



THE CITIZENS' CO-OPERATIVE BANK LTD.,

ADMINISTRATIVE OFFICE; 68-B/D GANDHI NAGAR, JAMMU

Ref. No. Adm/12481

Dated: 29.01.2018

NOTICE

Sub: 5th Annual General Meeting of the Bank

All the Share Holders of the Bank are hereby requested to bring the Photo Identity Proof to attend the proposed Annual General Meeting of the Bank scheduled to be held on 31.01.2018 at Bawa Ambo Bhawan near Bagh-e-Bahu Jammu.

Sd/-

MANAGING DIRECTOR



The Citizens' Cooperative Bank Ltd.,

Adm. Office : 68 B/D Gandhi Nagar, Jammu

Website: www.citizenscooperativebankjammu.com

Email : info@citizenscooperativebankjammu.com

PH: 2432058,2432036 Fax no.0191 2432036

CHAIRMAN'S ADDRESS AND DIRECTORS REPORT FOR THE YEAR 2009-10 TO 2016-17

Dear Members,

I feel immense pleasure to welcome you all in 5th Annual General Meeting of your Bank and at the very outset I on behalf of the Board of Directors of the Bank extend gratitude to the worthy shareholders for their participation in elections and electing new team of Board of Directors to manage the affairs of the Bank.

Here it would be worthwhile to recapitulate the history of your Bank, the first urban cooperative Bank in the J&K state started operations as "The Citizens' Cooperative Bank Ltd.," Moti Bazar Jammu for operating in the Municipal limits of Jammu city on 04.03.1978. With the efforts of the elected Board of Directors and support rendered by the shareholders who happen to be owners of the Bank, the area of operation has been extended to the whole of Jammu province and we hope to extend it all over the state and further to other parts of the country as well, with your kind support. Your Bank is the largest Urban Cooperative Bank in the State with eleven branches and four extension counters catering to the credit needs of its members irrespective of the category they belong to i.e. Priority sectors, Traders, Transporters, Industrialists as well as weaker sections of the society.

Since the inception of the Bank, there has been a sea change in the growth of your institution and it has made all round progress notwithstanding some impediments as well. In the prevailing liberalized economic environment with emphasis on globalization and liberalization, it is being recognized that success of cooperative movement is dependent on the attitude, mindset and dedication of cooperative leaders, members and staff engaged in it. Under this framework of globalised environment prevailing now, the socio-economic conditions under which cooperatives are operating has changed significantly. This change in environment is reflected by new technology parameters; cut throat competition and high expectations from staff for better services etc. while the private sector concentrates on the maximization of profits, we in the cooperative sector lay emphasis on maximization of the welfare of the members. We the Cooperators have to take these happenings very seriously and should try our level best, for our survival and also to remain progressive and strong as only the members can think of the welfare of cooperatives in a democratic set up.

Besides many ups and downs being faced by the Bank and stiff competition by the public sector as well as Private sector banks who have sound infrastructure, manifold expansion in Bank has taken place. To improve the customer services various decisions have been taken by the Management. Some of the instances are as under:-

1. All the branches of your Bank have been computerized under Core Banking Solution.
2. Bank is providing RTGS, NEFT facilities to its clients.
3. SMS alerts facility is also being provided to clients of the Bank.

4. Bank has started issuing Debit Cards to its clients. Now the clients of your Bank can withdraw cash from ATMs of any of the Bank all over the country and can also make shopping by swiping their debit cards.
5. As a step forward towards Digitization/Digital Banking, Bank has been providing PoS machines to its clients to enable them to provide card swipe facility to their customers. E-com is also being launched shortly.
6. Bank has launched CCBL Daily Deposit Scheme for small traders/professionals, Business Establishments, Shopping Plazas etc. who would like to save a part of their sale proceeds/expenditure on daily basis. This scheme has created bank's own niche in the market.
7. Bank is extending hassle free loan facilities to the clients to meet up their credit requirements. Present Board has already organized Car Loan Carnival to provide instant credit to the members, Branch Managers have been delegated powers to sanction instant credit to the members.
8. To oversee the working of Bank various committees of Directors have been constituted.
9. To be more transparent to the public in general and clients and shareholders in particular, your Bank was the first in cooperative sector to launch its own website in state of J&K so that all the members and clients can have easy access to the bank. The website now has been redesigned to make it more user friendly. The data of shareholders has also been uploaded on the website of the Bank. The website of your bank is:
www. info@citizenscooperativebankjammu.com.
10. In order to increase the business of the Bank and to remain in competition, interest rates on loans & advances which were on higher side have been reduced. Further reduction in interest rate of loans & advances is also under consideration and will be decided after reviewing the financial results of the bank to make the loan products of bank more competitive.

As I have already stated that consequent upon taking over the reigns of bank by elected Board of Directors, emphasis has been made to reduce NPAs which are on higher side. Bank is struggling hard to achieve the level of CRAR as per Regulators standard. I request the worthy members whose loans are in arrears to liquidate the loan outstanding to reduce the NPAs to the minimum level and to avoid action under SARFAESI Act, 2002 and to improve the financials of the Bank. They can also avail the opportunity to liquidate their outstanding loan amount under One Time Settlement Scheme already in vogue and get rid of their debt. Since the NPAs of the Bank are on higher side, this august house has already authorized the Board to settle the chronic loan cases classified as NPAs like other commercial Banks are settling. House is requested to authorize the Board :

- (i) To soften settlement procedure and also to write-off chronic loans in default and classified as NPAs against provision already made;
- (ii) To frame service rules for the employees of the Bank; and
- (iii) To consider amendments in Bye-Laws as per amendments placed herewith.

Before I conclude, I would like to thank my colleagues on the Board, share holders of the Bank, the Govt. of Jammu & Kashmir, Cooperative Department J&K and Reserve Bank of India without whose help and support it would have not been possible for all of us to make such progress and to whom we shall continue to look forward for their guidance and patronage.

I must also place on the record my sincere appreciation of the excellent work done by members of staff of your Bank who deserve to be congratulated whole-heartedly for the achievements registered by the Bank so far.

PARVEEN SHARMA

(CHAIRMAN)

For and on behalf of the Board of Directors

PROPOSED AMENDMENTS OF BYE-LAWS OF THE BANK

Existing Provisions	Proposed Provisions
<p>2. REFERENCES:</p> <p>2.2 "BOARD" means "The Committee constituted to manage the affairs of the Bank and whatsoever name it may be called or referred to.</p> <p>2.11 "CHIEF EXECUTIVE OFFICER" means the Managing Director, appointed by the Board of Directors. If a Managing Director is not appointed then the General Manager, Manager Or Secretary appointed by the Board of Directors of the Bank, shall be the Chief Executive Officer.</p>	<p>"BOARD" means "The Committee constituted (by election or otherwise) under the provisions of J&K Cooperative Societies Act to manage the affairs of the Bank.</p> <p>"CHIEF EXECUTIVE OFFICER" means the Managing Director, appointed by the Board of Directors or in the absence of Managing Director any other officer appointed by the Board.</p>
<p>5. SHARE CAPITAL:</p> <p>The authorized capital of the Bank shall not exceed an amount of Rs.10.00 Crores, comprising of 4000000 shares of the value of rupees twenty five each. Full value of each share shall have to be paid with application.</p>	<p>The authorized capital of the Bank shall not exceed an amount of Rs.25.00 Crores, comprising of 10000000 shares of the value of rupees twenty five each. Full value of each share shall have to be paid with application.</p>
<p>8.3 SHARES:</p> <p>8.5. Every member who has been allotted a share or shares shall be entitled to receive a Share Certificate, such Certificate shall be under the seal of the Bank and signed by any two Directors authorised in this behalf and by the Manager.</p>	<p>Every member who has been allotted a share or shares shall be entitled to receive a Share Certificate, such Certificate shall be under the seal of the Bank and signed by Managing Director along with one Officer of the Bank.</p>
<p>8.11. <u>HOW HEIR CAN RECEIVE THE AMOUNT:</u></p> <p>On the death of a member, the amount standing to his credit by way of shares or dividends or credit deposit, subject to deductions, on account of his liabilities, be paid to his heir or legal representative of the deceased member subject to production of a Certificate from the Court for the same.</p>	<p>On the death of a member, the amount standing to his credit by way of shares or dividends or credit deposit, subject to deductions, on account of his liabilities, be paid to his heir or legal representative of the deceased member as per rules prevalent in the Bank from time to time for settlement of claim of deceased depositors.</p>
<p>8.13 LIEN ON SHARES</p>	

<p><u>DIVIDENDS AND DEPOSITS:</u></p> <p>The Bank shall have the first and paramount lien or charge upon all the shares, dividends and deposits of any member for all moneys, due from him to the bank from time to time. The Bank may at any time set off any sum credited by or payable to the member or past member towards payment or any liability of such member or past member.</p>	<p>The Bank shall have the first and paramount lien or charge upon all the shares, dividends and deposits of any member for all moneys, due from him to the bank from time to time. The Bank may at any time set off any sum credited by or payable to the member or past member as borrower or surety or otherwise towards payment or any liability of such member or past member.</p>
<p><u>10.2. ELIGIBILITY FOR DIRECTORSHIP :</u></p> <p>To be elected as Directors following shall be conditions for the members seeking elections as a Directors :-</p> <p>10.2.1. He should be Share-holder of the Bank as on 31st March preceding to the date of Election and should be holding at least 500 shares (as on date of filling of nomination as clarified by RCS).</p> <p>10.2.2. As on date or in the past one year he should not be a defaulter in repayment of his loan as Principal borrower or as a Surety of borrower to the Bank or to any other Cooperative Society, working within the Area of operation of the Bank.</p> <p><u>EXPLANATION :</u></p> <p>For the purpose of this clause defaulter means a borrower whose loan is overdue as not being paid within due date.</p> <p>10.2.3. Who is continuously a member of the Bank for at least two years prior to the date of election.</p> <p><u>EXPLANATION :</u></p> <p>This provision, however, shall not apply to the Director seeking election in the first two years of the Bank coming</p>	<p><u>ELIGIBILITY FOR DIRECTORSHIP :</u></p> <p>To be elected as Directors following shall be conditions for the members seeking elections as a Directors :-</p> <p>10.2.1. He should be Share-holder of the Bank as on 31st March preceding to the date of Election and should be holding at least 200 shares as on the date of filing nomination and Who is continuously a member of the Bank for at least one year prior to the date of election.</p> <p>10.2.2. As on date or in the past one year he should not be a defaulter in repayment of his loan as Principal borrower or as a Surety of borrower to the Bank or to any other Cooperative Society, working within the Area of operation of the Bank.</p> <p><u>EXPLANATION :</u></p> <p>For the purpose of this clause defaulter means a borrower whose loan is overdue as not being paid within due date.</p> <p>10.2.3 Deleted</p> <p>10.2.5. The Board of Directors may Co-</p>

<p>into being. 10.2.5. The Board of Directors may Copt. Two persons as members of the Board from amongst Economist, Financial experts.</p>	<p>opt. Two Professional Directors as per guidelines of Reserve Bank of India and fix their remuneration/sitting fee. However, they will have no voting right.</p>
<p>13. LOANS AND ADVANCES: Subject to such rules as may be framed by the Board of Directors with the approval of Registrar and subject to such directions as may be issued by the Reserve Bank, Loans, Cash Credits and/or overdrafts on current accounts may be granted to members on security or securities mentioned below or other security or securities approved by the Board of Directors or without security.</p>	<p>Subject to such rules as may be framed by the Board of Directors and subject to such directions as may be issued by the Reserve Bank/ Registrar, Cooperative Societies, J&K, Loans, Cash Credits and/or overdrafts on current accounts may be granted to members on security or securities approved by the Board of Directors or without security.</p>
<p><u>16. SERVICE RULES :</u> BOARD MAY FRAME RULES TO GOVERN THE SERVICE CONDITIONS OF ITS EMPLOYEES AND MAY AT ITS DISCRETION AMEND THEM FROM TIME TO TIME AS PER REQUIREMENTS.</p>	<p>In due compliance to the law laid down in the judgment dated 04.04.2009 of the Division Bench of Hon'ble High Court of J&K in LPA's No.35/2008 and 31/2008 titled N.K.Mehta & Ors. V/S State & Ors. and Kamlesh Prabhkar V/S State & Ors holding that Cooperative Societies and Cooperative Banks are at liberty to frame their own service rules in terms of Rule 5(2) (e) as provided in J&K Cooperative Societies Rules 2001 for framing rules regarding method of recruitment, the conditions of service and authority competent to fix, revise and regulate the scales of pay and allowances of paid officers and employees and procedure to be followed in the disposal of disciplinary cases against them. Invoking therefore the Rule 5(2)(e), Board</p>

of the Bank henceforth, is authorized to frame and forward to the Registrar, Cooperative Societies J&K the Rules to govern service conditions of employees of the Bank. The rules so framed and forwarded to the Registrar will come into force only after these rules are registered by the Registrar. Further, the Board shall have the power to insert any new clause, amend, repeal or suspend any of the clauses of the Service Rules which however shall be subject to registration by the Registrar Cooperative Societies J&K and not otherwise.

THE CITIZENS' CO-OPERATIVE BANK LTD., JAMMU	
BALANCE SHEET FOR THE YEAR 2009-10 TO 2016-2017	

(Amt. in Lakhs)

S.no.	Capital and Liabilities	31.03.2010	31.03.2011	31.03.2012	31.03.2013	31.03.2014	31.03.2015	31.03.2016	31.03.2017
1	Capital	49768145.00	52074545.00	54646745.00	60158945.00	70747280.00	93467080.00	112328150.00	118176630.00
2	Reserve and Surplus	49212751.61	49272516.11	148622998.30	149094477.29	154420992.91	150424442.91	148337029.80	148343509.80
3	Principal/Subsidiary State Partnership Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Deposits	2459627119.37	2514219859.57	2726767681.45	2909357858.70	3134242273.95	3231718352.50	3278835523.86	3387198535.56
5	Borrowings	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00
6	Other Liabilities & Provisions	254520225.40	275951181.09	286941274.90	294231356.95	307479581.16	292464103.24	300433403.22	337117814.40
	Total	2813128241.38	2891518101.77	3216978699.65	3412842637.94	3666890128.02	3768073978.65	3839934106.88	3990836489.76
	Assets								
7	Cash & Balances with Reserve Bank of India, State Bank of India, State Co-op. Bank & Central Co-	99894870.05	34751953.05	27596130.05	20881201.05	32042706.05	26960679.05	23537790.28	34132743.53
8	Balances with Banks and Money At Call & Short Notice	502975331.83	838780199.13	903968584.75	1066052657.57	901207493.76	680914805.70	1040984942.69	901871548.58
9	Investments	673674718.29	601149250.00	696789250.00	740549250.00	890949250.00	1043829250.00	639936750.00	970781327.91
10	Investments out of the Principal/ Subsidiary State Partnership Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Advances	1153812911.90	1007641222.19	1028103362.97	1020338025.79	1215905210.66	1451207457.64	1573158340.07	1502348440.59
12	Fixed Assets	13743689.36	12681550.91	112158789.22	116045987.63	117325401.71	115940144.69	115707654.05	113725170.78
13	Other Assets	369026719.95	396513926.49	448362582.66	448975515.90	509460065.84	449221641.57	446608629.79	467977258.37
	Total	2813128241.38	2891518101.77	3216978699.65	3412842637.94	3666890128.02	3768073978.65	3839934106.88	3990836489.76
14	Contingent Liabilities and Bills for Collection	4179772.00	3477552.00	4119120.00	4076420.00	3404108.00	9048649.00	8555916.00	7432996.00

THE CITIZENS' CO-OPERATIVE BANK LTD., JAMMU		
PROFIT AND LOSS ACCOUNT FOR THE YEAR 2009-10 TO 2016-2017		

(Amt. in Lakhs)									
S.no.	Particulars	31.03.2010	31.03.2011	31.03.2012	31.03.2013	31.03.2014	31.03.2015	31.03.2016	31.03.2017
I	Income								
	Interest earned	288641707.93	301635241.73	349639987.46	387200798.18	428101022.30	428430109.37	441377380.14	430226372.70
	other income	20734935.81	15808409.57	8377793.28	11674284.78	19722626.61	23129934.72	11508080.28	38897817.52
	Total	309376643.74	317443651.30	358017780.74	398875082.96	447823648.91	451560044.09	452885460.42	469124190.22
II	Expenditure								
	Interest expended	210594936.40	219448705.03	256681215.86	287475733.10	319687486.18	346433510.79	333367747.33	316707288.66
	Operating expenses	88970151.22	93398324.74	103199889.92	110716351.50	119918727.86	129929055.83	138203073.15	151191573.58
	Provisions & contingencies	51493674.00	2524405.00	451200.00	632949.00	8133613.00	3000561.00	2522584.00	684210.00
	Total	351058761.62	315371434.77	360332305.78	398825033.60	447739827.04	479363127.62	474093404.48	468583072.24
III	Profit/Loss								
	Net Profit/Loss (-) for the year	-41682117.88	2072216.53	-2314525.04	50049.36	83821.87	-27803083.53	-21207944.06	541117.98
	Profit/Loss (-) brought forward	-28731229.61	-70413347.49	-68341130.96	-70655656.00	-70605606.64	-70521784.77	-98324868.30	-119532812.36
	Total	-70413347.49	-68341130.96	-70655656.00	-70605606.64	-70521784.77	-98324868.30	-119532812.36	-118991694.38
IV	Appropriations								
	Transfer to statutory reserves	0	0	0	0	0	0	0.00	0.00
	Transfer to other reserves	0	0	0	0	0	0	0.00	0.00
	Proposed Dividend	0	0	0	0	0	0	0.00	0.00

NOTES ON ACCOUNTS

S.NO.	PARTICULARS	31.03.2010	31.03.2011	31.03.2012	31.03.2013	31.03.2014	31.03.2015	31.03.2016	31.03.2017
I.	CAPITAL TO RISK ASSET RATIO :								
(i)	CRAR	2.06%	2.64%	6.38%	6.79%	6.53%	5.20%	4.43%	5.47%
II.	INVESTMENTS								
(a)	Book Value of Investment	4981.95	6010.99	6967.39	7404.99	8908.99	10528.00	6390.10	9692.10
	Face Value of Investment	1459.95	0	0	7578.00	9078.00	10392.79	6378.87	9686.37
(b)	Market Value of Investment					8322.14	0	0	0
	(i) Issuer Composition of Non SLR Investment	294.35	0	0	0	0	45.00	20.00	20.94
	(ii) Non-Performing Non SLR Investment	0	0	0	0	0	0	0	0
iii.	ADVANCES AGAINST REAL ESTATE :								
A)	CONSTRUCTION BUSINESS	472.38	319.46	256.92	224.76	373.01	496.30	543.65	479.87
B)	HOUSING	1285.67	1278.34	1381.23	1447.02	2317.66	3413.38	4133.96	4478.59
IV.	ADVANCES AGAINST SHARES AND DEBE	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
V.	ADVANCES TO DIRECTORS AND THEIR RELATIVES,								
	COMPANIES, FIRMS IN WHICH THEY ARE INTERESTED :								
A)	FUND BASED	NIL	NIL	NIL	14.64	11.71	14.27	16.44	0

