | 12,111.44               | 10    | Premises less depreciation  | 17,22,293.92            | 860,216.52              |
| (iii)  | Current deposits  |                         |                         | 11    | Capital Work in progress  | 3,08,53,752.77          | 532,000.00              |
| (a)    | Individuals   | 25,676,637.36           | 26,250,376.27           |       | Furniture and fixtures less depreciation  | 2,91,95,432.08          | 2,047,271.69            |
| (b)    | Central Co-operative Banks                                  | -                       | -                       | 12    | Other assets (to be specified)  |                         |                         |
| (c)    | Other societies   | 5,752,266.00            | 5,365,523.21            |       | Vehicles less depreciation  | 22,88,626.00            | 303,755.00              |
| 5      | <b>Borrowings</b>   |                         |                         |       | Advance Income Tax  | 19,84,871.00            | 546,759.00              |
| 6      | Bills for collection being bills receivable as per contra   | 9,988,775.30            | 2,824,364.27            |       | Other Assets  | 18,582,503.00           | 17,582,503.00           |
| 7      | Branch adjustments (Net)                                    | -                       | -                       |       | Deferred Tax assets   | 2,718,716.28            | 2,622,097.28            |
| 8      | Overdue interest Reserve                                    | 19,445,999.00           | 18,267,692.00           | 13    | Non-banking assets acquired in satisfaction of claims (stating mode of valuation) | -                       | -                       |
| 9      | Interest payable  | 92,121,498.00           | 89,161,725.00           | 14    | Profit and Loss   | -                       | -                       |
| 10     | <b>Other Liabilities</b>                                    |                         |                         |       |   | 9,988,775.30            | 2,824,364.27            |
| (i)    | Bills payable   | 14,793,842.30           | 7,417,316.27            |       |   | 3,440,351.50            | 860,216.52              |
| (ii)   | Unclaimed dividends and proposed dividend payable           | 29,278,987.00           | 27,462,449.00           |       |   | 25,163,828.74           | 25,295,981.74           |
| (iii)  | Suspense  | 1,610,419.50            | 268,344.50              |       |   | 1,658,320.69            | 2,047,271.69            |
| (iv)   | Sundries  | 2,871,342.80            | 4,221,858.98            |       |   | 303,755.00              | 546,759.00              |
| (v)    | Provision for Non performing Assets                         | 60,555,710.00           | 56,255,710.00           |       |   | 18,582,503.00           | 17,582,503.00           |
| (vi)   | Provision for Leave benefit to employees                    | 14,008,736.00           | 10,919,208.00           |       |   | 2,718,716.28            | 2,622,097.28            |
| (vii)  | Provision for Income Tax                                    | 17,736,740.00           | 17,001,650.00           |       |   | -                       | -                       |
| (viii) | Deferred tax liability                                      | 284,658.00              | -                       |       |   | -                       | -                       |
| (ix)   | Investment depreciation reserve                             | 9,715,500.00            | 926,563.00              |       |   | -                       | -                       |
|        |   | 150,855,935.60          | 124,473,099.75          |       |   | 4,121,393,304.39        | 3,763,138,246.16        |
| 11     | <b>Profit and Loss</b>                                      |                         |                         |       |   |                         |                         |
|        | Profit as per last Balance Sheet                            | -                       | -                       |       |   |                         |                         |
|        | Profit as per profit and loss account                       | 24,964,389.38           | 36,876,631.49           |       |   |                         |                         |
|        | <b>Less Appropriations:</b>                                 |                         |                         |       |   |                         |                         |
|        | Statutory Reserves  | 3,744,658.00            | 5,531,495.00            |       |   |                         |                         |
|        | Education Fund  | 60,000.00               | 60,000.00               |       |   |                         |                         |
|        | Building Fund   | -                       | 8,280,164.49            |       |   |                         |                         |
|        | members relief fund   | 1,000,000.00            | -                       |       |   |                         |                         |
|        | Special Reserve (Sec 36 (1) (viii) of IT ACT)               | 716,114.00              | 808,700.00              |       |   |                         |                         |
|        | Staff Welfare Fund  | 700,000.00              | 700,000.00              |       |   |                         |                         |
|        | Common good Fund  | -                       | 480,000.00              |       |   |                         |                         |
|        | Vehicle Recoupment Fund                                     | -                       | 243,004.00              |       |   |                         |                         |
|        | Computer Recoupment   | -                       | 223,326.00              |       |   |                         |                         |
|        | Proposed Dividend   | 13,697,145.00           | 14,549,942.00           |       |   |                         |                         |
|        | Investment Fluctuation fund                                 | 3,550,000.00            | 6,000,000.00            |       |   |                         |                         |
|        | Dividend equalization fund                                  | 23,96,472.38            | -                       |       |   |                         |                         |
|        |   | 24,964,389.38           | 36,876,631.49           |       |   |                         |                         |
| 12     | <b>Contingent Liabilities</b>                               |                         |                         |       |   |                         |                         |
| (i)    | Outstanding Liabilities for guarantees issued               | -                       | -                       |       |   |                         |                         |
| (ii)   | Guarantees given on behalf of constituents of India         | 4,500,000.00            | 4,500,000.00            |       |   |                         |                         |
|        | Others  | -                       | -                       |       |   |                         |                         |
|        |   | 4,500,000.00            | 4,500,000.00            |       |   |                         |                         |
|        | <b>Total</b>  | <b>4,121,393,304.39</b> | <b>3,763,138,246.16</b> |       | <b>Total</b>  | <b>4,121,393,304.39</b> | <b>3,763,138,246.16</b> |

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2014

|   | 31.03.2014<br>Rs.     | 31.03.2013<br>Rs.     |   | 31.03.2014<br>Rs.     | 31.03.2013<br>Rs.     |
|---|-----------------------|-----------------------|---|-----------------------|-----------------------|
| <b>EXPENDITURE</b>  |                       |                       | <b>INCOME</b>   |                       |                       |
| 1 Interest on deposits, borrowing, etc.....                   | 278972837.51          | 247891613.63          | 1. Interest and discount  | 405,685,568.77        | 356,126,429.98        |
| 2 Salaries and allowances and provident fund.....             | 42,932,526.00         | 40,164,038.00         | 2. Commissions exchange and brokerage   | 148,415.90            | 215,766.00            |
| 3 Directors' and local committee members' fees and allowances | 566,852.00            | 396,431.00            | 3. Subsidies and donations  | -                     | -                     |
| 4 Rent, taxes, insurance, lighting etc.                       | 14,955,100.53         | 9,116,464.52          | 4. Income from non banking assets and profit from sale of or dealing with such assets | -                     | -                     |
| 5 Law charges   | 7,000.00              | 421,500.00            | 5. Other receipts   |                       |                       |
| 6 Postage, telegrams and telephone charges                    | 729,634.87            | 859,474.86            | Profit on sale of Investments(net)  | 3,991,453.20          | 913,177.86            |
| 7 Auditor's fees  | 2,942,418.00          | 22,115,750.00         | Profit on sale of Fixed Assets  | -                     | -                     |
| 8 Depreciation and repairs to property                        | 446,027.60            | 489,940.08            | Miscellaneous Income  | 8,769,294.42          | 76,198,603.37         |
| 9 Stationery, printing and advertisement, etc.                | 1,308,609.00          | 1,026,238.50          |   |                       |                       |
| 10 Loss from sale of or dealing with non-banking assets       | -                     | -                     |   |                       |                       |
| 11 Other expenditure  | 15,602,411.20         | 664,394.13            |   |                       |                       |
| 12 Provisions & contingencies                                 |                       |                       |   |                       |                       |
| Provision for standard assets                                 | 3,726,409.00          | -                     |   |                       |                       |
| Provision for Non Performing assets                           | 430,000.00            | 460,000.00            |   |                       |                       |
| Provision for Leave benefit to Employees                      | 3,089,528.00          | 1,365,874.00          |   |                       |                       |
| Provision for salary revision                                 | 800,000.00            | -                     |   |                       |                       |
| Provision for Income tax (Income tax expenses)                | 177,367,400.00        | 17,000,000.00         |   |                       |                       |
| Provision for Deferred tax liability                          | 15,000,000.00         | -                     |   |                       |                       |
| 13 Net Profit carried to Balance Sheet                        | 24,964,389.38         | 36,876,631.49         |   |                       |                       |
| <b>Total</b>  | <b>418,594,732.29</b> | <b>373,093,833.21</b> | <b>Total</b>  | <b>418,594,732.29</b> | <b>373,093,833.21</b> |

#### Independent Auditors' Report

The Members of People's Urban Co-Operative Bank Limited, Tripunithura

**Report on the Financial Statements**

We have audited the accompanying financial statements of the People's Urban Co-operative Bank Limited (the Bank), which comprise the Balance Sheet as at 31st March, 2014, the Profit and Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Bank's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, Accounting Standards issued by the Institute of Chartered Accountants of India in so far as they apply to the banks and the Guidelines issued by the Reserve Bank of India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with the accounting policies followed by the Bank and Notes thereon give the information required by the Banking Regulation Act, 1949 in the manner so required for Co-operative banks and the Guidelines issued by Reserve Bank of India from time to time and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

(ii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

**we report that:**

(i) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

(ii) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;

(iii) the returns received from the Offices and Branches of the Bank have been found adequate for the purposes of our audit;

(iv) in our opinion, proper books of account, as required by law, have been kept by the Bank so far as appears from our examination of those books, and we further report that the Balance Sheet and the Profit and Loss Account and the Cash Flow Statement dealt with in this report are in agreement with the books of accounts and returns;

(v) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report comply with the Accounting Standards issued by the Institute of Chartered Accountants of India read with guidelines issued by the Reserve Bank of India in so far as they apply to the bank except with regard to leave salary provision which is not provided on the basis of actuarial valuation.

For MENON & AYYAR  
Chartered Accountants  
Firm Registration No. 0020585

(Sd/-)  
A. Raveendran  
(Partner)  
M No. 019893

Place: Ernakulam  
Date: 17.9.2014

(Sd/-) Raveendran A  
Partner  
Membership No. 019890

As per our report of even date

(Sd/-) Chairman  
(Sd/-) Director  
(Sd/-) Director  
(Sd/-) General Manager

Place: Tripunithura  
Date: 17.9.2014

For Menon & Ayyar  
Chartered Accountants  
F.R. No. 0020585

(Sd/-)  
A. Raveendran  
(Partner)  
M No. 019893

| Other Notes on Accounts                                     |        | 31.03.2014 |  | 31.03.2013 |  | 31.03.2014 |  | 31.03.2013 |  |
|---|--------|------------|--|------------|--|------------|--|------------|--|
| Disclosures   |        |            |  |            |  |            |  |            |  |
| Capital adequacy Ratio                                      |        |            |  |            |  |            |  |            |  |
| i. CRAR (%) - Basel II                                      | 13.45  | 12.81      |  |            |  |            |  |            |  |
| ii. CRAR - Tier I Capital (%)                               | 11.02  | 10.49      |  |            |  |            |  |            |  |
| iii. CRAR - Tier II Capital (%)                             | 2.43   | 2.32       |  |            |  |            |  |            |  |
| Profitability   |        |            |  |            |  |            |  |            |  |
| a. Average cost of Deposits (%)                             | 8.13   | 7.88       |  |            |  |            |  |            |  |
| b. Interest Income as a percentage of Working Funds (%)     | 9.91   | 9.52       |  |            |  |            |  |            |  |
| c. Non Interest Income as a percentage of Working Funds (%) | 0.31   | 0.25       |  |            |  |            |  |            |  |
| d. Operating Profit as a percentage of Working Funds (%)    | 1.37   | 1.60       |  |            |  |            |  |            |  |
| e. Return on Assets (%)                                     | 0.60   | 0.98       |  |            |  |            |  |            |  |
| f. Business (Deposits+Advances) per Employee (Rs. Lakhs)    | 566.61 | 622.73     |  |            |  |            |  |            |  |