



THE CITIZEN CO-OPERATIVE BANK LTD.

Vasco-Da-Gama, Goa

40th



2022-2023

The Citizen Co-operative Bank Limited

Regd. & H. O.: Lakshdeep Apartments,
Vasco-da-Gama, Goa-403 802.
Ph.: 2511033 / 2519290

Email : ho@citizenbankgoa.com Website: www.citizenbankgoa.com

BOARD OF DIRECTORS

Chairman	Dr. Ravindra V. Parulekar	(Medical Practitioner)
Vice-Chairperson	Shri Madhav N. Kamat	(Engineer)
Directors	Shri Mohan S. Dicholkar	(Retd. Shipping Executive)
	Capt. Bruno V. D'Souza	(Retd. Company Executive)
	Shri Chandrakant K. Gawas	(Businessman)
	Shri Pundalik Vasudev Nayak	(Businessman)
	Shri Sandeep Sood	(Businessman)
	Smt. Nilima Madhav Kamat	(Businessman)
	Shri Jagdish Yadu Durbhatkar	(Businessman)
	Shri Sunil Loran	(Advocate)
	Dr. Premanand D. Ajgaonkar	(Medical Practitioner)

Shri Sadashiv Phadte
(Dy. Chief Executive Officer)

BRANCHES

- 1) Vasco-da-Gama Branch:**
Lakshdeep Apartments,
Near Damodar Temple,
Vasco-da-Gama, Goa.
Ph.: 2512745
email :vasco@citizenbankgoa.com
- 2) Aquem Baixo Branch:**
Kurtarkar Modern Homes,
Rawanfond, P.O. Navelim, Goa.
Ph.: 2765117
email :aquem@citizenbankgoa.com
- 3) Canacona Branch :**
Mangalvan Complex,
Chaudi, Canacona, Goa.
Ph.: 2643914
email :canacona@citizenbankgoa.com
- 4) Margao Branch :**
Dalal Commercial Complex,
Opp. Hari Mandir, Margao, Goa.
Ph.: 2704479
email :margao@citizenbankgoa.com
- 5) Panaji Branch:**
Srirang Mansion,
Dr. A.B. Road, Panaji, Goa.
Ph.: 2425602/603
email :panaji@citizenbankgoa.com
- 6) Ponda Branch :**
Akashdarshan,
Kaziwaddo, Ponda, Goa.
Ph.: 2318841
email :ponda@citizenbankgoa.com

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NOTICE TO MEMBERS

Fortieth Annual General Body Meeting

Notice is hereby given that the Fortieth Annual General Body Meeting of the members of The Citizen Co-operative Bank Ltd., will be held on Saturday, the 16th September 2023 at 3.00 p.m. in Janata Vachanalaya, Vasco-da-Gama, to transact the following business:

1. To read and confirm minutes of the last Annual General Body meeting held on 24th September 2022.
2. To consider and adopt the Annual Report and Audited Statement of Accounts for the year ended 31.03.2023.
3. To approve expenses incurred in excess of budget during the year ended 31.03.2023.
4. To consider the Statutory Auditors Report and the Rectification Report for the year 2022-23.
5. To approve the revised budget for the year 2023-24 and budget for 2024-25.
6. To appoint Concurrent Auditors for the Financial year 2024-25.
7. To consider the appointment of Statutory Auditors of the Bank for the FY 2023-24.
8. To ratify interest waiver of Chronic NPA loan accounts which were settled and closed under Compromise settlement.
9. To transact any other business with the permission of the Chair.

By Order of the Board of Directors

Vasco-da-Gama

Date: 30th August 2023

sd/-

(SADASHIV PHADTE)

Dy. Chief Executive Officer

Note:

1. If there is no quorum within half an hour after the appointed time, the Meeting shall stand adjourned to 3.30 p.m. on the same day and the agenda of the meeting will be transacted at the said venue irrespective of the rule of quorum in terms of byelaw No. 24.
2. Every Firm or Company which is the member of the Bank is required to inform the Bank the name of its representative attending the meeting by way of resolution.
3. Members are requested to collect their copies of Annual Report including interalia Statement of Accounts and Meeting Agenda from the Head Office or Branches of the Bank. Members may also refer to Bank's website 'www.citizenbankgoa.com' for the above documents.
4. If any suggestions are to be made or clarification required in respect of Annual Report, the same be sent in writing to the Bank upto 11th September 2023.

CHAIRMAN'S REPORT

Dear Members,

On behalf of the Board of Directors of our Bank, I take pleasure in welcoming you to the 40th Annual General Body Meeting of our Bank. It is my privilege to place before you the 40th Annual Report together with Audited Statements of Accounts for the year ended 31st March 2023.

It was a year of mix hope and fortune. The first half year period of the financial year 2022-23 witnessed growth in the business of the Bank. The deposits of the Bank increased from Rs. 168 Cr. to Rs. 169 Cr. and advances increased from Rs. 76 Cr. to Rs. 80 Cr. during the first half year from 01.04.2022 to 30.09.2022.

Business growth of the Bank was hampered during the rest of the financial year due to levy of SAF by Reserve Bank of India after completion of their Inspection in the month of October 2022 for the FY 2021-2022.

The additional SAF was imposed by RBI since the Bank had breached the tolerance limits prescribed in respect of key financial indicators namely CRAR, Net NPAs and Profitability. This was mainly on account of following findings and observations by RBI:-

- a) The Inspection team had suggested an additional loan loss provisions of Rs.129.98 lakh,
- b) The Bank had understated its liability towards Gratuity and Leave Encashment of its employees to the extent of Rs.186.51 lakh,
- c) In terms of Para 2 (a) of circular on DOR.(PCB).BPD.Cir.No.11/ 16.20.000/2019-20 dated- April 20, 2020, the bank had not made provision of Rs. 88.02 lakh during FY 2021-22 towards deposit placed with PMC Bank @ 20% per year and
- d) Shortall of Rs.0.03 lakh towards shares of the Lakshdeep CHS (non-SLR investment)

The Bank has taken corrective measures to improve the tolerance limit in respect of the key financial indicators viz CRAR, Net NPAs and Profitability. The Bank has recovered Rs. 335.07 lakhs for the FY 2022-23 from Top 50 NPA loan accounts. The Bank has also invested Rs. 1.14 Cr. towards Gratuity and Rs. 69.50 Lakhs towards Leave Encashment of our Employees. The Bank has received PNCPS (Perpetual Non-Cumulative Preference Shares) of Rs. 10 each to the tune of Rs. 360.55 lakhs and Equity Warrants of Rs. 1 each amounting to Rs. 90.14 lakhs in lieu of FD with PMC Bank (Amalgamation with Unity Small Finance Bank Limited).

Your Bank has made a provision of Rs. 185 lakhs towards investment in PNCPS issued by Unity Small Finance Bank (earlier PMC Bank) covering 50% of the total provisions required to be made by the Bank by March 31st 2024.

Your Bank has also made dedicated efforts in reduction of Gross and Net NPAs of the Bank compared to the last FY 2021-22. Our Recovery team is working tirelessly to restrict NPA within the tolerable levels. The **Gross NPAs of the Bank is Rs. 1338.32 lakhs (17.40%) and Net NPAs amounts to Rs. 421.18 lakhs (6.22%) as on 31.03.2023** compared to last financial year which stood at **Rs. 1378.84 lakhs (18.07%) Gross NPAs and Net NPAs of Rs. 548.33 lakhs (8.06%)** respectively.

The Citizen Co-operative Bank Limited **40th Annual Report 2022-2023**

We hope that the Bank will overcome from the present financial crises with extra recovery efforts and infusion of Share Capital to the tune of Rs. 2.70 Cr. approx. which will help to improve Bank's CRAR to benchmark level of 9% and also to bring down Net NPAs of the Bank to the tolerance level of less than 6%. I humbly appeal to all our members to contribute generously towards raising of Share Capital of your Bank.

PERFORMANCE :

The comparative financial parameters of our Bank as on 31.03.2022 and 31.03.2023 are as follows:

	As on 31.03.2023 (Rs. in Lakh)	As on 31.03.2022 (Rs. in Lakh)
Paid-up Share Capital	526.69	506.44
Reserves (Free)	1141.43	1210.21
Deposits	15735.99	16841.67
Advances	7689.92	7632.23
Investments	7954.05	8898.11
Working Capital	18223.28	19537.32
Gross Income	1403.07	1456.45
Profit (Before Tax)	-307.71	-209.08

OWNED FUNDS :

During the year ended 31.03.2023, the owned funds of the Bank comprising of Paid-up share capital, reserves and surplus stood at Rs.2706.84 Lakh compared to Rs. 2507.94 Lakh as on 31.03.2022. Bank's CRAR as on 31.03.2023 stood at 6.76%.

MEMBERSHIP :

During the year under review, 274 new members were enrolled and 61 members resigned from Bank's membership. The number of shareholder members stood at 10122 as on 31.03.2023. In addition, Bank also enrolled 30 nominal members.

DEPOSITS AND ADVANCES :

The aggregate deposits of the Bank decreased to Rs. 15735.99 Lakh as on 31.03.2023, from Rs. 16841.67 Lakh as on 31.03.2022 (6.57%). The reason for decrease in deposits was due to the withdrawals of deposits by our customers since other Commercial and Cooperative Banks were offering higher rate of interest than our Bank. The Bank was instructed not to offer interest rates on deposits (fresh/renewal) more than those offered by State Bank of India as per SAF condition advised by RBI. The composition of low cost deposits in total deposits accounted for 30.50%.

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Advances during the same period increased from Rs. 7632.23 Lakh as on 31.03.2022 to Rs. 7689.92 Lakh as on 31.03.2023. CD Ratio stood at 48.87% as on 31.03.2023, the total advances to priority sectors amounted to Rs. 5469.60 Lakh and those to weaker sections amounted to Rs. 2905.52 Lakh i.e. 71.13% and 37.78% of total advances respectively.

The Branch wise break-up of deposits, advances and working results as on 31.03.2023 was as follows:

<u>Branch</u>	<u>Deposits</u>	<u>Advances</u>	<u>Profit</u>
Head Office	-	-	-193.22
Vasco-da-Gama	8787.67	3982.40	20.79
Aquem-Baixo	2373.24	312.68	1.16
Canacona	658.09	208.26	-37.58
Margao	2286.58	2159.44	-64.30
Panaji	1140.67	620.15	5.70
Ponda	489.74	406.98	-40.26
Total	<u>15735.99</u>	<u>7689.92</u>	<u>-307.71</u>

INVESTMENTS:

Our investments as on 31.03.2023 stood at Rs. 7954.05 Lakh as against Rs. 8898.11 Lakh as at the end of the previous year. The breakup of investments was as under:

	(Rs. in Lakh)
Investment in Central Govt. Securities	Rs. 4575.69
Investment in State Govt. Securities	Rs. 2314.65
Shares of The Goa State Co-op. Bank Ltd.	Rs. 2.50
Shares of Lakshdeep C.H.S. Ltd.	Rs. 0.03
Money at Call and Short Notice	Rs. 225.00
Fixed Deposit with Karnataka Bank Ltd.	Rs. 25.00
Locker Deposit with Central Bank of India	Rs. 0.49
PNCPS Unity SFB.	Rs. 360.55
Equity Warrants Unity SFB	Rs. 90.14
Fixed Deposit with TJSB Sahakari Bank Ltd.	Rs. 10.00
Fixed Deposit with Suryoday Small Fin. Bank Ltd.	Rs. 100.00
Fixed Deposit with Fincare Small Finance Bank Ltd.	Rs. 250.00
Total	Rs. <u>7954.05</u>

INCOME & EXPENDITURE:

Gross income of the Bank decreased from Rs. 1456.45 Lakh in 2021-22 to Rs. 1403.07 Lakh in 2022-23. Interest income declined by 4.96% from Rs. 1410.68 Lakh in 2021-22 to Rs. 1340.65 Lakh in 2022-23. Interest expenditure decreased by 11.50% from Rs. 953.54 Lakh in 2021-22 to Rs. 843.91 Lakh in 2022-23. The Bank earned an income of Rs. 2.26 Lakh from treasury operations as against Rs. 9.18 Lakh earned during the previous year. Further Rs. 30.64 Lakh interest receivable on the deposit with PMC Bank Ltd., now Unity Small Finance Bank was not recognized as income as per RBI Interbank Exposure norms. The loss of the Bank for the year 2022-23 stood at Rs. -307.71 Lakh before tax.

RBI INSPECTION:

During the period under review, Reserve Bank of India conducted periodical inspection of our Bank u/s 35 of the Banking Regulations Act, 1949 (AACS) for the Financial position as on March 31, 2022. The aggregate score of individual components based on scale from 1 to 5 allocated by RBI to your Bank is 2.49. Instructions issued under Revised/ additional SAF levied by the Reserve Bank of India in view of reduction in CRAR, increase in NPA accounts and accumulated losses are been strictly followed by the Bank. We are thankful for their suggestions for further improvement and functioning of the Bank.

AUDIT CLASSIFICATION:

We are pleased to inform the members that our **Bank has secured 'A' Audit classification for the year 2022-23** also, based on the assessment of Bank's functioning as per norms stipulated by Reserve Bank of India.

CORPORATE GOVERNANCE:

The Bank has implemented good corporate governance, strong emphasis on the business ethics, effective supervision, transparency, accountability and integrity. The Bank is also responding to the customer expectations by introducing add on facilities.

The Board has constituted various Committees of Directors such as Executive Committee, Audit Committee, Staff Committee, Investment Committee, IT Sub Committee and Committee to monitor high level fraud and has delegated specific responsibilities to them.

The Bank has also constituted Asset Liability Committee consisting of senior Management personnel.

All the above Committees meet regularly to transact the business delegated to them.

Shri Chandrakant K. Gawas, Director has been appointed as Designated Director to ensure Compliance with the obligations under the PML Act 2012.

The Bank has framed various Policies viz: Loan Policy, Investment Policy, KYC Policy, IS Policy, Disaster Recovery Policy, ALM Policy, Cyber Security Policy, Customer Grievance Policy, Staff Accountability Policy, Audit Policy, Outsourcing Policy, Safe Deposit Locker Policy, etc. incorporating upto date RBI guidelines for the guidance of the functionaries at various levels.

STAFF RELATIONS AND STAFF WELFARE:

For the welfare of Staff members, the Bank has taken out Group Term Policy. The Bank has been contributing 12% of the specified portion of employee's earnings towards Provident Fund and Pension Fund managed by Provident Fund organisation. The Bank has opted for Group Insurance Scheme with LIC of India in lieu of Employees Deposit Link Insurance Scheme of Provident Fund Organisation considering the better benefits offered by them. The Bank is contributing to the Group Gratuity Scheme of LIC of India and HDFC Standard Life Insurance Co. Ltd. to provide for payment of Gratuity to the staff members. The bank has also contributed to Leave Encashment Fund for the benefit of staff members.

ADD ON FACILITIES:

Bank is currently providing ATM, Tax payment facility and RTGS/NEFT facility to our accountholders. The Bank is also providing SMS Banking, Direct Benefit Transfers and ECS facility for their convenience.

Bank participates in social security measures introduced by the Central Government namely, Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Surksha Bima Yojana. We request our members to make use of these facilities.

BOARD OF DIRECTORS:

The Board of Directors met 10 times during the year to conduct normal business of the Bank. All the meetings were well attended. The Executive Committee of Directors met regularly to transact the business within its delegated powers.

COMPLIANCE WITH RBI DIRECTIVES/ GUIDELINES:

Our Board is pleased to inform the members that our Bank has complied with all the guidelines issued by Reserve Bank, some of which are given below:

- We have maintained at all times CRR and SLR stipulated u/s 18 & 24 of B. R. Act 1949 (AACS).
- We have fully adhered to the prudential norms on income recognition, asset classification and provisioning.
- We are maintaining the statutory liquidity Reserve in the form of Govt. Securities. All transactions in Govt. Securities are carried out in demat form through CSGI/Demat A/c maintained with HDFC Bank Ltd.

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- We are regular in payment of insurance premium to Deposit Insurance and Credit Guarantee Corporation upto date.
- Our CRAR as on 31.03.2023 stood at 6.76%, which is below the level of 9% stipulated by RBI.

ACKNOWLEDGEMENTS:

The Board of Directors sincerely thank all the Members, Depositors, Customers, Service Providers, Well wishers and various Institutions for their patronage and cooperation for the functioning and growth of the Bank.

The Board of Directors wish to place on record the assistance, guidance and cooperation extended by Reserve Bank of India and their Officials, Registrar of Co-op. Societies and their Officers, Statutory Auditors, Concurrent Auditors, Tax Consultants, Information Systems Auditors, Legal Advisors and Valuers, for their guidance and support.

The Board of Directors is grateful to all the Senior Managerial Personnel, Officers and Employees of the Bank for their dedicated efforts for the smooth functioning of the bank.

JAI HIND

Vasco-da-Gama,
30.08.2023

JAI SAHAKAR

Sd/-
(Dr. R. V. Parulekar)
Chairman

The Citizen Co-operative Bank Limited
H.O., Vasco-da-Gama, Goa.

Budget Estimates for the year 2023-2024 and 2024-25.

	Budget for	Actuals	Budget for	Revised Budget for	Budget for
	2022-2023 Rs.	2022-2023 Rs.	2023-2024 Rs.	2023-2024 Rs.	2024-2025 Rs.
<u>INCOME</u>					
1 Interest on Advances	12,50,00,000	8,03,92,854	12,75,00,000	10,80,00,000	11,50,00,000
2 Interest on Investments	5,30,00,000	5,36,72,358	5,35,00,000	5,50,00,000	5,75,00,000
3 Commission and Exchange	22,00,000	23,02,551	23,00,000	23,50,000	23,75,000
4 Other Receipts	27,00,000	39,39,400	28,00,000	40,00,000	41,00,000
TOTAL	18,29,00,000	14,03,07,163	18,61,00,000	16,93,50,000	17,89,75,000
<u>EXPENDITURE</u>					
1 Interest on Deposits & Borrowings	9,55,00,000	8,43,90,649	8,50,00,000	8,20,00,000	8,25,00,000
2 Salaries and Allowances, PF, etc.	5,00,00,000	4,84,97,840	5,10,00,000	3,50,00,000	3,75,00,000
3 Travelling Expenses	85,000	1,31,118	1,00,000	1,10,000	1,15,000
4 Rent, Taxes, Light & Insurance	47,00,000	43,37,150	47,50,000	44,00,000	44,50,000
5 Other Charges	40,00,000	27,47,138	45,00,000	27,50,000	28,00,000
6 Postage & Telephone	3,00,000	2,73,343	3,15,000	2,80,000	2,85,000
7 Audit Fees	4,50,000	4,51,895	5,00,000	4,90,000	5,00,000
8 Advertisement Expenses	1,00,000	79,516	1,00,000	75,000	79,500
9 Directors & Committee Members Fees	1,60,000	89,700	2,00,000	90,000	95,000

10	Printing & Stationery	3,20,000	3,07,465	3,75,000	3,10,000	3,20,000
11	Depreciation	20,00,000	15,40,446	22,00,000	16,25,000	16,50,000
12	Maintenance of Assets	40,00,000	44,30,818	42,00,000	45,00,000	46,00,000
13	Legal Charges	7,50,000	12,38,370	8,00,000	8,00,000	8,25,000
14	Subscription & Membership	30,000	79,775	50,000	80,000	85,000
15	Reserves & Provisions	1,60,00,000	2,02,82,477	1,50,00,000	1,95,00,000	1,98,00,000
16	Shops & Est. Regn. Fees	40,000	26,000	45,000	30,000	45,000
17	Commission to DDS Agents	20,00,000	21,59,514	21,00,000	21,75,000	22,00,000
18	BOM's Sitting Fees & Allowance		15,000		15,000	20,000
	TOTAL	18,04,35,000	17,10,78,214	17,12,35,000	15,42,30,000	15,78,69,500
	Profit Before Tax	24,65,000	-3,07,71,051	1,48,65,000	1,51,20,000	2,11,05,500
	Less : Provision For Income Tax	5,65,000	0	34,65,000	35,97,000	50,20,931
	Profit After Tax	19,00,000	-3,07,71,051	1,14,00,000	1,15,23,000	1,60,84,569
	GRAND TOTAL	18,29,00,000	14,03,07,163	18,61,00,000	16,93,50,000	17,89,75,000

Purchase/Renovation of Branch Premises	5,00,000	-	5,00,000	-	-
Upgradation of Comp. Hardware & Software	20,00,000	-	15,00,000	15,00,000	15,00,000
Membership Fees for NAFCUB Umbrella Organisation			20,00,000	25,00,000	25,00,000

BALANCE SHEET AS

PREVIOUS YEAR	CAPITAL & LIABILITIES	AMOUNT	AMOUNT
Rs.		Rs.	Rs.
10,00,00,000.00	1. CAPITAL		
	i) Authorised Capital 40,00,000 shares of Rs.25/- each representing members' shares.		10,00,00,000.00
5,06,43,825.00	ii) Subscribed & Paid-up 21,06,759 shares of Rs.25/- each		5,26,68,975.00
	2. RESERVE FUND AND OTHER RESERVES		
1,68,43,807.06	i) Statutory Reserve Fund	1,68,46,677.06	
2,83,65,676.97	ii) Building Fund	2,83,65,676.97	
24,00,000.00	iii) General Reserves	24,00,000.00	
5,71,941.37	iv) Dividend Equalisation Fund	5,71,941.37	
25,14,456.00	v) Cont. Provision against Standard Assets	25,59,511.00	
8,03,31,235.00	vi) Bad and Doubtful Debts Reserve	8,89,94,507.00	
27,19,722.00	vii) Special Reserve for Bad and Doubtful Debts	27,19,722.00	
1,31,18,272.00	viii) Investment Depreciation Reserve	1,08,04,034.00	
63,24,712.00	ix) Sp. Reserve u/s 36(1) viii of IT Act	73,98,862.00	
6,40,00,000.00	x) Revaluation Reserves	5,60,00,000.00	
80,00,000.00	xi) Prov. for Interbank Exposure (PMC)	1,85,00,000.00	
30,63,948.00	xii) Prov. for Interest on PMC	30,63,948.00	23,82,24,879.40
	3. DEPOSITS AND OTHER ACCOUNTS		
37,87,13,683.13	i) Savings Bank Deposits	36,42,87,804.14	
4,34,85,737.68	ii) Current Deposits	5,80,38,294.63	
17,75,08,762.00	iii) Fixed Deposits	14,98,03,420.00	
1,00,17,94,572.41	iv) Fixed Deposits Reinvestment	91,96,82,328.83	
2,09,59,334.00	v) Recurring Deposits	1,76,23,986.00	
64,09,511.00	vi) Locker Deposits	66,11,170.00	
4,64,89,570.15	vii) Daily Deposit Scheme	4,98,32,538.43	
88,05,500.71	viii) Cr. Balance in OD/CCL A/cs	77,19,033.20	1,57,35,98,575.23
17,57,543.00	4. INTEREST PAYABLE		17,40,592.00
3,300.00	5. BILLS FOR COLLECTION BEING BILLS RECEIVABLE AS PER CONTRA		
1,96,48,25,109.48	BALANCE C/F		1,86,62,33,021.63

ON 31ST MARCH 2023

PREVIOUS YEAR	PROPERTY & ASSETS	AMOUNT	AMOUNT
Rs.		Rs.	Rs.
1,62,28,411.00	1. CASH IN HAND		1,27,00,090.00
	2. BALANCES WITH OTHER BANKS (Schedule B)		
12,66,20,842.52	i) Current Deposits	9,96,68,127.41	
8,60,28,042.00	ii) Fixed Deposits	3,85,49,100.00	13,82,17,227.41
5,00,00,000.00	3. MONEY AT CALL AND SHORT NOTICE		2,25,00,000.00
75,37,82,762.00	4. INVESTMENTS (Schedule C)		73,43,55,480.00
	5. LOANS AND ADVANCES		
	A) Short Term Loans, Overdrafts, C/Cs, Bills Discounted, etc.		
	a) Of which Secured Against		
16,17,02,116.78	i) Tangible Assets Of the Advances Amount Overdue : Rs.56717085.53 Considered Bad & Doubtful of Recovery :NIL	16,56,84,483.57	
	b) Unsecured		
3,25,000.00	i) Short Term Loans Of the Advances Amount Overdue : Rs.NIL Considered Bad & Doubtful of Recovery :NIL		
2,52,858.83	ii) Overdrafts & C/Cs Of the Advances Amount Overdue : 252858.83 Considered Bad & Doubtful of Recovery :NIL	2,52,858.83	
0.00	iii) Bills Discounted	0.00	
	B) Medium Term Loans		
	a) Of which Secured Against		
3,32,72,390.00	i) Owned Deposits	3,62,41,966.00	
8,88,24,738.53	ii) Tangible Assets Of the Advances Amount Overdue : Rs.17853745.50 Considered Bad & Doubtful of Recovery :NIL	9,53,57,462.53	
1,87,93,165.37	b) Unsecured Of the Advances Amount Overdue : Rs.3884411.85 Considered Bad & Doubtful of Recovery : Rs.15,352.00	2,06,64,249.12	
1,33,58,30,327.03	BALANCE C/F		90,77,72,797.41

BALANCE SHEET AS

Rs.		Rs.	Rs.
1,96,48,25,109.48	BALANCE B/F		1,86,62,33,021.63
95,81,641.01	6. OTHER LIABILITIES (Schedule A)		76,42,807.12
3,89,60,311.00	7. OVERDUE INTEREST RESERVE		3,88,54,266.00
0.00	8. Branch Adjustment		0.00
2,01,33,67,061.49	TOTAL		1,91,27,30,094.75

Contingent Liability - i) Amount Transferred to Depositor Education and Awareness Fund (DEAF) with RBI - Rs. 1,01,11,736.60
 ii) Bank Gaurantees Issued - Rs. 4,03,100.00

Sd/-
(Sadashiv S. Phadte)
 Dy. Chief Executive Officer

Sd/-
(Nilima M. Kamat)
 Director

ON 31ST MARCH 2023

Rs.		Rs.	Rs.
1,33,58,30,327.03	BALANCE B/F		90,77,72,797.41
	C) Long Term Loans		
	a) Of which Secured Against		
42,90,63,998.90	i) Tangible Assets	42,03,05,660.78	
	Of the Advances Amount		
	Overdue : Rs.11430105.48		
	Considered Bad & Doubtful of Recovery :NIL		
3,09,88,910.13	b) Unsecured	3,04,84,849.44	
	Of the Advances Amount		
	Overdue : Rs.625802.47		
	Considered Bad & Doubtful of Recovery :NIL		76,89,91,530.27
	6. INTEREST RECEIVABLE		
1,14,45,817.00	i) On Investments	1,07,73,801.00	
4,68,83,927.00	ii) On Loans & Advances	4,63,92,347.00	5,71,66,148.00
	7. BILLS RECEIVABLE BEING BILLS FOR COLLECTION AS PER CONTRA		
3,300.00			
	8. PREMISES (at cost)		
3,17,40,645.21	Add: Revaluation Reserve	3,17,40,645.21	
6,40,00,000.00	Less: Depreciation upto 31.03.2023	5,60,00,000.00	
93,51,906.21		99,11,624.21	7,78,29,021.00
	9. OTHER FIXED ASSETS (at cost) *		
4,60,60,766.27	Less: Depreciation upto 31.03.2023	4,55,98,964.93	
4,34,26,283.63		4,31,43,750.45	24,55,214.48
	10. OTHER ASSETS (Schedule E)		81,12,959.87
	11. PROFIT & LOSS A/C		
1,04,96,186.63	i) Profit/Loss upto 2021-2022	5,96,31,373.16	
5,96,31,373.16	ii) Profit and Loss for the year 2022-23	3,07,71,050.56	9,04,02,423.72
2,01,33,67,061.49	TOTAL		1,91,27,30,094.75

For BHAGAWATHI & BHAT
CHARTERED ACCOUNTANTS
 FRN 122604W

CA VISHWANATH D. BHAT
 PARTNER
 M No 043798
 UDIN: 23043798BGSXNC4583

Sd/-
(Madhav N. Kamat)
 Director

Sd/-
(Dr. R. V. Parulekar)
 Chairman

PROFIT AND LOSS ACCOUNT FOR

PREVIOUS YEAR	EXPENDITURE	AMOUNT	AMOUNT
Rs.		Rs.	Rs.
9,53,54,383.00	1. Interest Paid on Deposits		8,43,90,649.00
3,50,82,502.02	2. Salaries and Allowances (Schedule G)		4,84,97,840.00
81,512.00	3. Travelling Expenses		1,31,118.00
46,51,109.91	4. Rent, Taxes, Light & Insurance		9,72,501.00
10,16,606.26	5. Other Charges		10,72,713.32
2,65,085.97	6. Postages, Telegram & Telephone Charges		2,73,342.70
85,422.00	7. Advertising Expenses		79,516.00
38,600.00	8. Directors' and Committee Members' Fees, Allowances, etc.		89,700.00
3,14,059.81	9. Printing and Stationery		3,07,465.22
16,11,419.06	10. Depreciation		15,40,445.82
7,13,332.00	11. Legal and Professional Charges		12,38,370.00
26,000.00	12. Shops & Establishment Reg. Fees		26,000.00
38,92,961.15	13. Maintenance of Assets (Schedule H)		44,30,818.36
17,592.00	14. Membership and Subscription		79,775.00
47,875.00	15. Audit Fees		4,51,895.00
3,37,938.85	16. Commission Paid (Schedule I)		3,55,309.22
18,58,660.18	17. Commission Paid (DDS Agents)		21,59,514.20
8,06,260.00	18. Premium on Govt. Securities Written Off		5,46,202.00
1,05,633.00	19. Def. Tax Liability on Sp. Reserve		3,31,912.00
	20. Income Tax Paid (FY 2009-10)		11,062.00
	21. Income Tax Paid (FY 2015-16)		4,581.00
	22. Income Tax Paid (FY 2019-20)		11,648.00
37,33,000.00	23. Income Tax Paid (FY 2020-21)		-
	24. Insurance		33,64,649.00
45,74,560.00	25. BOM's Sitting Fees & Allowance		15,000.00
1,12,29,500.00	26. Bad and Doubtful Debts Reserve		86,63,272.00
	27. Expenditure - Provisions & Contingencies		-
3,41,854.00	28. Cont. Prov. Against Standard Assets		45,055.00
3,67,610.00	29. Sp. Res. u/s 36(1)viii of IT Act		10,74,150.00
	30. Provision for Audit Fees		-
	31. Prov.for Interbank Exposure (PMC)		1,05,00,000.00
	32. Income Tax (FY 2021-22)		
22,656.00	i) Tax Deducted at Source		-
2,00,000.00	ii) Income Tax Paid		4,13,710.00
10,50,000.00	iii) Provision for Income Tax		-
16,78,26,132.21	TOTAL		17,10,78,213.84

Sd/-
(Sadashiv S. Phadte)
Dy. Chief Executive Officer

Sd/-
(Nilima M. Kamat)
Director

The Citizen Co-operative Bank Limited **40th Annual Report 2022-2023**

THE YEAR ENDED 31ST MARCH 2023

PREVIOUS YEAR	INCOME	AMOUNT	AMOUNT
Rs.		Rs.	Rs.
9,10,53,446.50	1. Interest Received		
5,00,14,201.67	i) On Loans and Advances	8,03,92,853.75	13,40,65,211.80
19,52,957.29	ii) On Investments	5,36,72,358.05	23,02,551.39
9,17,500.00	2. Commission and Exchange (Schedule J)		2,25,500.00
3,57,552.79	3. Profit on Sale of Govt. Securities		6,25,808.69
	4. Other Receipts (Schedule K)		4,13,300.00
	5. Locker Rent		3,60,553.40
-	6. Dividend Received		23,14,238.00
-	7. Expenditure - Provisions & Contingencies		-
9,20,352.00	8. Cont. Prov. Against Standard Assets		3,07,71,050.56
2,21,81,321.96	9. Net Loss Transferred to Balance Sheet		
16,78,26,132.21	TOTAL		17,10,78,213.84

Sd/-
(Madhav N. Kamat)
Director

Sd/-
(Dr. R. V. Parulekar)
Chairman

For BHAGAWATHI & BHAT
CHARTERED ACCOUNTANTS
FRN 122604W

CA VISHWANATH D. BHAT
PARTNER
M No 043798
UDIN: 23043798BGSXNC4583

I) SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31.03.2023

A) OTHER LIABILITIES

i) Bills Payable	11,83,224.20
ii) Tax Deducted at Source	8,39,951.00
iii) Stale Pay Orders and Demand Drafts	11,89,868.47
iv) Cheques Held in Clearing	0.00
v) Def. Tax Liability on Sp. Reserve	22,86,249.00
vi) CGST Payable	73,644.24
vii) SGST Payable	74,055.42
viii) IGST Payable	521.79
ix) Earnest Money Deposit	2,46,000.00
x) Suspense Account	0.00
xi) Provision for Audit Fees	3,77,550.00
xii) Provision for Misc. Expenses	8,77,558.00
xiii) Provision for Income Tax	0.00
xiv) Demand Drafts Payable (HDFC)	10.00
xv) Staff PF Payable	4,93,995.00
xvi) TDS on Cash Withdrawal	180.00
Total	<u><u>76,42,807.12</u></u>

B) BALANCES WITH OTHER BANKS:

i) Current Account

i) The Goa State Coop. Bank Ltd.	5,04,606.36
ii) State Bank of India	83,95,131.61
iii) Central Bank of India	1,11,25,047.71
iv) Corporation Bank	0.00
v) Bank of Baroda	4,56,17,380.15
vi) Bank of India	25,50,000.23
vii) HDFC Bank Ltd.	2,22,25,860.37
viii) TJSB Sahakari Bank Ltd.	49,35,806.92
ix) PMC Bank Ltd.	8.00
x) YES Bank Ltd.	36,60,832.04
xi) The Shamrao Vithal Coop. Bank Ltd.	6,53,454.02
Total	<u><u>9,96,68,127.41</u></u>

ii) Fixed Deposit

a) Central Bank of India	49,000.00
b) Karnataka Bank Ltd.	25,00,000.00
c) TJSB Sahakari Bank Ltd.	10,00,000.00
d) Suryoday Small Fin. Bank Ltd.	1,00,00,000.00
e) Fincare Small Finance Bank.	2,50,00,100.00
Total	3,85,49,100.00

C) INVESTMENTS:

i) 2500 shares of The Goa State Coop.Bank Ltd. Rs.100/- each	2,50,000.00
ii) Shares of GRSSM, Panaji	100.00
iii) Shares of Lakshdeep C.H.S. Ltd.	2,500.00
iv) PNCPS Unity SFB	3,60,55,340.00
v) Equity Warrants Unity SFB	90,13,830.00
vi) State Government Securities *	23,14,64,650.00
vii) Central Government Securities *	45,75,69,060.00
Total	73,43,55,480.00

(vi) INVESTMENT IN STATE GOVT. SECURITIES:

	<u>Face Value</u>	<u>Book Value</u>	<u>Market Value</u>
a) 7.14% GUJ SDL 2027	1,00,00,000.00	99,40,000.00	99,35,870.00
b) 7.61% MH SDL 2029	5,00,00,000.00	5,04,00,000.00	5,01,40,850.00
c) 8.46% GJ SDL 2026	1,00,00,000.00	1,03,62,000.00	1,02,85,860.00
d) 7.22% KA SDL 2035	2,00,00,000.00	1,99,80,000.00	1,92,32,720.00
e) 7.24% GJ SDL 2026	2,00,00,000.00	2,00,70,400.00	1,99,51,700.00
f) 8.23% MAH SDL 2025	2,00,00,000.00	2,04,32,000.00	2,04,01,780.00
g) 7.59% GJ SDL 2027	1,00,00,000.00	1,00,14,000.00	1,00,94,460.00
h) 6.57% GUJ SDL 2029	5,00,00,000.00	5,02,28,125.00	4,76,14,550.00
l) 8.12% GUJ SDL 2025	1,00,00,000.00	98,75,000.00	1,01,97,430.00
j) 7.18% TN SDL 2027	3,00,00,000.00	3,01,63,125.00	2,98,44,660.00
	23,00,00,000.00	23,14,64,650.00	22,76,99,880.00

(vii) INVESTMENT IN CENTRAL GOVT. SECURITIES:

		Face Value	Book Value	Market Value
a)	6.13% GOI 2028	2,00,00,000.00	2,00,57,399.00	1,91,01,520.00
b)	6.01% GOI 2028	1,00,00,000.00	1,00,57,198.00	95,16,440.00
c)	7.50% GOI 2034	50,00,000.00	51,33,272.00	50,54,655.00
d)	7.95% GOI 2032	1,00,00,000.00	1,03,38,474.00	1,04,13,870.00
e)	7.40% GOI 2035	40,00,000.00	40,42,660.00	40,10,648.00
f)	6.83% CG 2039	2,00,00,000.00	1,94,00,000.00	1,90,35,980.00
g)	6.62% GOI 2051	1,00,00,000.00	95,64,000.00	90,53,720.00
h)	5.85% GOI 2030	10,00,00,000.00	9,89,15,000.00	9,18,42,300.00
i)	6.22% GOI 2035	8,00,00,000.00	7,85,87,000.00	7,28,49,360.00
j)	7.35% GOI 2024	1,00,00,000.00	1,01,53,750.00	1,00,23,320.00
k)	6.97% GOI 2026	3,00,00,000.00	3,08,08,500.00	2,98,23,960.00
l)	7.06% GOI 2046	3,00,00,000.00	3,12,44,002.00	2,89,90,950.00
m)	6.64% GOI 2035	4,00,00,000.00	3,98,38,000.00	3,77,25,400.00
n)	6.79% GOI 2029	1,00,00,000.00	1,00,62,305.00	97,53,760.00
o)	6.19% GOI 2034	6,00,00,000.00	5,95,18,000.00	5,46,10,380.00
	Total	43,90,00,000.00	43,77,19,560.00	41,18,06,263.00
p)	Treasury Bills	2,00,00,000.00	1,98,49,500.00	1,99,59,622.00
	Total	45,90,00,000.00	45,75,69,060.00	43,17,65,885.00

D) OTHER FIXED ASSETS

Sr. No.	Assets	Value (at cost) as on 31.03.2023	Additions during the year (at cost)	Sales/Written Off during the year	Depreciation upto 31.03.2023	Value as on 31.03.2023
i)	Furniture & Fixtures	1,22,72,437.04	-	-	1,08,98,485.06	13,73,951.98
ii)	Computers	2,62,87,829.18	20,136.16	-	2,61,63,647.34	1,44,318.00
iii)	U.P.S.	43,88,286.55	7,81,434.50	-	44,24,900.55	7,44,820.50
iv)	Air Conditioners	18,48,952.50	-	111.00	16,56,717.50	1,92,124.00
	Total	4,47,97,505.27	8,01,570.66	111.00	4,31,43,750.45	24,55,214.48

E) OTHER ASSETS

i)	Stationery at Stock	6,25,545.47
ii)	Advance Telephone Deposit	40,470.00
iii)	Security Deposit	21,254.00
iv)	Sundry Advance	5,68,452.00
v)	Rent Deposit	3,66,000.00
vi)	DEAF(RBI) -Receivable	55,292.27
vii)	Advance CERSAI	14,932.00
viii)	Advance CKYC	6,647.46
ix)	Inward Tax Credit	26,99,398.00
x)	I.Tax Refund Receivable(FY 2009-10)	3,27,324.00
xi)	IT Paid - Appeal Pending (FY 2011-12)	1,61,145.00
xii)	Adv. Income tax Paid (FY 2017-18)	8,00,000.00
xiii)	Tax Deducted at Source (FY 2017-18)	35,070.00
xiv)	Tax Deducted at Source (FY 2018-19)	33,136.50
xv)	Tax Deducted at Source (FY 2019-20)	30,054.80
xvi)	IT Paid - Appeal Pending (FY 2018-19)	20,80,000.00
xvii)	Inward Tax Cash Ledger	319.37
xviii)	IT Paid Appeal Pending (FY 2021-22)	15,500.00
xix)	Tax Deducted at Source (FY 2022-23)	2,32,419.00
	Total	81,12,959.87

F) Depositor Education and Awareness Fund (DEAF) with RBI

	Current Year	Previous Year
Opening balance of amounts transferred to DEAF	71,83,453.17	69,04,715.19
Add: Amounts transferred to DEAF during the year	30,20,421.18	3,39,232.19
Less: Amounts reimbursed by DEAF towards claims*	92,137.75	60,494.21
Closing balance of amounts transferred to DEAF	1,01,11,736.60	71,83,453.17

*Amount paid to Depositors/Customers, received from RBI

Principal Rs.	98,214.75
Interest Rs.	15,200.00
Total Rs.	1,13,414.75

II) SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT AS ON 31.03.2023

G) SALARIES AND ALLOWANCES

i) Salaries	2,70,80,608.00
ii) Contribution to Staff P.F.	28,32,603.00
iii) Establishment P. F. Charges	1,18,087.00
iv) Staff Training Expenses	22,164.00
v) Group Gratuity Life Assurance Premium	1,14,00,000.00
vi) Contribution to Leave Encashment Fund	69,50,000.00
vii) Staff Bonus Paid	94,378.00
Total	4,84,97,840.00

H) MAINTENANCE OF ASSETS

i) Maintenance of Premises	1,57,427.00
ii) Maintenance of Other Assets	42,73,391.36
Total	44,30,818.36

I) COMMISSION PAID

i) Commission Paid	2,220.66
ii) Commission Paid. (ATM-TJSB)	3,47,156.61
iii) Commission Paid. (ATM-NPCI)	6,020.99
iv) Interfee Amount Paid (POS)	4,531.55
v) POS Transaction Fee Paid	8,883.83
Total	3,55,309.22

J) COMMISSION & EXCHANGE

i) Commission & Exchange	8,96,481.68
ii) Demand Drafts Commission	156.00
iii) Bills Payable Commission	38,668.00
iv) Loan Processing Fees	8,51,245.50
v) Commission Recd. (ATM)	84,523.02
vi) Commission Recd. (NIA)	40.00
vii) Commission & Exchange (LIC)	638.00
viii) Loan Mortgage Fees	4,03,320.00
ix) Commission on BGs	7,500.00
x) Commission Recd. (POS-TJSB)	19,979.19
Total	23,02,551.39

K) OTHER RECEIPTS:

i) Other Receipts	1,24,250.35
ii) Clearing Misc. Charges	4,98,044.34
iii) Profit on Sale of Other Assets	3,389.00
iv) Int. Recd. on IT Refund (FY 2009-10)	125.00
Total	6,25,808.69

Sd/-

(DY. CHIEF EXECUTIVE OFFICER)

STATUTORY AUDITORS REPORT

To the Members of
The Citizen Co-Operative Bank Ltd.
Vasco-da-Gama, Goa

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the standalone financial statements of The Citizen Co-Operative Bank Ltd, which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss for the year ended 31st March 2023 and notes to the financial statements (Annexure I) including a summary of significant accounting policies and other explanatory information in which are included returns for the year ended on that date of all Six branches audited by us.
2. In our opinion and to the best of our information and according to the explanation given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Goa State Co-operative Societies Act 2001 and rules made there under, in the manner so required for State Co-operative Banks and are in conformity with accounting principles generally accepted in India give a true and fair view of the state of affairs of the Bank as at 31st March 2023.

Basis For Opinion

3. We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to the following matters; however, these do not change our opinion on the financial statements.
 - The Office of full time Managing Director/Chief Executive Officer is vacant from 01-11-2020. The bank has presently appointed Deputy Chief Executive Officer who takes care of the Bank's day-to-day affairs.

- Bank was placed under Supervisory Action Framework (SAF) by RBI vide letter dated 16-7-2019 based on balance sheet as on 31-3-2019 which reflected Net NPA at 6.62%. Subsequently modified SAF was issued vide letter dated January 8th 2020 and vide letter no PNJ.DOS/434/03.02.004/2019-20 letter dated 24-6-2020 based on balance sheet as on 31-3-2020 which reflected Net NPA at 14.34% and accumulated loss of Rs 390.17 Lacs. Further operative restrictions were put on the Bank on 20.01.2023 based on balance sheet as on 31.03.2022. A detailed action plan was submitted by the Bank based on which RBI has relaxed few restrictions with certain conditions.

Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	Principal Audit Procedures (How the matter was addressed in our audit)
<p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances:</p> <p>(Refer Disclosure no. 4 (a) to the financial statements)</p> <p>The advances are classified as performing and non-performing advances (NPA) which are governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the Reserve Bank of India (RBI) from time to time. The provisioning for identified NPAs is based on ageing and classification of NPAs, recovery estimates, value of security and is subject to the provisioning norms specified by RBI.</p> <p>In the event of any improper application of the prudential norms/regulatory requirements or consideration of the incorrect value of the security, the carrying value of the advances could be materially mis-stated either individually or</p>	<p>We obtained an understanding of the Bank's Software, circulars, guidelines and directives of the RBI and the Bank's internal instructions and procedures in respect of the asset's classification and it's provisioning.</p> <p>The Bank has NOT implemented System based Asset Classification of NPA in their CBS. The same is done MANUALLY.</p> <p>Our audit approach consisted of testing the design of the manual system for identification of Non-Performing assets to ensure conformity with the guidelines of the RBI in the matter and TEST CHECKING identification and valuation of Non-performing assets. We have relied upon the Overdue statements generated by the Bank's CBS system for identifying new NPAs. In absence of SMA-0,1 & 2 classifications of CCL\ODANPAs by the system we have Test checked accounts transactions for identifying new CCL\ODANPAs.</p> <p>We have reviewed the documentations,</p>

<p>collectively and in view of the significance of the amount of advances in the financial statements, the classification of the advances and provisioning thereon has been considered as Key Audit Matter in our audit</p>	<p>operations / performance and monitoring of the advance accounts, on TEST CHECK basis of the large and stressed advances, to ascertain any overdue, unsatisfactory conduct or weakness in any advance account, to ensure that its classification is in accordance with the prudential norms of RBI, in respect of the branches audited by us.</p> <p>We have reviewed on TEST CHECK basis the reports of the inspection audit, internal audit, concurrent audit, regulatory audit to ascertain the advances having any adverse features / comments and reviewed the reports MANUALLY prepared by the Bank.</p> <p>We reviewed advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements. Necessary changes were carried out wherever required during the course of audit and the effect of same was duly accounted for in the Financial statements for the year ended 31st March, 2023</p>
<p>IT Systems & Controls:</p> <p>The IT environment of the bank is complex and involves a large number of independent and inter-dependent IT systems used in the operations of the Bank for processing and recording a large volume of transactions at various locations.</p> <p>As a result, there is high degree of reliance and dependency on such IT systems for the financial reporting process of the bank. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data as required, completely accurately and consistently for reliable financial reporting.</p>	<p>We evaluated and understood the CBS system adopted by the Bank.</p> <p>We assessed the operative effectiveness of key automated controls within various business processes.</p> <p>We assessed the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in the bank.</p> <p>Reviewed the output and reports generated by the system on sample basis.</p>

IT controls with respect to recording of transactions, generating various reports in compliance with RBI guidelines/directions is dependent on working of Core Banking System in the Bank. Therefore, any validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management and regulators.

The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS) which identifies whether the advances are performing or non-performing and calculation of provisions thereon.

Due to the importance of the impact of the IT systems and related control environment on the Bank's financial reporting process, we have identified testing of such IT systems and related control environment as a key matter for the current year audit.

IT Audit report & VAPT report submitted by CISA qualified Auditor was considered to review the IT environment.

Many important CBS modules like NPA identification & classification module, SMA classification & reporting module, Investment module, TDS module, Loan Interest module, MIS module, Locker module etc., are not implemented by the Bank and the same is done manually. In view of this the Bank is not able to follow some regulatory guidelines and the financial reporting is exposed to human error as various checks & balances are not in place.

Where deficiencies were identified, we tested compensating controls or performed alternate procedures.

Even though it is not a mandatory Regulatory requirement for a Bank of this scale, it is advisable for the Bank to have a full-fledged CBS system on priority basis to ensure that such IT systems are able to process the data as required, completely, accurately and consistently for reliable and error free financial reporting without any human interference.

Management's Responsibility

6. The Bank's Board of Directors is responsible for the matters stated in The Goa State Co-operative Societies Act 2001, Banking Regulation Act 1949 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance of the Bank in accordance with the accounting principles generally accepted in India, including the accounting Standards issued by the Institute of Chartered Accountants of India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards of auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of the misstatements in the standalone financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

8. Many important CBS modules like NPA identification & classification module, SMA classification & reporting module, Investment module, TDS module, Loan Interest module, MIS module, Locker Module etc., are not made operational. Thus, identifying NPAs, IRAC, various MIS reports, various periodic mandatory & statutory returns that are to be submitted to Regulators are done manually exposing a risk of human error thereby leading to inaccurate reporting and monitoring. Further since the Bank has not implemented System based Asset classification, the asset classification status of an account at the day-end is not reflected as stipulated by RBI guidelines exposing operational risk & non-adherence to IRAC norms.
9. Balancing of outstanding entries in Inter-branch account is not being done Hence we are not in a position to comment on the agewise / headwise outstanding entries and provision thereof.
10. The Bank has received Perpetual Non-Cumulative Preference Shares (PNCPS) Nos. 36,05,534 of FV Rs. 10 each and Equity warrants of Unity SFB Nos. 90,13,830 of FV Rs. 1 each in lieu of PMC Bank exposure as per Punjab and Maharashtra Co-operative Bank Limited (Amalgamation with Unity Small Finance Bank Limited) Scheme, 2022. Further in terms of para 5 of RBI Circular no. RBI/2022-23/70 DOR.MRG.REC.46/00-00-011/2022-23 dated June10, 2022, the Bank has made provision of Rs. 185 lacs towards investment in PNCPS issued by Unity SFB covering 50% of total provisions required to be made.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:-

11. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;
12. Subject to the limitations of the audit indicated in paragraphs 5 to 9 above we report that,

- I. We have obtained all the information and explanation which to the best of knowledge and belief were necessary for the purpose of our audit.
- II. In our opinion, the bank has kept proper books of accounts, as required by the law so far as it appears from our examination of those books.
- iii. The balance sheet and the profit and loss account dealt with by this report are in agreement with the books of account.
- iv. The bank has maintained proper records showing particulars including quantitative details and situation of fixed assets. We report that fixed asset have not been numbered for identification.
- v. Fixed assets have not been periodically physically verified by the management of the bank hence the discrepancies, if any, resulting from verification process could not be identified.
- vi. Loans and advances made by the bank based on security have been properly secured and the terms and conditions are not prejudicial to the interest of the bank.
- vii. There are no personal expenses charged to profit and loss account.
- viii. There are no capital expenses which have been charged to profit and loss account.
- ix. During the year the bank has not received any financial assistance granted by the Government (Share Capital).
- x. There are no purchases and sales made during the year exceeding Rs. 50,000/- in aggregate from any relative of any director or any company or firm in which directors are interested;
- xi. There are adequate internal control procedures, commensurate with the size of the bank and nature of its business.
- xii. We further report that for the year under audit, the Bank has been awarded "A" classification considering the norms prescribed by the Registrar of Co-operative Societies, Government of Goa.

Place: Margao, Goa
Date: 22-6-2023

For BHAGAWATHI & BHAT
CHARTERED ACCOUNTANTS
FRN 122604W

CA VISHWANATH D. BHAT
PARTNER
M No 043798
UDIN:23043798BGSXNC4583

**NOTES FORMING PART OF THE BALANCE SHEET AND THE PROFIT & LOSS ACCOUNT FOR
THE YEAR ENDED 31ST MARCH 2023.**

A) SIGNIFICANT ACCOUNTING POLICIES:

1. OVERVIEW:

The Citizen Co-operative Bank Ltd. was incorporated on 5-3-1984 and has completed 39 years of providing wide range of Banking and Financial Services.

2. BASIS OF PREPARATION:

The financial statements of the Bank have been prepared and presented in accordance with the generally accepted accounting principles in India. The Bank has prepared these financial statements to comply in all material respects with the accounting standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable, statutory provisions as applicable under the Banking Regulation Act, 1949 & Goa Cooperative Societies Act 2001 and Rules, 2003, circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and current practices prevalent in the co-operative banking sector in India.

3. USE OF ESTIMATES:

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates is recognized prospectively.

4. REVENUE RECOGNITION (AS-9):

- a. INCOME FROM ADVANCES - As per RBI directives in respect of accounts classified as Standard, interest and other income is recognized on accrual basis; income from Non-Performing Assets is recognized on realization and in case of Non-Performing Assets classified under Doubtful-3 & Loss category by the bank and where the chances of future recovery is blink, the recoveries in the accounts are first appropriated towards Interest income and then towards principal outstanding.
- b. INCOME FROM INVESTMENTS - Interest income from investments is recognized on a time proportion basis considering the face value of investment and the rate applicable. Discount on Treasury Bills is recognized on a straight line basis over the period to maturity. Trading profits / losses on securities are recognized on a trade-date basis.
- c. Commission on sale of General insurance policies and products by the Bank is accounted on receipt basis.
- d. The commission on bank Guarantees, Locker Rent, Dividends received if any from shares of other institutions and other service charges levied by the Bank are accounted on receipt basis.

5. ADVANCES:

- a. Advances are classified into Standard, Sub-standard, Doubtful and Loss Assets in accordance with the guidelines issued by RBI from time to time.
- b. Provision on Advances categorized under Sub-standard, Doubtful and Loss Assets is made in accordance with the guidelines issued by RBI. In addition, a general provision has been made on all standard assets as per RBI Master Circular No. RBI/2015-16/44 DCBR.BPD.(PCB) MNo.12/09.14.000/2015-16 dated 1st July 2015.
- c. The unrealized interest in respect of advances classified as Non-Performing Assets is provided separately under "Overdue Interest Reserve" as per the directives issued by RBI.

6. PROVISIONING FOR ADVANCES:

- a. Provision for Loans & Advances as at 31st March 2023, made as per the guidelines of Reserve Bank of India as under :

(Amount in Bracket are of previous year)

(Rs. In lacs)

Sr. No	Asset Classification	Amount of Advances	Provision Required	Provision Held	Shortfall/ Excess
PERFORMING ASSETS					
		-	-	-	-
1	Standard Assets	6351.60 (6253.39)	25.59 (25.14)	25.59 (25.14)	0 0
	TOTAL	6351.60 (6253.39)	25.59 (25.14)	25.59 (25.14)	0 0
NON PERFORMING ASSETS :					
1	Sub-standard Assets	164.29 (39.63)	16.42 (3.96)	16.42 (3.96)	0 0.00
2	Doubtful 1 Year	6.37 (47.40)	3.49 (18.25)	3.49 (18.25)	0.00 0.00
3	Doubtful 1 to 3 Years	417.59 (712.37)	147.16 (228.86)	147.16 (228.86)	0.00 0.00
4	Doubtful more than 3 years	750.07 (579.29)	750.07 (579.29)	750.07 (579.29)	0.00 0.00
5	Loss Assets	0 0.15	0 0.15	0 0.15	0.00 0.00
	TOTAL	1338.32 (1378.84)	917.14 (830.51)	917.14 (830.51)	0.00 0.00

Bank has made provisions for advances which are Standard and Non-performing at the rates specified under the Income Recognition, Asset Classification, Provisioning Norms prescribed by Reserve Bank of India from time to time.

- b. The bank has made total provision of Rs 917.14 lakhs against Non-performing Assets. The provision coverage ratio is 68.53 %

7. INVESTMENT

a. Categorization of investments:

In accordance with guidelines issued by RBI, the Bank classifies its investment portfolio into the following two categories:

- i) 'Held to Maturity' - Securities acquired by the Bank with the intention to hold till maturity.
- ii) 'Available for Sale' – Securities acquired by the bank with the intention to trade are classified under "Available for sale".

b. Classification of Investments:

For the purpose of disclosure in the Balance Sheet, Investments are classified as required under Banking Regulation Act, 1949 and RBI guidelines as follows:–

- i) Government Securities- (Central & State Govt)
- ii) "A" or equivalent and higher rated Commercial Papers (CPs) Debentures and bonds.
- iii) Units of Debt Mutual Funds and Money Market Mutual Funds.
- iv) Equity Shares of Market Infrastructure Companies (MICs).
- v) Equity Shares of the Umbrella Organization (UO) for the UCB Sector.

c. Valuation of Investments:

- i) '**Held to Maturity**' – These investments are carried at their acquisition cost less amortization. Any premium on acquisition is amortized over the period remaining to maturity. MTM valuation is not applicable to this category.
- ii) '**Available for Sale**' – The individual scrip in the AFS category is marked to market, in aggregate under each classification at the yearend or at more frequent intervals. The net resultant depreciation in each classification (as mentioned in Para 7(b) above) is recognized in the Profit and Loss Account. Net appreciation, if any, is ignored.

Market rate is determined in terms of price rate given by FBIL (Financial Benchmark India Ltd) for Government Securities.

Broken period interest in respect of investments is treated as an item of revenue under Profit & Loss Account.

Bank does not have any investments under Held for Trading (HFT) category.

8. Balances with Other Banks:

Fixed Deposits with other Banks include deposits aggregating to Rs1607.17 Lakhs (including Call Money Deposit)(Previous year Rs 2626.49 Lakhs) placed as Investments as well as margin to secure issuance of guarantees in respect of correspondent business.

9. Fixed Assets & Depreciation:

- a. Fixed assets are stated at written down value.
- b. Depreciation is calculated on Written Down Value (WDV) basis on all Fixed Assets at the following Rates: Premises @2.5%, Furniture & Fixtures @ 15%, UPS & Electrical fittings @ 20% and Computers @ 33.33%.
- c. Depreciation on Assets purchased during the year is charged for the entire year if the Asset is purchased and used for 180 days or more, else it is charged at 50% of the normal rate.
- d. Fixed Assets, other than those that have been revalued are carried at historical cost less amortization /depreciation accumulated thereon. Cost comprises of purchase price, including non-refundable taxes and any directly attributable cost of bringing the asset to its working condition for intended use. Any trade discount, rebates are deducted in arriving at the purchase price.
- e. Revalued assets are carried at revalued amounts less amortization/depreciation accumulated thereon. Surplus arising out of revaluation is reflected under Revaluation Reserve in the balance sheet.
- f. The Depreciation on revalued assets is debited to Revaluation Reserve Account whereas depreciation on Premises at cost price is debited to Profit & Loss Account.

10. Accounting of Goods and Services Tax:

Goods and Services Tax (GST) has been implemented with effect from 1 July 2017. Accordingly, GST Collected is accounted in GST on Income Account and GST Paid to Vendor is accounted in GST on Expenses Account. Out of the GST on Expenses Account, eligible Input Tax Credit is availed as set off. In case, eligible Input Tax Credit remains unutilized, the same is carried forward and set off subsequently. The Input Tax Credit on expenses which is not allowable to be set off as per GST Law, is expensed out.

In case of fixed assets, eligible Input Tax Credit of GST paid to the vendor is utilized against the amount of GST collected from the customers and disallowed portion of Input Tax Credit is added back to the value of the asset i.e. the same is capitalised. Income and Expenses on which GST is applicable are accounted for net of GST.

B) COMPLIANCE WITH THE ACCOUNTING STANDARDS:

11. Prior Period Items (AS-5):

- a) Maintenance of Assets account shown in Profit & Loss includes an amount of Rs. 90,535 pertaining to previous period paid in current financial year.

12. Employee Benefits (AS 15)

a) Gratuity:

The Bank provides for gratuity to all employees. The benefit vests upon completion of five years of service and is in the form of lump sum payment to employees on resignation, retirement, death while in employment or on termination of employment, an amount equivalent to 15 days salary payable for each completed year of service, as per the Payment of Gratuity Act, 1972. The Bank maintains Employees Group Gratuity Scheme with LIC of India and HDFC Life New Group Unit Linked Plan with HDFC Life.

As per Statement from LIC of India the Actuarial Liability towards Gratuity stands at Rs. 1,76,95,078 as of 31.03.2023. Against which the Balance to the credit of funds as on 31st March 2023 is Rs. 6,20,158 and Rs. 73,50,319 in case of LIC of India and Rs 99,54,018 in case of HDFC Life. Thus the Fund value totaling to Rs. 1,79,24,495 is sufficient to cover the Liability as of 31.03.2023.

b) Provident fund:

In accordance with law, all the employees of the Bank are entitled to receive benefits under the provident fund. Every employee contributes an amount, on a monthly basis, at a determined rate (currently 12% of employee's Basic Salary Plus Dearness allowance). The Bank contributes an equal amount @ 12% of employees Basic Salary Plus Dearness allowance. This amount is transferred to PF account managed by the Employees' PF organisation.

The Bank's contribution to Provident Fund is accounted on the basis of contribution to the scheme and charged to Profit & Loss Account.

c) Leave Encashment:

In respect of leave encashment liability, the Bank has obtained HDFC Life New Group Unit Linked Plan with HDFC Life & Group Leave encashment scheme with LIC of India.

Balance to the credit of funds under HDFC Group ULIP & LIC of India as on 31 st March 2023 is Rs. 26,47,173 & Rs. 49,51,031 respectively, totaling to Rs. 75,98,204 is sufficient to cover the Liability of Rs. 74,16,555 as per Actuarial liability statement as of 31.03.2023 from LIC of India.

13. Segment Reporting (AS 17):

The entire operation of the bank is one composite banking business not liable to different risks and rewards. The bank does not have any other business segment or a geographical segment. Consequently, in the opinion of the bank, Accounting Standard 17, on "Segment Reporting" issued by The Institute of Chartered Accountants of India (ICAI) is not applicable.

14. Related Party Disclosures (AS 18):

a) There are no related parties which require a disclosure under AS 18 other than the Key Management Personnel. Since Mr. Sadashiv Phadte, the Deputy CEO of the Bank is a single party under the category Key Management Personnel the details are disclosed as under:

Items/Related Party	Parent (as per ownership or control)	Subsidi aries	Associates / Joint ventures	Amt in Rs.		Total
				Key Managem ent Personnel Deputy CEO	Relatives of Key Management Personnel	
Borrowings [#]						
Deposits [#]				31165	613318	644483
Placement of deposits [#]						
Advances [#]				801865	0	801865
Investments [#]						
Non-funded commitments [#]						
Leasing/HP arrangements availed [#]						
Leasing/HP arrangements provided [#]						
Purchase of fixed assets						
Sale of fixed assets						
Interest paid				3678	43251	46929
Interest received				70678	0	70678
Rendering of services [*]						
Receiving of services [*]				locker facility		
Management contracts [*]						

- b) During the year, under normal business transactions, the bank has not sanctioned any loans to any of its Directors and/or their relatives except loan against fixed deposit Rs 59.83Lacs granted to Mrs Smita Parulekar wife of Chairman Dr Ravindra V. Parulekar.
- c) During the year, no payment is made to relatives of any director.

15. Leases (AS 19):

Lease payments for assets taken on operating lease, if any are recognized in the Profit and Loss Account over the lease term in accordance with the AS-19 Leases, issued by ICAI.

16. Accounting for Taxes on Income (AS-22):

- a) Current income tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the applicable provisions under the Income Tax Act, 1961.

- b) Deferred Tax is recognized, subject to consideration of prudence, on timing difference, representing the difference between taxable income and accounting income that originated in one period and is capable of reversal in one or more subsequent periods. Deferred Tax Assets and Liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.
- c) During the year, Self-Assessment tax along and interest thereon totally amounting to Rs 14,62,706 has been paid for Asst Year 2022-23 and for Asst Year 2023-24 there is a TDS Receivable of Rs. 2,32,419.

17. Intangible Assets (AS 26):

Intangible assets consist of Computer Software acquired / self-created. The same is amortized equally over the period of three years as per RBI guidelines.

18. Impairment of Assets (AS 28):

The Bank assesses at each Balance Sheet date whether there is any indication that an asset may be impaired based on internal/external factors. An Impairment loss is recognised in the statement of Profit & Loss to the extent, the carrying amount of asset exceeds its estimated recoverable amount. Since the Bank has ascertained that there is no material impairment of any of its assets, no provision on account of impairment of assets is required to be made.

19. Provisions, Contingent Liabilities and Contingent Assets (AS 29):

A provision is recognised when the Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. When there is a possible or present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs. Contingent Liabilities are disclosed when there is a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank or any present obligation arising from past event which is not recognised since it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of such obligation cannot be made.

The Contingent liability on account of Bank Guarantees issued Rs. 4,03,100 (Previous year Rs.11,86,970) and DEAF is Rs.1,01,11,736.60 (Previous Year Rs. 71,83,453.17).

Previous Year's figures have been regrouped or rearranged, wherever necessary.

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DISCLOSURE AS PER RBI GUIDELINES:

(Annex III Ref to RBI Circular No. RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 dated 30.08.2021 updated on 20.02.2023)

1. Regulatory Capital

(Rs. in Lakh)

Sr. No.	Particulars	31.03.2023	31.03.2022
i)	Paid up share capital and reserves (net of deductions, if any)	424.78	449.47
ii)	Additional Tier 1 capital	0	0
iii)	Tier 1 capital (i + ii)	424.78	449.47
iv)	Tier 2 capital	31.32	318.86
v)	Total capital (Tier 1+Tier 2)	456.10	768.33
vi)	Total Risk Weighted Assets (RWAs)	6748.78	7158.55
vii)	Paid-up share capital and reserves as percentage of RWAs	6.29%	6.28%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	6.29%	6.28%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.46%	4.45%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	6.76%	10.73%
xi)	Leverage Ratio	NA	NA
	Percentage of the shareholding of		
xii)	a) Government of India b) State Government (specify name)\$ c) Sponsor Bank\$	NIL	NIL
xiii)	Amount of paid-up equity capital raised during the year	NIL	NIL
	Amount of non-equity Tier 1 capital raised during the year which:	NIL	NIL
xiv)	Give list 7 as per instrument type (perpetual non-Cumulative preference shares,perpetual debt Instruments,etc.). Commercial banks(excluding RRBs) shall also Specify if the instruments are Basel II or Basel III Compliant.	NIL	NIL
	Amount of Tier 2 capital raised during the year, of Which	NIL	NIL
xv)	Give list 8 as per instrument type (perpetual non-Cumulative preference shares,perpetual debt Instruments,etc.). Commercial banks (excluding RRBs) shall also Specify if the instruments are Basel II or Basel III compliant	NIL	NIL

2. Asset liability management -31.03.2023

Maturity pattern of certain items of assets and liabilities:

(Rs. in Lakh)

	1 to 14 days	15 to 28 days	29 days & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	1211.51	361.15	1509.46	2170.89	3082.73	6637.37	603.59	159.29	15735.99
Advances	1569.30	0.00	329.51	322.22	579.48	3230.59	1081.47	577.35	7689.92
Investments	225.00	410.01	1230.02	2460.05	102.03	308.09	400.55	2818.31	7954.05
Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

3. Investments

(a) Composition of Investment Portfolio as on 31.03.2023

	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India
Held to Maturity							
Gross	3625.95	0.00	0.00	0.00	0.00	0.00	3625.95
Less: Provision for non-performing investments (NPI)							
Net	3625.95	0.00	0.00	0.00	0.00	0.00	3625.95
Available for Sale							
Gross	3264.39	0.00	453.22	0.00	0.00	0.00	3717.61
Less: Provision for depreciation and NPI	105.51	0.00	218.17	0.00	0.00	0.00	323.68
Net	3158.88	0.00	235.05	0.00	0.00	0.00	3393.93
Total Investments	6890.34	0.00	453.22	0.00	0.00	0.00	7343.56
Less: Provision for non-performing investments			2.53	0.00	0.00	0.00	2.53
Less: Provision for depreciation and NPI	105.51	0.00	215.64	0.00	0.00	0.00	321.15
Net	6784.83	0.00	235.05	0.0	0.0	0.0	7019.88

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Composition of Investment Portfolio as on 31.03.2022

	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India
Held to Maturity							
Gross	3316.78	0.00	2.53	0.00	0.00	0.00	3319.31
Less: Provision for non-performing investments (NPI)	0.00	0.00	2.50	0.00	0.00	0.00	2.50
Net	3316.78	0.00	0.03	0.00	0.00	0.00	3316.81
Available for Sale							
Gross	4218.52	0.00	0.00	0.00	0.00	0.00	4218.52
Less: Provision for depreciation and NPI	128.68	0.00	0.00	0.00	0.00	0.00	128.68
Net	4089.84	0.00	0.00	0.00	0.00	0.00	4089.84
Total Investments							
Gross	7535.30	0.00	2.53	0.00	0.00	0.00	7537.83
Less: Provision for non-performing investments	0.00	0.00	2.50	0.00	0.00	0.00	2.50
Less: Provision for depreciation and NPI	128.68	0.00	0.00	0.00	0.00	0.00	128.68
Net	7406.62	0.00	0.03	0.00	0.00	0.00	7406.65

(b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

Particulars	31.03.2023	31.03.2022
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	131.18	18.89
b) Add: Provisions made during the year	0	112.29
c) Less: Write back of excess provisions during the year	23.14	0.00
d) Closing balance	108.04	131.18
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	0.00	0.00
b) Add: Amount transferred during the year	0.00	0.00
c) Less: Drawdown	0.00	0.00
d) Closing balance	0.00	0.00
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category		

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(C) Sale and transfers to/from HTM category FY 2022-23 – Nil.

(d) Non-SLR investment portfolio

(i) Non-performing non-SLR investments

Sr. No.	Particulars	31.03.2023	31.03.2022
a)	Opening balance	2.50	2.50
b)	Additions during the year since 1 st April	0.03	0.00
c)	Reductions during the above period	0.00	0.00
d)	Closing balance	2.53	2.50
e)	Total provisions held	2.53	2.50

(ii) Issuer composition of non-SLR investments

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
a)	PSUs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b)	FIs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c)	Banks	450.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	450.69	0.00
d)	Private Corporates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e)	Subsidiaries/ Joint Ventures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Others (Shares)	2.53	2.53	0.00	0.00	0.00	0.00	0.00	0.00	2.53	2.53
g)	Provision held towards depreciation	218.17	2.50	0.00	0.00	0.00	0.00	0.00	0.00	218.17	2.50
Total *		235.05	0.03	0.00	0.00	0.00	0.00	0.00	0.00	235.05	0.03

4. Asset quality

a) Classification of advances and provisions held

	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	6253.39	39.63	1339.06	0.15	1378.84	7632.23
Add: Additions during the year					243.79	3284.48
Less: Reductions during the year*					284.31	3226.79
Closing balance	6351.60	164.29	1174.03	0	1338.32	7689.92
*Reductions in Gross NPAs due to:						
i) Upgradation					72.13	72.13
ii) Recoveries (excluding recoveries from upgraded accounts)					212.18	212.18
iii) Technical/ Prudential ¹⁶ Write-offs					0.00	0.00
iv) Write-offs other than those under (iii) above					0.00	0.00
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	25.14	3.96	826.4	0.15	830.51	855.65
Add: Fresh provisions made during the year					86.63	87.08
Less: Excess provision reversed/ Write-off loans					0.00	0
Closing balance of provisions held	25.59	16.42	900.72	0	917.14	942.73
Net NPAs¹⁷						
Opening Balance		35.67	512.66	0.15	548.33	
Add: Fresh additions during the year					0.00	243.79
Less: Reductions during the year					0.00	370.94
Closing Balance		147.87	273.31	0	421.18	6747.19
Floating Provisions						
Opening Balance						NIL
Add: Additional provisions made during the year						NIL
Less: Amount drawn down ¹⁸ during the year						NIL
Closing balance of floating provisions						NIL
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						NIL
Add: Technical/ Prudential write-offs during the year						NIL
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						NIL
Closing balance						NIL

Ratios (in per cent)	31.03.2023	31.03.2022
Gross NPA to Gross Advances	17.40%	18.07%
Net NPA to Net Advances	6.22%	8.06%
Provision coverage ratio	68.53%	60.23%

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b) Sector-wise Advances and Gross NPAs

(Amount in ₹ lakhs)

Sr. No.	Sector*	31.03.2023			31.03.2022		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
i)	Priority Sector						
a)	Agriculture and allied activities	111.28	0.95	0.85%	71.81	0.95	1.32%
b)	Advances to industries sector eligible as priority sector lending	211.82	198.45	93.69%	311.94	196.77	63.08%
c)	Services	4206.77	982.41	23.35%	4527.42	935.02	20.65%
d)	Housing Loans	860.45	45.64	5.30%	636.90	39.35	6.18%
e)	Advances to Education and other Priority sector eligible as priority sector lending	79.28	7.28	9.66%	33.60	7.65	22.77%
	Sub-total (i)	5469.60	1234.73	22.57%	5581.67	1179.74	21.14%
ii)	Non-priority Sector						
a)	Real Estate	111.13	0.00	0.00%	159.25	0.00	0.00%
b)	All Other	2109.19	103.59	4.91%	1891.31	199.10	10.53%
	Sub-total (ii)	2220.32	103.59	4.67%	2050.56	199.10	9.71%
	Total (I + ii)	7689.92	1338.32	17.40%	7632.23	1378.84	18.07%

*Banks shall also disclose in the format above, sub-sectors where the outstanding advances exceeds 10 percent of the outstanding total advances to that sector. For instance, if a bank's outstanding advances to the mining industry exceed 10 percent of the outstanding total advances to 'Industry' sector it shall disclose details of its outstanding advances to mining separately in the format above under the 'Industry' sector.

c) Divergence in Assets Classification & Provisioning

Sr.	Particulars	Amount
1.	Gross NPAs as on March 31, 20 22* as reported by the bank	1378.84
2.	Gross NPAs as on March 31, 20 22 as assessed by Reserve Bank of India	1378.84
3.	Divergence in Gross NPAs (2-1)	0
4.	Net NPAs as on March 31, 20 22 as reported by the bank	548.33
5.	Net NPAs as on March 31, 20 22 as assessed by Reserve Bank of India	418.35
6.	Divergence in Net NPAs (5-4)	-129.98
7.	Provisions for NPAs as on March 31, 20 22 as reported by the bank	830.51
8.	Provisions for NPAs as on March 31, 20 22 as assessed by Reserve Bank of India	960.49
9.	Divergence in provisioning (8-7)	129.98
10.	Reported Profit before Provisions and Contingencies for the year ended March 31, 20 22	-209.08
11.	Reported Net Profit after Tax (PAT) for the year ended March 31, 2022	-221.81
12.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 20 22 after considering the divergence in provisioning	-351.79

D) Fraud accounts

Banks shall make disclose details on the number and amount of frauds as well as the provisioning thereon as per template given below.

	Current year	Previous year
Number of frauds reported	0	1
Amount involved in fraud (₹ lakh)	0.00	0.10
Amount of provision made for such frauds (₹ lakh)	0.00	0.00
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ lakh)	0.00	0.00

5. Exposures

a) Exposure to real estate sector

Category	31.03.2023	31.03.2022
I) Direct exposure		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Individual housing loans eligible for inclusion in priority sector advances shall be shown separately. Exposure would also include non-fund based (NFB) limits.	1856.59	1331.18
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	53.92	37.43
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	0.00	0.00
ii. Commercial Real Estate	0.00	0.00
ii) Indirect Exposure	0.00	0.00
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	0.00	0.00
Total Exposure to Real Estate Sector	1910.51	1368.61

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b) Unsecured advances

(Amount in ₹ lakhs)

Particulars	Current year	Previous Year
Total unsecured advances of the bank	514.01	503.60
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	NIL	NIL
Estimated value of such intangible securities	NA	NA

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(Amount in ₹ lakhs)

Particulars	Current Year	Previous Year
Total deposits of the twenty largest depositors	2262.79	2158.41
Percentage of deposits of twenty largest depositors to total deposits of the bank	14.38	12.82

b) Concentration of advances*

(Amount in ₹ lakhs)

Particulars	Current Year	Previous Year
Total advances to the twenty largest borrowers	1352.45	1763.37
Percentage of advances to twenty largest borrowers to total advances of the bank	17.59%	23.10%

*Advances shall be computed based on credit exposure i.e. funded and non-funded limits including derivative exposures where applicable. The sanctioned limits or outstanding, whichever are higher, shall be reckoned. However, in the case of fully drawn term loans, where there is no scope for re-drawal of any portion of the sanctioned limit, banks may reckon the outstanding as the credit exposure

c) Concentration of exposures**

(Amount in ₹ lakhs)

Particulars	Current Year	Previous Year
Total exposure to the twenty largest borrowers/customers	1353.54	1764.03
Percentage of exposures to the twenty largest borrowers/customers to the total exposure of the bank on borrowers/Customers	17.60%	23.11%

**Exposures shall be computed as per applicable RBI regulation.

d) Concentration of NPAs

	Current Year	Previous Year
Total Exposure to the top twenty NPA accounts	1067.14	1181.85
Percentage of exposures to the twenty largest NPA exposures to total Gross NPAs.	79.74%	85.71%

7. Depositor Education and Awareness Fund (DEAF) with RBI

	Current Year	Previous Year
Opening balance of amounts transferred to DEAF	71,83,453.17	69,04,715.19
Add: Amounts transferred to DEAF during the year	30,20,421.18	3,39,232.19
Less: Amounts reimbursed by DEAF towards claims	92,137.75	60,494.21
Closing balance of amounts transferred to DEAF	1,01,11,736.60	71,83,453.17

8. Disclosure of complaints – Nil

9. Other Disclosures

a) Business ratios

Particulars	31.03.2023	31.03.2022
i) Interest Income as a percentage to Working Funds	7.36%	7.24%
ii) Non-interest income as a percentage to Working Funds	0.34%	0.23%
iii) Cost of Deposits	5.18%	5.66%
iv) Net Interest Margin	3.18	2.78
v) Operating Profit as a percentage to Working Funds	0.67%	-0.25
vi) Return on Assets	-1.69	-1.14
vii) Business (deposits plus advances) per employee	478.08	499.47
viii) Profit per employee	-6.28	-4.27
ix) Average return on investments	6.37%	6.07%

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b) Bancassurance business –

Sr. No.	Particulars	Current Year	Previous Year
i)	Bajaj Allianz	0.16	0.62

c) Provisions and contingencies

Provision debited to Profit and Loss Account	Current Year	Previous Year
i) Provisions for NPI (PMC)	105.00	0.00
ii) Provision towards NPA	87.08	45.75
iii) Provision made towards Income tax	0	10.50
iv) Investment Depreciation Reserves	0	112.30
v) Sp. Res. u/s 36(1) viii of IT Act	10.74	3.42

d) Payment of DICGC Insurance Premium

Sr. No.	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	23.97	23.84
ii)	Arrears in payment of DICGC premium	NA	NA

e) Disclosure of facilities granted to directors and their relatives

	Current Year	Previous Year
Dr. Ravindra Parulekar (Loan against FDs).	14.35	11.01

Sd/-
(Sadashiv S. Phadte)
Dy. Chief Executive Officer

Sd/-
(Nilima M. Kamat)
Director

Sd/-
(Madhav N. Kamat)
Director

Sd/-
(Dr. R. V. Parulekar)
Chairman

For BHAGAWATHI & BHAT
CHARTERED ACCOUNTANTS
FRN 122604W

CA VISHWANATH D. BHAT
PARTNER
M No 043798
UDIN: 23043798BGSXNC4583

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FINANCIAL POSITION AT A GLANCE SINCE 2000 TO 2020 – 2023

(Rs. IN LAKH)

YEAR	MEMBERS	PAID-UP CAPITAL	RESERVE FUND & OTHER RESERVES	DEPOSITS	ADVANCES	INVESTMENT	PROFIT BEFORE TAX	WORKING CAPITAL	RATE OF DIVIDEND
2000	6727	55.13	144.00	1498.45	931.36	570.07	8.46	1754.28	8%
2001	7139	71.63	159.47	1892.94	1352.23	596.19	14.55	2270.43	8%
2002	7350	83.33	184.07	2448.82	1551.97	913.14	20.03	2814.91	8%
2003	7305	83.79	235.83	2441.27	1364.77	1123.14	23.91	2880.92	8%
2004	7157	84.27	291.87	2735.96	1361.16	1489.90	43.79	3252.54	12%
2005	7278	94.63	308.27	2817.82	1647.67	1300.70	12.27	3320.85	4%
2006	7453	106.95	321.17	3327.49	1935.26	1495.90	18.48	3832.96	6%
2007	7607	123.53	344.74	4064.41	2232.26	1881.03	14.27	4664.62	4%
2008	7769	145.55	359.87	4859.35	2721.16	2347.19	27.48	5542.90	-
2009	7963	167.43	391.70	6151.70	3584.83	2675.29	53.14	6947.46	8%
2010	8166	192.61	418.68	7608.87	4175.14	3370.50	31.30	8381.60	8%
2011	8601	244.57	447.17	9622.97	5169.00	4362.60	34.52	10479.22	-
2012	9015	297.58	486.53	11311.65	6391.14	4908.41	73.38	12325.69	-
2013	9356	334.85	537.81	12683.55	6967.35	5581.28	111.75	13814.16	8%
2014	9449	358.94	609.19	14338.96	7363.03	6432.96	36.42	15680.02	-
2015	9488	394.13	643.94	14755.23	7852.20	6379.35	117.33	16165.05	8%
2016	9636	431.62	732.02	16600.75	9002.64	6775.52	30.85	18044.43	-
2017	9739	451.22	777.66	18845.58	8605.68	9006.64	84.59	20425.14	-
2018	9765	467.32	1071.51	20180.20	8649.60	9562.50	-172.47	21819.12	-
2019	9860	494.63	1099.39	19722.68	9363.35	9200.02	24.69	21401.21	-
2020	9972	521.54	2162.50	17664.63	9249.99	7755.91	-166.39	20354.26	-
2021	9970	517.09	2179.61	16823.95	8703.25	7576.10	24.88	19584.09	-
2022	9926	506.44	2251.90	16841.67	7632.23	8898.11	-209.08	19537.32	-
2023	10122	526.69	2351.61	15735.99	7689.92	7954.05	-307.71	18223.28	-

AGEWISE CLASSIFICATION OF OVERDUES AS ON 31.03.2023

(Rs. in Lakh)

		Amount
a)	Overdues less than 1 year	11.92
b)	Overdues for 1 year upto less than 3 years	58.07
c)	Overdues for 3 years upto 5 years	242.25
d)	Overdues for more than 5 years	595.40
TOTAL		907.64

REQUEST

1. Members are requested to intimate any change in their address, nominee, etc. to the bank promptly.
2. Members who have not collected their Share Certificates are earnestly requested to collect them from the Bank at an early date.
3. Dividend unclaimed for a period of three years from the date of declaration is liable to be forfeited and credited to Reserve Fund of the Bank under Bank's Byelaw No. 46 (iv). Hence, unclaimed dividend if any, may please be encashed early.
4. Kindly introduce our bank to your friends and well-wishers and give us an opportunity to serve them as well.

RATE OF INTEREST ON DEPOSITS

Savings Bank Account			2.70%p.a.
Current Account			0.00%
Daily Deposit Account	(a) Gen public		2.70%p.a.
Term Deposits	Other than (b) & (c)	(b) Senior Citizen	(c) Members of staff
07 days to 45 days	3.00% p.a.	3.50% p.a.	3.50% p.a.
46 days to 178 days	4.50% p.a.	5.00% p.a.	5.00% p.a.
179 days to 210 days	5.25% p.a.	5.75% p.a.	5.75% p.a.
211 days to 364 days	5.75% p.a.	6.25% p.a.	6.25% p.a.
12 months to 24 months (Inclusive)	6.80% p.a.	7.30% p.a.	7.30% p.a.
Above 24 months to 36 months (Inclusive)	7.00% p.a.	7.50% p.a.	7.50% p.a.
Above 36 months to 60 months	6.50% p.a.	7.00% p.a.	7.00% p.a.
Above 60 months	6.50% p.a.	7.50% p.a.	7.50% p.a.

Recurring Deposits – Between 5.60% to 6.90% depending on the period of deposit.

- * Higher rates of interest on Deposits of Senior Citizens.
- * Automatic Renewal of Fixed Deposits is possible.
- * Provision for payment of interest monthly/quarterly/half-yearly or yearly according to your choice.
- * Deposits are insured under the Deposit Insurance Scheme upto Rs. 5 Lakh per depositor.
- * Demand drafts are issued on various locations of HDFC Bank Ltd.
- * Bank has extended its business hours for the benefit of members and depositors.
- * RTGS/NEFT facility, Online Tax Payment, SMS Banking facility provided.
- * All Branches are under C.B.S. Any Branch Banking facility available.
- * ATM Debit Cards are issued to customers of all Branches.

**SAFE DEPOSIT LOCKERS AND GOLD LOAN ARE AVAILABLE
AT OUR VASCO-DA-GAMA, MARGAO, PANAJI AND PONDA BRANCHES.**



Book Post

To, _____

From :

The Citizen Co-operative Bank Limited
Regd. Office : Lakshdeep Apartments.
Near Damodar Temple,
Vasco-da-Gama, Goa- 403 802.