



## Share Capital

**1.1** The Share capital of the Bank as on 31.03.2015 stood at ₹ 424.08 lakhs (Audited). The share capital was contributed by 'A' class share holders of societies and by 'C' and 'D' class individual share holders.

**Table 1**

(₹ in Lakhs)

| Sr. No                            | Particulars                 | 31.03.13<br>(Audited) | 31.03.14<br>(Audited) | 31.03.15<br>(Audited) |
|-----------------------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
|                                   | <b><u>Share Capital</u></b> |                       |                       |                       |
| 1                                 | Coop. Societies (A)         | 220.42                | 236.32                | 251.56                |
| 2                                 | Individuals (C)             | 0.01                  | 0.01                  | 0.01                  |
| 3                                 | Associate members (D)       | 128.53                | 164.15                | 172.51                |
|                                   | <b>Total:-</b>              | <b>348.96</b>         | <b>400.49</b>         | <b>424.08</b>         |
| <b>Growth registered : 5.89 %</b> |                             |                       |                       |                       |

## Reserves & Surplus

**1.2** The total reserves of the Bank amounted to ₹ 12663.46 lakhs as on 31.03.2015. The breakup particulars are:-

**Table 2**

(₹ in Lakhs)

| Sr. No                           | Particulars                    | 31.03.13<br>(Audited) | 31.03.14<br>( Audited) | 31.03.15<br>( Audited) |
|----------------------------------|--------------------------------|-----------------------|------------------------|------------------------|
| 1                                | Statutory Reserves             | 3731.63               | 4608.68                | 5194.42                |
| 2                                | Agri. Credit Stablisation fund | 437.64                | 534.5                  | 594.9                  |
| 3                                | Building Fund                  | 343.47                | 17.17                  | 137.17                 |
| 4                                | Bad & Doubtful Debts Reserves  | 170.80                | 120.87                 | 93.58                  |
| 5                                | Investment Diminution Reserves | 1195.19               | 795.19                 | 795.19                 |
| 6                                | Overdue Interest Reserves      | 441.69                | 890.39                 | 943.45                 |
| 7                                | Un realised Income Reserves    | 45.01                 | 133.58                 | 73.72                  |
| 8                                | Staff Training Fund            | 75.21                 | 98.67                  | 110.28                 |
| 9                                | GOI & ETF                      | 31.97                 | 31.97                  | 31.97                  |
| 10                               | Computerisation                | 192.15                | 198.36                 | 198.36                 |
| 11                               | Others                         | 2389.70               | 4298.13                | 4490.42                |
|                                  | <b>Total :-</b>                | <b>9054.46</b>        | <b>11727.51</b>        | <b>12663.46</b>        |
| <b>Growth registered: 7.98 %</b> |                                |                       |                        |                        |



**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 31.03.2013, 31.03.2014 and 31.03.2015 are furnished below:-

**Table 3**

(₹ in lakhs)

| Particulars                | 31.03.13<br>(Audited) | % to total<br>deposits | 31.03.14<br>(Audited) | % to total<br>deposits | 31.03.15<br>(Audited) | % to total<br>deposits |
|----------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|
| Current                    | 1360.19               | 2.71                   | 1,462.22              | 2.59                   | 1,328.65              | 2.18                   |
| Savings                    | 27078.55              | 54.00                  | 30,250.60             | 53.57                  | 30,041.99             | 49.37                  |
| Term<br>Deposits           | 19682.30              | 39.26                  | 24,041.06             | 42.57                  | 28,646.83             | 47.07                  |
| Others                     | 2024.15               | 4.03                   | 718.08                | 1.27                   | 837.18                | 1.38                   |
| <b>Total</b>               | <b>50145.19</b>       | <b>100.00</b>          | <b>56,471.97</b>      | <b>100.00</b>          | <b>60,854.65</b>      | <b>100.00</b>          |
| Growth registered : 7.76 % |                       |                        |                       |                        |                       |                        |

### **1.6** CASA

The Current Account Savings Account (CASA) deposit to total deposit formed about 52 % (which is higher than the National Average) as on 31.03.2015. 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 31.03.2015 amounted to ₹ 5916.10 lakhs as against ₹ 8981.91 lakhs as on 31.03.2014.
- 1.8** The details of borrowings of the bank according to the source and type are furnished below:-

**Table 4**

(₹ in lakhs)

| <b>Borrowings (O/S)</b>            | <b>As on 31.03.2014<br/>( Audited)</b> | <b>As on 31.03.2015<br/>( Audited)</b> |
|------------------------------------|--|--|
| <b>NABARD</b>                      |  |  |
| Long Term (LT)                     | 6704.60                                | 5610.76                                |
| ST SAO (Short term)                | 270.64                                 | 300.00                                 |
| MT (PODF)                          | 6.67                                   | 5.34                                   |
| Working Capital ( <b>NCDC</b> ) TL | 2000.00                                | 0.00                                   |
| <b>GRAND TOTAL</b>                 | <b>8981.91</b>                         | <b>5916.10</b>                         |

The Borrowing of the Bank has come down in the year 2014-15 due to deposit mobilization. This has help in the improvement of Cost of Fund of the bank.

- 1.9** 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 ₹ 27869.45 lakhs as on 31.03.2015. 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:-

**Table 5**

(₹ in Lakhs)

| Particulars                        | As on 31.03.13<br>(Audited) | As on 31.03.14<br>( Audited) | As on 31.03.15<br>( Audited) |
|------------------------------------|-----------------------------|------------------------------|------------------------------|
| <b>I. SLR Investments</b>          |                             |                              |                              |
| (a) Govt. securities               | 11380.87                    | 14509.33                     | 10378.85                     |
| (b) Other approved Securities      | 10508.68                    | 12255.59                     | 17490.60                     |
| <b>Total a + b</b>                 | <b>21889.55</b>             | <b>26764.92</b>              | <b>27869.45</b>              |
| <b>II. Non-SLR investment</b>      |                             |                              |                              |
| (a) Bank Bonds etc                 | 1381.50                     | 1381.50                      | 500.00                       |
| (b) Term Deposits with banks       | 9882.45                     | 9381.09                      | 10215.42                     |
| (C) Money at Call and Short Notice | 1.32                        | 23.26                        | 19.38                        |
| <b>Total a + b +c</b>              | <b>11265.27</b>             | <b>10785.85</b>              | <b>10734.80</b>              |
| <b>Total Investment</b>            | <b>33154.82</b>             | <b>37550.77</b>              | <b>38604.25</b>              |



## LOANS AND ADVANCES

**2.3** The total loans and advances outstanding as on 31.03.2015 amounted to ₹ 35546.40 lakhs as against ₹ 34329.74 lakhs in the previous year, thereby, registering a remarkable growth of 22 %. The CD ratio of the bank as on 31.03.2014 was 58 %. The sectoral deployment of advances are furnished below:-

**Table 6**

(₹ in Lakhs)

| SL. No. | Purpose   | Outstanding (O/s) As On |                                   |                          |
|---------|---|-------------------------|-----------------------------------|--------------------------|
|         |   | 31.03.2013<br>(Audited) | 31.03.2014<br>(Audited )          | 31.03.2015<br>(Audited ) |
| 1       | <b>Short-term</b> for Seasonal Agricultural Operation (SAO) | 743.06                  | 926.36                            | 958.09                   |
|         | b) Other purposes   |                         |                                   | 271.07                   |
| 2       | <b>Medium-term</b> loans for                                |                         |                                   |                          |
|         | a) Agricultural purposes                                    | 339.04                  | 343.44                            | 242.37                   |
|         | b) Other purposes   | 3526.11                 | 4782.41                           | 4734.15                  |
| 3       | <b>Long-term</b> loans for                                  |                         |                                   |                          |
|         | a) Agricultural purposes                                    | 134.18                  | 345.96                            | 308.62                   |
|         | b) Other purposes   | 3600.05                 | 4320.56                           | 4525.34                  |
| 4       | Consortium  | 2500.00                 | 4500.00                           | 6,500.00                 |
| 5       | Advances against Deposits                                   | 339.38                  | 327.71                            | 376.90                   |
| 6       | Gold Loans  | 8784.15                 | 8288.99                           | 5,182.96                 |
| 7       | Overdrafts  | 8464.85                 | 10494.31                          | 12446.90                 |
|         | <b>Total:-</b>  | <b>28430.82</b>         | <b>34329.74</b>                   | <b>35546.40</b>          |
|         |   |                         | <b>Growth registered : 3.54 %</b> |                          |

**2.4** The bank has registered a growth of 25 % in ST SAO meant for agricultural operations. The Food Credit Consortium was raised from ₹ 6500.00 lakhs during the year 2014-15 as against ₹ 4500.00 lakhs during 2013-14, thus registered a growth of 44 %.

**2.5** 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.

- 2.6** 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 58 % as against UT's CD ratio of 42 %.

### **Agricultural Advances**

- 2.7** The total loans outstanding under Agriculture activities as on 31.03.2015 stood at ₹ 955.67 lakhs.

### **Kisan Credit Card (KCC)**

- 2.8** 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 2014-15, the bank issued additional 272 nos. of Kisan Credit cards to the farmer members, amounting to ₹ 131.83 lakhs.



## Other Agricultural Advances

**2.9** 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 ₹ 305.22 lakhs during 2014-15, which include power tillers to various farmers of these islands.

## Formation and Credit-Linkage of Self Help Groups

**2.10** 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 2014-15 is described below as:-

### STATUS OF CREDIT LINKAGE OF SHGs DURING THE YEAR 2014-15

**Table 7**

| S.No.                                      | District / Area        | No. of SHGs-credit linked | Loan (in ₹ Lakhs) |
|--|------------------------|---------------------------|-------------------|
| <b>A. FIRST LOAN (First Linkage)</b>       |                        |                           |                   |
| 1  | South Andaman District | 100                       | 314.77            |
| 2  | N & M Andaman District | 37                        | 16.57             |
| 3  | Nicobar District       | 1                         | 0.50              |
| <b>TOTAL (A)</b>                           |                        | 138                       | 331.84            |
| <b>B. REPEATED LOAN (Repeated Linkage)</b> |                        |                           |                   |
| 1  | South Andaman District | 97                        | 48.05             |
| 2  | N & M Andaman District | 09                        | 14.60             |
| 3  | Nicobar District       | 00                        | 0.00              |
| <b>TOTAL (B)</b>                           |                        | 160                       | 62.65             |
| <b>GRAND TOTAL (A+B)</b>                   |                        | 244                       | 394.49            |

During the year 2014-15, the Bank had credit linked 244 SHGs to the tune of ₹ 394.49 lakhs.



## **VARIOUS GOVT. SPONSORED SCHEMES**

### **General Purpose Credit Card (GCC)**

**2.11** 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 ₹ 87.71 lakhs upto 31.03.2015 to 352 beneficiaries

### **Prime Minister's Employment Generation Programme (PMEGP)**

**2.12** The Bank has disbursed credit facilities to the tune of ₹ 167.49 lakhs upto 31.03.2015. The Bank issued PMEGP Loans to 96 nos. of beneficiaries during 2014-15. 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.

### **Swarojgar Credit Card (SCC)**

**2.13** 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 ₹ 2.80 lakhs to 12 beneficiaries during 2014-15.





## **Pradhan Mantri Jan Dhan Yojana (PMJDY)**

**2.14** The Hon'ble Prime Minister Shri. Narendra Modi in his Independence Day speech on 15<sup>th</sup> August 2014 has announced that Pradhan Mantri Jan Dhan Yojna (PMJDY) will be launched as 1<sup>st</sup> 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 14000 accounts were opened by A & N State Coop. Bank under the PMJDY scheme till August 2015.

## **Pradhan Mantri Suraksha Bima Yojana (PMSBY & PMJJBY)**

The Pradhan Mantri Suraksha Bima Yojna (PMSBY) & Pradhan Mantri Jeevan Jyothi Bima Yojna (PMJJBY) are the two new Insurance schemes of Social Security launched on 9th May, 2015 by Hon'ble Prime Minister of India across the Nation.

The A & N State Coop. Bank has entered into an MOU with United India Insurance Co. Ltd. to provide PMSBY scheme to all its eligible Savings Account Customers. The PMSBY is basically an accidental insurance plan with a premium of Rs. 12 on an annual basis for coverage of Rs. 2.00 lakhs for accidental death. Till date, the bank has covered over 8250 customers under PMSBY scheme.



Similarly, the bank has also entered into an MOU with Life Insurance Co. Ltd. to provide PMJJBY for all its eligible SB A/c holders between the age group of 18 to 50 years. The PMJJBY is basically a life insurance plan with a premium of Rs. 330/- on an annual basis for coverage of Rs. 2.00 lakhs under any cause of death. Till date, the bank has covered over 1200 customers under PMSBY scheme.

The third Social Security scheme was Atal Pension Yojana (APY) which is a pension scheme for the unorganized sector groups. Any Indian citizen between the age group of 18 to 40 years is free to join the scheme to avail the pension benefits ranging from Rs. 1000 to Rs. 5000 after completion of 60 years. The A & N State Coop. Bank had already registered with PFRDA (Pension Fund Regulatory Development Authority) for all its 41 bank branches. The APY scheme will soon be implemented in all the branches of the bank.



## Retail Banking

**2.15** 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: -

**Table 8**

(₹ in lakhs)

| Sl. No. | Particulars                  | During 2013-14 |                | During 2014-15 |                |
|---------|------------------------------|----------------|----------------|----------------|----------------|
|         |                              | No. of Cases   | Amount         | No. of Cases   | Amount         |
| 1       | House construction & repairs | 264            | 755.60         | 32             | 279.50         |
| 2       | Education                    | 9              | 102.95         | 0              | 0.00           |
| 3       | Vehicle / Vessels            | 23             | 477.26         | 6              | 28.53          |
| 4       | Medical                      | 28             | 53.30          | 18             | 45.50          |
| 5       | Consumption /Personal        | 409            | 989.75         | 321            | 1361.00        |
|         | <b>Total :-</b>              | <b>733</b>     | <b>2378.86</b> | <b>377</b>     | <b>1714.73</b> |

## Gold Loan

**2.16** 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 issued gold loans to the tune of ₹ 5182.96 lakhs during 2014-15.

## Housing Activities

**2.17** The Bank continued its finances for shopping complex and commercial buildings and residential buildings. During the year 2014-15, the bank had advanced ₹ 279.50 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 60 % as on 31.03.2015. Due to constant and coercive recovery process the standard assets of the bank was increased by ₹ 2050.00 Lakhs, registering a growth of 8.33%.

The NPA is reduced by Rs. 1246.00 lakhs and the % of provision made to Provision required is 176 %. **The % Net NPA was registered at 16.05 % as on 31.03.2015 as compared to 17.30 % as on 31.03.2014.**

### **LOK ADALAT, ARBITRATION, EP & SECURITISATION CASES ON 31.03.2015**

**Table 9**

| No of cases | Amt involved | Cases settled |         | Amt waived |        | Recovery |        | Of which fully closed |        | Balance |         |
|-------------|--------------|---------------|---------|------------|--------|----------|--------|-----------------------|--------|---------|---------|
|             |              | No            | Amt     | No         | Amt    | No       | Amt    | No                    | Amt    | No      | Amt     |
| 174         | 1630.03      | 172           | 1267.30 | 167        | 361.72 | 108      | 814.81 | 98                    | 201.70 | 74      | 1065.58 |

### **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.

**Table 10****Arbitration, EP, Securitisation & DRT Cases**

| Particulars                                | Arbitration Cases |         | EP Cases     |        | Securitisation cases |         | DRT Cases    |        |
|--|-------------------|---------|--------------|--------|----------------------|---------|--------------|--------|
|  | No. of cases      | Amount  | No. of cases | Amount | No. of cases         | Amount  | No. of cases | Amount |
| Cases pending at the beginning of the year | 91                | 1460.03 | 71           | 199.02 | 54                   | 2887.19 | 04           | 89.04  |
| Cases filed during the year                | 21                | 50.24   | 2            | 17.6   | 22                   | 277.35  | -            | -      |
| Cases disposed off during the year         | 9                 | 17.85   | -            | -      | 17                   | 32.24   | -            | -      |
| Cases pending at the end of the year       | 103               | 1492.42 | 73           | 216.62 | 59                   | 3132.30 | 04           | 89.04  |



## PROFITABILITY

**4.1** The bank had earned a net Profit of ₹ 4.44 crores during 2014-15 as against the net profit of ₹ 2.93 crores during 2013-14, registering a growth of 51 %. The Bank earned an operating profit of ₹ 786.65 Lakhs as on 31.03.2015. The % of Net Interest Margin (NIM) is registered at 3.22%.

**4.2** The Average Working Fund as on 31.03.2015 is 79651.88 lakhs. The Net Interest Income (NII) is 2529.02 lakhs and the Net Interest Income (%) is 3.57.

The various profitability ratios are as under:-

**Table 11**

| <b>Particulars</b>   | <b>2012-13<br/>(Audited)</b> | <b>2013-14<br/>(Audited)</b> | <b>2014-15<br/>(Audited)</b> |
|--|------------------------------|------------------------------|------------------------------|
| Interest income as a percentage of gross income            | 97.42                        | 90.11                        | 95.57                        |
| Other income as a percentage of gross income               | 2.58                         | 9.89                         | 4.43                         |
| Interest paid on deposits/ borrowings to gross income      | 56.87                        | 53.33                        | 57.72                        |
| Interest paid on deposits/ borrowings to total expenditure | 60.16                        | 66.69                        | 65.11                        |
| Weighted average cost of funds                             | 4.80                         | 4.63                         | 5.03                         |
| Weighted average yield on funds                            | 8.03                         | 8.10                         | 8.32                         |
| Financial Margin   | 3.24                         | 3.47                         | 3.30                         |



## GENERAL FUNDAMANTALS

### Management and Meetings

**5.1** During the year 2014-15, 08 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 2014-15 were audited by M/s Roy & Bagchi, Chartered Accountants. The NABARD had conducted its XXI statutory inspection of the bank from with reference to its financial position as on 31st March, 2014.

## **Compliance Review**

**5.4** The NABARD inspection team in its Inspection Report 2014 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 2014-2015 is yet to commence.



**ROY & BAGCHI**  
**Chartered Accountants**

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**ANDAMANS**  
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## AUDITORS REPORT FOR 2014-2015 TO THE SHARE HOLDERS AND MANAGEMENT

We have audited the Balance Sheet of the Andaman & Nicobar State Cooperative Bank Ltd., 98 Maulana Azad Road, Port Blair as at 31<sup>st</sup> March, 2015 and its profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the cooperative society's management. Our responsibility is to express an opinion on the financial statement based on our audit report. An audit also includes examination on test check basis, evidence supporting of the amounts and disclosures in the financial statement. We believe that our audit provides a reasonable for our opinion.

We have obtained all relevant records, information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account as required by the Regulation, Bye- Laws and Rules of the co-operative Society have been kept and regularly maintained by the Co-operative Society, so far as, it appears from our examination of such records. The aforesaid Balance Sheet and Profit and Loss Account are in agreement with the books of account and returns of the Co- Operative Society; and

In our opinion and to the best of our information and explanations as given to us, the Balance Sheet and Profit and Loss Account of the Society read with the subject to our notes and remarks on Accounts and other annexure in Annual Report of the Society as required by the regulation give a true and fair view.

In case of Balance Sheet, the state of the affairs of the Co- operative Society as at 31<sup>st</sup> March 2015 and,

In case of the Profit and Loss Account, the profit for the year ended on that date.

For Roy & Bagchi  
Chartered Accountants

(S S Kundu)  
Partner

Membership No.051441

Place: Port Blair  
Dated: 27<sup>th</sup> August 2015

Head Office: 1 A, Raja Subodh Mullick Square, 3<sup>rd</sup> floor, Kolkata – 700 013, Phone: 2236-8172, Fax No. (033) 2225 2338  
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## **BANK'S KEY STRATEGIC INITIATIVES**

### **6.1 Opening of CBS (Core Banking Branches) 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 branches w.e.f. 18<sup>th</sup> March, 2013. The Bank has also opened its 12 new branches under CBS platform in the month of March 2015 at places viz. Burmanallah, Chouldari, Wandoor, Dollygunj, Junglighat, Nimbutala, Betapur, Long Island, Karmatang (MGG College), Kishorinagar, Chowra & Kamorta. The total no. of CBS branches as on date is 41.

### **ANSCB ATMs (Automated Teller Machine)**

**6.2** The A & N State Cooperative Bank has opened its' ATM services at Port Blair, Garacharma I, Rangat, Diglipur, etc for the customers with 'RUPAY' branded ATM-cum-Debit cards. 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.

**6.3** The Rupay KCC Debit card project of the bank is presently under process and shall be completed shortly in due course of time. The Bank has also planned to introduce Micro ATMs at rural areas as well as POS Debit for its Rupay Debit Cards in forthcoming days for its customers.



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

**6.4** 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 ₹ 69.56 lakhs to the DICGC towards advance premium for the year 2014-15. The A & N State Coop. Bank had ensured payment of DICGC premium well in time.

### **SETTLEMENT OF DEATH CLAIMS**

**6.5** The claims preferred by the legal heirs of the deceased of your Bank are settled in time. During the year 2014-15, the Bank has settled a considerable number of cases. A total of 225 cases amounting to ₹ 418.00 lakhs have been settled and paid to the claimants.

### **STAFF TRAINING FOR DEVELOPMENT & GROWTH** **(Training of Staff Members of A & N SCB)**

**6.6** 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.

**6.7** The Bank has created a Training Cell at its Head Office for the first time since the inception of the bank. The Training Cell used to



identify and appraise the needs of the programmes and arrange short term and Long term programmes.

During the year 2014-15, the Bank nominated over 115 no's of staff members for attending training programmes at Rajiv Gandhi Training College, NABARD, etc and 12 no's of tour programmes were held for Induction at Institutes like BIRD (Lucknow), BIRD (Mangalore), VAMNICOM (Pune), CAB (Pune), IRDBT (Hyderabad), etc during the year 2014-15.

### **CELEBRATION OF 61<sup>ST</sup> ALL INDIA COOPERATIVE WEEK 2014**

- 6.8** The 61<sup>st</sup> All India Cooperative Week was celebrated from 14<sup>th</sup> November to 20<sup>th</sup> November, 2015. The Cooperative week is the occasion to highlight the sectoral achievements, deliberate on important issues of the cooperative sector and; chalk out an effective roadmap for the further development of cooperatives in A & N Islands. There has been remarkable progress in cooperative sector with more than 1500 cooperatives with a membership of 90000 as a huge network and reach which is 100% coverage in Nicobar District. The cooperatives play a pivotal role in the mainstream of the economy of A & N Particularly in the field of rural credit, consumers, fisheries, agriculture, marketing, tourism, housing, plantations etc.
- 6.9** The valedictory function of the 61<sup>st</sup> All India Cooperative Week was held on 25.11.2015 at Dr. B R Ambedkar Auditorium, Port Blair. The Lt. Gen A K Singh, AVSM, PVSM, SM, VSM (Retd), Hon'ble Lieutenant Governor, A & N Island attended the function as the Chief Guest and distributed prizes and trophies to the winning teams and participants.



## **FUTURE PROGRAMMES OF A & N StCB**

1. 15 % Deposit Growth & 10 % growth in loans and advances.
2. Gross NPA at below 5%.
3. Commencement of Rupay KCC and Micro ATMs.
4. To cover more and more areas in rural counterparts under Financial Inclusion.
5. 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



## **APPROPRIATION OF PROFIT FOR THE YEAR 2014-15**

The Statutory Audit of the Accounts of the bank for the year 2014-15 was audited by M/s Roy & Bagchi, Chartered Accountants. The net profit earned during the year 2014-15 stood at ₹ **4,44,22,820.37** for the year 2014-15. The Allocation of Profit has been made as under as per the byelaws provisions for the year 2014-15.

**Table 12**

(Amount in ₹)

| Sl.No. | Particulars                                   | 2014-15               |
|--------|---|-----------------------|
| 1      | Statutory Reserve Fund (25%)                  | 1,11,05,705.09        |
| 2      | Coop. Education Fund (3%)                     | 13,32,684.61          |
| 3      | Agri. Credit Stabilisation Fund (15%)         | 66,63,423.05          |
| 4      | Dividend 'A' Class (10 % of Share)            | 25,15,550.00          |
| 5      | Dividend 'C' Class (10 % of Share)            | 140.00                |
| 6      | Staff Training Fund (5 ½ %)                   | 24,43,255.12          |
| 7      | Staff Welfare Fund (1 ½ %)                    | 6,66,342.30           |
| 8      | Supervisory Fund (1/2 %)                      | 2,22,114.10           |
| 9      | Building Fund                                 | 1,90,00,000.00        |
| 10     | Balance transferred to Statutory Reserve Fund | 4,73,606.10           |
|        | <b>Total</b>                                  | <b>4,44,22,820.37</b> |

**BUDGET FOR THE YEAR 2014-15****Table 13**

(₹ in lakhs)

| Sl. No. | Particulars                     | Target for 2014-15 | Achieved during 2014-15 (Audited) | Total O/S as on 31.03.2015 | % of Achievement | Target 2015-16 |
|---------|---------------------------------|--------------------|-----------------------------------|----------------------------|------------------|----------------|
| I.      | Deposits                        | 9500.00            | 4,382.68                          | 60,854.65                  | 46.13            | 6500.00        |
| II.     | Borrowings<br>(during the year) | 4000.00            | 1,300.00                          | 5,916.10                   | 32.50            | 2000.00        |
| III.    | Lending<br>(during the year)    | 17000.00           | 8,686.43                          | 35,546.40                  | 51.10            | 7500.00        |

| IV. | I n c o m e                             | Target for 2014-15 | As on 31.03.2015 | % of Achievement | Target 2015-16 |
|-----|---|--------------------|------------------|------------------|----------------|
| a)  | Interest on lending                     | 3600.00            | 4099.15          | 113.86           | 4500.00        |
| b)  | Interest on investment                  | 3500.00            | 2530.63          | 72.30            | 3500.00        |
| c)  | Commission & brokerage & other receipts | 350.00             | 307.22           | 87.77            | 400.00         |
|     | <b>Total :-</b>                         | <b>7450.00</b>     | <b>6937.00</b>   | 93.11            | <b>8400.00</b> |

| V  | E x p e n d i t u r e             | Target for 2014-15 | As on 31.03.2015 | % of Achievement | Target 2015-16 |
|----|-----------------------------------|--------------------|------------------|------------------|----------------|
| a) | Interest on deposits & borrowings | 3500.00            | 4004.36          | 114.41           | 4300.00        |
| b) | Salary & Allowances               | 1350.00            | 1410.86          | 104.51           | 2000.00        |
| c) | Others /expenditure               | 600.00             | 735.12           | 122.52           | 500.00         |
| d) | Provision for Reserves etc        | 1600.00            | 342.43           | 21.40            | 1000.00        |
| e) | Net Profit                        | 400.00             | 444.23           | 111.06           | 600.00         |
|    | <b>Total :-</b>                   | <b>7450.00</b>     | <b>6937.00</b>   | 93.11            | <b>8400.00</b> |



**A & N STATE COOPERATIVE BANK LTD. PORT BLAIR****Capital to Risk Weighted Asset Ratio (CRAR) as on 31.03.2015**

In spite of pressure on margins due to severe competition, your bank was able to improve the Capital to Risk Weighted Asset Ratio (CRAR) from 23 % to 25.54 %

**Table 14**

| <b>Part A - Capital Funds and Risk Assets Ratio</b> |   |                 |
|---|---|-----------------|
| I   | <b>Capital Funds</b>                                |                 |
| A   | <b>Tier I Capital elements</b>                      | <b>424.08</b>   |
| 1   | <b>Paid up capital</b>                              | <b>424.08</b>   |
|   | Less1   | -               |
| 1.1   | Accumulated losses                                  | -               |
| 1.2   | Deferred Tax Assets (DTA)                           | -               |
| 1.3   | Shortfall in provisions                             | -               |
| 1.4   | Shortfall in provisions for Gratuity Payable        | -               |
| 1.5   | Shortfall in provisions for Leave encashment        | -               |
| 1.6   | Other Intangible assets, if any                     | -               |
| 2   | <b>Net paid-up Capital</b>                          | <b>424.08</b>   |
| 3   | <b>Innovative Perpetual Debt Instruments (IPDI)</b> | <b>-</b>        |
| 4   | <b>Reserves and Surplus</b>                         | <b>6,794.81</b> |
| 4.1   | Statutory reserves                                  | 5,194.42        |
| 4.2   | Capital reserves (Note 2)                           | -               |
| 4.3   | Other reserves* (Specify)                           | 1,156.16        |
|   | 1. Agriculture credit stabilisation fund            | 594.90          |
|   | 2. Building fund                                    | 137.17          |
|   | 3. Staff Training fund                              | 110.28          |
|   | 4. Supervisory fund                                 | 13.44           |
|   | 5. Computerisation fund                             | 198.36          |
|   | 6. PACS Development fund                            | 50.85           |



|            |   |                  |
|------------|---|------------------|
|            | 7. Gol & Tsunami fund package   | 31.97            |
|            | 8. Study Tour fund  | 6.53             |
|            | 9. Corporate Social Dev. Fund   | 12.66            |
| 4.4        | Surplus in Profit and Loss Account (Note 3)                             | 444.23           |
| <b>5</b>   | <b>Total Tier I Capital</b>   | <b>7,218.89</b>  |
| <b>B</b>   | <b>Tier II Capital elements</b>   |                  |
| 1          | Revaluation reserves (Note 4)   | 61.51            |
| 2          | General provisions and loss reserves (Note 5)                           | 107.12           |
| 3          | Investment fluctuation reserves/ funds                                  | -                |
| 4          | Innovative Perpetual Debt Instruments (IPDI)                            | -                |
| 5          | Long Term (Subordinated) Deposits (LTDs)                                | -                |
| 6          | HEAD ROOM DEDUCTION   | -                |
| <b>7</b>   | <b>Net Tier II Capital</b>  | <b>168.63</b>    |
| <b>C</b>   | <b>Total Capital (Tier I + Tier II)</b>                                 | <b>7,387.52</b>  |
| <b>II</b>  | <b>Risk Assets</b>  |                  |
| 1          | Adjusted value of funded risk assets i.e. on Balance Sheet items        | 28,606.09        |
| 2          | Adjusted value of non-funded and off-Balance Sheet items                | 316.97           |
| <b>3</b>   | <b>Total Risk Weighted Assets</b>                                       | <b>28,923.06</b> |
| <b>III</b> | <b>Percentage of Capital Funds to Risk Weighted Assets (I/II * 100)</b> | <b>25.54</b>     |



**Andaman & Nicobar State Cooperative Bank Ltd.**  
**COMPARATIVE BALANCE SHEET FOR THE LAST THREE FINANCIAL YEARS**

**Table 15**

(₹ in lakhs)

| Sl No     | Items  | 31-Mar-13       | 31-Mar-14        | 31-Mar-15        |
|-----------|--|-----------------|------------------|------------------|
|           |  | (Audited)       | (Audited)        | (Audited)        |
| <b>A.</b> | <b>Liabilities</b>                             |                 |                  |                  |
| i         | Paid up capital                                | 348.96          | 400.49           | 424.08           |
| ii        | Free Reserves                                  | 5111.03         | 7,287.44         | 8,241.50         |
| iii       | Provisions                                     | 3544.99         | 3,549.67         | 3,478.49         |
| iv        | Deposits                                       | 50145.19        | 56,471.97        | 60,854.65        |
| v         | Borrowings                                     | 5214.62         | 8,981.91         | 5,916.10         |
| vi        | Overdue Interest Provision                     | 451.66          | 890.36           | 943.45           |
| vii       | Interest payable                               | 474.57          | 147.06           | 85.61            |
| viii      | Other liabilities                              | 2186.92         | 12,366.07        | 16,811.45        |
| ix        | Un-disbursed Profit                            | 549.52          | 293.57           | 444.23           |
|           | <b>TOTAL</b>                                   | <b>68027.46</b> | <b>90,388.54</b> | <b>97,199.56</b> |
| <b>B.</b> | <b>Assets</b>                                  |                 |                  |                  |
| i         | Cash in hand/bank balances                     | 3039.92         | 3,019.39         | 2,943.62         |
| ii        | Investments and money at call and short notice | 33153.5         | 37,550.77        | 38,604.25        |
| iii       | Loans & advances                               | 28430.82        | 34,743.99        | 35,546.40        |
| iv        | Interest receivable                            | 1246.44         | 1,734.79         | 1,615.95         |
| v         | Land and Buildings                             | 246.5           | 661.18           | 689.52           |
| vi        | Furniture/Fixtures & Office Equip, etc         | 77.87           | 103.35           | 128.93           |
| viii      | Other assets                                   | 1832.35         | 12,575.05        | 17,670.90        |
|           | <b>TOTAL</b>                                   | <b>68027.46</b> | <b>90,388.54</b> | <b>97,199.56</b> |

**Andaman & Nicobar State Cooperative Bank Ltd.****PROFIT AND LOSS ACCOUNT FOR THREE LAST YEAR FINANCIAL YEARS****Table 16**

(₹ in lakhs)

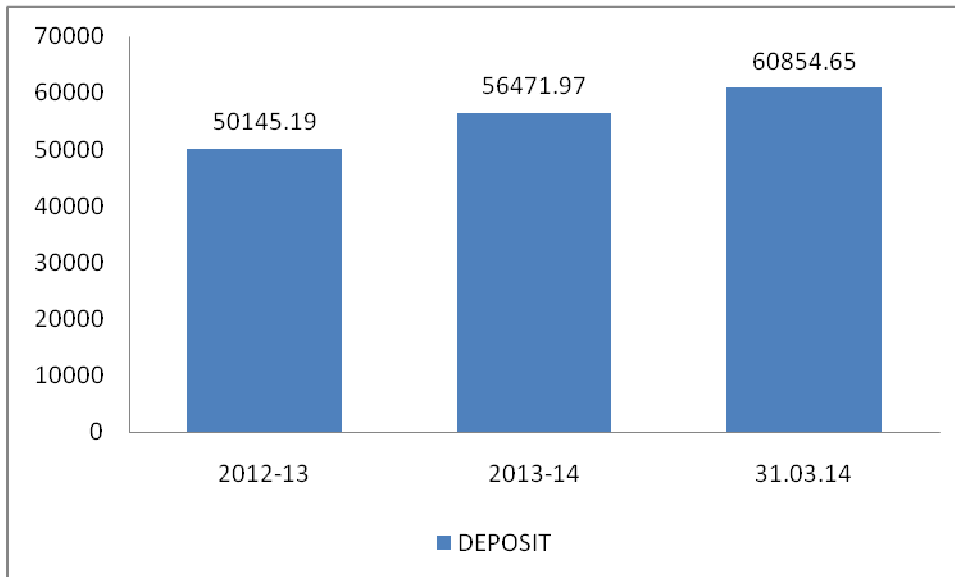
| Sl.No.       | ITEMS  | 31.03.2013     | 31.03.2014      | 31.03.2015      |
|--------------|--|----------------|-----------------|-----------------|
|              |  | Audited        | Audited         | Audited         |
| 1            | 2  | 4              | 5               | 6               |
| <b>A</b>     | <b>Income</b>  |                |                 |                 |
| <b>i)</b>    | Interest on advances and discount                            | 2503.67        | 3193.82         | 4099.15         |
| <b>ii)</b>   | Interest and dividend on investments                         |                | -               | -               |
|              | a) Interest on Investment                                    | 2656.50        | 2,517.66        | 2,530.63        |
|              | b) Profit on trading   | 25.89          | 125.52          | 218.12          |
| <b>iii)</b>  | Commission, exchange and brokerage                           | 110.83         | 501.04          | 89.10           |
| <b>B</b>     | <b>Gross income (i+ii+iii+iv)</b>                            | <b>5296.89</b> | <b>6,338.04</b> | <b>6,937.00</b> |
|              |  |                |                 |                 |
| <b>C</b>     | <b>Expenditure</b>   |                |                 |                 |
| <b>i)</b>    | Interest on deposits   | 2603.36        | 2844.84         | 3,189.08        |
| <b>ii)</b>   | Interest on borrowings                                       | 409.08         | 457.62          | 815.28          |
| <b>iii)</b>  | Salaries,allowances,provident fund and gratuity              | 965.42         | 1,147.38        | 1,410.86        |
| <b>iv)</b>   | Directors and local committee members fee and allowances     | 5.35           | 12.22           | 9.44            |
| <b>v)</b>    | Rent, taxes, insurance, lighting, etc.                       | 108.02         | 113.01          | 166.01          |
| <b>vi)</b>   | Law charges  | 7.66           | 1.20            | 1.01            |
| <b>vii)</b>  | Postage, telegrams and telephone charges                     | 2.10           | 4.69            | 5.61            |
| <b>viii)</b> | Auditor's fee  | 1.52           | 1.46            | 1.61            |
| <b>ix)</b>   | Depreciation Repairs & maintenance                           | 97.67          | 33.00           | 36.18           |
| <b>x)</b>    | Stationery, printing and advertisement                       | 29.71          | 45.26           | 68.15           |
| <b>xi)</b>   | Loss from disposal of non-banking assets                     | -              | -               | -               |
| <b>xii)</b>  | Provision for  |                |                 |                 |
|              | a) Standard assets   | 19.17          | 15.98           | -               |
|              | b) Impaired credits  | 36.97          | 88.56           | -               |
|              | c) Overdue interest  | 4.51           | 448.67          | 67.42           |
|              | d) Others  | 504.96         | 422.68          | 275.00          |
|              | Sub Total  | 565.61         | <b>975.90</b>   | <b>342.42</b>   |
| <b>xi)</b>   | Other Expenditure  | 211.94         | 407.90          | 447.10          |
| <b>D</b>     | <b>Total Expenditure (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi)</b> | <b>5007.44</b> | <b>5,068.58</b> | <b>6,150.34</b> |
| <b>E</b>     | <b>Operating Profit (B-D)</b>                                | <b>855.06</b>  | <b>1,269.46</b> | <b>786.65</b>   |
| <b>G</b>     | <b>Net Profit</b>  | <b>289.45</b>  | <b>293.57</b>   | <b>444.23</b>   |



**Graph 1**

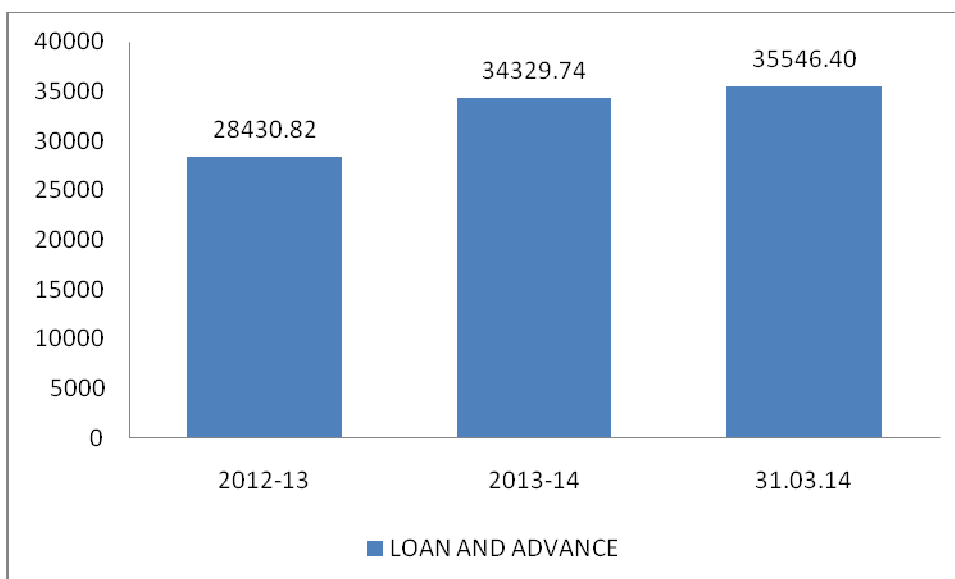


**ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD.  
DEPOSITS**



**ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD.  
LOANS & ADVANCES**

**Graph 2**

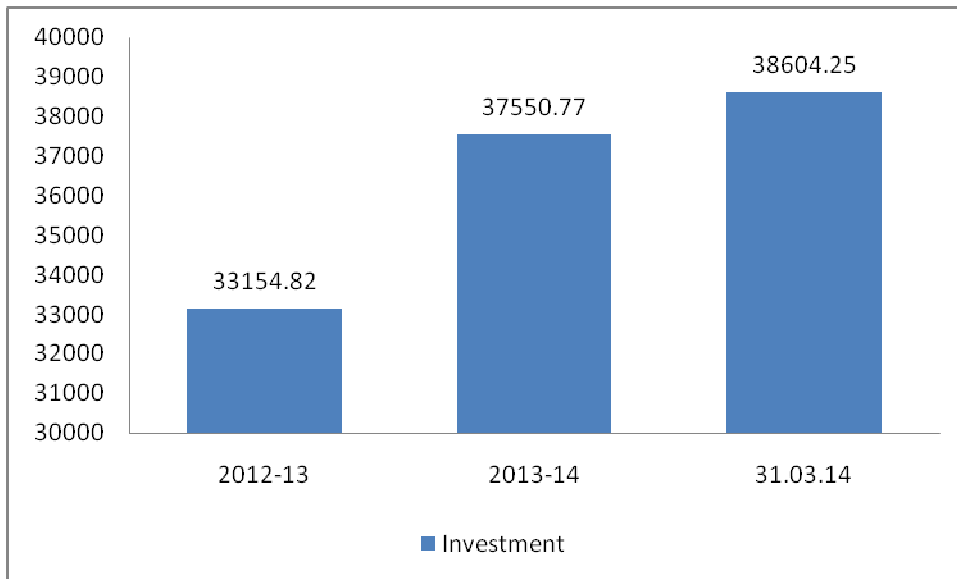




**Graph 3**

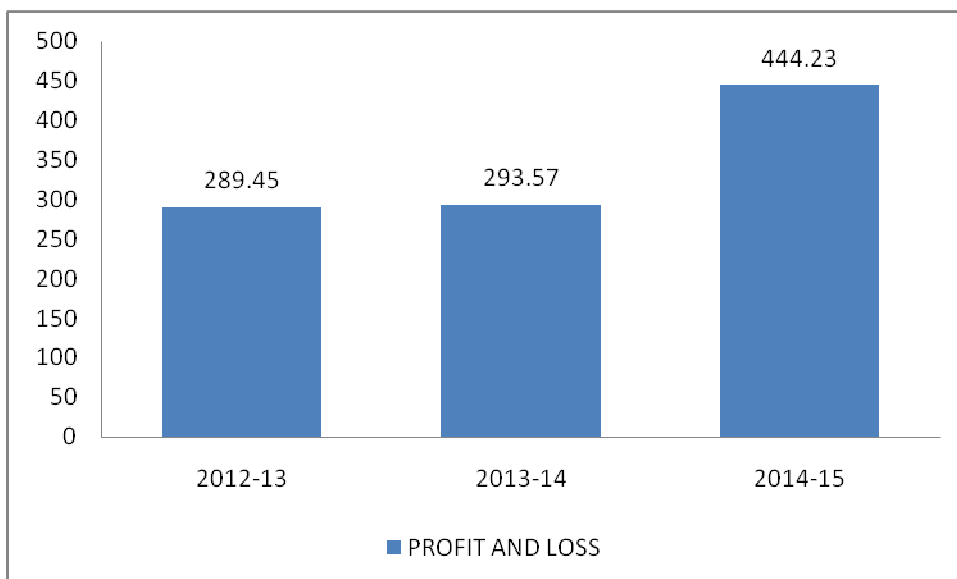


**ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD.  
INVESTMENTS**



**ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD.  
NET PROFIT**

**Graph 4**





**Graph 5**



**ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD.  
Credit to Deposit Ratio (CD RATIO)**

