



ANDAMAN & NICOBAR STATE CO-OPERATIVE BANK LTD.,
98, Maulana Azad Road, Port Blair-744101

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**NETWORK OF BANK/BRANCHES & ATMS IN A & N ISLS.**

SL. NO	NAME OF THE BANK	TOTAL NO. OF BRANCHES	TOTAL NO. OF ATMS	SOUTH ANDAMAN DIST.		NORTH & MIDDLE ANDAMAN DIST.		NICOBAR DIST.	
				Branches	ATM	Branches	ATM	Branches	ATMs
1	A & N State Coop. Bank Ltd.	29	11	16	7	9	3	4	1
2	State Bank of India	23	46	16	35	5	8	2	3
3	Syndicate Bank	10	5	7	4	2	1	1	-
4	Canara Bank	1	2	1	2	-	-	-	-
5	Indian Bank	1	1	1	1	-	-	-	-
6	United Commercial Bank (UCO)	1	1	1	1	-	-	-	-
7	United Bank of India	2	1	2	1	-	-	-	-
8	Union Bank of India	1	1	1	1	-	-	-	-
9	Punjab National Bank	1	1	1	1	-	-	-	-
10	Allahabad Bank	1	-	1	-	-	-	-	-
11	Indian Overseas Bank	2	2	2	2	-	-	-	-
12	Vijaya Bank	2	1	2	1	-	-	-	-
13	Bank of Baroda	1	1	1	1	-	-	-	-
14	Axis Bank Ltd.	3	16	2	15	1	1	-	-
15	Central Bank of India	1	-	1	-	-	-	-	-
16	HDFC Bank Ltd.	1	1	1	1	-	-	-	-
17	Bank of India	1	1	1	1	-	-	-	-
18	ICICI Bank	1	2	1	2	-	-	-	-
19	TMB Ltd.	1	1	1	1	-	-	-	-
	TOTAL	83	94	59	77	17	13	7	4



**ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD.,
98, MAULANA AZAD ROAD, PORT BLAIR**

BOARD OF DIRECTORS w.e.f 01st May, 2012

CHAIRMAN

1. Shri. Bhagat Singh
“C” Class Member

VICE CHAIRMAN

2. Shri. Kuldeep Rai Sharma
Representative of Bharati Service Coop. Society Ltd.

DIRECTORS

3. Shri. Saroop Lall
Representative of CCS Ltd., Port Blair

4. Shri. Madan Lall
Representative of Hobdypur Coop. Coconut Farming Society

5. Shri. Haralal Baroi
Representative of Rangat Service Coop. Society

6. Shri. Haren Roy
Representative of Laxmipur Service Coop. Society Ltd.

7. Shri. K. Subramanian
Representative of Gaon Vikas Service Coop. Society Ltd.

8. Shri. Ganesh Lakra (Since deceased)
Representative of Satya Service Coop. Society Ltd.

9. Shri. Herbertsen
Representative of Malacca Panam Hinengo Ltd.

10. Shri. Gananath Tarai
**General Manager, NABARD, RO Port Blair
(Representative of NABARD)**

MANAGING DIRECTOR

11. Shri. Ravinder Rao

**ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD.,
98, MAULANA AZAD ROAD, PORT BLAIR****SENIOR OFFICIALS OF THE BANK**

Shri. Ravinder Rao

MANAGING DIRECTOR

Shri. K. Murugan

CHIEF GENERAL MANAGER

GENERAL MANAGERS

Shri. Thomas Daniel

GM (Bkg)

Shri. T Subramaniam

GM (Plg & Dev)

DEPUTY GENERAL MANAGERS

Smt. Jolly James

DGM (IT)

Shri. Anjan Sengupta

DGM (Bkg & Opn.)

Shri. M K Rajan Kunju

DGM (F & A)

Shri. Raju M Paul

DGM (Recovery)

Shri. P S K Kumar

DGM (CM)

SUPERANNUATION DURING THE YEAR (2013-14)

NAME OF THE EMPLOYEE	DESIGNATION / BRANCH	DATE OF SUPERANNUATION
Shri. S A Khaliq	DGM (South Andaman)	31.03.2014
Shri. S Vijayan	Manager (Recovery)	30.11.2013
Shri. Sukharanjan Mazumdar	Daftary	31.12.2013
Smt. K G Mariamma	Manager	Expired on Dec, 2013

The Management highly appreciated their contribution to the bank.



MISSION OF EXCELLANCE

*To mobilize resources,
provide banking products
and other professionalised
services to the people,
strengthen the affiliates,
provide vibrant leadership
to the Co-operative
banking system, achieve
sustained growth and
ultimately to attain prime
position in the banking
industry.*



**Andaman & Nicobar State Cooperative Bank Ltd.
98, Maulana Azad Road, Port Blair**

Speed Post

NOTICE

Notice is hereby given to all the members that the 49th Annual General Body Meeting of the Andaman & Nicobar State Cooperative Bank Ltd., Port Blair will be held on **14th September, 2014 at 10.30 am in the Conference hall of Bank, Port Blair** to transact the following business:-

1. To read and confirm the proceedings of the last general body meeting held on 1st December 2013.
2. To present the Annual Report 2014 (Audited).
3. To adopt the Audit Report for the year 2013-14.
4. To appropriate profit for the year 2013-14.
5. To approve borrowing power of the bank.
6. Other items, if any.

By order of the Board

Managing Director
F.No. StCB/AGM/2014-15/1875

Port Blair
Dated: 20.08.2014

Note:

- 1) Please note that the member societies who cleared the entire overdue (principal and interest on **29.08.2014** are only eligible to attend the General Body meeting in terms of Rule 21 of the A & N Islands Co-operative Societies Rules 1974/bye-law No:16(1) of the bank.
- 2) The member societies are requested to depute one representative from each society in the general body meeting. The representative should be sent duly authorized by the Managing Committee of the society concerned along with its resolution to participate in the General Body Meeting. The resolution duly attested by the Asst. Registrar of Coop. Societies/Inspector of Coop. Societies should reach to the A & N State Cooperative Bank Ltd., Port Blair four (4) days in advance of the meeting.

To
President/Secretary

..... Society Ltd.



ANNUAL REPORT 2014

Dear Esteemed Share holders,

On behalf of the Board of Directors of the Bank, it is certainly a privilege to present the 49th Annual Report of your premier financial institution of these Islands as on 31.03.2014 (audited).

The bank's operational area extend to the entire Union Territory of Andaman & Nicobar Islands through its 29 branches located right from Diglipur at extreme North to Campbell Bay and the extreme south of Union Territory. Out of the 29 branches, 25 branches are in rural area (around 86%) and 4 branches are in urban area, catering to the needs of the people of A & N Islands. The RBI has granted licence to the bank to open 12 more branches.

It gives me great pleasure to place before you the highlights of your Bank's performance during the financial year 2013-14. Details of the achievements and initiatives taken by your Bank are provided in the annexed Annual Report. I would also like to take this opportunity to thank you all for making it convenient to attend this meeting. I express my gratitude to all the customers and well-wishers for their loyalty, patronage and confidence which have always remained a source of inspiration and strength for the Bank.

ECONOMIC AND BANKING SCENARIO

The financial year 2013-14 has been a very challenging year. The global economic situation continues to remain highly volatile. The financial crisis that gripped the World Economy since 2008-09 is still posing a challenging environment across the globe. The lower employment rate and the consequent fall in demand



dampened the investment climate across the developed economies thereby bringing down the growth rate. The Global GDP fallen to 5.2 percent during the year. This had a significant impact on Indian Economy which had to bear higher challenges such as high inflation and rising Current Account Deficit (CAD). This led to sharp decline in India's GDP from 6.2 percent in 2011-12 to 5% in 2012-13, which is the lowest growth rate of the country in a decade.

The overall business growth of the Banking Industry in India showed a declining trend. The credit off-take was discouraging as a result of slower economic activity and lack of capital expansion. There is a considerable pressure on liquidity as the banks are not able to mobilize desired funds through deposits. Further adding to the pressure, initiation of steps by RBI viz., maintenance of CRR on daily basis as against fortnightly average, cap on liquidity adjustment facility etc, to stabilize Rupee price had sucked liquidity from the market resulting in increase in the cost of short term borrowings for banks. Maintenance of asset quality has been a matter of grave concern across the Banking Industry because of the indirect impact of trade and demand slowdown on repaying capacity of the customers.

Let me assure you that while remaining vigilant to the new opportunities, the Bank will also acts with the necessary prudence as required.



Share Capital

1.1 The Share capital of the Bank as on 31.03.2014 stood at ₹ 400.49 lakhs (Audited). The share capital was contributed by 'A' class share holders of societies and by 'C' and 'D' class individual share holders.

(₹ in Lakhs)

Sr. No	Particulars	31.03.12 (Audited)	31.03.13 (Audited)	31.03.14 (Audited)
	Share Capital			
1	Coop. Societies (A)	175.79	220.42	236.32
2	Individuals (C)	0.01	0.01	0.01
3	Associate members (D)	118.09	128.53	164.15
	Total:-	293.89	348.96	400.49
Growth registered : 14.77 %				

Reserves & Surplus

1.2 The total reserves of the Bank amounted to ₹ 10011.54 lakhs as on 31.03.2014. The breakup particulars are:-

(₹ in Lakhs)

Sr. No	Particulars	31.03.12 (Audited)	31.03.13 (Audited)	31.03.14 (Audited)
1	Statutory Reserves	3275.11	3731.63	4608.68
2	Agri. Credit Stablisation fund	389.91	437.64	534.50
3	Building Fund	270.70	343.47	17.17
4	Bad & Doubtful Debts Reserves	120.80	170.80	120.87
5	Investment Diminution Reserves	1195.19	1195.19	795.19
6	Overdue Interest Reserves	437.18	441.69	890.39
7	Un realised Income Reserves	39.46	45.01	133.58
8	Staff Training Fund	66.84	75.21	98.67
9	GOI & ETF	31.97	31.97	31.97
10	Computerisation	206.87	192.15	198.36
11	Others	2206.90	2389.70	2582.16
	Total :-	8240.93	9054.46	10011.54
Growth registered: 10.57 %				



1.3 The Statutory Reserve has been built up by the Bank by appropriation of 25% of net profit of the Bank every year and also by crediting the left over surplus in the Profit and Loss Account after appropriation to various items.

Deposits

1.4 There has been a substantial rise in the deposits mobilised by the bank which can be attributed to the rapid bank expansion, increase in Gross Savings Domestic Product (GSDP), inflationary rise in the quantity of currency, development in saving behavior of the masses.

1.5 The type-wise break-up of the deposits as on 31.03.12, 31.03.13 and 31.03.14 are furnished below:-

(₹ in lakhs)

Particulars	31.03.12 (Audited)	% to total deposits	31.03.13 (Audited)	% to total deposits	31.03.14 (Audited)	% to total deposits
Current	1548.20	3.40	1360.19	2.71	1337.14	2.37
Savings	24365.21	53.43	27078.55	54.00	30635.19	54.25
Term Deposits	17849.84	39.14	19682.30	39.26	23173.44	41.03
Others	1839.28	4.03	2024.15	4.03	1326.19	2.35
Total	45602.53	100.00	50145.19	100.00	56471.96	100.00
Growth registered : 12.62 %						

1.6 CASA

The Current Account Savings Account (CASA) deposit to total deposit formed about **56.62 %** (higher in Banking Industry) as on 31.03.2014. The Bank has been trying to increase current account and the savings account deposits in order to contain the cost of deposit.

It will also enable the bank to maintain a softer interest rate regime.



Borrowings

- 1.7** Borrowings constituted the second largest source of funds of the Bank. The borrowings of the Bank as on 31.03.2014 amounted to ₹ 8981.91 lakhs as against ₹ 5214.62 lakhs as on 31.03.2013.
- 1.8** The details of borrowings of the bank according to the source and type are furnished below:-

(₹ in lakhs)

Borrowings (O/S)	As on 31.03.2013 (Audited)	As on 31.03.2014 (Audited)
NABARD		
Long Term (LT)	4989.62	6704.60
ST SAO (Short term)	225.00	270.64
MT (PODF)	-	6.67
Working Capital (NCDC) TL	-	2000.00
GRAND TOTAL	5214.62	8981.91
Growth registered : 72.24 %		

- 1.9** Refinance support of ₹ 270.64 lakhs as short term credit was availed from NABARD during 2013-14 as against ₹ 225.00 lakhs during 2012-13. The bank also repaid an amount of ₹ 1600.87 lakhs towards Principal and ₹ 400.03 lakhs towards interest to NABARD, during 2012-13.
- 1.10** As against the Borrowing Target under ST (SAO) of ₹ 200.00 lakhs for 2012-13, the bank borrowed ₹ 222.50 lakhs from NABARD.
- 1.11** The Bank never defaulted in the repayment of borrowings to the higher agencies.



DEPLOYMENT OF FUNDS

Investment

- 2.1** The investments of the bank in the Govt. and other securities including Term Deposits in commercial banks amounted to ₹ 37527.51 lakhs as on 31.03.2014. The Bank made investments in Govt. Securities which was reckoned for the purpose of Statutory Liquidity Ratio (SLR). There was considerable improvement in the management of fund. The Bank has a system of assessing fund flow position on a daily basis for the purpose of forecast liquidity position of the Bank as a whole and investment of surplus fund in various permissible avenues to earn income.
- 2.2** The comparative position of the composition of the investment portfolio of the bank is given below:-

(₹ in Lakhs)

Particulars	As on 31.03.12 (Audited)	As on 31.03.13 (Audited)	As on 31.03.14 (Audited)
I. SLR Investments			
(a) Govt. securities	14871.35	11380.87	14509.33
(b) Other approved Securities	6196.20	10508.68	12255.59
Total a + b	21067.55	21889.55	26764.92
II. Non-SLR investment			
(a) Bank Bonds etc	1381.50	1381.50	1381.50
(b) Term Deposits with banks	9129.77	9882.45	9381.09
Total a + b	10511.27	11263.95	10762.59
Total Investment	31578.82	33153.50	37527.51

- 2.3** The investments of the Bank formed 42% of the total assets as on 31.03.2014.



LOANS AND ADVANCES

2.4 The total loans and advances outstanding as on 31.03.2014 amounted to ₹ 34743.99 lakhs as against ₹ 28430.82 lakhs in the previous year, thereby, registering a remarkable growth of 22 %. The CD ratio of the bank as on 31.03.2014 was 62 %. The sectoral deployment of advances are furnished below:-

(₹ in Lakhs)

SL. No.	Purpose	Outstanding (O/s) As On		
		31.03.2012 (Audited)	31.03.2013 (Audited)	31.03.2014 (Audited)
1	Short-term for Seasonal Agricultural Operation (SAO)	323.45	743.06	926.36
2	Medium-term loans for			
	a) Agricultural purposes	176.76	339.04	343.44
	b) Other purposes	2405.45	3526.11	5074.09
3	Long-term loans for			
	a) Agricultural purposes	172.65	134.18	345.96
	b) Other purposes	3032.00	3600.05	4443.13
4	Consortium	1500.00	2500.00	4500.00
5	Advances against Deposits	425.46	339.38	327.71
6	Gold Loans	6914.92	8784.15	8288.99
7	Overdrafts	7215.60	8464.85	10494.31
	Total:-	22281.47	28430.82	34743.99
		Growth registered : 22.20 %		

2.5 The bank has registered a growth of 25 % in ST SAO meant for agricultural operations. The Food Credit Consortium was raised ₹ 4500.00 lakhs during the year 2013-14 as against ₹ 2500.00 lakhs during 2012-13 has registered a growth of 80 %.

2.6 Despite various constraints like hike in interest rates of credit delivery system, moving towards variable interest rate structure, stiff competition from Nationalised Banks and the Private Sector Banks, the bank has always given priority to agriculture and its allied activities.



2.7 The percentage (%) of Bank's share in Agriculture advances to total agriculture advances of UT is 19 %, dominating in the UT. Although, the CD ratio of the bank is much higher than the Commercial Banks throughout the period, which is 62 % as against UT's CD ratio of 42 %.

Agricultural Advances

2.8 The total loans outstanding under Agriculture activities as on 31.03.2014 stood at ₹ 923.85 lakhs.

Kisan Credit Card (KCC)

2.9 The Bank had introduced Kisan Credit Cards in the year 1996 to provide hassle free credit to the farmer members of the PACS. The KCC is ensuring instant credit as per the scale of finance multiplied with cultivated land of the farmers' upto ₹ 1,00,000 by simple formalities. Farmers under KCC are covered by Personal Accident Insurance Scheme (PAIS) to the extent of ₹ 50,000.

From its inception, the bank has so far issued more than 4000 nos. of Kisan Credit Cards, whereas, all the commercial banks operating in the islands issued only 1000 nos. of Kisan Credit Cards. During 2013-14, the bank issued additional 538 nos. of Kisan Credit cards to the farmer members, amounting to ₹ 350.35 lakhs as against 1089 nos. of KCC amounting to an amount of ₹ 706.37 lakhs in the year 2012-13.

**Other Agricultural Advances**

2.10 The credit extended under Medium Term Loans for the purposes like land development or land reclamation, purchase of agricultural implements, bunding of lands, farm house construction, raising of plantation, etc was to the tune of ₹ 343.44 lakhs during 2013-14, which include power tillers to various farmers of these islands.

Formation and Credit-Linkage of Self Help Groups

2.11 SHGs are the most important part of rural lending. There has been a remarkable achievement for the Bank in terms of the SHG Linkage by your bank. The position of SHGs during the year 2013-14 is described below as:-

STATUS OF CREDIT LINKAGE OF SHGs DURING THE YEAR 2013-14

S.No.	District / Area	No. of SHGs-credit linked	Loan (in ₹ Lakhs)
A. FIRST LOAN (First Linkage)			
1	South Andaman District	140	76.38
2	N & M Andaman District	23	6.2
3	Nicobar District	0	0
TOTAL (A)		163	82.60
B. REPEATED LOAN (Repeated Linkage)			
1	South Andaman District	148	427.54
2	N & M Andaman District	12	10.70
3	Nicobar District	0	0
TOTAL (B)		160	438.24
GRAND TOTAL (A+B)		323	520.84

During the year 2013-14, the Bank had credit linked 323 SHGs to the tune of ₹ 520.84 lakhs as against 276 nos. of SHGs amounting to ₹ 390.27 during 2012-13, registering a growth of 33.45 % over the last year.



VARIOUS GOVT. SPONSORED SCHEMES

Swarnajayanti Gram Swarojgar Yojna (SGSY)

2.12 The bank also provided financial assistance under SGSY to SHGs and individual beneficiaries in the form of revolving fund and project loan to the tune of ₹ 14.76 lakhs as on 31.03.2014. The A & N SCB disbursed credit facilities to 28 beneficiaries under the SGSY scheme during 2013-14.

General Purpose Credit Card (GCC)

2.13 The scheme covers general credit needs of bank constituents in the rural and semi-urban areas. The scheme is to provide hassle free credit to banks' customers based on the assessment of Cash Flow without insistence on security, purpose of end-use of the credit. This is in the nature of overdraft or cash credit with no end-use stipulations. The total credit facility under GCC for an individual does not exceed ₹ 25,000. The Bank had issued loans under GCC to the tune of ₹ 23.85 lakhs upto 31.03.2014 to 96 beneficiaries

Prime Minister's Employment Generation Programme (PMEGP)

2.14 The Bank has disbursed credit facilities to the tune of ₹ 290.61 lakhs upto 31.03.2014. The Bank issued PMEGP Loans to 142 nos. of beneficiaries during 2013-14. The PMEGP scheme has been one of the key areas of the Bank in creating a wonderful opportunity to the unemployed youths of these Islands.



However, there are large numbers of NPA accounts and the bank had written to KVIB and requested to get the GGTMSE cover for our banks finance under PMEGP. The matter is being processed by the KVIB and the Ministry.

Swarojgar Credit Card (SCC)

2.15 SCC scheme aims at providing adequate and timely credit i.e. working capital or block capital or both to small artisans, service sector, fishermen, self-employed persons, other micro-entrepreneurs, Self Help Groups (SHGs), etc. from the banking system in a flexible, hassle free and cost effective manner. The normal limit under the scheme is ₹ 25,000 per borrower. The Bank provided credit assistance under Swarojgar Credit Card (SCC) to the extent of ₹ 20.90 lakhs to 84 beneficiaries during 2013-14.

Pradhan Mantri Jan Dhan Yojna (PMJDY-2014)

2.16 The Hon'ble Prime Minister Shri. Narendra Modi in his Independence Day speech on 15th August 2014 has announced that Pradhan Mantri Jan Dhan Yojna (PMJDY) will be launched as 1st phase which will cover the unbanked people under the ambit of Financial Inclusion.

A total of over 70,000 camps were held across the nation to open up accounts. In A & N Islands, three camps were held at Port Blair (Dr.BRAIT), Tushnabad (Community Hall) and Bambooflat (SBI premises). A total of over 5000 accounts were opened in a single day on 28.08.2014



Benefits of opening bank account under PMJDY

2.17 The bank account opened under PMJDY will be a zero balance account and customers are not required to maintain any minimum balance.

A Rupay Kisan Debit Card will be issued which can be used to withdraw money from ATM's and free accident insurance up to ₹ 1 Lakh will be provided for those who open their bank account upto 26th January 2015 (1st Phase).

An overdraft facility of ₹2500, which would further be enhanced by the bank to ₹5000 will be provided after six months of opening the account at the discretion of the bank only if your account has been active and seen a lot transactions

The Long term vision of the Jan Dhan Yojna is to lay the foundation of a cashless economy and is complementary to the Digital India Scheme.



Retail Banking

2.18 Within retail, the housing loans, car loans, medical, education, consumption/personal loans have shown tremendous growth trajectory. The details of few retail banking items are shown in the below table: -

(₹ in lakhs)

Sl. No.	Particulars	During 2012-13		During 2013-14	
		No. of Cases	Amount	No. of Cases	Amount
1	House construction & repairs	198	450.11	264	755.60
2	Education	03	6.01	9	102.95
3	Vehicle / Vessels	04	32.56	23	477.26
4	Medical	17	17.75	28	53.30
5	Consumption /Personal	376	894.77	409	989.75
	Total :-	598	1401.20	733	2378.86

Gold Loan

2.19 The Bank has been providing gold loans to the customers through its 19 branches viz. Port Blair, Haddo, Shadipur, Dairy farm, Garacharma I & II, Prothrapur, Wimberly Gunj, Bambooflat, Rangat, Mayabunder, Diglipur, Campbell Bay, Tushnabad, Kadamtala, Guptapara, Baratang, Billiground and Ferrargunj. The Bank had revised the per gram Gold Loan rate from ₹ 1200 /- with a maximum ceiling of ₹ 4.00 lakh considering the fluctuations in the Gold rate at the Commodity Market. The Bank issued gold loans to the tune of ₹ 8288.99 lakhs during 2013-14.



Housing Activities

2.20 The Bank continued its finances for shopping complex and commercial buildings and residential buildings. During the year 2013-14, the bank had advanced ₹ 755.60 lakhs towards the construction of houses and its repairing.



RECOVERY MANAGEMENT

3.1 Bank is giving considerable importance to the quality appraisal of loans in order to avoid slippage of fresh NPA's (Non Performing Assets). The % of Recovery to Demand is registered at 56 % as on 31.03.2014.

Due to constant and coercive recovery process the standard assets of the bank was increased by ₹ 2538.86 Lakhs, registering a growth of 10.75%. The doubtful asset (D1) was reduced by 50.35%.

The net NPA (Non- Performing Assets) is at ₹ 6156.26 Lakhs as on 31.03.2014. The provision made by the bank against NPA stood at ₹ 2279.64 lakhs and constituted 191.50% of the provision required at ₹1190.42 Lakhs as on 31.03.2014. The Bank thus made an excess provision ₹ 1089.22 Lakhs as on 31.03.2014.

The Bank had introduced '**System Based**' classification of loans & advances and generation of NPA with effect to 2012-13 as per IRAC (Income Recognition & Asset Classification) norms prescribed by RBI.

The progress of the bank under legal action under arbitration cases during 2013-2014 is furnished below

(₹ in lakh)

Sl. No.	Particulars	Arbitration Cases		E.P. Cases	
		No. of cases	Amount	No. of cases	Amount
1	Cases pending at the beginning of the year	89	1455.90	71	211.23
2	Cases filed during the year	-	-	-	-
3	Cases disposed off during the year	6	36.74	1	18.09
4	Cases pending at the end of the Mar 2013	6838	1419.16	70	193.14
5	Cases pending with Hon'ble High Court/DRT: Nil				

**PENDING LOK ADALAT STATEMENT AS ON 31-03-2014**

NO OF BRANCHES	NO OF CASE	AMT INVOLVED	CASES		AMT WAIVED		RECOVERY	
			NO	AMT	NO	AMT	NO	AMT
16	110	306.57	110	228.29	110	77.11	110	267.43

FULLY CLOSED		BALANCE	
NO	AMT	NO	AMT
54	81.66	69	187.06

SARFAESI ACT (Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002)

The above Act allows banks and financial institutions to auction properties (residential and commercial) when borrowers fail to repay their loans. It enables the bank to reduce its Non-Performing Assets (NPAs) by adopting measures for recovery or reconstruction. If a borrower defaults on repayment of his/her home loan for six months at stretch, banks give a 60-day period to regularise the repayment. On failure to do so, banks declare the loan as NPA and auction it to recover the debt.

The progress of the bank under SARFAESI ACT during 2013-14:

Sl. No	PARTICULARS	No. of cases	Amount
1	Cases pending at the beginning of the year	53	2805.66
2	Cases filed during the year	-	-
3	Cases disposed off during the year	10	74.17
4	Cases pending at the end of the Mar 2013	43	2805.66



PROFITABILITY

4.1 The bank had earned a net Profit of ₹ 2.93 crores during 2013-14 as against the net profit of ₹ 2.89 crores during 2012-13, registering a growth of 1.38 %. The Bank earned an operating profit of ₹ 1269.46 Lakhs as on 31.03.2014 as against ₹ 850.52 Lakhs as on 31.03.2013. The % of Net Interest Margin (NIM) is registered at 3.22%.

The Net Interest Income (NII) was increased by ₹ 183.69 Lakhs as on 31.03.2014 as compared to ₹ 111.93 Lakhs as on 31.03.2013 and registered a growth of 8.55% on 31.03.2014. The Operating Profit of the bank as on 31.03.2014 was increased by ₹ 414.40 Lakhs, registered a considerable growth of 48.46% as on 31.03.2014.

The various profitability ratios are as under:-

Particulars	2011-12 (Audited)	2012-13 (Audited)	2013-14 (Audited)
Interest income as a percentage of gross income	95.45	97.42	90.11
Other income as a percentage of gross income	4.47	2.58	9.89
Interest paid on deposits/ borrowings to gross income	50.42	56.87	53.33
Interest paid on deposits/ borrowings to total expenditure	54.78	60.16	66.69
Weighted average cost of funds	4.90	4.80	4.63
Weighted average yield on funds	8.39	8.03	8.10
Financial Margin	3.48	3.24	3.47



GENERAL FUNDAMANTALS

Management and Meetings

5.1 During the year 2013-14, 12 Nos. Managing Committee meetings were held.

Internal Checks and Control System

5.2 The Bank is fully aware of its responsibilities to Bank's Customers and Depositors. A key factor in the fulfillment of these responsibilities is the strength of Bank's operating procedure and associated internal control system. These are designed to address several critical issues including the completeness, accuracy and reliability of the financial information that is used to monitor and manage the business.

The Bank has introduced the Rating System among the Branches for their performances based on Audit Observations as per the parameters for a healthy competition among them, thereby resulting improvement in their business as well as the overall performances.

Besides the internal Auditors of the bank, the Registrar of Cooperative Societies also posted a Concurrent Auditor at HO in the ARCS rank.

For improving the quality of Customers Service, Financial Accounting system, the MIS has accorded due priority. There are system generated reports with key parameters to assess the growth and functioning of all branches.



Audit and Inspection

5.3 The Accounts of the bank and its branches for the year 2013-14 were audited by M/s VLP & Co, Chartered Accountants. The NABARD had conducted its XX statutory inspection of the bank from with reference to its financial position as on 31st March, 2013.

Compliance Review

5.4 The NABARD inspection team in its Inspection Report 2012 mentioned that the A & N SCB complied with the provisions of section 22(3)(a) & 22(3)(b) of the B.R.Act 1949 (AACS):-

- a) That the affairs of the bank are not conducted in a manner detrimental to the interest of its present or future depositors.
- b) Complied with the provisions of Section 11(1) of the B.R.Act, 1949 (AACS).
- c) Complied with the provisions of Section 22(3)(a) of the B.R.Act, 1949 (AACS).
- d) Complied with the provisions of Section 22(3)(b) of the B.R.Act, 1949 (AACS).
- e) Complied with the provisions of Section 18 of the B.R.Act, 1949 (AACS).
- f) Complied with the provisions of Section 24 of the B.R.Act, 1949 (AACS).
- g) Complied with the provisions of Section 6 of the B.R.Act, 1949 (AACS).
- h) Complied with the provisions of Section 9 of the B.R.Act, 1949 (AACS).
- i) Complied with the provisions of Section 19 of the B.R.Act, 1949 (AACS).
- j) Complied with the provisions of Section 27, 29 & 31 of the B.R.Act, 1949 (AACS).



- k) Complied with the provisions of Section 8, 14 A, 20, 21, 30 and 35(A) of the B.R.Act, 1949 (AACCS).
- l) The bank has also complied with the provisions of Andaman & Nicobar Islands Cooperative Societies Regulation 1973 and Rules 1974.
- m) The NABARD inspection for the year 2014 is yet to commence.



BANK'S KEY STRATEGIC INITIATIVES

6.1 Core Banking Solution (CBS) project for A&N SCB

In the changing Banking scenario, it is becoming imperative for the Banks to quickly adopt and implement the CBS to remain competitive in the market. The NABARD with the support of Application Service Provider (ASP), M/s Wipro Pvt. Ltd. has commenced the implementation of CBS of all the 29 branches w.e.f. 18th March, 2013. All the 29 branches have completed Core Banking Solutions.

ANSCB ATMs (Automated Teller Machine)

6.2 The A & N State Cooperative Bank has opened its' ATM services at Port Blair, Garacharma I, Garacharma II, Dairyfarm, Rangat, etc for the customers with 'RUPAY' branded ATM-cum-Debit cards w.e.f. June 2014. With the introduction of RUPAY branded Debit cards, the customers of A & N SCB can use its' ATM cards at the ATMs of other banks. Similarly, the ATM cards of other banks may also use the ATM services of our bank for withdrawing cash.



CA Vikas Lal Patel, FCA
VLP & Co
Chartered Accountants

125, M.G. Road, Goal Ghar
Port Blair, Andaman.

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements:

We have audited the financial statements of “**Andaman & Nicobar State Cooperative Bank Limited**” Port Blair, Andaman which comprise the Balance Sheet as at March 31st March 2014, the Receipts and Payment Account and Income and Expenditure Account for the year then ended.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the institution in accordance with the Accounting Standards generally accepted in India. This responsibility includes the design, implementation and maintenance of Internal Control relevant to the preparation and fair presentation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

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

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

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



Opinion

In our opinion, and to the best of our information and according to the explanation given to us, the financial statements gives the information required by the act in the manner so required as give a true & fair view in conformity with the accounting principles generally accepted in India.:

- a. in the case of the Balance Sheet, of the state of affairs of the Branch as at 31st March, 2014; and
- b. in the case of Profit and Loss Account, of the Profit/Loss for the year ended on that date;

For **V L P & CO.**
Chartered Accountants
FRN 327122e

CA Vikas Lal Patel. FCA
Proprietor
M No. 215244

Place: Port Blair|27.08.2014



DICGC **(DEPOSIT INSURANCE & CREDIT GUARANTEE CORPORATION)**

6.3 The Deposit Insurance Credit Guarantee Corporation (DICGC), a subsidiary of RBI, was established by an Act of Parliament, with the Deposit Insurance Credit Guarantee Corporation Act, 1961.

Under this scheme, in the event of liquidation, reconstruction or amalgamation of an Insured Bank, every depositor of the Bank is entitled to the repayment of his/her deposits held by him/her in the same right and capacity in all Branches of the Bank upto a monetary ceiling of ₹ 1.00 lakh. A payment of premium @ 5 paise per half year per ₹ 100/- of assessable deposits at Half-Yearly intervals. The Half-Yearly premium should be paid in advance. During the year under report your Bank paid a sum of ₹ 51.52 lakhs to the DICGC towards advance premium for the year 2013-14. Your Bank had ensured payment of DICGC premium well in time.

SETTLEMENT OF DEATH CLAIMS

6.4 The claims preferred by the legal heirs of the deceased of your Bank are settled in time. During the year 2013-14, the Bank has settled a considerable number of cases. A total of 202 cases amounting to ₹ 365.00 lakhs have been settled and paid to the claimants.



STAFF TRAINING FOR DEVELOPMENT & GROWTH

(Training of Staff Members of A & N SCB)

- 6.5** The Bank is playing a vital role in educating and motivating the staff of the Bank by nominating them to various training programmes through various different local/mainland institutions.

During the year 2013-14, the Bank nominated 109 no's of staff members for attending training programmes and 9 no's of tour programmes were held during the year 2013-14.

CELEBRATION OF INTERNATIONAL WOMENS' DAY :: 2014

- 6.6** The International Women's Day is observed on 8th March throughout the world to strive for a world based on gender equality. Taking a step further, the ANSCB has also observed Seminar on Women Empowerment on 8th March, 2014 at Anarkali ground, Port Blair.



FUTURE PROGRAMMES OF A & N SCB

- i) 15 % Deposit Growth & 10 % growth in loans and advances.
- ii) Gross NPA at below 5%.
- iii) Installation of more ATMs and nationwide ATM connectivity.
- iv) To be an RTGS (Real Time Gross Settlement) enabled Bank.
- v) To cover more and more areas in rural counterparts under Financial Inclusion.
- vi) To introduce new schemes for the rural counterparts of these Islands.

Acknowledgement

The Bank's new initiatives could not have come true without the active involvement and support of its staff members. Our staff is aware of the challenges and has fully embraced the Bank's core principle about banking. The customers have been extending their patronage and we are confident of their support for the coming years also. The Board of Directors places on record its appreciation for continued support and guidance received from the A & N Administration, Govt. Of India, Reserve Bank of India, National Bank for Agriculture & Rural Development (NABARD), Registrar of Coop. Societies, National Federation of State Coop. Banks Ltd.(NAFSCOB), SBIDFHI, SBI, HDFC Bank, ICICI Bank, Other commercial Banks serving in the Union Territory and other organisations and departments.

For & on behalf of the Board of Directors

Sd/-
(Ravinder Rao)
Managing Director



Opening of New Branches

The Reserve Bank of India (RBI) has granted license to our bank for 12 new branches. The proposed branches are as follows for the following Districts:

South Andaman District

1. Junlightat
2. Burmanallah
3. Wandoor
4. Chouldari
5. Dollygunj

North Andaman District

1. Long Island
2. Nimbutala
3. Kishori Nagar
4. Mahatma Gandhi Govt. College, Mayabunder
5. Betapur

Nicobar District

1. Chowra
2. Kamorta



APPROPRIATION OF PROFIT FOR THE YEAR 2013-14

The Statutory Audit of the Accounts of the bank for the year 2013-14 was audited by M/s VLP & CO, Chartered Accountants. The net profit earned during the year 2013-14 stood at ₹ 2,93,56,617.08 for the year 2013-14. The Allocation of Profit has been made as under as per the byelaws provisions for the year 2013-14.

(Amount in ₹)

Sl.No.	Particulars	2013-14
1	Statutory Reserve Fund (25%)	7339154.27
2	Coop. Education Fund (3%)	880698.51
3	Agri. Credit Stabilisation Fund (15%)	4403492.56
4	Dividend 'A' Class (10 % of Share)	2363290.00
5	Dividend 'C' Class (10 % of Share)	140.00
6	Staff Training Fund (5 ½ %)	1614613.94
7	Staff Welfare Fund (1 ½ %)	440349.26
8	Supervisory Fund (1/2 %)	146783.08
9	Building Fund	12000000.00
10	Balance transferred to Statutory Reserve Fund	168095.46
	Total :	₹ 2,93,56,617.08

**BUDGET FOR THE YEAR 2014-15**

(₹ in lakhs)

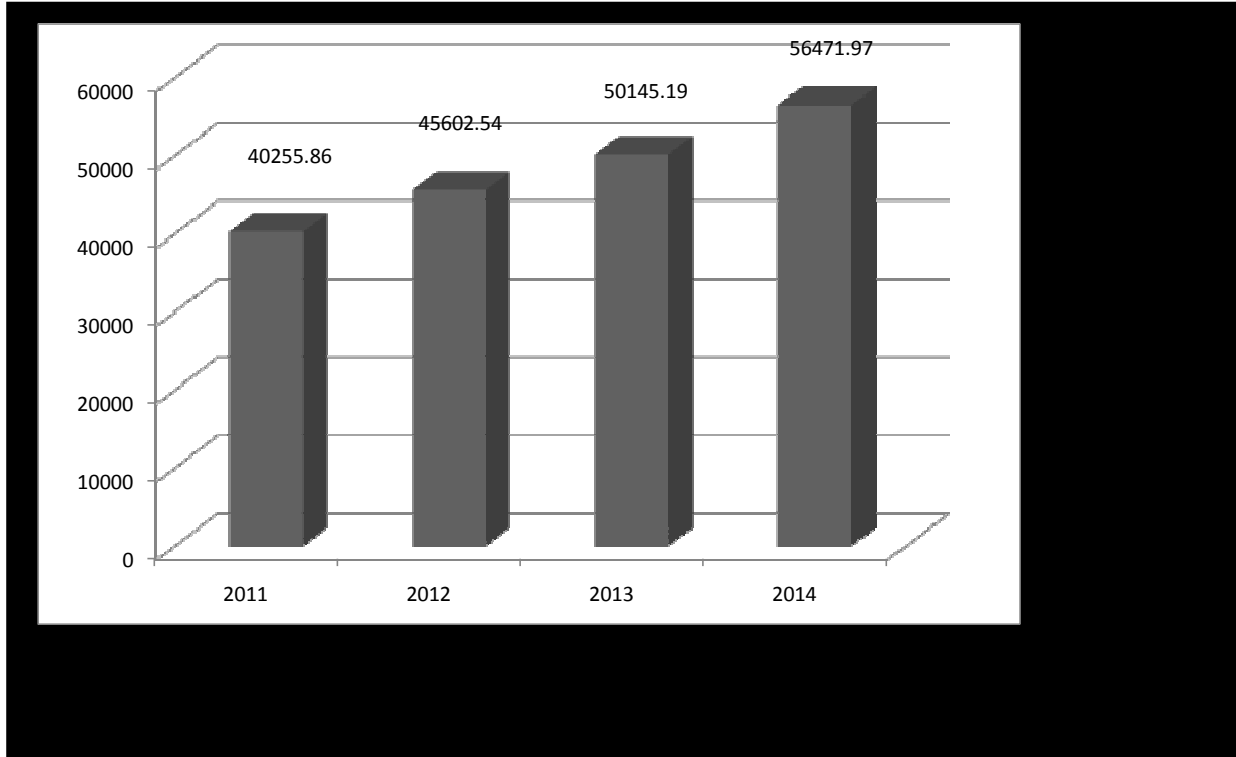
Sl. No.	Particulars	Target for 2013-14	Achieved during 2013-14 (Audited)	Total O/S as on 31.03.2014	% of Achievement	Target 2014-15
I.	Deposits	8000.00	6326.77	56471.96	79.08	9500.00
II.	Borrowings (during the year)	3000.00	3767.29	8981.91	125.57	4000.00
III.	Lending (during the year)	15000.00	6313.17	34743.99	52.08	17000.00

IV.	I n c o m e	Target for 2013-14	As on 31.03.2014	% of Achievement	Target 2014-15
a)	Interest on lending	3000.00	3193.82	106.46	3600.00
b)	Interest on investment	3100.00	2517.66	81.21	3500.00
c)	Commission & brokerage & other receipts	300.00	626.56	208.85	350.00
	Total :-	6400.00	6338.04	99.03	7450.00

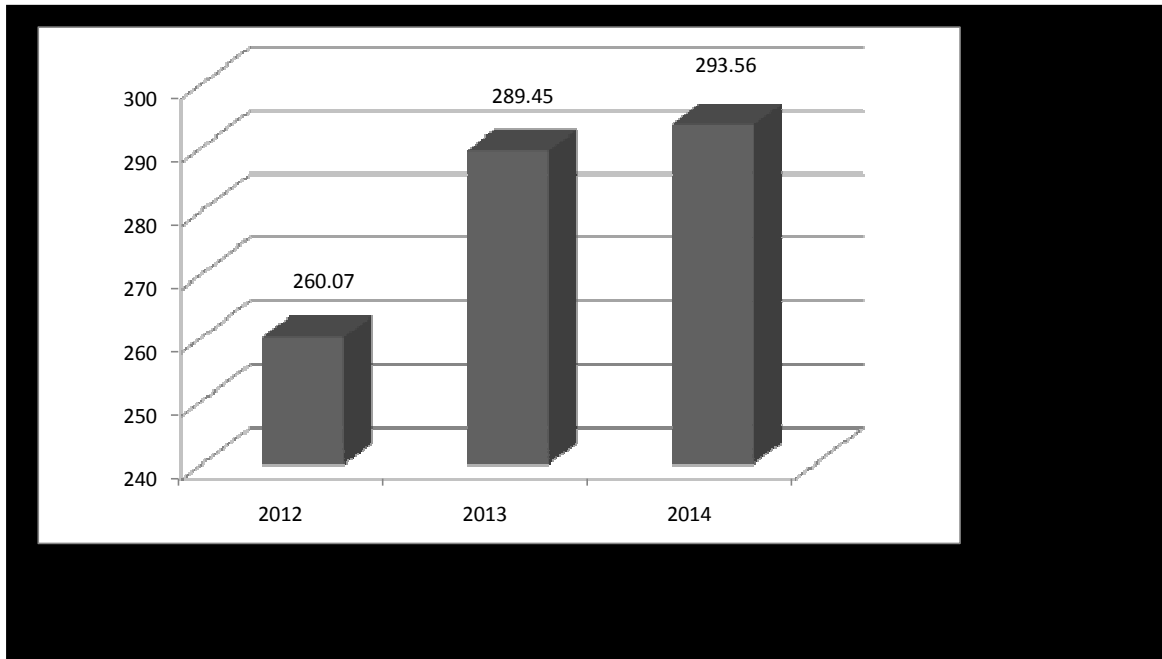
V	E x p e n d i t u r e	Target for 2013-14	As on 31.03.2014	% of Achievement	Target 2014-15
a)	Interest on deposits & borrowings	2600.00	3380.06	130.00	3500.00
b)	Salary & Allowances	1200.00	1147.38	95.61	1350.00
c)	Others /expenditure	550.00	541.14	98.38	600.00
d)	Provision for Reserves etc	1700.00	975.90	57.41	1600.00
e)	Net Profit	350.00	293.56	84.00	400.00
	Total :-	6400.00	6338.04	99.03	7450.00



ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD. DEPOSITS

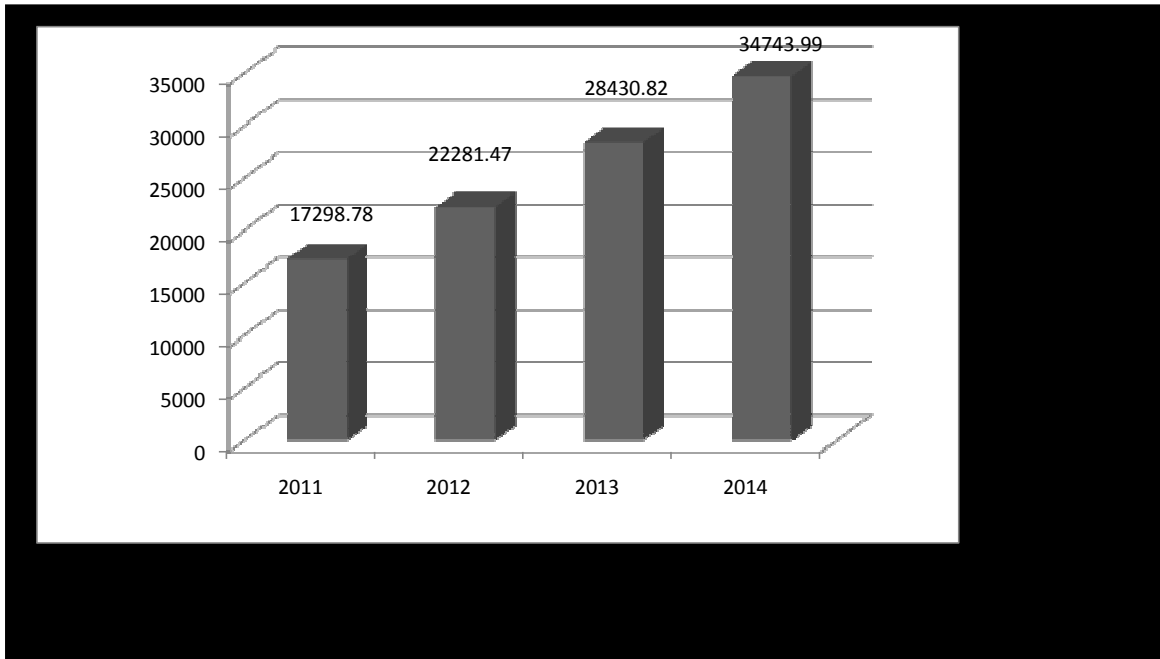


ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD. PROFITS

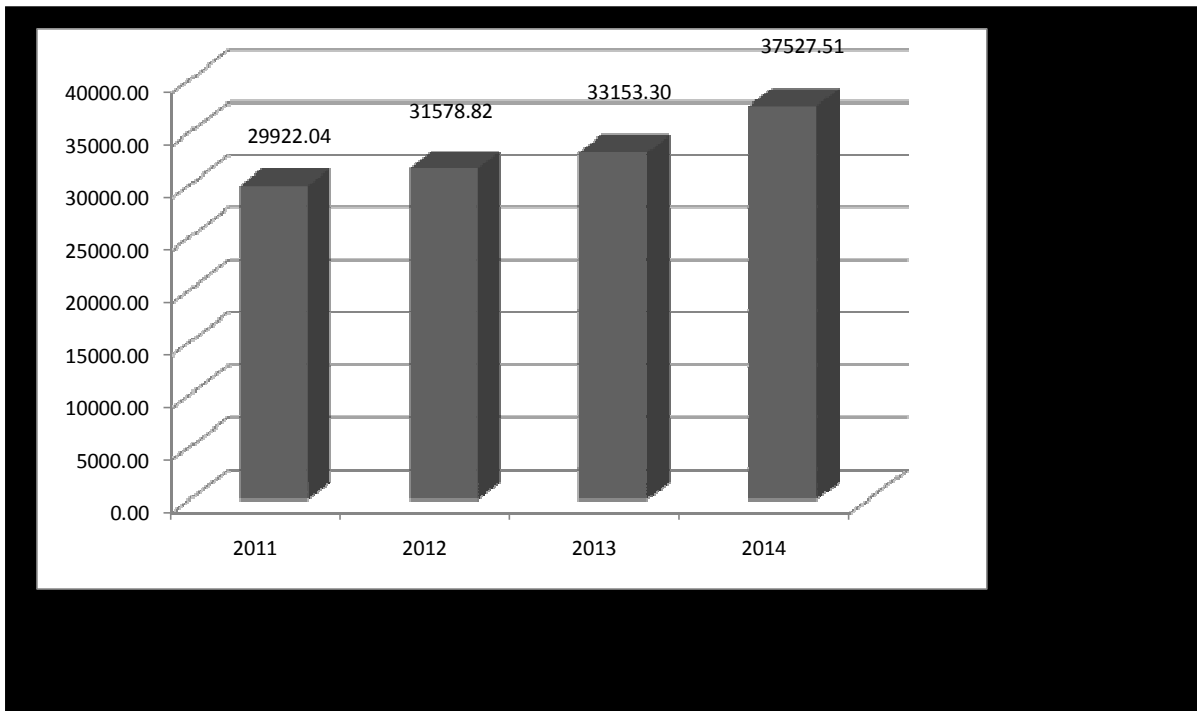




ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD. LOANS & ADVANCES

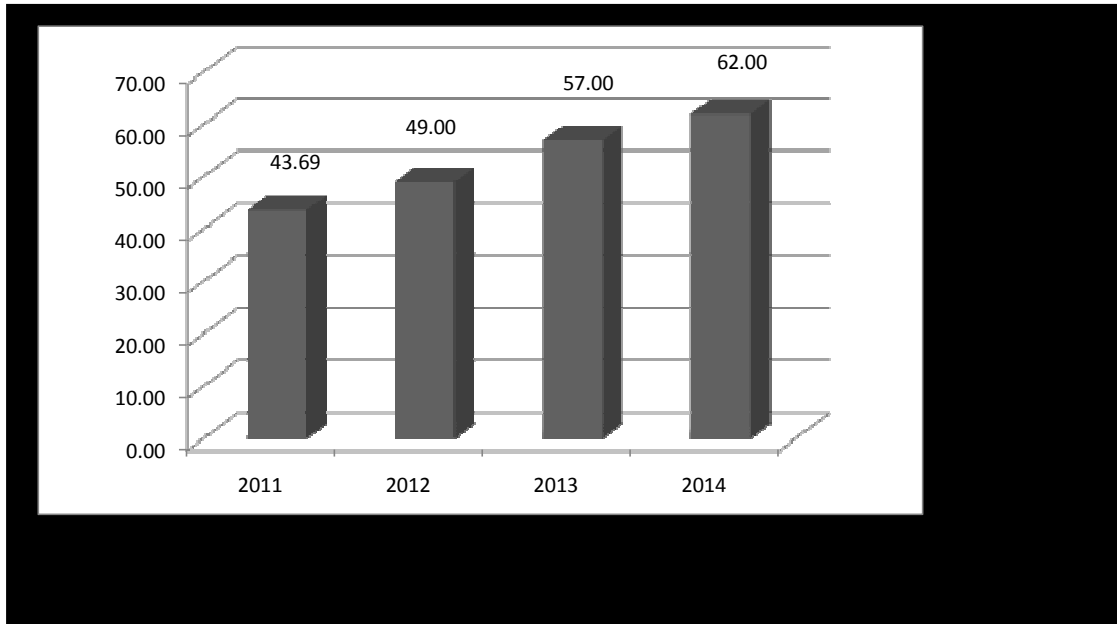


ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD. INVESTMENTS

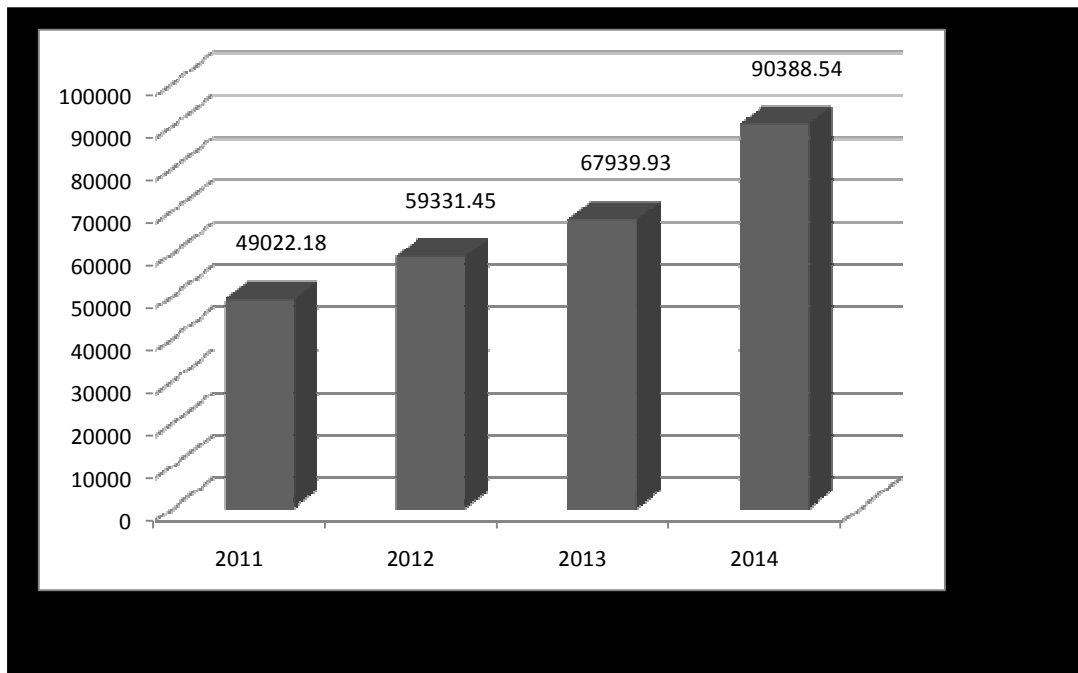




**ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD.
CD RATIO**



**ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD.
WORKING FUND**





A & N STATE COOPERATIVE BANK LTD. PORT BLAIR
COMPARATIVE FINANCIAL POSITION FOR THE LAST THREE FINANCIAL YEARS

(₹ in lakhs)

Sl No	Items	31-Mar-12	31-Mar-13	31-Mar-14
		(Audited)	(Audited)	(Audited)
A.	Liabilities			
i	Paid up capital	293.89	348.96	400.49
ii	Free Reserves	3935.72	5111.03	5285.14
iii	Provisions	3718.39	3544.99	4277.74
iv	Deposits	45602.53	50145.19	56471.96
v	Borrowings	4590.50	5214.62	8981.91
vi	Overdue Interest Provision	476.64	451.66	448.66
vii	Interest payable	485.06	474.57	147.05
viii	Other liabilities	2208.51	2186.92	13792.57
ix	Un-disbursed Profit	503.91	549.52	583.01
	TOTAL	61815.15	68027.46	90388.53
B.	Assets			
i	Cash in hand/bank balances	4259.59	3039.92	3017.31
ii	Investments and money at call and short notice	31578.82	33153.50	37550.76
iii	Loans & advances	22281.49	28430.82	34743.99
iv	Interest receivable	1517.83	1246.44	1734.80
v	Land and Buildings	245.03	246.50	661.18
vi	Furniture/Fixtures & Office Equip, etc	98.31	77.87	103.35
vii	Other assets	1834.08	1832.35	12577.14
	TOTAL	61815.15	68027.46	90388.53

**A & N STATE COOPERATIVE BANK LTD., PORT BLAIR****PROFIT AND LOSS ACCOUNT**

(₹ in lakhs)

Sl.No.	ITEMS	31.03.2012	31.03.2013	31.03.2014
		Audited	Audited	Audited
1	2	3	4	5
A	Income			
i)	Interest on advances and discount	2226.03	2503.67	3193.83
ii)	Interest and dividend on investments			
	a) Interest on Investment	2545.18	2656.50	2517.66
	b) Profit on trading	14.12	25.89	125.52
		208.99	110.83	501.03
iii)	Commission, exchange and brokerage			
B	Gross income (i+ii+iii+iv)	4994.32	5296.89	6338.04
C	Expenditure			
i)	Interest on deposits	2351.58	2603.36	2844.84
ii)	Interest on borrowings	383.83	409.08	457.62
iii)	Salaries, allowances, provident fund and gratuity	851.16	965.42	1093.20
iv)	Directors and local committee members fee and allowances	0.86	5.35	12.22
v)	Rent, taxes, insurance, lighting, etc.	108.05	108.02	113.00
vi)	Law charges	11.41	7.66	1.19
vii)	Postage, telegrams and telephone charges	2.96	2.10	4.70
viii)	Auditor's fee	1.25	1.52	1.46
ix)	Depreciation Repairs & maintenance	139.61	97.67	199.71
x)	Stationery, printing and advertisement	31.87	29.71	45.26
xi)	Loss from disposal of non-banking assets	-	-	-
xii)	Provision for			
	a) Standard assets	9.28	19.17	13.17
	b) Impaired credits	7.85	36.97	88.56
	c) Overdue interest	0.00	4.51	448.70
	d) Others	706.36	504.96	413.18
	Sub Total	723.49	565.61	966.89
xi)	Other Expenditure	128.18	211.94	298.96
D	Total Expenditure (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi)	4734.25	5007.44	5068.58
E	Operating Profit (B-D)	983.56	855.06	1269.46
G	Net Profit	260.07	289.45	293.56