



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	22	27	15	22	5	4	2	1
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	-	-	-	-
10	Allahabad Bank	1	-	1	1	-	-	-	-
11	Indian Overseas Bank	2	-	1	1	-	-	-	-
12	Vijaya Bank	1	-	1	1	-	-	-	-
13	Bank of Baroda	1	1	1	1	-	-	-	-
14	Axis Bank Ltd.	3	15	2	14	1	1	-	-
15	Central Bank of India	1	-	1	1	-	-	-	-
16	HDFC Bank Ltd.	1	1	1	1	-	-	-	-
17	Bank of India	1	1	1	1	-	-	-	-
18	ICICI Bank	1	1	1	1	-	-	-	-
19	TMB Ltd.	1	1	1	1	-	-	-	-
	TOTAL	81	69	56	63	17	9	7	1



**ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD.,
HEAD OFFICE: 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
Representative of Satya Service Coop. Society
Ltd.

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

10. Shri. S. Athirstavel
General Manager, NABARD
(Nominated Director)

MANAGING DIRECTOR

11. a) Shri. P. Kunjumon (Upto 31.05.2012)
b) Shri. Ravinder Rao (W.e.f. 01.06.2012)

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

Shri. Ravinder Rao	MANAGING DIRECTOR
Shri. K. Murugan	GENERAL MANAGER (Dev)

DEPUTY GENERAL MANAGERS

Shri. Thomas Daniel	DGM (A & I)
Shri. T Subramaniam	DGM (Plg & Dev)/ N & M
Shri. S A Khaliq	DGM (SA, Regional Off.)
Smt. Jolly James	DGM (IT)
Shri. Anjan Sengupta	DGM (Bkg & Opn.)
Shri. P S K Kumar	EPS to CHAIRMAN
Shri. M K Rajan Kunju	DGM (F & A)

SUPERANNUATION DURING THE YEAR (2012-13)

NAME OF THE EMPLOYEE	DESIGNATION / BRANCH	DATE OF SUPERANNUATION
Shri. B P Singh	Daftary, H.O	30.04.2012
Shri. P Kunjumon	Managing Director	31.05.2012
Shri. P. C. Das	Manager, Tushnabad Br.	31.05.2012
Shri. Mohd. Ali	Peon, Wimberlygunj Br.	30.06.2012
Shri. Habibullah	Peon, Garacharma I Br.	31.07.2012
Smt. Alice Paul	AGM, Haddo Branch	31.10.2012
Smt. T A Lizzy	AGM, Diglipur Br.	30.11.2012
Shri. John Thomas	DGM, N & M Andaman	30.11.2012

The Management highly appreciated their contribution to the bank.



MISSION

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**

Under Certificate of Posting

NOTICE

Notice is hereby given to all the members that the 47th Annual General Body meeting of the Andaman & Nicobar State Cooperative Bank Ltd., Port Blair will be held **on 2nd June, 2013 at 10.00 am in the conference hall of Hotel Megapode Nest, Port Blair** to transact the following business:-

1. To read and confirm the proceedings of the last general body meeting held on 22nd April, 2012.
2. To present the Annual Report 2013.
3. To adopt the Audit Report and rectification report thereof for the year 2011-12.
4. To appropriate profit for the year 2011-12.
5. To appoint Statutory Auditor (CA firm) for audit of the bank for the year 2012-13.
6. Amendment of bye-law.
7. To pass the budget for the year 2013-14.
8. Other items, if any.

*By order of the Board
Sd/-*

**Managing Director
F.No.SCB/AGM/2013/116**

**Port Blair
Dated: 15/05/2013**

Note:

- 1) Please note that the member societies who cleared the entire overdue (principal and interest) on **18/05/2013** 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 Coop. Bank Ltd., Port Blair four (4) days in advance of the meeting.

To
President /Secretary
.....Society Ltd.
Through the Branch Managers Concerned



ANNUAL REPORT 2013

Dear Esteemed Share holders,

On behalf of the Board of Directors of the Bank, it is indeed a privilege to present the Annual Report of your premier financial institution of these Islands as on 31.03.2013 (Unaudited).

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.

It gives me great pleasure to place before you the highlights of your Bank's performance during the financial year 2012-13. 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.

ECONOMIC SCENARIO

The global growth environment has remained challenging due to the Euro zone sovereign debt crisis, volatile oil prices and fragile growth in most countries. Though India's GDP growth in FY'12 was one of the best in the world, there are concerns about the state of the economy. Inflation has moderated but remains above tolerance levels and growth has slowed perceptibly. The high twin deficits namely current account deficit and fiscal deficit, combined with elevated inflation, particularly food inflation, pose risks to growth. In this millennium, India's GDP has slowed to 6.5% in FY'12 after growing at 8.4% in FY'11.



As you are aware, Indian banking scenario is encouraging and positive, Your Bank has registered a loan growth of 30 % and a deposit growth of 20 % respectively. In the coming years, your Bank's main thrust will be on retail, and, as shown by our achievements, we are well positioned to meet the competition ahead. Overall, the Bank will remain vigilant to the new opportunities and challenges as the current economic environment warrants greater prudence. It will be our endeavor to bring all technological advancements in the banking operations to reap its benefit to the Islanders.

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



Share Capital

1.1 The Share capital of the Bank as on 31.03.2013 stood at ` 348.96 lakhs (unaudited). 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	31.03.11 (Audited)	31.03.12 (Audited)	31.03.13 (Unaudited)
	Share Capital			
1	Coop. Societies (A)	165.84	175.79	220.42
2	Individuals (C)	0.01	0.01	0.01
3	Associate members (D)	112.53	118.09	128.53
	Total:-	278.38	293.89	348.96
Growth registered : 18.73 %				

Reserves & Surplus

1.2 The total reserves of the Bank amounted to ` 9107.65 lakhs as on 31.03.2013. The breakup particulars are:-

Sr. No	Particulars	31.03.11 (Audited)	31.03.12 (Audited)	31.03.13 (Unaudited)
1	Statutory Reserves	3023.71	3275.11	3731.63
2	Agri. Credit Stablisation fund	347.15	389.91	437.64
3	Building Fund	278.50	270.70	343.46
4	Bad & Doubtful Debts Reserves	120.80	120.80	113.03
5	Investment Diminution Reserves	1195.19	1195.19	1195.19
6	Overdue Interest Reserves	446.25	437.18	451.66
7	Un realised Income Reserves	50.36	39.46	39.46
8	Staff Training Fund	56.44	66.84	75.21
9	GOI & ETF	31.97	31.97	31.97
10	Computerisation	202.63	206.87	213.87
11	Others	1781.44	2206.90	2474.53
	Total :-	7534.44	8240.93	9107.65
Growth registered: 10.51 %				

(in Lakhs)



- 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

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 31.03.11, 31.03.12 and 31.03.13 are furnished below:-

(` in lakhs)

Particulars	31.03.11 (Audited)	% to total deposits	31.03.12 (Audited)	% to total deposits	31.03.13 (Unaudited)	% to total deposits
Current	1550.26	3.85	1548.20	3.40	1360.19	2.71
Savings	20257.20	50.32	24365.21	53.43	27078.55	54.00
Term Deposits	18207.05	45.24	17849.84	39.14	19682.30	39.26
Others	241.34	0.59	1839.28	4.03	2024.15	4.03
Total	40255.86	100.00	45602.53	100.00	50145.19	100.00
Growth registered : 9.96 %						

The source-wise break-up of deposits is detailed below:-

(` in lakhs)

Particulars	31.03.11 (audited)	% to total deposits	31.03.12 (audited)	% to total deposits	31.03.13 (Unaudited)	% to total deposits
Cooperatives	1199.04	1.66	823.26	1.81	816.50	1.63
Individuals	39056.82	98.34	44778.93	98.19	49328.69	98.37
Total	40255.86	100.00	45602.54	100.00	50145.19	100.00

1.6 CASA



The **Current Account Savings Account (CASA)** deposit to total deposit formed about **56.71 %** (higher in Banking Industry) as on 31.03.2013. The Bank has been trying to increase current account and 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 31.03.2013 amounted to ` 5214.62 lakhs as against ` 4590.50 lakhs as on 31.03.2012.
- 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 31.03.2012 (Audited)	As on 31.03.2013 (Unaudited)
NABARD		
Long Term (LT)	4374.50	4989.62
ST SAO (Short term)	216.00	225.00
GRAND TOTAL	4590.50	5214.62
Growth registered : 13.60 %		

- 1.9** During the year 2012-13, the bank borrowed a sum of ` 52.15 crores by way of Investment Credit Refinance as compared to previous year of ` 45.90 crores, thus, registering a growth of 12 %. Refinance support of ` 222.50 lakhs as short term credit was also availed from NABARD during 2012-13 as against ` 216.00 lakhs during 2011-12, registering a considerable growth. 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 ` 33153.50 lakhs as on 31.03.2013. 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 31.03.11 (Audited)	As on 31.03.12 (Audited)	As on 31.03.13 (Unaudited)
I. SLR Investments			
(a) Govt. securities	14389.25	14871.35	11380.87
(b) Other approved Securities	5294.28	6196.20	10508.68
Total a + b	19683.53	21067.55	21889.55



II. Non-SLR investment			
(a) Bank Bonds etc	2400.75	1381.50	1381.50
(b) Term Deposits with banks	7837.76	9129.77	9882.45
Total a + b	10238.51	10511.27	11263.95
Total Investment	29922.04	31578.82	33153.50

2.3 The investments of the Bank formed 52% of the total assets as on 31.03.2013.

2.4 The provision held by the Bank under Investment Diminution Reserve stood at ` 1195.19 lakhs, as on 31.03.2013.

LOANS AND ADVANCES

2.5 The total loans and advances outstanding as on 31.03.2013 amounted to ` 28430.81 lakhs as against ` 22281.47 lakhs in the previous year, thereby, registering a remarkable growth of 28 %. **The CD ratio of the bank as on 31.03.2013 was 57 %.** The sectoral deployment of advances are furnished below:-

(` in Lakhs)

SL. No.	Purpose	Outstanding (O/s) As On		
		31.03.2011 (Audited)	31.03.2012 (Audited)	31.03.2013
1	Short-term for Seasonal Agricultural Operation (SAO)	280.40	323.45	743.06
2	Medium-term loans for			
	a) Agricultural purposes	113.57	176.76	339.0
	b) Other purposes	1457.23	2402.51	3526.11
3	Long-term loans for			
	a) Agricultural purposes	212.39	172.65	134.18
	b) Other purposes	2884.61	3032.00	3334.34
4	Consortium	1000.00	1500.00	2500.00
5	Advances against Deposits	582.44	425.46	339.38
6	Gold Loans	3944.59	6914.92	8784.15
7	Overdrafts	6809.93	7215.60	8464.85



8	Bills purchased & Discounted	13.62	2.94	2.65
	Total:-	17298.78	22281.47	28430.81
Growth registered : 28.00 %				

2.6 The bank has registered a growth of 130 % in ST SAO meant for agricultural operations. The Food Credit Consortium to the tune of ` 2500.00 lakhs during the year 2012-13 as against ` 1500.00 lakhs during 2011-12 has registered a growth of 66.66 %.

2.7 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.

2.8 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 57 % as against UT's CD ratio of 42 %.

Agricultural Advances

2.9 The total loans outstanding under Agriculture activities as on 31.03.2013 stood at ` 743.06 lakhs.

Kisan Credit Card (KCC)

2.10 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 2012-13, the bank issued additional 1089 nos. of Kisan Credit cards to the farmer members, amounting to ` 706.37 lakhs as against 438 nos. of KCC amounting to an amount of ` 157.72 lakhs in the year 2011-12, thus registering a growth rate of 348 %.

Other Agricultural Advances

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 ` 339.04 lakhs during 2012-13, 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 2012-13 is described below as:-

STATUS OF CREDIT LINKAGE OF SHGs DURING THE YEAR 2012-13

S.No.	District / Area	No. of SHGs-credit linked	Loan (in ` Lakhs)
-------	-----------------	---------------------------	-------------------



A. FIRST LOAN (First Linkage)			
1	South Andaman District	96	79.65
2	N & M Andaman District	41	14.20
3	Nicobar District	0	0
TOTAL (A)		137	93.85
B. REPEATED LOAN (Repeated Linkage)			
1	South Andaman District	108	262.50
2	N & M Andaman District	31	33.92
3	Nicobar District	0	0
TOTAL (B)		139	296.42
GRAND TOTAL (A+B)		276	390.27

During the year 2012-13, the Bank had credit linked 276 SHGs to the tune of ` 390.27 lakhs as against 241 nos. of SHGs amounting to ` 359.92 during 2011-12, registering a growth of 8.4 % 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 ` 57.98 lakhs as on 31.03.2013. The A & N SCB disbursed credit facilities to 82 beneficiaries under the SGSY scheme during 2012-13.

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 ` 21.50 lakhs upto 31.03.2013 to 86 beneficiaries.

Prime Minister's Employment Generation Programme (PMEGP)

2.14 The Bank has disbursed credit facilities to the tune of ` 325.03 lakhs upto 31.03.2013. The Bank issued PMEGP Loans to 152 nos. of beneficiaries during 2012-13. The PMEGP scheme has been one of the key areas of the Bank in creating an wonderful opportunity to the unemployed youths of these Islands.

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 ` 6.20 lakhs to 26 beneficiaries during 2012-13.

No-Frill Account (Zero Balance A/c's) under Financial Inclusion Initiative



2.16 The Bank has a long history of supporting rural development initiatives with an objective of creating a healthy rural economy. With a view to achieve the objective of greater Financial Inclusion, the Reserve Bank of India advised all Banks to make available a basic “No- Frill A/c” either with “nil“ or with very “ low minimum balance” that would make such accounts accessible to vast sections of populations. The Reserve Bank of India now wants to connect every Indian to the country’s Banking system. The RBI is currently working on a three year Financial Inclusion plan. Since its inception, **the A & N SCB, has opened more than 24,000 nos. of A/cs** under No-Frill accounts category as against, the total of 38,000 nos. of No-Frill A/cs in the UT. The A & N SCB has altogether a share of 63 % in the total number of No Frill a/c’s opened till date.

Taking a step further, the Bank has also initiated Door Step Banking services by opening of USBs (Ultra Small Branches) and Distribution of Coop. cards to reach the remotest persons of these Islands at their door steps for their inclusive growth under the Financial inclusion initiative of RBI.

Retail Banking

2.17 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 2011-12		During 2012-13	
		No. of Cases	Amount	No. of Cases	Amount
1	House construction & repairs	107	836.99	198	450.11
2	Education	13	24.84	03	6.01
3	Vehicle / Vessels	15	732.90	04	32.56



4	Medical	8	11.80	17	17.75
5	Consumption /Personal	468	1308.72	376	894.77
	Total :-	611	2915.25	598	1401.20

Gold Loan

2.18 The Bank has been providing gold loans to the customers through its 15 branches viz. Port Blair, Haddo, Shadipur, Dairy farm, Garacharma I & II, Prothrapur, Wimberly Gunj, Bambooflat, Rangat, Mayabunder, Diglipur, Campbell Bay, Tushnabad and Kadamtala. The Bank had revised the per gram Gold Loan rate from ` 2000/- to ` 1500/-, 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 ` 7626.94 lakhs during 2012-13.

Housing Activities

2.19 The Bank continued its finances for shopping complex and commercial buildings and residential buildings. During the year 2012-13, the bank had advanced ` 450.11 lakhs towards the construction of houses and its repairing.

Overdrafts

2.20 During the period under review the bank had sanctioned overdraft limits aggregating to ` 846.49 lakhs to individuals and firms etc.

Advances to Shipping Sector





2.21 One of the finest cruise liners ‘Coastal Cruise’ owned by Coastal Seaways (Island) Ltd. has been financed by your Bank to boost the tourism sector of these Islands. An advance amount to the tune of ₹ 826 lakhs was sanctioned to Coastal Seaways (Island) Ltd to enhance the tourist flow to Inter islands. The Ship has commenced its operations in Neil Island & Havelock sectors w.e.f. 4th April, 2013.

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 75 % as on 31.03.2013.

3.2 The Demand Collection and Balance (DCB) is furnished below:-

(` in lakhs)

	<u>31.03.2013</u>
1. Demand	3564.11



2. Collection	2666.43
3. Balance	897.68
4. % of collection to Demand	75 %

3.3 Gross NPA and Net NPA Level

	<u>2011</u>	<u>2012</u>	<u>31.03.2013</u>
a. Gross NPA	9.41	19.26	19.86
b. Net NPA	(-)0.20	11.16	12.87

The progress of the bank under legal action under arbitration cases during 2012-2013 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 01.04.12	144	1650.00	110	247.47
2	Cases filed during the year(Apr-12 to Mar-13)	07	12.00	04	18.75
3	Cases disposed off during the year(Apr-12 to Mar-13)	14	161.00	05	16.00
4	Cases pending at the end of the Mar 2013	137	1501.00	109	249.92
5	Cases pending with Hon'ble High Court/DRT: Nil				

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 2012-13:

Serial No.	Item/Detail/Description	No.
01	Total Case	09
02	Total Claim (in Rupee)	` 73,96,260
03	Total Recovery (in Rupee)	` 37,78,240
04	A/c Closed so far	06

PROFITABILITY

4.1 The bank had earned a net Profit of ` 2.60 crores during 2011-12 as against the net profit of ` 2.40 crores during 2010-11, registering a growth of 8.33 %. The Bank earned a Provisional Operating Profit of



₹ 8.55 crores as on 31.03.2013. The % of Net Interest Margin (NIM) is registered at 3.51.

The various profitability ratios are as under:-

Particulars	2010-11 (Audited)	2011-12 (Audited)	2012-13 (Unaudited)
Interest income as a percentage of gross income	95.10	95.45	95.78
Other income as a percentage of gross income	4.89	4.47	4.94
Interest paid on deposits/ borrowings to gross income	49.34	50.42	51.45
Interest paid on deposits/ borrowings to total expenditure	52.31	54.78	55.30
Weighted average cost of funds	4.07	4.90	4.80
Weighted average yield on funds	7.85	8.39	8.03
Financial Margin	3.78	3.48	3.24
Net Financial Margin	4.67	3.84	3.06
Net Margin	1.99	1.81	0.95

GENERAL FUNDAMANTALS

Management and Meetings

5.1 During the year 2012-13, 12 Nos. Managing Committee meetings were held.



Audit Classification

5.2 The Bank was classified in the 'A' category for the year 2011-12 by the Registrar of Coop. Societies.

Internal Checks and Control System

5.3 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.

5.4 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

5.5 The Accounts of the bank and its branches for the year 2011-12 were audited by M/s VLP & Co, Chartered Accountants. The NABARD had also conducted its XIX statutory inspection of the



bank from 15.01.2013 to 02.02.2013 with reference to its financial position as on 31st March, 2012.

Compliance Review

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 (AACS).



- 1) The bank has also complied with the provisions of Andaman & Nicobar Islands Cooperative Societies Regulation 1973 and Rules 1974.

BANK'S KEY STRATEGIC INITIATIVES

■ 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. The Port Blair branch was the first to implement CBS followed by Havelock during the month of March, 2013. The remaining branches are also under the process of CBS implementation and the same shall be completed very shortly.

ANSCB ATMs (Automated Teller Machine)

- 6.1** The Bank during 2012-13 installed 01 ATMs of its own, taking the total no. of ATMs to Eleven (11) at places viz. Diglipur, Mayabunder, Rangat, Havelock, Sippighat, Garacharma-I, Dollygunj, Chakkargaon, Wimberlygunj, Port Blair and Car Nicobar and the ATM cards to the prospective customers were also issued on a regular basis. The bank had installed these additional ATMs where the services of the Bank have not penetrated thereby easing the pressure on local people to travel quite a long distance to avail cash transactions.

The Bank is also in the process to join National Financial Switch (NFS) for ATM Network Connectivity, which will enable the customers to use other Bank's ATMs at National level, which will begin after the CBS implementation of the all the branches.

A & N SCB BRANCH MANAGERS' MEET: 2012-13 **(Organised jointly with NABARD, R.O, Port Blair)**

- 6.6** The A&N SCB had organised its Branch Managers' Meet-2012 (jointly with NABARD, RO, Port Blair) for all the Branch Managers and senior staffs on 10th June, 2012 at Hotel Sun Sea Resort.



A training-cum-orientation session was also held on the occasion. Shri. A.H. Badat, the Chartered Accountant, M/s. Babu & Badat was one of the resource person for the session. He had conducted a session on Income Tax and its related issues. An elaborative training session was conducted by Dy. General Manager, NABARD as well. The programme ended with an interactive session of Board of Directors.

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

6.8 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 ` 47.12 lakhs to the DICGC towards advance premium for the year 2012-13. Your Bank had ensured payment of DICGC premium well in time.

SETTLEMENT OF DEATH CLAIMS

6.9 The claims preferred by the legal heirs of the deceased of your Bank are settled in time. During the year 2012-13, the Bank has settled a considerable number of cases. A total of 178 cases amounting to ` 213.41 lakhs have been settled and paid to the claimants.

CELEBRATION OF 59TH ALL INDIA CO-OPERATIVE WEEK



**(Organised jointly with A & N State Coop. Union & NCUI, New Delhi)
(From 14.11.2012 to 20.11.2012)**

6.10 The A & N SCB has celebrated 59th All India Co-operative Week by hoisting the Cooperative Flag on 14.11.2011. The Chairman of the Bank, Shri. Bhagat Singh hoisted the flag at the Head Office premises. A series of activities were lined up for the function. The A & N State Coop. Bank has organised Essay Competition on 16th November, 2012 for the students of A & N Islands. A number of participants from JNRM, Tagore College, Dr. BRAIT, TTI, DIET have participated in the programme.

A valedictory function of the 59th All India Coop. Week celebration was organised on 20th Nov, 2012 at Dr. B.R. Ambedkar Auditorium, Port Blair in collaboration with A & N State Coop. Union and NCUI, New Delhi. The Hon'ble Lt. Governor Lt. Gen (Retd.) Bhopinder Singh, AVSM, PVSM was the chief guest on the occasion. Shri. Anand Prakash, IAS, Chief Secretary, Shri. K K Jindal, CEO Zilla Parishad, Shri. Kuldeep Rai Sharma, Vice Chairman, ANSCB, Senior officials of Administration and a large gathering of womens have attended the function. An exhibition-cum-sale was also organised at Dr. B.R. Ambedkar Auditorium by the prospective SHGs of the Bank.

CORPORATE BUILDING OF A & N SCB

6.11 The Construction of Corporate Building of A & N SCB is under process at its head office premises. The Name of the work "**Addition and Alteration of Andaman & Nicobar State Co-operative Bank, H.O Building**" was awarded to M/s. Reacon Engineers (India) Ltd. at an awarded rate of ` 2,20,83,856/-. The construction work is in full swing and the finishing and furnishing work shall be completed shortly for its inauguration.



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

6.12 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 2012-13, the Bank nominated 104 no's of staff members for attending training programmes at various places, which are as below:-

Name of the Institution(s)	No. of tour programmes	No. of Staff Attended
Rajiv Gandhi Co-operative Training College, Teylarabad, P.O. Garacharma.	05	87
NABARD, R.O, Port Blair sponsored programme for Vellore DCCB	01	15
Vamnicom, Pune training programme at Port Blair	01	02
GRAND TOTAL	07	104

INTRODUCTION OF COOPERATIVE CARDS BY A & N SCB **(Door delivery of pensions for Old age, Widow and Handicapped persons)**

6.13 The A & N State Cooperative Bank Ltd., launched the Cooperative Cards for the Door delivery of Pensions for Old Age, Widow & Disabled Persons on 04th August, 2012 by Lt. Gen (Retd) Bhopinder Singh, PVSM, AVSM, Hon'ble Lt. Governor, A & N Islands in the presence of dignitaries from A & N Administration, Govt. Departments, PRI Members, Eminent leaders, Social Workers, Villagers, Bankers, Local Bodies, Media persons. The monthly pension disbursement scheme at people's doorsteps covers old age pension, handicapped persons, destitute, widow. The introduction of the Cooperative Cards has emerged as a winner



among the overall end user beneficiaries by providing greater convenience and empowering towards substantial improvement in their welfare structure.

The Bank has launched Coop. cards at Shadipur, Haddo, Dairyfarm, Bambooflat, Guptapara, Car Nicobar, Long Island and Chowra Island.

LAUNCHING OF DOOR STEP BANKING SERVICES **(Opening of Ultra Small Branches [USBs] by A & N SCB)**

6.14 Under Door Step Banking services, the Andaman and Nicobar State Cooperative Bank (ANSCB) launched Ultra Small Branch (USB) at Long Island, Nimbutala, Betapur, Kishorinagar, Radhanagar, Chowra Island and Adajig as per the Financial Inclusion Initiative (FII) of the RBI. The Bank has urged the villagers to come forward and avail the benefits of USBs for deposits and availing of loans.

The Bank has so far opened 7 USBs and mobilised a deposit to the tune of ` 16.00 lakhs and a considerable no. of SB a/c and RD a/c were opened.

CELEBRATION OF INTERNATIONAL WOMENS' DAY :: 2013 **(Opening of All Women Bank Branch at Garacharma II and Launching of Special loan schemes at concessional rates for Women)**

6.15 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 9th March, 2013 at Anarkali ground, Port Blair. The Hon'ble Lt. Governor Lt. Gen (Retd.) Bhopinder Singh, PVSM, AVSM was the Chief Guest on the occasion.

The A & N State Cooperative Bank has launched its first all Women Bank Branch at Garacharma-II, South Andaman and also



for launched various loan schemes for the welfare of womenfolk at a very low interest rate. The launch of new loan schemes will further help in the upliftment of the womenfolk, especially those from economically weaker sections of the society.

The A & N State Coop. Bank, Garacharma II branch was having altogether a total of 2137 no. Savings Bank A/c of women's along with 31 JLGs (Joint Liability Group) a/c's and 29 SHGs (Self Help Group) a/c's prior to the redesignation of the branch as "All Women' Bank Branch". The Bank's Branch at Garacharma II has opened a considerable no. of Savings Bank a/c, Current a/c, Joint Liability Group a/c and Self Help Group a/c's, exclusively for women.

MEETING OF THE BOARD OF DIRECTORS OF NAFSOB (NAFSCOBs Conference on 17th Feb, 2013 hosted by A & N SCB)

6.16 The NAFSCOBs' Board of Director conference was hosted by A & N State Cooperative Bank Ltd. on 17th Feb, 2013 at Hotel Sea Princess Resort, Wandoor. The Senior Executives of all State Coop. Banks (SCBs) have participated in the meeting to discuss the monetary policy and on various issues of all State Coop. Banks.

The Hon'ble Lt. Governor Lt. Gen (Retd.) Bhopinder Singh, AVSM, PVSM was the Chief Guest on the occasion. Shri. Anand Prakash, IAS, Chief Secretary, Shri. K K Jindal, CEO Zilla Parishad, Shri. Jalaj Srivastava, Principal Secretary, Shri. Kuldeep Rai Sharma, Vice Chairman, ANSCB, Senior officials of Administration and a large no. of PRI members have attended the function.

A & N SCB bags prestigious NAFSCOB's Performance Award for the year 2008-09, 2009-10 & 2010-11



6.17 The NAFSCOBs' prestigious award for the overall performance for the year 2008-09, 2009-10, 2010-11 was bagged by A & N State Cooperative Bank. The Chairman of the Bank, Shri. Bhagat Singh, received the award on behalf of the Bank in a splendid function organised by NAFSCOB at New Delhi on December, 2012.

OPENING OF EXTENSION COUNTER SERVICES
(A & N SCB opens its 1st Extension Counter at SCB, Diglipur for payments to MGNREGA workers)

6.16 The A & N SCB has also leaped forward with its innovative approach in extending support exclusively for the MGNREGA workers by opening up an extension counter at its Diglipur Branch, Subhashgram. Shri. Bhagat Singh, Chairman of the Bank inaugurated the services in the presence of Shri. S. Athirstavel, General Manager, NABARD.

FUTURE PROGRAMMES OF A & N SCB

- i) 20% Deposit Growth & 35% 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.
- vii) To introduce new USBs (Ultra Small Branches).

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 2011-12



The Statutory Audit of the Accounts of the bank for the year 2011-12 was audited by M/s Babu & Badat, Chartered Accountants. The bank has been placed under 'A' class Audit Classification for **2011-12**. The Registrar of Co-operative Societies has certified the profit at ` **2,60,07,026.13** for the year 2011-12. The Allocation of Profit has been made as under as per the byelaws provisions for the year **2011-12**.

(Amount in `)

Sl.No.	Particulars	2011-12
1	Statutory Reserve Fund (25%)	6501756.53
2	Coop. Education Fund (3%)	780210.78
3	Agri. Credit Stabilisation Fund (15%)	3901053.92
4	Dividend 'A' Class (10 % of Share)	2204230.00
5	Dividend 'C' Class (10 % of Share)	140.00
6	Staff Training Fund (5 ½ %)	1430386.44
7	Staff Welfare Fund (1 ½ %)	390105.39
8	Supervisory Fund (1/2 %)	130035.13
9	Building Fund	5000000.00
10	Computer Fund	5000000.00
11	Balance transferred to Statutory Reserve Fund	669107.94
	Total :	` 2,60,07,026.13

**BUDGET FOR THE YEAR 2013-14**

(in lakhs)

Sl. No.	Particulars	Target for 2012-13	Achieved upto 31.03.2013 (Unaudited)	Total O/S as on 31.03.2013	% of target achieved	Target for 2013-14
I.	Deposits	6500	4542.64	50145.18	69.87	8000.00
II.	Borrowings	2000	2250.00	5214.62	112.50	3000.00
III.	Lending (disbursed)	13500	14916.96	28430.82	110.50	15000.00
IV.	I n c o m e					
a)	Interest on lending	3000	2507.58	-	83.59	3000.00
b)	Interest on investment	2750	2656.50	-	98.32	3100.00
c)	Commission & brokerage & other receipts	300	138.08	-	121.65	300.00
	Total :-	6050.00	5302.16	-	92.17	6400.00
V	E x p e n d i t u r e					
a)	Interest on deposits & borrowings	2300	3012.14	-	114.04	2600.00
b)	Salary & Allowances	850	965.45	-	94.78	1200.00
c)	Others /expenditure	550	468.62	-	170.10	550.00
d)	Provision for Reserves etc	2000	567.73	-	-	1700.00
e)	Net Profit	350	288.22	-	-	350.00
	Total :-	6050.00	5302.16	-	-	6400.00

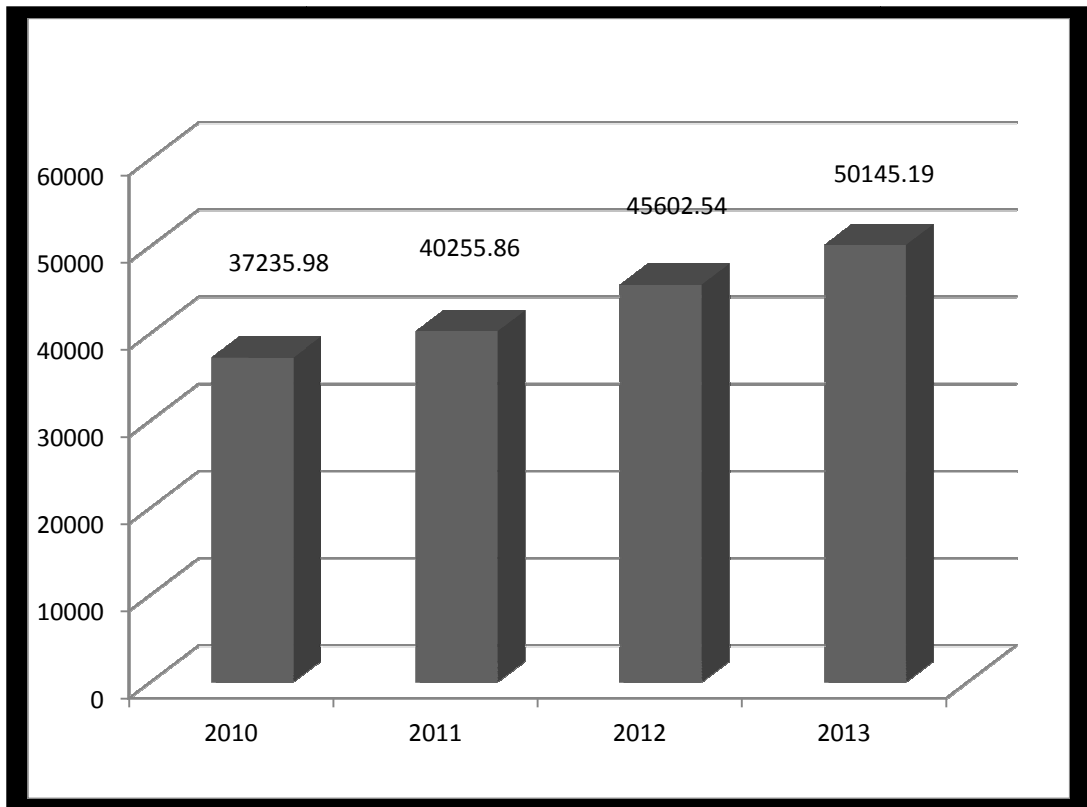
**TARGET AND ACHIEVEMENT (DAP/MOU)**

(` in Lakhs)

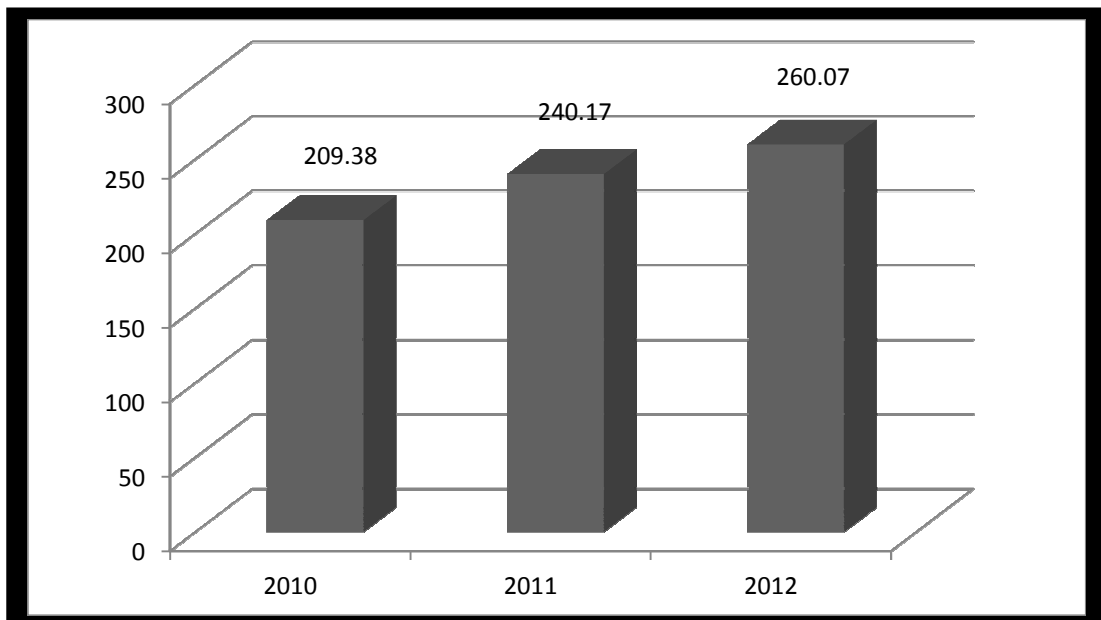
Sl. No	Item	2011-12 (Audited)			2012-13 (Unaudited)		
		Target	Achievement	% of Achievement	Target	Achievement*	% of Achievement
1	Deposits (O/S)	42550.00	45602.54	107.17	43914.00	50145.19	114.18
2	Borrowings (O/S)	4000.00	4590.50	114.76	4000.00	5214.62	130.36
3	Loans Issued	8875.00	9920.00	111.77	10205.25	15000.00	146.98
4	Loan(O/S)	29062.00	22281.47	76.66	31213.00	28430.81	91.08

* Upto 31.03.2013



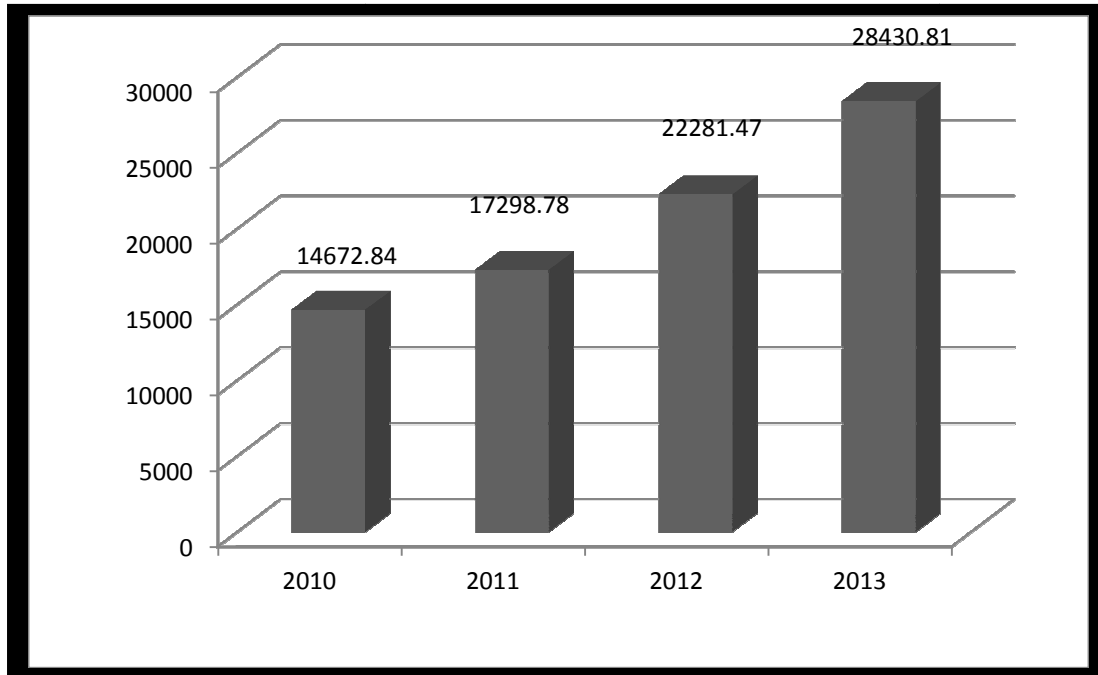


**ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD.
PROFITS**

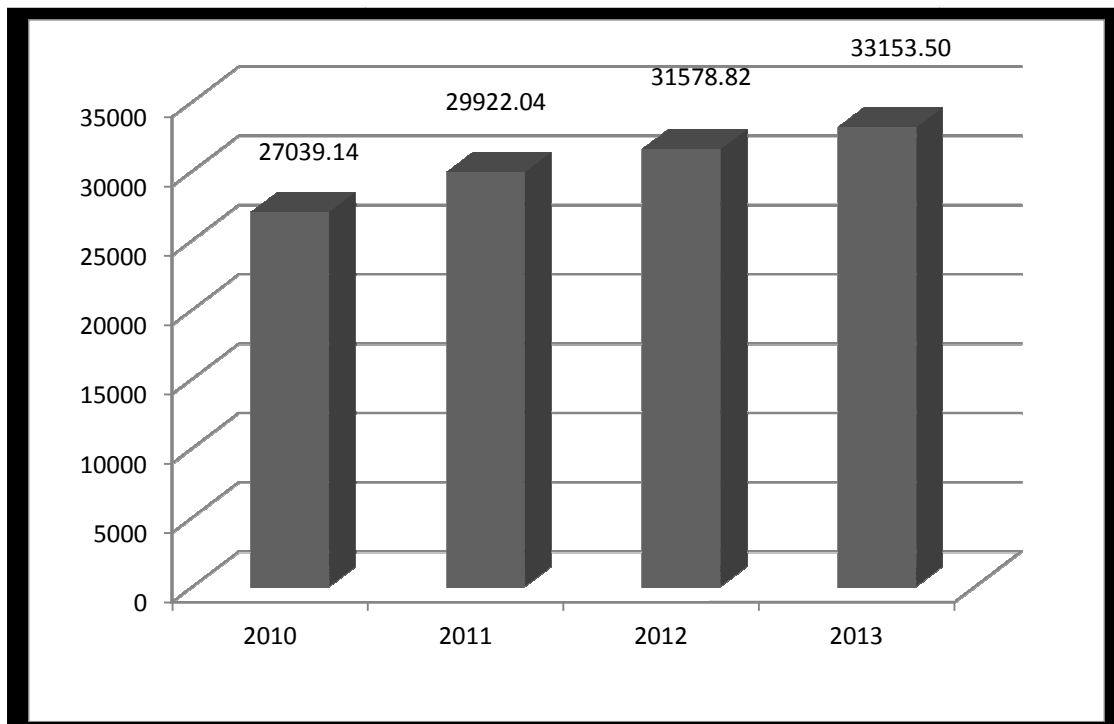




ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD. LOANS & ADVANCES

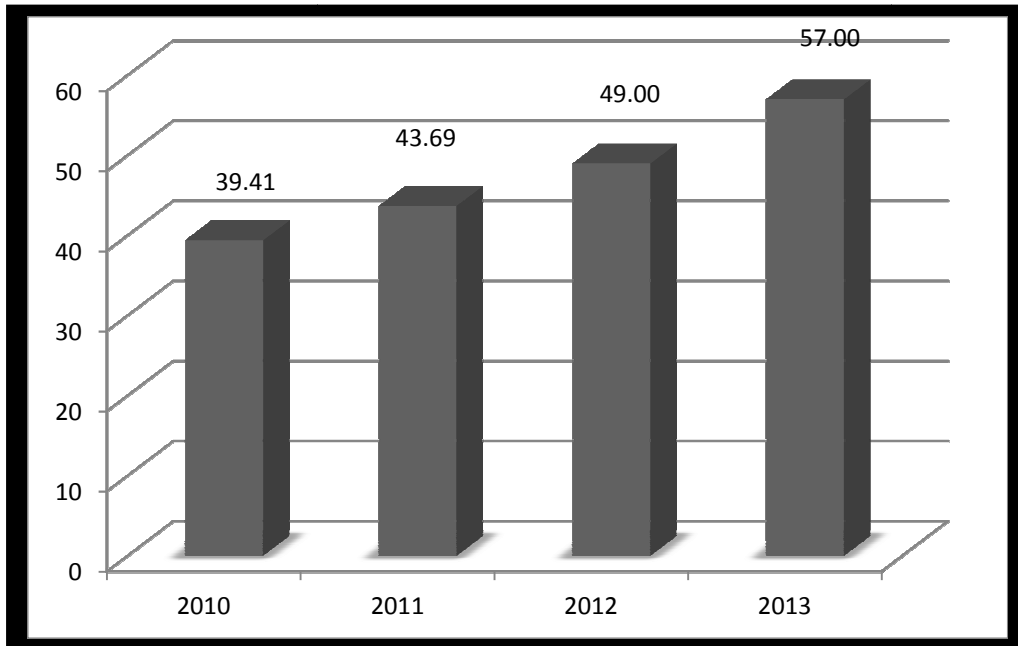


ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD. INVESTMENTS

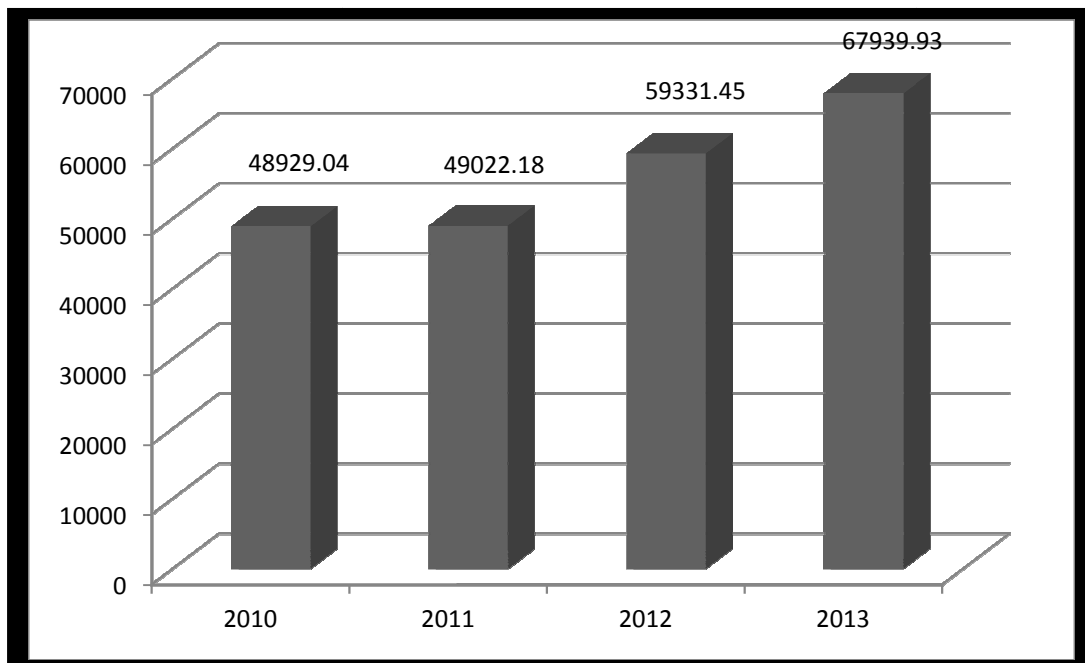




ANDAMAN & NICOBAR STATE COOPERATIVE BANK LTD. CD RATIO



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-11	31-Mar-12	31-Mar-13
		(Audited)	(Audited)	(Unaudited)
A.	Liabilities			
i	Paid up capital	278.38	293.89	348.96
ii	Free Reserves	4165.27	3935.72	5111.03
iii	Provisions	2973.28	3718.39	3544.99
iv	Deposits	40255.86	45602.53	50145.19
v	Borrowings	3864.67	4590.50	5214.62
vi	Overdue Interest Provision	446.25	476.64	451.66
vii	Interest payable	598.95	485.06	474.57
viii	Other liabilities	1678.21	2208.51	2186.92
ix	Un-disbursed Profit	453.23	503.91	548.29
	TOTAL	54714.10	61815.15	68026.23
B.	Assets			
i	Cash in hand/bank balances	4431.68	4259.59	3039.92
ii	Investments and money at call and short notice	29922.04	31578.82	33153.50
iii	Loans & advances	17298.78	22281.49	28430.81
iv	Interest receivable	1242.13	1517.83	1255.50
v	Land and Buildings	184.84	245.03	246.50
vi	Furniture/Fixtures & Office Equip, etc	196.99	98.31	74.44
vii	Other assets	1437.64	1834.08	1825.56
	TOTAL	54714.10	61815.15	68026.23

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

(` in lakhs)

Sl.No.	ITEMS	31.03.2011	31.03.2012	31.03.2013
		Audited	Audited	Unaudited
1	2	3	4	5
A	Income			
i)	Interest on advances and discount	1943.28	2226.03	2507.58
ii)	Interest and dividend on investments	2088.18	2545.18	2656.50
iii)	Commission, exchange and brokerage	129.89	113.91	104.92
iv)	Other receipts	77.49	109.20	33.16
B	Gross income (i+ii+iii+iv)	4238.84	4994.32	5302.16
C	Expenditure			
i)	Interest on deposits	1835.57	2351.58	2603.36
ii)	Interest on borrowings	256.22	383.83	409.08
iii)	Salaries,allowances,provident fund and gratuity	758.31	851.16	965.42
iv)	Directors and local committee members fee and allowances	0.84	0.86	5.35
v)	Rent, taxes, insurance, lighting, etc.	82.20	108.05	108.02
vi)	Law charges	9.45	11.40	7.66
vii)	Postage, telegrams and telephone charges	2.07	2.96	2.10
viii)	Auditor's fee	1.25	1.25	1.52
ix)	Depreciation Repairs & maintenance	145.78	139.61	97.68
x)	Stationery, printing and advertisement	24.29	31.87	34.08
xi)	Other Expenditure	111.06	388.26	211.94
D	Total Expenditure (i+ii+iii+iv+v+vi+vii+viii+ix+x+xi)	3227.04	4270.83	4446.21g
E	Operating Profit (B-D)	1011.80	723.49	855.95
F	Provisions for reserves	771.63	463.32	567.73
G	Net Profit	240.17	260.07	288.22