



SISCO STATE CO-OPERATIVE BANK LIMITED

Metro Point, 5th Mile Tadong, East Sikkim

ANNUAL REPORT 2018-2019

Vice Chairman Address

Dear Cooperators,

On behalf of the Board of Directors of the Sikkim State Cooperative Bank Ltd [SISCO BANK], I have immense pleasure to welcome you all to the 20th Annual General Body Meeting of the Sikkim State Cooperative Bank Ltd [SISCO BANK] and to present Audited of the Bank as on 31.03.2019 together with the Profit & Loss Account for the Year 2018-19.

Initially, I will place before you the broad performance of the Bank in various major areas with related parameters.

1. Share Capital The Share Capital of the Bank as on 31 March, 2019 was Rs. 1600.94 lakhs of which:

Contributed by

State Government	Rs.925.60 lakhs
Cooperative Societies	Rs.183.86 lakhs
Individuals	Rs.491.48 lakhs

The bank mobilized Rs. 72.31 lakh as additional Share Capital during the year through the linking of share holding to the borrowing thereby achieved a growth rate of 4.73 % over the previous year.

2. Deposits

The Total Deposits of the Bank increased marginally to Rs.173710.04 lakhs during the year under review from Rs. 169759.82 lakhs during the previous year.

Year	Total Deposits	% growth over previous year
2015-2016	89993.25	70.97%
2016-2017	190159.52	111.30%
2017-2018	169759.82	-10.73%
2018-2019	173710.04	2.33%

The deposits of the bank are insured under Deposit Insurance and Credit Guarantee scheme and the bank has also extended nomination facilities to the depositors like the best of services offered by any other Bank in the country.

3. Borrowings

The total outstanding borrowings of the Bank from NABARD as on 31 March, 2019 stood at Rs. 909.82 lakhs as against Rs. 872.33 lakh. Entire borrowing outstanding was from NABARD under the Automatic Refinance Scheme and refinance against K.C.0 loans disbursed by the bank against the security of FDRs of Commercial Banks. It is worthwhile to observe that in this connection your Bank has an unchequered record of 'No default to higher financing agencies'.

4. Loans & Advances

Loans and Advances of the Bank as on 31.03.2019 stood at Rs.89848.95 lakhs as against Rs. 43376.15 lakhs as on 31 March 2018.

The outstanding Loans and Advances during the previous two years and as on 31 March, 2018 are as follows:

(Rs in lakhs)

March, 31 2017	31 March 2018	31 March 2019
Rs. 31108.95	Rs. 43376.15	Rs. 89848.95

Interest earning of the bank on loans and advances has increased to Rs.8279.37 Lakhs during 2018-19 from Rs. 4150.71 lakhs during 2017-18.

5. Investments

As per the decision of the Board of Directors, the bank continued to keep its investments in 100% secured manner and investment was in Government of India securities and State Government Bonds which were categorized as held to maturity and Available for Sale. Besides the same the bank has also kept the surplus investible funds with local commercial/ private banks and other scheduled State Co-operative Banks to avoid keeping idle funds.

Position of investment portfolio of the bank during the last three years was as under: -

(Rs. In Lakhs)

Year	2016-2017	2017-2018	2018-2019
SLR	26750.47	47439.35	45472.76
Non SLR	127696.91	86294.95	34500.00
Total	154447.38	133734.30	79972.76

During the period under review the bank had earned interest from investment activities at Rs. 6769.25 lakhs against Rs. 12088.55 lakhs of previous year.

6. Non Performing Assets.

The non-performing asset of the bank has increased to Rs. 3126.49 lakh as on 31 March, 2019 from Rs. 2154.83 lakh as on 31 March, 2018. The Gross NPA percentage stands at 3.28% and Net NPA at 2.24%. Despite the Bank taking all efforts to minimize the NPA by reconstituting the Recovery Cell of the Bank and initiating legal measures on need based manner, the NPA of the Bank has risen substantially, which is a matter of concern for all of us. I urge all my fellow co-operators to help us inculcate good repayment culture in our primary societies which will eventually allow the Bank to lend even more towards the development of the State and its people.

7. Inspection /Audit etc .

The Statutory Auditor of the Bank, CA firm conducted Statutory Audit of the Bank and the audited financial statements as well as the Audit Reports for the previous years have been duly submitted to all concerned, and similar action would be taken this as well after consideration of the related documents by the esteemed General Body of the Bank.

8. Board Meeting

The Board of Directors of the Bank met six times during the year 2018-19 and policy decisions were taken on all important issues. Executive Committee meetings were also conducted by the Bank authority.

9. Profit

During the year under review the Bank has earned a Net profit of Rs.671.95 lakh against Rs.483.15 lakh during the year 2017-18, registering a growth of 39.08%. The net profit has been derived after meeting the income tax liability of the bank during the year under review.

10. Declaration of Dividend

An amount of 48,02,830/- had been earmarked by the Board of Directors for the payment of dividend to the shareholders for the Year 2018-19 i.e. @ 3.00 % of share-holdings as on 31.03.2019.

Acknowledgement

The bank wishes to place on record its sincere thanks for equity participation by the Government of Sikkim, and the affiliated societies as well as the individuals.

The bank also wishes to thank the Government of India, the Government of Sikkim, Reserve Bank of India, National Bank for Agriculture and Rural Development Bank and National Federation of State Cooperative Banks Ltd for their valuable support, patronage and guidance.

We the present Board of Directors and employees thankfully acknowledge the services of all the previous Managing Directors and General Managers under whose guidance the bank has touched newer and higher milestones.

We would like to place on record the services rendered by the staff members for their loyalty, hard work and devoted service at all levels.

We earnestly seek the invaluable continuing support and patronage from our fellow citizens of Sikkim

I also wish to thank my co Directors who have been a source of strength in running the Bank on the desired lines.

With Co-operative Greetings, Sincerely yours, On behalf of the Board of Directors of Sikkim State Co-operative Bank Limited

[P.P Sharma]

Vice-Chairman

Financial Highlights (Position as on **31st March 2019**)

(Rupees in Lakhs)

<i>AUTHORISED SHARE CAPITAL</i>	<i>5000.00</i>
<i>SUBSCRIBED SHARE CAPITAL</i>	<i>1600.94</i>
<i>TOTAL RESERVES</i>	<i>3175.84</i>
<i>INVESTMENTS IN SECURITIES</i>	<i>45472.75</i>
<i>DEPOSITS</i>	<i>173710.04</i>
<i>BORROWINGS</i>	<i>909.82</i>
<i>LOANS & ADVANCES</i>	<i>89848.95</i>
<i>FIXED DEPOSITS WITH OTHER BANK</i>	<i>34000.00</i>
<i>AVERAGE WORKING CAPITAL</i>	<i>188397.64</i>
<i>NET PROFIT</i>	<i>671.95</i>

Balance Sheet (as on 31st March , 2019)

SIKKIM STATE CO-OPERATIVE BANK LIMITED
BALANCE SHEET AS ON 31ST MARCH, 2019

Previous Year 31.03.2018 (Rs)	CAPITAL & LIABILITIES	SCH.	Current Year 31.03.2019 (Rs)	Previous Year 31.03.2018 (Rs)	PROPERTY & ASSETS	SCH.	Current Year 31.03.2019 (Rs)
152,863,100.00	Share Capital	1	160,094,300.00	29,225,354.69	Cash and Balance	6	29,335,136.49
256,899,248.15	Reserve Fund and Other Reserve	2	317,584,703.15	1,314,720,006.85	Balance with Other Bank	7	4,376,567,673.27
16,975,982,127.99	Deposit and Other Account	3	17,371,004,789.11	13,373,429,965.33	Investment	8	4,597,275,739.55
1,887,233,037.00	Borrowings	4	90,982,323.00	4,337,615,022.64	Loan and Advance	9	8,984,895,414.94
17,825,337.00	Bills For Collection		11,806,648.00	428,990,892.00	Interest Receivable		197,724,022.00
242,819,321.27	Other Liabilities and Provision	5	353,707,622.24	17,825,337.00	Bill Receivable		11,806,648.00
11,565,162.00	Overdue Interest Reserve Account		27,846,714.00	24,538,923.91	Fixed Assets	10	23,003,396.89
3,322,640.95	Interest Payable		5,017,051.49	16,323,318.00	Capital Fund Building A/c		15,487,486.00
5,433,263.05	Profit & Loss		6,169,704.81	13,848,540.78	Other Assets	11	106,112,435.10
2,574,123.79	Branch Accounting (Net)				Branch Accounting (Net)		2,005,903.56
19,556,517,361.20	Total		18,344,213,855.80	19,556,517,361.20	Total		18,344,213,855.80

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Notes to Accounts 18
As per our report on even date attached

Date: 16th July, 2019
Place: Gangtok

For A.K Kumar & Co.
Chartered Accountants
Firm Regn No:-308013E

A.K Kumar
Proprietor
M.No: 013166

P.P Sharma
Vice Chairman

W.T Bhutia
Director

Pema Chenzom
(Managing Director)

R.L Sharma
(Deputy General Manager)

Profit and Loss Account (for the year ended 31st March, 2019)

SIKKIM STATE CO-OPERATIVE BANK LIMITED Profit and Loss Account for the Year Ended 31st March, 2019							
Previous Year 31.03.2018 (Rs)	EXPENDITURE	SCH.	Current Year 31.03.2019 (Rs)	Previous Year 31.03.2018 (Rs)	INCOME	SCH.	Current Year 31.03.2019 (Rs)
1,375,416,108.00	Interest Expended	15	1,145,058,924.39	1,623,926,428.82	Interest Earned	13	1,504,863,234.59
121,548,699.25	Operating Expenses	16	160,970,017.44	5,366,128.84	Other Income	14	8,693,553.12
3,767,095.13	Depreciation		3,249,031.12	1,487,150.00	Capital Grant from NABARD	2	301,345.00
	Provisions						
2,829,959.00	Standard Assets		11,247,305.00				
-	Non Performing Assets		40,123,019.00				
32,100,000.00	Food Credit Advance		30,680,000.00				
	Contribution to Cooperative Education Fund		2,500.00				
2,500.00			2,500.00				
41,789,640.00	Income Tax		36,792,690.00				
53,325,706.28	Profit available for Appropriation		85,734,645.76				
5,010,480.00	Income Tax Paid for Previous Years		18,538,788.00				
	Net Profit Carried forward to Appropriation Account		67,195,857.76				
48,315,226.28							
1,630,779,707.66	Total		1,513,858,132.71	1,630,779,707.66	Total		1,513,858,132.71
Significant Accounting Policies		17					
Notes to Accounts		18					
As per our report on even date attached							
Date: 16 th July, 2019							
Place: Gangtok							
For A.K Kumar & Co. Chartered Accountants Firm Regn No:-308013E							
A.K Kumar Proprietor M.No: 013166	P.P Sharma Vice Chairman	W.T Bhutia Director	Pema Chenzom Managing Director	R.L Sharma Deputy General Manager			

SIKKIM STATE CO-OPERATIVE BANK LIMITED Profit and Loss Appropriation Account for the Year Ended 31st March, 2019							
Previous Year 31.03.2018 (Rs)	EXPENDITURE	SCH.	Current Year 31.03.2019 (Rs)	Previous Year 31.03.2018 (Rs)	INCOME	SCH.	Current Year 31.03.2019 (Rs)
	Appropriations			4,322,136.77	Net Profit B/f from previous Year		5,433,263.05
12,078,810.00	Transfer to Statutory Reserve		16,798,964.00				
4,831,520.00	Agriculture Credit Stablisiation Fund		6,719,586.00				
1,207,880.00	Cooperative Credit Development Fund		1,679,896.00	48,315,226.28	Net Profit for the year		67,195,857.76
-	Staff Welfare Fund		500,000.00				
3,500,000.00	Special Reserve for Infrastructure Dev.		5,000,000.00				
4,585,890.00	Proposed Dividend		4,802,830.00				
-	Dividend Fluctuation Reserve		-				
7,000,000.00	Investment Fluctuation Reserve		17,958,140.00				
10,000,000.00	General Reserve		5,000,000.00				
4,000,000.00	Building Fund		8,000,000.00				
5,433,263.05	Balance Carried Forward to Balance Sheet		6,169,704.81				
52,637,363.05	Total		72,629,120.81	52,637,363.05	Total		72,629,120.81
Significant Accounting Policies		17					
Notes to Accounts		18					
As per our report on even date attached							
Date: 16 th July, 2019							
Place: Gangtok							
For A.K Kumar & Co. Chartered Accountants Firm Regn No:-308013E							
A.K Kumar Proprietor M.No: 013166	P.P Sharma Vice Chairman	W.T Bhutia Director	Pema Chenzom Managing Director	R.L Sharma Deputy General Manager			

