

COMPLIANCE ON STATUTORY AUDIT OF THE DAMAN & DIU STATE CO-OPERATIVE BANK LTD. CONDUCTED BY M/S. RPV & COMPANY, SURAT FOR THE YEAR ENDING 31ST MARCH 2024

Sl. No.	Para No.	Auditor's observations	DDStCB's Compliance
1	I	Capital A. Share Capital	The bank's Authorised Share capital stood at R.250.00 crore. As on 31 st March 2024 the bank's share capital stood at Rs. 2117.71 lakh, of which the 'A' class share of Co-operative Societies was Rs.10.30 lakh, 'B' class share of UT Govt stood at Rs. 750.00 lakhs and 'C' class share of individuals was Rs. 1272.36 lakhs.
2	B	Owing to the audit observations and the financial impact of the same on the profitability and the net worth as on 31.03.2024, we are unable to comment on the correctness of the CRAR. However, CRAR is maintained at 25.29% as per Bank. Please Refer Annexure V	The bank's CRAR as on 31.3.2024 was 25.29% as against 15.27% as on 31.3.2023.
3	II	ASSETS - A. Advances I. Credit Appraisal	
		a. As per our examination on the test check basis, bank is not considering various factors like CIBIL, Rating, Turnover etc, statutory compliances while complying with the procedures laid down for the credit appraisal.	Consequent upon grant of Banking Licence by the RBI on 07 th March 2024, the bank has since applied for obtaining membership in all the four Credit Information Companies (CICs) for getting borrowers and sureties credit rating. Til now, three CICs, i.e., TransUnion, Equifax and CRIF High been granted membership. Permission of membership of Experian is awaited. Earlier, the bank has advised all its branches to obtain CIBIL credit rating through the Goa StCB. While considering the loan proposals, turnover, statutory compliances like obtaining of Income tax returns and GST returns are now being



			obtained together with audited financial statements of the units financed.
		b) It has been observed that in the loan application letters the Applicant, Co-applicant and Guarantors are required to mention their existing liabilities where they do not mention the status and outstanding balance of their existing credit facilities with other banks/Financial institutions. Also, the Bank does not have a policy or a system for verifying whether the loan applicant has multiple accounts in other banks or branches at the time of applying for fresh credit at the Head Office.	This system has been introduced and details are incorporated by the borrowers in the loan applications itself. Further, with the obtaining of CIBIL Credit Score report, the bank is able to know about the borrower's borrowings from other banks/Fis which is being taken into account while considering the loan proposals. These aspects are also being verified during the course of Internal Inspections of the branches.
		c) Since the Bank received license as on 07.03.2024 from RBI, bank is verifying the CIBIL credit score report and status of existing credit facilities of the borrower through Goa State co-op Bank. Bank is under process of obtaining their own membership with all 4 credit information companies as per RBI guidelines.	Consequent upon grant of Banking Licence by the RBI on 07 th March 2024, the bank has since applied for obtaining membership in all the four Credit Information Companies (CICs) for getting borrowers and sureties credit rating. Till now, three CICs have granted their membership. Permission of Experian is awaited.
		d. While renewal of the advances, bank is not collecting the proper documents and details from the borrowers. Hence, the renewal of many accounts has been done without verifying the account operation, turnover in account, financial statements, monthly GST returns, optimum utilization of funds, latest net worth statement/declaration of the Borrowers, Co-Borrower and Guarantors etc. Also, the bank needs to analyze the financial performance of the business, the future growth of business and its profitability.	Based on the Auditor's observations, necessary changes have been made in the Bank's loan scrutiny note and these details are now obtained and verified before sanctioning of loans. The suggested system has since been put into operation by the bank. Copies of the revised scrutiny note as circulated vide Circular Order No.55 (Ref.DDSCB/L&A/2024-25/08/1034) dated 20 th November 2024 is attached herewith for ready reference. (Annexure-1)
		e.) The level of inventory/ book debts/ creditors for finding out the working capital and drawing power is not properly assessed	Revised scrutiny of loan proposals cover these aspects and detailed guidelines have been given



		f. The bank is not obtaining the KYC, Licenses, GST Returns of the business of the Borrower, Co-borrower, and Guarantors. As most of these businesses are not required to get their accounts audited, bank needs to ensure the genuineness of the existence, operations and income of such businesses appearing in the ITR of the borrower as primary source of income.	to branches for working out drawing power. (See Annexure-I) KYC documents, copies of licences, ITRs, GST returns etc. are being invariably obtained at the time of scrutiny of loan proposals.
		g. In some cases, the Bank is not obtaining the original tax invoice of the asset to ensure the end use of funds. Also, in some cases bank has disbursed the amount in the current/savings account of the borrowers. Such disbursement practice increases the chance of misuse of funds and makes it difficult for bank to track the end use of funds	Branches have been strictly advised to obtain and keep on record original tax invoices of the assets purchased out of bank loans. Branches have also been instructed to make the payment directly to the suppliers of goods so as to ensure proper end-use of funds lent.
		h. Bank is not doing pre-sanction & post-sanction inspection for finding out the genuineness about the borrower and to check whether borrower is adhering to all the terms and conditions of the loan agreement	All the branches have been strictly instructed to undertake pre and post-sanction visits to find out the genuineness about the borrowers and their adherence to the terms and conditions of sanction letter. Relevant circular is attached herewith as Annexure-1 .
		i. The staff does not have expertise in techno-economic appraisal of the projects. The appraisal/sanction of the term loan proposals are done purely on security basis rather than technical feasibility or financial viability of the project.	Suitable amendments have been made in the loan scrutiny note incorporating the techno-economic viability of the projects for strict adoption by the branches. (See Annexure-1)
		j. At the time of sanction of new project, the bank does not obtain the justification for achievement of the estimated /projected sales in the form of workings/calculation done to arrive at the sales figure mentioned. It has been observed that stock statement are not verified by the bank officials for calculation of DP limit	Strict instructions have been issued to the branches for ensuring timely receipt and checking of stock statements with the balance outstanding and also to work out Drawing Power in case of CC limits sanctioned to traders.



4	II	SANCTIONING/DISBURSEMENT	
		Out of accounts checked by us, we have not come across any such instances where credit facilities are sanctioned beyond delegated authority of the bank.	District Level Loan Committees in Daman and Diu have been delegated with the sanctioning powers of loans upto Rs.10.00 lakhs each while the Bank Level Loan Sanctioning Committee with sanctioning powers upto Rs.35.00 lakhs and all loans beyond Rs.35.00 lakhs are being sanctioned by the Administrator. This system is working well.
		a. During the year, Cash credit accounts were renewed without analyzing the previous year's operations of the account. Also, the Cash credit accounts were allowed to utilize the complete limit irrespective of their actual eligible DP Limit.	Strict instructions have been issued to the branches for ensuring timely receipt and checking of stock statements with the balance outstanding and also to work out Drawing Power in case of CC limits sanctioned to traders. Further, branches have been advised to release drawals only based on DP limits strictly. (See Annexure-2)
		b. Bank is registering the mortgage with the Registrar's office but CERSAI registration for the assets Mortgaged under the bank has not been created by the Bank.	The bank is in the process of registering itself with CERSAI. It could not be done earlier due to non-grant of banking licence by the RBI. As such, the bank had no option but to continue with the registering of mortgages with the Registrar's office. However, after granting banking licence by the RBI, the bank has applied for registering itself with CERSAI. We have received communication vide email dated 28 th November 2024 from CERSAI advising us that DDSICB has been registered as Primary User Administrator (PUA) for D23PM. User ID: D23PM 00002.



			<p>Password is still awaited. Once the Password will be created, the bank will follow the procedure as suggested by the Statutory Auditor.</p> <p>Branches have been advised to ensure full compliance of terms and conditions as also to avoid incomplete documentation in all the loan accounts.</p>
		c. Details of accounts which have been disbursed without complying with terms and conditions and with incomplete documentation are annexed with this report	
5	III	DOCUMENTATION	
		a. In some cases, latest income tax return, net worth certificates of borrower as well as sureties were also not obtained at the time of fresh sanction of loan.	Branches have been advised to obtain the ITR, net worth certificates of borrower and sureties as advised by the Statutory Auditor at the time of fresh sanction of loan.
		b. In case of Cash credit or Working Capital, borrower has not submitted the stock statement on time or if the stock statement submitted, drawing power was not sufficient as compared to the limit sanctioned	Branches have been advised to strictly obtain stock statements and work out Drawing powers as per the revised procedure/guidelines issued.
		c. In few cases, variation has been observed in the value of stock reported in stock statement and value of stocks appearing in the audited financial statements.	Branches have been advised to strict ensure that there are no discrepancies in the value of stock reported in the stock statement and those appearing in the financial statements.
		d. It has been observed that in case of Cash Credit facility the norms/terms for calculation of Drawing Power are not mentioned in the sanction letter	The Bank has recently issued instructions as to how to work out Drawing Power to branches. In addition, branch managers were also given training in this regard.
		e. At the time of Renewal of existing Cash credit facility, the bank does not obtain the GST returns to ensure whether all the sales are routed through the CC account only and funds are not diverted through another Current account of the borrower.	The branches have since been strictly instructed to obtain GST returns so as to verify that the sales are routed through CC account only.
		f. In some cases, the insurance of the vehicle financed is not obtained by the Bank.	Branches have been advised to strictly ensure obtaining vehicle insurance policies and keep the same along with loan documents. These are



			being verified during Internal Inspection of the branches by the Bank's Internal Inspectors.
		g. In few cases, the insurance of the property mortgaged is expired.	Branches have been advised to verify the insurance of the properties mortgaged in all the cases and ensure that the insurance policies are current and kept on record.
		h. It has been observed that in few cases the loan documents are not filled completely.	Branches have been strictly ensure that the loan applications are filled in properly and no blank columns are left. This is being verified during the course Internal Inspection of the branches.
		Instances of deficiencies in documentation etc.	
		a. While assessing the Vehicle loan files in Somnath branch it is observed that the branch has not obtained RC Book, Driving license and original tax invoice in various files.	The compliance submitted by the Somnath branch is attached herewith for ready reference. (Annexure-3)
		b. Bank is not registering the charge with CERSAI for the collateral security taken.	The bank is in the process of registering itself with CERSAI. It could not be done earlier due to non-grant of banking licence by the RBI. As such, the bank had no option but to continue with the registering of mortgages with the Registrar's office. However, after granting banking licence by the RBI, he bank has applied for registering itself with CERSAI. We have received communication vide email dated 28 th November 2024 from CERSAI advising us that DDStCB has been registered as Primary User Administrator (PUA) for D23PM. User ID: D23PM 00002. Password is still awaited. Once the Password will be created, the bank will follow the procedure as suggested by the Statutory Auditor.



		c. In case of mortgage loans branches are not obtaining the latest tax paid receipt of the mortgage security as mentioned in the important observations in scrutiny report.	The branches are now obtaining the latest tax receipt and keeping it on branch loan files.
		d. In some cases of Vehicle loans duplicate key of the vehicle were not taken from the borrower.	Branches have been advised to strictly obtain the duplicate keys of vehicles financed and keep on the bank's custody.
		e. The branch has not obtained the sanction letter, loan statement and the repayment schedule of the existing loans appearing in the Balance Sheet of Borrower or his business.	The branch has been instructed to strict ensure these details and keep them on bank's records. Compliance from Bhimpore Branch is given in Annexure-4.
		f. The branch is not obtaining the driver's license from the borrower/co-borrower/guarantors/family of the borrower to whom Vehicle loan has been sanctioned	All the branches have been strictly instructed to obtained copies of driver's licence from the borrower/co-borrower/guarantors/family of the borrower and keep the same on bank's record. This is being verified during the course of Branch Inspections.
		g. Register for the stock statement in case of working capital loan was also not maintained and if maintained not updated.	Necessary instructions have been issued to the branches to strictly ensure regular receipt of stock statements and enter the same in the register meant therefor.
		h. Copy of latest Income Tax Return filed, Audit Report, CMA data showing present position and future projections, Latest Net Worth statement and GST returns of the firm/companies/borrowers/guarantors have not been insisted upon at the time of renewal.	All the suggested documents are being obtained by the branches and they are being verified during the course of branch inspections.
		i. Post sanction physical verification report of the securities charged are not kept on record.	Branches have been advised to ensure post sanction physical verification of securities charged and keep the report on bank's records.
		j. The branch does not have policy/protocol governing the disbursement of term loans. It does not obtain the disbursement request	Branches have been advised to strictly ensure obtaining of disbursement request letter, margin



		letter, Margin certificate specifying the details of margin introduced till the date of disbursement to ensure sufficient margin contribution by the borrower at the time of disbursement, bill of the supplier for calculating amount of margin to disbursement ratio. Further, in some cases branch disburses the amount in another account of borrower rather than direct remittance to supplier.	maintained as stipulated by HO in the sanction letter, bill of the supplier for calculating amount of margin to disbursement ratio, making direct payment to the suppliers.
		k. Branch does not inspect the Assets purchased by physically verifying it	The compliance furnished by the branches in this regard is given in Annexure-5 .
		LIEN ON DEPOSITS	
		Out of the accounts checked by us, the same has been found in order.	No comments.
6.	IV	REVIEW/MONITORING/SUPERVISION	
		a. In many cases the accounts were found to be overdue and/or credit was not received from the borrower for a long time. Also, the borrower's operations with other banks were unidentifiable.	Branches have been advised to regularly review the loan accounts that they do not become overdue and regular credits are received. Branches have also been instructed to verify the borrower's operations with other banks by obtaining the required bank statements and keep them on bank's records.
		b. Accounts were renewed in-spite of unsatisfactory operations of the account or defaults or outstanding amount exceeds the limit sanctioned.	At the time of renewal, the Loan Section ensure strict compliance with these aspects by way of comments in the branch scrutiny note sent to HO.
		c. Cash credit accounts were renewed without analyzing the previous year operations of the account. Also, financial statements and other ratios were not considered at the time of renewal of account. Most of the accounts that were renewed during the year were not having sufficient Drawing Power or were renewed without obtaining the audited financial statements or stock statement	Branches have been advised to ensure proper review of previous year's operations, obtaining of financial statements and working out of financial ratios, ensuring strict adherence to adequate Drawing power before releasing drawals and timely obtaining of financial and stock statements regularly. Copy of revised Stock Statement format wherein the Drawing



			Power calculations are given – Annexure-2.
		d. These Cash credit accounts were allowed to utilize the complete sanction limit irrespective of their actual Drawing power.	Branches were advised to strictly ensure release of drawals based only on the eligible drawing power worked out by them. They were also instructed not to release full limits without compliance of the terms and conditions stipulated by the HO in the sanction letters.
		e. Bank does not have a policy of collecting acknowledgement of debt/ periodic balance confirmations from customers after the stipulated period.	This system has been put in place and its adherence by the branches is being verified during branch inspections.
		f. The bank should regularly monitor all the loan accounts and NPAs in particular. The bank may also prepare a strategy to tackle major NPA accounts and focus for recovery of the same through constant monitoring. The position of recovery of NPA accounts may also be reviewed by the management, on a periodical basis.	The bank has already put in place proper system of review of NPA accounts on a fortnightly basis in addition to regular review of branch-wise recoveries made in such NPA accounts. NPA monitoring is given the highest priority of the top management of the bank.
		g. As informed by the bank officials we have been informed that the bank is working on the Unique Customer Identification Code (UCIC) policy. It has created Unique Customer ID for some accounts. However, the major part of it is still in process of execution. This may result into duplication in accounts having same name and pan number.	The exercise of allotting Unique Customer ID is being given due attention both by the branches and HO.
		h. Details of accounts overdue for review/renewal are as per ANNEXURE- I.	Account-wise compliance obtained from the branches is given in Annexure-6.
		STOCK BOOK DEBT STATEMENTS	



		a. Bank is not obtaining the stock/ book debt statement on a monthly basis from the customers. Also, at the time of renewal of the facility, stock statement was not obtained and the loan has been renewed merely on the stock declaration provided by the borrower. Stock declaration certified by a Chartered Accountant was also not obtained.	Branches have been advised to ensure full compliance of these aspects. These will be verified during the course of Branch Inspections.
		b. Financial statements/Audited statements, GST returns, CMA Report, Net Worth statement and other operational data, etc., are not received regularly from the borrowers.	All the suggested documents are being obtained by the branches and they are being verified during the course of branch inspections.
		c. The bank does not specify terms/norms for DP calculation in Sanction Letter. Further, there is not fixed format for Stock statement. Also, working of DP calculation was not present in stock statement obtained by the bank from the borrower	The Bank has recently issued instructions as to how to work out Drawing Power to branches. In addition, branch managers were also given training in this regard.
		d. The Stock statement submitted by the borrowers does not contain age wise bifurcation of debtors, group debtors, schedules of debtors and creditors, details of obsolete, non-moving and slow-moving stock. Also, as the bank obtains stock statement/ stock declaration only at the time of renewal it fails to analyze the monthly financial performance of the borrower.	All the suggested documents are being obtained by the branches and they are being verified during the course of branch inspections.
		e. As the bank does not obtain Monthly stock statement and the stock statement obtained at the time of renewal does not have age wise bifurcation of the debtors, the bank is not able to analyze the receivables outstanding from more than 90 days/ long outstanding debtors which are included in the computation of drawing power. Further, as the bank does not obtain monthly stock statement it lets the borrower use 100% of the limit sanctioned at all times even after the account is renewed.	Branches have been advised to ensure strict obtaining of stock statement, undertake scrutiny thereof for age-wise classification of receivable outstanding for over 90 days etc. Release of drawals are being done on the basis of the eligibility arrived at by the branches on the basis of DP worked out based on stock statements.



		SYSTEM OF OBTAINING REPORTS ON STOCK AUDITS	
		a. No, bank does not have a policy of obtaining a stock audit report periodically.	As per the extant instructions of RBI, stock audit has to be done only in respect of those loan accounts with limits of Rs.5.00 crore and above. The bank has not sanctioned any such advances. Therefore, it has not conducted stock audit. However, it has put in place Credit Audit Policy recently.
		PHYSICAL VERIFICATION OF SECURITY CHARGE TO THE BANK	
		b. Yes, the branch has conducted Physical verification of the securities charged, However, The Pre-Sanction Inspection report is not supported by the photos taken during inspection.	Necessary instructions have been issued to the branches to follow the suggested procedure immediately.
		IDENTIFICATION AND CLASSIFICATION OF ADVANCES AS PER IRAC NORMS OF RBI	
		a. Despite migrating to CBS platform, the DDSCB has not perfectly adopted the system of generating NPAs from the system as some of the fields in the system are left blank. As a result, the bank continues to prepare NPA position manually.	The migrated data received from Goa StCB had some fields left blank. Hence, NPA reports could not be generated without filling them. This has led to the preparation of NPA position manually. The bank is in the final stages of rectifying all those technical hitches and it is hoped before end of 2024-25 NPA system generated data will be put in place.
		b. In some cases it is observed that account is overdue for long period but system has not marked NPA as per IRAC norms.	These are all due to gaps received in the migrated data from Goa StCB which are being sorted out manually. Marking of NPAs will start once we are able to get System generated data on NPAs.
		c. During the course of verification of the loan accounts on random sampling basis some divergence was observed in the manual NPA	All accounts indicated in the Annexure to the Statutory Audit report have been got rectified by

		classification done by the bank. The details of the same has been enclosed in the Annexure	the concerned branches and the final position in presented in Annexure-9 .
		d. The Bank has not conducted the migration audit of the data received by it from GSCB at the time of separation. Further, some of the fields relevant for NPA classification are left blank in the data received by DDSCB.	The migrated data received from Goa StCB had some fields left blank. Hence, NPA reports could not be generated without filling them. This has led to the preparation of NPA position manually. Once the data received from Goa StCB is fully finalised with our books, it is proposed to take the Migration Audit some time during 2024-25. The quotation for conduct of migration audit has been called for with the approval of the Administrator.
		e. The Bank had restructured various accounts at the time of Covid-19 Pandemic. As per our random sampling of those accounts we have observed some divergence in the classification of these accounts	This has since been rectified and all such accounts have been correctly classified.
		f. Owing to all these reasons, we are unable to comment on the completeness and correctness of the classification of the advances and consequent NPA provisioning.	The bank was continuously making efforts to complete and fill all data on NPAs received from Goa StCB in CBS at the earliest. Once the data will be updated, we will be able to get System generated NPA data.
		g. The bank had maintained record indicating purpose-wise, branch-wise break up of NPAs. However, no special efforts were being made to analyses the NPA position and to formulate a strategy to reduce the same.	Draft NPA reduction strategy is under preparation and after obtaining the approval of the Administrator, the same will be implemented in all earnestness.
		h. it is advised to the bank to undertake thorough verification of all loan accounts in all the branches to arrive at proper classification of assets as per NABARD IRAC norm guidelines and for correct provisioning requirement.	This issue is engaging the attention of the bank and it will be taken care of once we are able to get System generated NPA list.
7	V	LARGE ADVANCES The bank has granted loans to several individuals without ensuring proper scrutiny of the proposals as it had no expert to analyze techno economic	The aspects pointed out by the Statutory Auditor have been noted for compliance. The



	feasibility & viability of the projects. The bank has not obtained the first year estimated sales Justification/calculation. Also, it has not assessed the intricacies in CMA Report and important financial ratios thoroughly. The project reports submitted by the borrowers does not contain the Project implementation Schedule thereby showing the execution of various stages of the project. Also, majority of the bank's exposure is to hotel business, resorts, wine shops, etc.	bank is slowly and steadily reducing its exposure to hotel business, resorts, wine shops etc. in a phased manner. Further, the bank has also prepared and got approved the action plan for compliance to CMA norms. (Annexure-7)
B	INVESTMENTS	
	c. The Bank has an investment policy approved by the board. The bank is investing in Govt. Securities and Fixed deposits as permitted by RBI.	Statement of fact. No comments are being offered.
	d. All the Govt. securities purchased were held under Current category.	Statement of fact. No comments are being offered.
C	OTHER ASSETS:-	
	Does the system of the Bank ensure adequate internal control over issue and custody of stationery comprising of security items [Term Deposits Receipts, Drafts, Pay Orders, Cheques Books, Traveler's Cheques, Gift Cheques, etc.]?	
	Whether the system is being followed by the branch?	
	a. Adequate internal control over issue and custody of stationery items was found.	Statement of fact. No comments are being offered.
	b. Proper register for stationery item were found and were in line with books of accounts. Also, the management conducts stationery counts on quarterly basis	Statement of fact. No comments are being offered.
	c. These accounts need to be audited along with other points by the internal auditors and any discrepancies should be specifically highlighted. Bank's management should quarterly review these heads	Suggested procedure has been noted and being complied with now.

	<p>f. As observed by us, few old entries pending for adjustments and reconciliation are standing in the balance sheet under Sundry Creditors and Sundry Debtors. The age wise bifurcation of such expenses is as follows.</p> <table><tr><th>Particulars</th><th>More than 1 Year</th><th>FY 23-24</th><th>Amt. as on 31.03.2024</th></tr><tr><td>Sundry creditors</td><td>370388.00</td><td>525175.60</td><td>8,95,563.60</td></tr><tr><td>Sundry debtors</td><td>7972217.00</td><td>7400.00</td><td>7979617.00</td></tr></table> <p>The creditors and debtors outstanding from more than 1 year are not reconciled and adjusted by the bank.</p>	Particulars	More than 1 Year	FY 23-24	Amt. as on 31.03.2024	Sundry creditors	370388.00	525175.60	8,95,563.60	Sundry debtors	7972217.00	7400.00	7979617.00	Reconciliation of Sundry Creditors and Sundry Debtors has since been taken up and the same will be completed latest by 31 st March 2025.
Particulars	More than 1 Year	FY 23-24	Amt. as on 31.03.2024											
Sundry creditors	370388.00	525175.60	8,95,563.60											
Sundry debtors	7972217.00	7400.00	7979617.00											
D	NON-FUND BUSINESS													
	<ul style="list-style-type: none">Non-fund business comprises of issue of DDs, issue of Bank Guarantees, Safe Deposit Lockers, Other service charges, etc. Details of Locker occupied by the branches as on 31.03.2024 are as per the attached Annexure II.	Latest position of lockers in different branches is furnished in Annexure-8.												
E	APPLICATION OF PRUDENTIAL NORMS													
	<p>a. Despite migrating to CBS platform, the DDSCB has not perfectly adopted the system of generating NPAs from the system as some of the fields in the system are left blank. As a result, the bank continues to prepare NPA position manually.</p>	<p>The migrated data received from Goa StCB had some fields left blank. Hence, NPA reports could not be generated without filling them. This has led to the preparation of NPA position manually. The bank is in the final stages of rectifying all those technical hitches and it is hoped before the end of 2024-25 NPA system generated data will be put in place.</p>												
	<p>b. During the course of verification of the loan accounts on random sampling basis some divergence was observed in the manual NPA classification done by the bank. The details of the same has been enclosed in Annexure VII</p>	<p>Account-wise position obtained from the branches is furnished in Annexure- 9.</p>												

		c. The Bank has not conducted the migration audit of the data received by it from GSCB at the time of separation. Further, some of the fields relevant for NPA classification are left blank in the data received by DDSCB. Hence clear picture of NPA not disclosed by the Bank.	The migrated data received from Goa StCB had some fields left blank. Hence, NPA reports could not be generated without filling them. This has led to the preparation of NPA position manually. Once the data received from Goa StCB is fully finalised with our books, it is proposed to take the Migration Audit sometime during 2024-25. The quotation for conduct of Migration audit has been called for with the approval of the Administrator.
		d. The Bank had restructured various accounts at the time of Covid-19 Pandemic. As per our random sampling of those accounts we have observed some divergence in the classification of these accounts.	This has since been rectified.
		e. Owing to all these reasons, we are unable to comment on the completeness and correctness of the classification of the advances and consequent NPA provisioning	The bank was continuously making efforts to complete and fill all data on NPAs received from Goa StCB in CBS at the earliest. Once the data will be updated, we will be able to get System generated NPA data.
		f. The bank had maintained record indicating purpose-wise, branch-wise break up of NPAs. However, no special efforts were being made to analyse the NPA position and to formulate a strategy to reduce the same.	Draft NPA reduction strategy is under preparation and after obtaining the approval of the Administrator, the same will be implemented in all earnestness.
		g. It is advised to the bank to undertake thorough verification of all loan accounts in all the branches to arrive at proper classification of assets as per NABARD IRAC norm guidelines and for correct provisioning requirement.	This issue is engaging the attention of the bank and it will be taken care of once we are able to get System generated NPA list.
8	III	MANAGEMENT APPRAISAL	
		a. The U.T. Administration of Dadra Nagar Haveli and Daman & Diu, Office of the Registrar of Co-operative societies vide their order no.	Statement of fact. No comments are being offered.



		12/14/2020-21/ARCS-DMN/10 dated 03.06.2020 appointed Shri Karanjit P. Vadodaria, Joint Secretary (Finance) to manage the affairs of the Bank. The Board of the bank has been dissolved and charges have been given to the Administration from June 3rd, 2020.	
		b. At present, as per Order no. 1/272/93-PER/Vol.V/Part-I/001 dated 19/05/2023, Shri Karanjit P. Vadodaria Administrator of the Daman and Diu State Co-operative Bank Limited had been relieved, and Shri Mohit Mishra had been appointed as the Administrator of the Daman and Diu State Co-operative Bank Limited.	Statement of fact. No comments are being offered.
		c. As per Order No.12/14/2020-21/ARCS-DMN/09 dated 22/05/2023, issued by the Registrar of Cooperative Societies, Union territory of the Dadra & Nagar Haveli and Daman and Diu, Shri Mohit Mishra took charge as the administrator of the Daman and Diu State Co-operative Bank Limited on 29 th May 2023 from Shri Karanjit P. Vadodaria, Joint secretary (Finance)/Administrator of the Bank	Statement of fact. No comments are being offered.
		d. The Bank is managed by the Managing Director Mr. Sohan Lal Birla and the Administrator Mr. Mohit Mishra.	Statement of fact. No comments are being offered.
2		EMPLOYEES	
		a. Employees is the most important aspect of the co-operative institution as day-to-day affairs of the Bank are actually routed through them and hence, they are more responsible constituent of the cooperative management. Refer Annexure III for the staff position at HO and Branch as on 31.03.2024.	Statement of fact. No comments are being offered.
9	IV	EARNING APPRAISAL	
		For details, please refer Annexure-IV	
10	V	LIQUIDITY MANAGEMENT	Statement of fact. No comments are being offered.

i	Cash Examine and comment on the system of monitoring of cash at branches and its management, fixation of retention limits at branches and their compliance/ violence, insurance cover and adequacy including cash in-transit, system and procedure followed for the physical custody of cash etc.	
	b. The bank has framed rules for carrying out transactions relating to custody of cash, limit for retention of cash balance overnight by branches, verification of cash, etc. In some branches there have been violations in maintaining the overnight cash by the branches. Many times, more cash has been maintained/retained at the branch from their retention limits. Bank therefore should observe a cash retention limit strictly.	Branches have been strictly warned not to exceed cash retention limit for longer periods. This aspect is being verified during the course of Branch Inspections and necessary corrective measures are being taken.
	c. Cash verification was done by the Internal Auditors (Bank officials assigned).	Statement of fact. No comments are being offered.
	d. In most of the branches, we observed that the cash safe and the safety deposit lockers are kept side by side in the strong room. Also, security alarm or Gunman (Watchman) was provided at all branches for security	Statement of fact. No comments are being offered.
	e. Bank has taken Composite Insurance policy to Cover the Cash Insurance of All the HO & 9 Branches of the Bank, but as per the Policy issued by Insurer it was wrongly covered only HO & 1 Branch of the Bank and cash Insurance of remaining all the Branch are not Covered as on 31.03.2024.	This was rectified at the time of renewal of composite insurance policy during September 2024.
ii.	Statutory Liquidity Ratio (SLR) & Cash Reserve Ratio (CRR) Requirement system of ensuring compliance The Bank has maintained required amount of SLR & CRR during the FY 2023-24.	Statement of fact. No comments are being offered.
iii	Deposits	



		Comment on as to whether bank has laid down norms/guidelines for conduct and operation of inoperative accounts and violations, if any over-drawl, if any and allowing drawls against unrealized cheques, delay in paying matured deposits, obtaining necessary declaration whenever required, comments on adherence to KYC norms.	
		Adherence to KYC norms	
		a. Yes, as verified by us on test check basis, proper KYC norms have been followed by the bank but in some cases KYC not updated in Inoperative accounts.	In many cases, the original depositors are staying in London and efforts are being made by the branches to get their KYC done through their family members.
		b. No. of inoperative accounts as on 31.03.2024 are as per Annexure VI	Latest position of the Inoperative Accounts (branch-wise) is given in Annexure- 8. Efforts are being made to reduce such accounts.
11	VI	SYSTEMS AND CONTROLS	
		a. The system and controls mechanism prevalent in the bank was found to be weak and, needs improvement.	The bank has been constantly taking steps to tone up the internal checks and control system by preparing necessary operational manuals, policies and guidelines for the guidance and effective implementation by all the branch and HO staff.
		b. System of loan sanction and disbursement also needs to be improved.	Detailed guidelines were issued to the branches for proper loan application scrutiny, appraisal and disbursement procedure recently. (See Annexure-1).
		c. Audit committee and ALCO committee have been formed last year.	Statement of fact. No comments are being offered.
		d. The interbank adjustments of two account with YES Bank RTGS A/c having difference of Rs. 81420944.43 and IDBI bank for Rs. 2,40,000 which is pending since separation of Bank from Goa State	Both the bank accounts have been reconciled on 21 st September 2024.

		co-op Bank and as informed by the management it is under consideration	
		e. The inter-branch adjustments of Rs. 8567604.65 is under process of reconciliation and the same is pending due to separation of Bank from GSCB.	The bank has since completed the reconciliation of Branch Adjustment Account (Rs.85.68 lakh) with the help of an external Consultant.
		f. ALM mechanism has been put in place in the bank. However, no report has been generated on this mechanism.	The matter has been taken up with the Service Provider for generating all ALM reports as per instructions of NABARD. The issue has been engaging our attention and we hope to implement the same shortly. Till the report is generated from the CBS.
		g. The bank has not prepared any accounting manual & operation for guidance of the branches. There should be uniformity in the accounting policies followed by the branch	This issue is receiving our attention and the Accounting Manual and Operational guidelines to the branches will be prepared before end of FY 2024-25.
12	VII	Compliance	
		The bank has not received the NABARD Compliance report from last two years/	Statement of fact. No comments are being offered.
		<ul style="list-style-type: none"> The bank has not fully complied with all the compliances for the Banking 	Statement of fact. No comments are being offered.
		<ul style="list-style-type: none"> The Audit committee, ALCO committee or Vigilance committee have been constituted Last year and the related policies are framed. 	Statement of fact. No comments are being offered.
		Concurrent Audit of the branches are not conducted for the year under audit. However, Internal audit was conducted by certain branch officials appointed as Internal Auditors	Concurrent Audit of Investment Portfolio has been completed on 31 st October 2024. Concurrent Audit of branches will be taken up during the last quarter of 2024-25.
		The Bank has not conducted Migration Audit of the data and other details transferred from GSCB after its Bifurcation	The bank has taken up measures to reduce the violations of CMA norms in a phased manner.



ANNEXURE-I



THE DAMAM & DIU STATE CO-OPERATIVE BANK LTD.

(Registration No. ARCS/DMN/DDCBL/211/2015-16 dtd.17.11.2015)

Head Office: H.No.14/54, 1st Floor, Dilip Nagar, Nani Damam-396210.

Ph No: 0260 2255984, 2255985

E-Mail: loans@3dcoopbank.in

DDSCB/L&A/2024-25/08/1034.

Date: 20.11.2024

CIRCULAR ORDER NO: - 55

To
The Regional Manager, Diu,
All Branch Managers

Dear Sir,

Loans & Advances - Compilation of Mandatory Reports

It is observed from the Statutory Inspection Reports of NABARD, Statutory Audit. that the following important reports pertain to Advances are not compiled and observations are not recorded on the Reports by BMs.

It is also observed from the loan proposal files that the Pre-Sanction Reports are not compiled properly. In view of this it has been decided to introduce new formats which should be invariably compiled by the branches and kept on record.

1. KYC Pre Sanction Report of Borrower (Residence of the Applicant)
2. KYC Pre Sanction Report of Borrower (Work Place) and also Guarantor/Surety.
3. Pre Sanction Report of the Property proposed to Mortgage.
4. Pre Disbursement Note / Report after completion of Documentation and before release of loan amount.
5. Note for release of loan amount in Instalments viz. Housing Loans, Education Loans, etc.
6. Post Sanction Inspection Report of Commercial Vehicles.

All the operating staff are hereby advised to compile these reports meticulously. The Soft Copies will be mailed to all branches.

The instructions will be in operation from the date of issue of this Order.


Chief General Manager
Encl.: 6 Formats.



12/6/24, 12:07 PM

3dcoophbank Mail - Loans & Advances - Compilation of Mandatory Reports.

Statutory
Circuit
Circuit



Loans Department DDSCBL <loans@3dcoopbank.in>

Loans & Advances - Compilation of Mandatory Reports.
1 message

1 message

Loans Department DDSCBL <loans@3dcoopbank.in>
Tel: 080-26100000

Wed, Nov 20, 2024 at 6:10 PM

To: "nanidaman@3dcoopbank.in" <nanidaman@3dcoopbank.in>, motidaman@3dcoopbank.in, somnath@3dcoopbank.in, dlu@3dcoopbank.in, vanakbara@3dcoopbank.in, ghoghla@3dcoopbank.in, kachigam@3dcoopbank.in, fudam@3dcoopbank.in, bhimpore@3dcoopbank.in, diuro@3dcoopbank.in
Cc: cgm@3dcoopbank.in

Cc: cgm@3dcoopbank.in


Dear all,


Circular Order No 55 dated 20.11.2024 is on the way by courier.

Soft copies are attached for your use. Please note to submit on the revised formats while forwarding the loan files to HO.

Thanks & Regards
Loans Department
DDSCBL

3 attachments

 **Circular Orders.docx**
71K

 PRE & POST SANCTION.doc
129K

PRE DISBURSE n RELEASE OF INST.docx
19K



(KYC) - PRE-SANCTION INSPECTION REPORT - BORROWER**(RESIDENCE OF THE APPLICANT)**

(Professionals / Self-employed / Businessmen / Industrialists)

MT / CASH CREDIT / OD

Sl. No.	Particulars	Observations of Visiting Official / Associate connected with Advances
	Date of Visit	
1	Name of the Applicant	
	Account No. (If existing customer)	
	Application received register number	
	PAN No.	
	Residential Address	
	Office / Business Address	
2	Loan Amount Rs.	
3	Visit to Residence of the Applicant	
	a. Proof of identification and whether person identified on the basis of it?	
	b. Proof of residence and whether it tallies with the actual residential address?	
	c. Residential telephone number	
	d. Mobile Number, if any	
	e. Educational Qualification	
	f. Name of the unit, Address, constitution, line of activity, date of setting up of the business. (for self employed/ businessmen/ industrialists)	
	g. Name of the firm (if any) , Address, line of activity, date of establishment (for professionals)	
	h. Current residence : Owned/company provided/rented, If rented , monthly rental Rs.	
	h.. Credit card details, if any : Name of the Card issuer Credit Card Number	Name of the Card issuer Credit Card Number

	i. Whether children are employed	
	j. Number of school going children	
	k. Number of dependent relatives staying with the applicant	
	l. Whether he owns a car/or two-wheeler in his/spouse's name. If so, model and regn. Number of the car and name of the financiers, if any	
	m. Feedback based on discreet enquiries about credentials/antecedents of the applicant made with the neighbour(s) and his/her name	
4	Other observation :	

Visit of property

Place:

Date:

Signature :

Name of BM.....

Designation:.....

Branch:



PRE-SANCTION INSPECTION Report – Surety
KYC (RESIDENCE / WORK PLACE OF THE SURETY)
MT /OD/CC LOANS

Annexure MT P- 2S

Sl. No.	Particulars	Observations of Visiting Official / Associate	
		Surety - 1	Surety - 2
	Date of Visit (Residence)		
1	Name of the Surety		
	Account No. (If existing customer)		
	PAN No.		
	Address of the Surety		
	Address of the Office		
3	Visit to Residence of the Surety		
	a. Proof of identification and whether person identified on the basis of it?		
	b. Proof of residence and whether it tallies with the actual residential address?		
	c. Residential telephone number		
	d. Mobile Number, if any		
	e. Educational Qualification		
	f. Designation, Name & Address of the Company, Experience (for salaried)		
	g. Current residence : Owned/company provided/rented, If rented, monthly rental Rs.		
	m. <i>Feedback based on discreet enquiries about credentials/antecedents of the Sureties</i>		
4	Date of visit : (Work Place)		
a	Name of the organization		
	Constitution		
	How long the applicant employed in the organization.		
	Contact number of the employer		
	Nature of the present assignment		
b	Feedback from the salary disbursing authority/head of institution on the antecedents/credentials of the applicant and name of the authority.		
c	Whether genuineness of salary slip has been verified.		
d	Feedback from a few colleagues (where deemed necessary).		



PRE-SANCTION INSPECTION SHEET OF THE PROPERTY

Sl	Particulars	Observations of Visiting Official / Associate
1	Name of the applicant	
2	Home Loan amount	
3	Name of the Builder (In case of Home loan for purchase of new flat/ flat under construction)	
4	Feedback on the credentials/ antecedents of the Builder	
a	From a few reputed builders in the area and name/designation of the person contacted	
b	From the Industry body and name/designation of the person contacted	
c	From the officer bearer of the Society/ Apartment Owners Association and name/ designation of the person contacted.	
d	From a few resident(s) of existing projects promoted by the Builder regarding quality of construction, timely completion and conveyance of ownership title, information on litigation/ disputes	
6	Visit to the property: (should be made independently and with a surprise element)	
a	Whether the property could be located based on the title documents	
b	Land marks for identification of the property (including LATITUDE and LONGITUDE - coordinates of property)	
c	Comments on accessibility / approachability All modes of transport/car/ two wheeler only/ narrow walking path/ no access	
d	Comments on the locality	
e	Comments on the area Posh/ upper middle class/ middle class/ lower middle class/ slum area	
f	Feedback from the neighbours about the ownership of property, information on any disputes/ pending litigation on the property and name of the person contacted.	
g	Condition of the house i.e. whether it is kept in good and tenantable condition	
h	a) whether the property is rented out. b) if so, for how long it is rented out, c) name of the tenant. d) and monthly rentals.	

Place:

Date:

(Signature)

Name of the Branch Manager

Branch:



POST-SANCTION INSPECTION REPORT FOR COMMERCIAL VEHICLE (SRTO)

Sl. No.	Particulars of borrower/s	Observations of Visiting Official / Associate connected with Advances	
1	Name of Borrower/s		
	Address		
	Account No.		
	Loan amount		
	Date of Sanction		
	Date of disbursement		
	Purpose of Loan		
	PAN		
	Mobile No.		
2	Particulars of Vehicle Purchased		
	Name of the Dealer		
	Address		
	Mobile / Phone No.		
	No. & Date of Invoice		
	Date of Delivery		
	Cost of the Vehicle (On Road Price)		
	Make of the Vehicle		
	Model & Variant		
	Engine Number		
	Chassis Number		
3	Observations of the Inspecting Official regarding vehicle:		
	Particulars	Mention as applicable	Remarks
i	Date of Inspection		
ii	Place where inspection conducted		
iii	Whether vehicle description and value tallies with proforma invoice.	Yes/No	
iv	Whether acknowledged copy of vehicle delivery note issued by the dealer/seller is obtained and kept on record.	Yes/No	
v	Whether tax invoice obtained and kept on record.	Yes/No	
vi	Whether vehicle particulars and its cost given in tax invoice tallies with quotation / proforma invoice.	Yes/No	
vii	Whether Engine No, Chassis No. of the vehicle tallies	Yes/No	

	with tax invoice.		
ix	Whether financier's copy of insurance policy / cover note with Bank's hypothecation clause is received,	Yes/No	
xii	Whether vehicle has been registered with RTA.	Yes/No	
xiii	Whether copy of RC with Bank's hypothecation clause has been obtained, verified with original and kept on record.	Yes/No	
xiv	Whether registration particulars verified in <i>vahan.nic.in</i>	Yes/No	
xv	Whether photograph of the vehicle has been taken and kept on record.	Yes/No	
xvi	Whether vehicle is in good condition.	Yes/No	
4	Observations of the Inspecting Official regarding residence/work place:		
i	Whether borrower was located at the recorded residential address.		
5	Other observations of the Inspecting Official :		
ii	Whether repayment of loan is regular?		
iii	If not, irregular amount in the account.		
iv	Reasons for irregularity.		
v	Steps initiated for recovery of irregular amount.		
vi	Whether seizure/auction of vehicle initiated, if 2 or more EMIs are pending for payment.		
vii	If seizure/auction of vehicle initiated, status thereof.		
viii	If seizure/auction of vehicle not initiated, reason for the same.		
ix	Any other deficiency observed during inspection visit.		

Place:

Date:

Signature :

Name:

Designation:

Branch:



PRE— DISBURSEMENT REPORT FOR RELEASE OF LOAN

The Branch Manager,
_____ Branch

Re: Request for release of Term loan / HCC

Sir,

We have received sanction advice from HO/RO in respect of the _____ Loan for Rs. _____ in the name of Sri. _____.

I have prepared a separate Sanction Letter to the Borrower and Sureties and placed hereunder with all the terms and sanctioned included as per the Sanction Advice of HO.

I request you to release of Rs. _____ /- from the Term Loan / HCC account of the unit for the purpose of sending RTGS to Suppliers for supply of machinery as below mentioned as per quotations given to you. (in case of personal Loans the amount may be credited to His SB Account. The stock statement is verified and arrived the Drawing Power. We may allow the Transactions.

I confirm that all the processing charges are collected and credited to Commission account of the branch.

The required margin amount of the borrower has been credited to SB Account and our share of loan amount together with the margin may be disbursed.

Name of the Machinery	Amount including GST
Total	

Total Cost of Machinery : Rs.

My Margin 25.00% : Rs.

Bank Finance 75.00 : Rs.



Yours faithfully,
Name of the Officer / Branch Manager
Name of the Branch :

NOTE SEEKING RELEASE OF INSTALLMENT IN TERM LOAN OF RS.

Name of the Firm/Company / Individual :
Branch: : Term Loan Account No:
Sanctioning authority: HO/RO; : Sanctioned limit Rs.
Disbursing towards: Term Loan release for _____

The Borrower / unit was sanctioned vide Sanction Advice Number _____ dated _____ for a Term Loan of Rs. _____ lakhs for purpose to establishment of _____ Unit. Now the unit requested for release of Rs. _____ term loan towards _____ as details below.

All the Terms and Conditions of Sanction Letter has been fulfilled complied with by the Borrowers and Sureties.

I have inspected the unit on _____ and the stage of construction / machinery installed are mentioned below.

01. _____ : Rs. _____
02. _____
03. _____

Total amount : Rs. _____
Borrower Margin : Rs. _____ Margin 25%)
Today's Disbursement amount : Rs. _____
Allowed to release by BM

Margin of Rs. _____ credited to unit current account / SB No. _____.

S. No.	Parameter	Amount in Rs.
1	Limit sanctioned	
2	Disbursed so far	
3	Current Disbursement	
4	Disbursed including today	
5	Remaining to Disburse	





Loans Department DDSCBL <loans@3dcoopbank.in>

Opinion Report on Borrower & Surety.

1 message

Loans Department DDSCBL <loans@3dcoopbank.in>

Fri, Nov 22, 2024 at 11:48 AM

To: "nanidaman@3dcoopbank.in" <nanidaman@3dcoopbank.in>, bhimpore@3dcoopbank.in,
motidaman@3dcoopbank.in, vanakbara@3dcoopbank.in, diu@3dcoopbank.in, somnath@3dcoopbank.in,
ghoghla@3dcoopbank.in, kachigam@3dcoopbank.in, fudam@3dcoopbank.in, diuro@3dcoopbank.in
Cc: cgm@3dcoopbank.in

Dear Sir,

While processing the Loan files, the Administrator has asked for Net worth of the Borrowers & Guarantors Statement. Branch Managers are advice to compile the Opinion Report as per the format enclosed to the loan proposals 3 Reports 1 on Borrower and 2 on Sureties .

The reports to be compiled by interviewing the parties. It is a General Worth of them. Nothing to do with their properties.

When house is owned by the party total value can be taken

If the house is in the name of the father, the share of property belonging to the party only to be taken in the value column.

Thanks & Regards,

Loans Department

The Daman & Diu State Co-Operative Bank Ltd.

 Opinion Report.docx
18K

CREDIT REPORT / OPINION REPORT ON BORROWERS / GUARANTORS
(to be compiled by BM for each Borrower and Guarantors separately)
(to assess the Net Worth of Individuals)

Name of the Borrower: Sri. _____ S/o _____

Name of the Guarantor : Sri. _____ S/o _____

A. Details of Immovable Properties:

Place	Type of property	Extent	Acquired / Ancestral	Value

B. Details of Liquid Assets:

Particulars	Account Number & Bank Name	Amount	If encumbered to what extent
Cash			
Bank Balance			

C. Government Securities:

Particulars	Date of purchase	Amount	Date of Maturity	If encumbered

D. Shares :

Name of the Company	Listed or not	Demat / Physical	No. of Shares	Market Value

E. Life Insurance Policies:

Name of the Company	Policy No.	Premium Paid upto	Surrender Value	Maturity Amount

F. Jewellery:

Description	Weight	Market Value

G. Investment in other Associate Firms : RS.

H. Income per month: Rs.

1. Total Assets : A to H

Rs.

2. Total Liabilities : (CIBIL Report)
(Our loans & Other borrowings)

Rs.

Net Worth (1-2)

Rs.

Branch Manager



ANNEXURE 2

STATEMENT OF STOCK & SUND~~RY~~RY DEBTORS/BOOK DEBTS AS ON DATE _____

Name of the Company / Unit: _____

For the Month of _____

INVENTORIES:

DESCRIPTION	OPENING STOCK		STOCK IN		STOCK OUT		CLOSNG STOCK		
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	
Raw materials									
Work in Progress									
Finished goods									
TOTAL									
Store items									
Spare items									
TOTAL									
Sundry Debtors	Not more than 6 months old. List of Debtors to be enclosed.								

Sales up to the Month ; Rs. _____ Projected Sales for the year : Rs. _____

Sundry Creditors : Rs. _____

Signature of the Company / Unit

Assessment of Drawing Power :

Item	Value Rs.	Margin	Advance Value	Drawing Power	Limit
Stock		25			
Debtors		60%			
Creditors	(-)				



Branch Manager

ANNEXURE - 3

h	It has been observed that in few cases the loan documents are not filled completely.	All branches	The branch has undertaken the rectification of the said observation
✓ a	While assessing the Vehicle loan files in Somnath branch it is observed that the branch had not obtained RC Book, Driving licence and original tax invoice in various files.	Somnath Branch	The branch has undertaken the rectification of the said observation, every vehicle loan file is under screening for the same.
b	Bank is not registering the charge with CERSAI for the collateral security taken	All branches	awaiting a circular regarding the same from HO
c	In case of mortgage loans branches are not obtaining the latest tax paid receipt of the mortgage security as mentioned in the important observations in scrutiny report.	All branches	The branch has undertaken the rectification of the said observation
d	In some cases of Vehicle loans duplicate key of the vehicle were not taken from the borrowers.	All branches	The observation been noted, the branch is awaiting a circular regarding the same from HO
e	The branch has not obtained the sanction letter, loan statement and the repayment schedule of the existing loans appearing in the Balance Sheet of borrower or his business.	All branches	The branch has undertaken the rectification of the said observation
f	The branch is not obtaining the driver's licence from the borrower/co-borrower/guarantors/family of the borrower to whom Vehicle loan has been sanctioned.	All branches	The branch has undertaken the rectification of the said observation
g	Register for the stock statement in case of working capital loan was also not maintained and if maintained not updated.	All branches	The branch has undertaken the rectification of the said observation
h	Copy of latest Income Tax Return filed, Audit Report, CMA data showing present position and future projections, latest Net worth statement and GST returns of the firm/companies/borrowers/ guarantors have not been insisted upon at the time of renewal.	All branches	The branch has undertaken the rectification of the said observation



THE DAMAN & DIU STATE CO-OP. BANK LTD.

HEAD OFFICE - NANI DAMAN

Loan Compliance Report period from 01.04.2023 to 31.03.2024 of **Bhimpore Branch**

Sr. No.	A/c No.	Borrower Name	Sanction Amount	Sanction Date	Purpose	Remarks	Compliance
1	002535251000163	Ajay Ramu Halpati	180000	03.04.2023	House Hold Items	Branch Manager not signed in loan Agreement form	Branch Manager signed in loan Agreement form
2	002535251000217	Kamlesh R. Bhandari	150000	17.05.2023	House Hold Items	Branch Manager not signed in loan Agreement form	Branch Manager signed in loan Agreement form
3	002535251000226	Vishal Balu Patel	500000	17.05.2023	House Hold Items	Branch Manager not signed in loan Agreement form	Branch Manager signed in loan Agreement form
4	002535251000237	Mehul Girsh Halpati	40000	19.05.2023	House Hold Items	Branch Manager not signed in loan Agreement form	Branch Manager signed in loan Agreement form
5	002535251000249	Pinkesh Kishir Patel	300000	29.06.2023	House Hold Items	Branch Manager not signed in loan Agreement form Applicant & Surety no.1 not signed in sanction letter.	Branch Manager signed in loan Agreement form Applicant & Surety no.1 signed in sanction letter.
6	002535251000256	Rukhsar Nazir Khan	300000	29.06.2023	House Hold Items	Branch Manager not signed in loan Agreement form	Branch Manager signed in loan Agreement form
7	002535251000261	Pragnesh Raman Patel	1365000	21.07.2023	House Hold Items	Branch Manager not signed in loan Agreement form	Branch Manager signed in loan Agreement form



8	002535251000278	Rakesh Lal Meena	500000	01.08.2023	House Hold Items	Branch Manager not signed in loan Agreement form	Branch Manager signed in loan Agreement form
9	002535251000282	Moiz Muzafar Mamodo	300000	05.08.2023	House Hold Items	Branch Manager not signed in loan Agreement form	Branch Manager signed in loan Agreement form
10	002535251000291	Sumit Hiralal Bhakti	750000	17.08.2023	House Hold Items	Branch Manager not signed in loan Agreement form Surety No.I & II not signed in sanction letter.	Branch Manager signed in loan Agreement form Surety No .I & II signed in sanction letter.
Sr. No.	A/c No.	Borrower Name	Sanction Amount	Sanction Date	Purpose	Remarks	Remarks
11	002535251000355	Hemang R. Patel	500000	24.11.2023	House Hold Items	Branch Manager not signed in loan Agreement form	Branch Manager signed in loan Agreement form
12	002535251000374	Urval J. Bhandari	295000	28.12.2023	House Hold Items	Surety No.I & II not signed in sanction letter.	Surety No.I & II signed in sanction letter.
13	002535251000383	Manoj D. Patel	200000	28.02.2024	House Hold Items	Surety No.I & II not signed in sanction letter.	Surety No.I & II signed in sanction letter.
14	002535251000393	Bhupendra I Dhodia	200000	05.03.2024	House Hold Items	Branch Manager not signed in loan Agreement form Applicant & sureties are not signed in sanction letter. Sureties are not signed in promissory note.	Branch Manager signed in loan Agreement form Applicant & sureties are signed in sanction letter. Sureties are signed in promissory note.
01	002535301000019	Kaminiben Ganesh Bhandari	500000	11.10.2023	Expansion Business	Sureties are not signed in surety bond form	Sureties are signed in surety bond form




02	002535301000023	Ganeshbhai Dahyabhai Bhandari	500000	11.10.2023	Expansion Business	Sureties are not singed in surety bond form Surety No.1 not singed in sanction letter	Sureties are singed in surety bond form Surety No.1 singed in sanction letter
03	002535301000039	Jagdish Hiralal Patel	500000	12.10.2023	Expansion Business	Applicant not singed in sanction letter.	Applicant singed in sanction letter.
1	002535371000126	Vanitaben Babu Patel	980000	31.03.2023	Mahindra Thar Car	Form No.29,30,34 & 35 not obt.	Form No.29,30,34 & 35 obtain.
2	002535371000137	Pritesh Kantilal Patel	1700000	25.05.2023	Toyota Innova Car	Branch Manager not signed in loan Agreement form	Branch Manager signed in loan Agreement form
3	002535371000149	Heman Ishwar Patel	700000	05.06.2023	Maruti Swift Car	Applicant & sureties are not signed in sanction letter. Branch Manager not signed in loan Agreement form Bill, Insurance, Sale letter not obt.	Applicant & sureties are signed in sanction letter. Branch Manager signed in loan Agreement form Bill, Insurance, Sale letter obtain.
Sr. No.	A/c No.	Borrower Name	Sanction Amount	Sanction Date	Purpose	Remarks	Remarks
4	002535371000155	Ishwar Naran Patel	1200000	25.07.2023	Hyundai Creta Car	Surety No.2 not signed in sanction letter RC book/Sale letter not obt.	Surety No.2 signed in sanction letter RC book/Sale letter obt.
5	002535371000168	Tejash Kishor Patel	800000	30.05.2023	Maruti Ertiga Car	Wrongly Financer name found in invoice namely the Goa State Co-op. Bank Ltd instead of the DDSCBL.	Name Change in invoice namely the of the DDSCBL.



6	002535371000175	Anil Jagan Kamli	800000	11.08.2023	Maruti Grand Vitara	Sureties are not signed in sanction letter RC book/Sale letter not obt.	Sureties are signed in sanction letter RC book/Sale letter obt.
7	002535371000182	Ketan H. Bhandari	600000	22.08.2023	Hyundai I-10 Car	Surety No.1 not signed in surety bond form Branch Manager not signed in loan Agreement form	Surety No.1 signed in surety bond form Branch Manager signed in loan Agreement form
8	002535371000192	Milan Jayanti Patel	1000000	08.09.2023	KIA Seltos Car	RC book/ Sale letter not obt.	RC book/ Sale letter obt.
9	002535371000204	Beenaben B. Joshi	700000	05.09.2023	Toyota Glanza Car	RC book/ Sale letter not obt.	RC book/ Sale letter obt.
10	002535371000213	Balwant Morar Bhandari	1100000	29.09.2023	Mahindra Scorpio Car	Sureties are not signed in surety bond form RC book not obt.	Sureties are signed in surety bond form RC book obt.
11	002535371000222	Suresh Jagu Patel	1000000	09.10.2023	Mahindra XUV Car	Surety No.2 not signed in sanction letter Sureties are not signed in surety bond form Applicant not signed in form no.29,30,34 & 35 RC book/Invoice/Insurance/sale letter not obt.	Surety No.2 signed in sanction letter Sureties are signed in surety bond form Applicant signed in form no.29,30,34 & 35 RC book/Invoice/Insurance/sale letter obt.
12	002535371000236	Smt. Chandraketa P Aud	1799000	03.01.2024	KIA Seltos Car	Sureties are not signed in sanction letter.	Sureties are signed in sanction letter.





Sr. No.	A/c No.	Borrower Name	Sanction Amount	Sanction Date	Purpose	Remarks	
1	002535871000013	Alpesh N. Bhandari	1000000	17.07.2023	Eicher Tempo	Branch Manager not signed in loan Agreement form	Branch Manager signed in loan Agreement form
2	002535871000025	Mukesh Chhotu Patel	500000	11.08.2023	Mahindra Super Mini Tempo	Applicant & Sureties are not signed in sanction letter Branch Manager not signed in loan Agreement form Applicant not signed in Hy. Motor Vehicle form Bill/Invoice, Insurance RC book not obt.	Applicant & Sureties are signed in sanction letter Branch Manager signed in loan Agreement form Applicant signed in Hy. Motor Vehicle form Bill/Invoice, Insurance RC book obt.
3	002535871000038	Bhanu Chibu	800000	29.09.2023	Mahindra Bolero Max Tempo	RC book/ Insurance / Sale certificate not obt.	RC book/ Insurance / Sale certificate obt.
1	002535901000041	Jatinkumar Jagu Patel	1250000	28.02.2023	Business Expansion	Branch Manager not signed in loan Agreement form Sureties are not signed in surety bond form	Branch Manager signed in loan Agreement form Sureties are signed in surety bond form
2	002535901000059	Paresh G. Patel	1950000	25.05.2023	Business Expansion	Branch Manager not signed in loan Agreement form	Branch Manager signed in loan Agreement form



3	002535901000062	Himay Dipak Patel	5500000	19.06.2023	Business Expansion	Sureties are not signed in sanction letter Branch Manager not signed in loan Agreement form Applicant & Co-applicant not signed Hy. Goods form page no.3 & 4	Sureties are signed in sanction letter Branch Manager signed in loan Agreement form Applicant & Co-applicant signed Hy. Goods form page no.3 & 4
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Sr. No.	A/c No.	Borrower Name	Sanction Amount	Sanction Date	Purpose	Remarks
1	002535951000006	Amrat D. Patel	1670000	04.11.2023	Higher Education Loan	Surety No.2 not signed in sanction letter Branch Manager not signed in loan Agreement form
1	002535991000024	Jayesh T. Patel	80000	16.09.2023	Suzuki Burgman M/C	Applicant & Surety no.1 not signed in sanction letter Applicant & Surety no.1 signed in sanction letter
2	002535991000039	Mrs.Drashti B. Patel	65000	16.09.2023	Hero Passion Plus M/C	Sureties are not signed in surety bond letter Bill / RC book / Insurance not obt.



k	cases branch disburses the amount in another account of borrower rather than direct remittance to supplier.		suppliers.
	Branch does not inspect the Assets purchased by physically verifying it.	All branches	Branch has since started verifying the physical assets and make due recording thereof.
IV REVIEW/MONITORING/SUPERVISION			
a	In many cases the accounts were found to be overdue and/or credit was not received from the borrower for a long time. Also, the borrower's operations with other banks were unidentifiable.	All branches	Such instances are not there in our branch. However, the observations have been noted for strict compliance.
b	Accounts were renewed in spite of unsatisfactory operations of the account or defaults or outstanding amount exceeds the limit sanctioned.	All branches	Proper monitoring of loan accounts will be undertaken henceforth to avoid such situations.
c	Cash credit accounts were renewed without analysing the previous year operations of the account. Also, financial statements and other ratios were not considered at the time of renewal of account. Most of the accounts that were renewed during the year were not having sufficient Drawing Power or were renewed without obtaining the audited financial statements or stock statement.	All branches	The deficiencies pointed out in the Audit Report will be rectified and steps will be taken to avoid recurrence in future.
d	These Cash credit accounts were allowed to utilise the complete sanction limit irrespective of their actual Drawing Power.	All branches	No such instances in our branch. Noted for compliance.
e	Bank does not have a policy of collecting acknowledgement of debt/periodic balance confirmation from customers after the stipulated period.	All branches	This system has since been introduced in our branch.
f	The bank should regularly monitor all the loan accounts and NPAs in particular. The bank may also prepare a strategy to tackle major NPA accounts and focus for recovery of the same through constant monitoring. The position of recovery of NPA accounts may also be	All branches	The branch is very closely monitoring all the NPA accounts for effecting recoveries.



ANNEXURE - 5

i	Post sanction physical verification report of the securities charged are not kept on record.	All branches	This is being ensured now.
j	The branch does not have policy/protocol governing the disbursement of the term loans. It does not obtain the disbursement request letter, margin certificate specifying the details of margin introduced till the date of disbursement to ensure sufficient margin contribution by the borrower at the time of disbursement, bill of the supplier for calculating amount of margin to disbursement ratio. Further, in some cases branch disburses the amount in another account of borrower rather than direct remittance to supplier.	All branches	All these aspects will be strictly ensured. There is no system of disbursing the loan to another account of borrower. Loan amounts are directly remitted to the suppliers.
k	Branch does not inspect the Assets purchased by physically verifying it.	All branches	Branch has since started verifying the physical assets and make due recording thereof.
IV REVIEW/MONITORING/SUPERVISION			
a	In many cases the accounts were found to be overdue and/or credit was not received from the borrower for a long time. Also, the borrower's operations with other banks were unidentifiable.	All branches	Such instances are not there in our branch. However, the observations have been noted for strict compliance.
b	Accounts were renewed in spite of unsatisfactory operations of the account or defaults or outstanding amount exceeds the limit sanctioned.	All branches	Proper monitoring of loan accounts will be undertaken henceforth to avoid such situations.
c	Cash credit accounts were renewed without analysing the previous year operations of the account. Also, financial statements and other ratios were not considered at the time of renewal of account. Most of the accounts that were renewed during the year were not having sufficient Drawing Power or were renewed without obtaining the audited financial statements or stock statement.	All branches	The deficiencies pointed out in the Audit Report will be rectified and steps will be taken to avoid recurrence in future.



BHIMPORE BR.

Annexure-5

	firm/companies/borrowers/ guarantors have not been insisted upon at the time of renewal.		
i	Post sanction physical verification report of the securities charged are not kept on record.	All branches	This is being ensured now.
j	The branch does not have policy/protocol governing the disbursement of the term loans. It does not obtain the disbursement request letter, margin certificate specifying the details of margin introduced till the date of disbursement to ensure sufficient margin contribution by the borrower at the time of disbursement, bill of the supplier for calculating amount of margin to disbursement ratio. Further, in some cases branch disburses the amount in another account of borrower rather than direct remittance to supplier.	All branches	All these aspects will be strictly ensured. There is no system of disbursing the loan to another account of borrower. Loan amounts are directly remitted to the suppliers.
	Branch does not inspect the Assets purchased by physically verifying it.	All branches	Branch has since started verifying the physical assets and make due recording thereof.
IV REVIEW/MONITORING/SUPERVISION			
a	In many cases the accounts were found to be overdue and/or credit was not received from the borrower for a long time. Also, the borrower's operations with other banks were unidentifiable.	All branches	Such instances are not there in our branch. However, the observations have been noted for strict compliance.
b	Accounts were renewed in spite of unsatisfactory operations of the account or defaults or outstanding amount exceeds the limit sanctioned.	All branches	Proper monitoring of loan accounts will be undertaken henceforth to avoid such situations.
c	Cash credit accounts were renewed without analysing the previous year operations of the account. Also, financial statements and other ratios were not considered at the time of renewal of account. Most of the accounts that were renewed during the year were not having sufficient Drawing Power or were renewed without obtaining the audited financial statements or stock statement.	All branches	The deficiencies pointed out in the Audit Report will be rectified and steps will be taken to avoid recurrence in future.



Somnath Br.

ANNEXURE - 5

i	Post sanction physical verification report of the securities charged are not kept on record.	All branches	The branch has undertaken the rectification of the said observation
j	The branch does not have policy/protocol governing the disbursement of the term loans. It does not obtain the disbursement request letter, margin certificate specifying the details of margin introduced till the date of disbursement to ensure sufficient margin contribution by the borrower at the time of disbursement, bill of the supplier for calculating amount of margin to disbursement ratio. Further, in some cases branch disburses the amount in another account of borrower rather than direct remittance to supplier.	All branches	The observation been noted, the branch is awaiting a circular regarding the same from HO
✓ k	Branch does not inspect the Assets purchased by physically verifying it.	All branches	The branch does perform site inspections.
IV REVIEW/MONITORING/SUPERVISION			
a	In many cases the accounts were found to be overdue and/or credit was not received from the borrower for a long time. Also, the borrower's operations with other banks were unidentifiable.	All branches	Notices have been issued to overdue accounts regularly.
b	Accounts were renewed in spite of unsatisfactory operations of the account or defaults or outstanding amount exceeds the limit sanctioned.	All branches	The branch has undertaken the rectification of the said observation
c	Cash credit accounts were renewed without analysing the previous year operations of the account. Also, financial statements and other ratios were not considered at the time of renewal of account. Most of the accounts that were renewed during the year were not having sufficient Drawing Power or were renewed without obtaining the audited financial statements or stock statement.	All branches	The branch has undertaken the rectification of the said observation
d	These Cash credit accounts were allowed to utilise the complete sanction limit irrespective of their actual Drawing Power.	All branches	The Drawing power is the only limit to be used.
e	Bank does not have a policy of collecting acknowledgement of debt/periodic balance confirmation from customers after the stipulated period.	All branches	The observation been noted, the branch is awaiting a



d	In some cases of Vehicle loans duplicate key of the vehicle were not taken from the borrowers.	All branches	Noted for compliance.
e	The branch has not obtained the sanction letter, loan statement and the repayment schedule of the existing loans appearing in the Balance Sheet of borrower or his business.	All branches	This will be strictly adhered
f	The branch is not obtaining the driver's licence from the borrower/co-borrower/guarantors/family of the borrower to whom Vehicle loan has been sanctioned.	All branches	Noted for compliance.
g	Register for the stock statement in case of working capital loan was also not maintained and if maintained not updated.	All branches	Branch is maintaining register for recording receipt of stock statements.
h	Copy of latest Income Tax Return filed, Audit Report, CMA data showing present position and future projections, latest Net worth statement and GST returns of the firm/companies/borrowers/ guarantors have not been insisted upon at the time of renewal.	All branches	Observations of the Audit have been noted for strict adherence.
i	Post sanction physical verification report of the securities charged are not kept on record.	All branches	This is being ensured now.
j	The branch does not have policy/protocol governing the disbursement of the term loans. It does not obtain the disbursement request letter, margin certificate specifying the details of margin introduced till the date of disbursement to ensure sufficient margin contribution by the borrower at the time of disbursement, bill of the supplier for calculating amount of margin to disbursement ratio. Further, in some cases branch disburses the amount in another account of borrower rather than direct remittance to supplier.	All branches	All these aspects will be strictly ensured. There is no system of disbursing the loan to another account of borrower. Loan amounts are directly remitted to the suppliers.
k	Branch does not inspect the Assets purchased by physically verifying it. <i>Kachigam Br.</i> <i>ANNEXURE - 5</i>	All branches	Branch has since started verifying the physical assets and make due records thereof.
IV REVIEW/MONITORING/SUPERVISION			
a	In many cases the accounts were found to be overdue and/or credit was not received from the borrower for a long time. Also, the borrower's operations with other banks were unidentifiable.	All branches	Such instances are not there in our branch. However, the observations have been noted for strict compliance.

DUBAND

ANNEXURE - 5

k	Branch does not inspect the Assets purchased by physically verifying it.	All branches	Branch has since started verifying the physical assets and make due recording thereof.
IV REVIEW/MONITORING/SUPERVISION			
a	In many cases the accounts were found to be overdue and/or credit was not received from the borrower for a long time. Also, the borrower's operations with other banks were unidentifiable.	All branches	Such instances are not there in our branch. However, the observations have been noted for strict compliance.
b	Accounts were renewed in spite of unsatisfactory operations of the account or defaults or outstanding amount exceeds the limit sanctioned.	All branches	Proper monitoring of loan accounts will be undertaken henceforth to avoid such situations.
c	Cash credit accounts were renewed without analysing the previous year operations of the account. Also, financial statements and other ratios were not considered at the time of renewal of account. Most of the accounts that were renewed during the year were not having sufficient Drawing Power or were renewed without obtaining the audited financial statements or stock statement.	All branches	The deficiencies pointed out in the Audit Report will be rectified and steps will be taken to avoid recurrence in future.
d	These Cash credit accounts were allowed to utilise the complete sanction limit irrespective of their actual Drawing Power.	All branches	Noted for compliance.
e	Bank does not have a policy of collecting acknowledgement of debt/periodic balance confirmation from customers after the stipulated period.	All branches	This system has since been introduced in our branch.
f	The bank should regularly monitor all the loan accounts and NPAs in particular. The bank may also prepare a strategy to tackle major NPA accounts and focus for recovery of the same through constant monitoring. The position of recovery of NPA accounts may also be reviewed by the management on a period basis.	All branches	The branch is very closely monitoring all the NPA accounts for effecting recoveries.
g	As informed by the bank officials we have been informed that the bank is working on the Unique Customer Identification Code (UCIC) policy. It has created Unique Customer ID for some accounts. However, the major part of it is still in process of execution. This may result into duplication in accounts having same name and pan number.	All branches	Observations noted for compliance and loan accounts will have UCIC.



Vanakbara
Branch

Annexure -5

	amount of margin to disbursement ratio. Further, in some cases branch disburses the amount in another account of borrower rather than direct remittance to supplier.		directly remitted to the suppliers.
	Branch does not inspect the Assets purchased by physically verifying it.	All branches	Branch has since started verifying the physical assets and make due recording thereof.
IV	REVIEW/MONITORING/SUPERVISION		
a	In many cases the accounts were found to be overdue and/or credit was not received from the borrower for a long time. Also, the borrower's operations with other banks were unidentifiable.	All branches	Such instances are not there in our branch. However, the observations have been noted for strict compliance.
b	Accounts were renewed in spite of unsatisfactory operations of the account or defaults or outstanding amount exceeds the limit sanctioned.	All branches	Proper monitoring of loan accounts will be undertaken henceforth to avoid such situations.
c	Cash credit accounts were renewed without analysing the previous year operations of the account. Also, financial statements and other ratios were not considered at the time of renewal of account. Most of the accounts that were renewed during the year were not having sufficient Drawing Power or were renewed without obtaining the audited financial statements or stock statement.	All branches	The deficiencies pointed out in the Audit Report will be rectified and steps will be taken to avoid recurrence in future.
d	These Cash credit accounts were allowed to utilise the complete sanction limit irrespective of their actual Drawing Power.	All branches	No such instances in our branch. Noted for compliance.
e	Bank does not have a policy of collecting acknowledgement of debt/periodic balance confirmation from customers after the stipulated period.	All branches	This system has since been introduced in our branch.
f	The bank should regularly monitor all the loan accounts and NPAs in particular. The bank may also prepare a strategy to tackle major NPA accounts and focus for recovery of the same through constant	All branches	The branch is monitoring all the NPA accounts for effecting recoveries.



Annexure 6

The Daman & Diu State Co-Operative Bank Ltd

Present Status of account pending for renewal- as on 31.10.2024

Sr. No	Name of Account Holder	Branch	Sanctioned Amount	Date of Renewal	Outstanding Amount as on 31.03.2023	Compliance
1	Arabian Bloom Traders	Nani Daman	9000000	19.03.2024	7451048.29	Still Unrenewed
2	Bhavani Sea Foods	Vanakbara	10000000	30.09.2023	8756284.20	Renewed on 04.12.2024
3	Aziz Enterprises	Nani Daman	200000	31.12.2002	161828.00	Still Unrenewed
4	Shivam Plastics	Nani Daman	2600000	30.09.2021	1957319.00	Still Unrenewed
5	Royal Cloth Centre	Nani Daman	500000	31.12.2021	14249.00	Still Unrenewed
6	Nayak Builders	Nani Daman	1000000	31.01.2003	1855106.00	Still Unrenewed
7	Casa Luxo (Party Expired)	DIU	5000000	31.03.2022	4985016.12	Still Unrenewed



Amended - 07

N-13

DDSCB/CMA/2024-25/08/

Date: 10.10.2024

ACTION PLAN TO BRING DOWN THE EXISTING HCC (Limits) & TERM LOAN ACCOUNT (Outstanding Balances) WITHIN CMA NORMS (Rs.40 lakhs under Individual Exposure)

Placed alongside is the Exposure Limits for Sector wise, Unit wise and Individual set on the basis of Audited Balance sheet of 2023-24. The NABARD's Inspection rating of our Bank is "B"

The Bank has not exceeded the CMA Norms under Unit-wise and Sector-wise Limits and violations are observed in the Individual Exposure Limits. The violations are being carried over from Goa St CB since 2012 before bifurcation of the Bank. Later, the DDSCB sanctioned some loans to the High Value Customers continuing the legacy. Most of the loans sanctioned were Mortgage Loan and were fully secured by immovable properties.

NABARD has pointed out in para 2-3 in the Inspection report on the Bank's position as on 31.03.2023 and advised us to submit an Action Plan for bringing down Exposure within the Limits stipulated in respect of all Individual accounts. Such Action Plan duly approved by the Administrator is to be enclosed while submitting further compliance to the Inspection Report.

The position of Loan Accounts where Individual Exposure Limits were violated as on 30.09.2024 which have been placed for perusal.

Facility	Loans & Advances		In Rs. Cr	
	No. of Account	Amount	No. of Account	Amount
Cash Credit	45	23.06	19	15.59
Term Loans	2316	219.73	79	113.33
Total	2361	242.79	98	128.92

On analysis of the data based on the level of outstanding amount, it is observed that the violation is more in Hotel & Tourism Sector Loans as per the list enclosed.

Taking into consideration the outstanding amounts, the following all the accounts are grouped into the following slabs / groups.

Above Rs. 10 Cr		Rs. 1 Cr - 10 Cr		Below Rs. 1 Cr		Total	
Group - 1		Group - 2		Group - 3			
A/cs	Amount	A/cs	Amount	A/cs	Amount	A/cs	Amount
14	35.18	47	69.16	37	23.86	98	128.02

We propose to submit our Action Plan for above 3 Groups in Term Loans and Cash Credit Limits as under:-

1. The Major Group Account being, **Hotel Miramar (14 loan accounts)** with an exposure of **Rs.35.18 Cr** large Exposure will take long time of 6-7 years to reduce the Exposure. However, we propose to impress upon the borrower to pay more amount in the loan accounts to bring the exposure at the earliest.



plm

2. In respect of 47 Accounts where, the outstanding amounts are more than Rs. 1.00 Cr, we propose to increase the EMIs (without rescheduling) based on the Income flow and surplus available with the borrowers. This will take a minimum period of 5 years to bring down to the level of CMA Norms.
3. There are 37 Accounts with outstanding balance of less than Rs. 1.00 Cr with total exposure of Rs. 23.86 Cr. These can be reduced to CMA Limits within 2-3 years.
4. In case of CC loans, we are assessing the Limits based on the Nayak Committee Norms as all fall under Trade & Services. The need-based limits will be arrived and any excess limits will be reduced in planned manner to bringdown to CMA norms. We also propose to give a time period of 1 year to bring down the limits under by regulating the Drawing Power by DROP DOWN Method by fixing reduced DP for each Quarter.
5. The Bank may not sanction New / Fresh loans above CMA Norms from now onwards and if any good proposals to be sanctioned we note to take prior approval from the NABARD RO.
6. We further to note to report data on CMA violations in Individual, Unit-wise and Sector Wise in the Ensure Portal on time. for that we have already a system of report generation from CBS.

Submitted for approval

Consultant (CB)

Loan Officer

General Manager (L&A)

Chief General Manager

1. No. of cases and amount in note and statement not tally.
2. Put all 98 cases in the Proforma in which case & return are submitted to NABARD in Ensure Portal. Ask them to share no. of cases and amount from CBS as on 30/9/2024 and calculate the loss again.

Managing Director

for
16/10/2024

CMA M.
1) Revised Statement of 98 cases
Placed in CSID

2) All 98 cases details with
No of cases & Amount from
CBS as on 30/9/2024 placed in
CSID.

Arora
20/10/2024

Mohr SD
4/11/24
Arora with (ym M
Gordon)



Annexure-8

The Daman & Diu State Co-operative Bank Ltd

Status of Branch wise lockers- as on 31.10.2024

Sr. No.	Branch	lockers occupied as on 31.03.2024		lockers occupied as on 31.10.2024	
		Total No. of Lockers	Lockers Occupied	Total No. of Lockers	Lockers Occupied
1	Nani Daman	2135	1770	2135	1775
2	Moti Daman	306	259	306	259
3	Somnath	336	51	336	55
4	Bhimpore	306	110	306	108
5	Kachigam	372	106	372	103
6	Diu	0	0	0	0
7	Vanakbara	0	0	0	0
8	Ghoghla*	150	149	228	158
9	Fudame	150	150	225	158
	Total	3755	2595	3908	2616

- * On Demand of Branch, we have procured the new locker Cabinet with 78 lockers in month of August 24 so locker was increased from 150 to 228.
- # On Demand of Branch, we have procured the new locker Cabinet with 75 lockers in month of August 24 so locker was increased from 150 to 225.

Ho has asking report of locker position on monthly basis from Branches and reviewed the same. HO has instructed to Branches for hiring more and more lockers vide letter no DDSCB/ACCTS/LOCKERS/2024-25/8/736 dated 10.09.2024, DDSCB/ACCTS/LOCKERS/2024-25/8/870 dated 07.10.2024 and DDSCB/ACCTS/LOCKERS/2024-25/8/1017 dated 18.11.2024



The Daman & Diu State Co-operative Bank Ltd

LIST OF ACCOUNT FOUND NPA UPON RANDOM SAMPLING AS ON 31.03.2024

SR NO	BRANCH	AC NUMBER	AC NAME	Sanction Amount	O/y as on 31.03.2024	O/y as on 30.09.2024	Remarks by Branch	Compliance
1	DIU	00205700000016	AZZARO RESORTS & SPA UNIT-1	20000000	14823910.4	14170693.4	Bank offered Scheme for reduce rate of Interest appt. Share deposit in March 2022 and Customer purchase share of Rs.1,89,000/- on 30.03.2022 and get advantage to reduce int. Rate to 7.5% Account is in Overdue Not in NPA as on 30.10.2024	Being Reviewed
2	DIU	205810000005	M/S. HOTEL KOHINDOR	60000000	39966712.4	39753308.4	Customer is credited amounts every month from April-2023 besides we propose to report the account to Head Office seeking permission to mark as NPA	Marked NPA
3	DIU	205700000023	IRFAN ABUBAKAR MANSUR	2500000	3054650	2938328	Customer is credited Rs.4 lakhs from December-2023, besides we propose to report the account to Head Office seeking permission to mark as NPA	Marked NPA
4	DIU	205260000259	CAISANE RAMA	800000	777917	809324	Despite calling over phone, issued so many notices and personal visits, customer is not responded till date. We propose to report the account to Head Office seeking permission to mark as NPA	Marked NPA
5	DIU	205260000277	PABABAI VASSARAMO	850000	773568	351206	Customer is credited Rs. 5.50 lakhs from March-2024 and account will be closed up to next month	Marked NPA
6	DIU	205260000279	BARIA PREMIBEN NATHU	825000	935826	971318	We already made recovery case under revenue Act to Dy. Collector Diu we propose to report the account to Head office seeking permission to mark as NPA	Marked NPA
7	DIU	205260000247	RAMJI BAYA BAMANIA	800000	535136	0	Account is closed on 07-06-2024	Account is closed on 07-06-2024
8	DIU	205260000293	DARSHANA NAYAN	920000	886067	874009	We propose to report the account to Head Office seeking permission to mark as NPA	Marked NPA
9	DIU	205250000244	RAMJI BAYA BAMANIA	800000	522974	0	Account is closed on 07-06-2024	Marked NPA
10	FUDAM	315900000046	PANJANI MITHUN RAMJI	2800000	2780428	2781608	Panjani Mithu Ramji: We all ready NPA mark	Marked NPA
11	FUDAM	315900000044	DIPAK DEUGI	2500000	2453561	2543078	Dipak Deugi: We propose to report the account to HO seeking permission to mark as NPA.	Marked NPA
12	FUDAM	315900000060	MANOJ BHAGWAN BARAIYA	3500000	3645799	3798887	Manoj Bhagwan Baraiya: We propose to report the account to HO seeking permission to mark as NPA.	Marked NPA
13	FUDAM	315900000057	VINOODKUMAR MAVGI	1500000	1682843	1550619	Vinoodkumar Mavgi: We all ready NPA mark	Already Marked in NPA
14	FUDAM	315800000010	AZZARO RESORTS & SPA UNIT - 1	25868000	26770278	26147843	Azzaro Resort & Spa: We propose the account to HO seeking permission to mark as NPA.	Marked NPA
15	FUDAM	315800000011	HOTEL KOHINDOR	40000000	49766594	50860183	Hotel Kohindor: We propose to report the account to HO seeking permission to mark as NPA.	Marked NPA
16	FUDAM	315900000059	SATYAJIT VALGI	3000000	1878844	1739408	Satyajit Valgi: We propose to report the account to HO seeking permission to mark as NPA.	Marked NPA
17	GHOSHIA	225900000093	SHYAM SEA FOODS	9000000	5059481	5291410	Shyam Sea food: Despite calling over phone and issue of Notices he has not responded till date. Long Overdue account. We propose to report the account to HO seeking permission to mark as NPA	Marked NPA
18	GHOSHIA	225900000065	ANIF BRAHIM KURESHI	1500000	1073316	1074259	Anif Ibrahim Kureshi: He promised repay loan early. We propose to report the account to HO seeking permission to mark as NPA.	Marked NPA
19	GHOSHIA	2235651000005	M/S HOTEL THE TULIP PROP BIPIN LACMIDAS	25000000	25301389	25109587	M/S Hotel Tulip: The customer has paid all his due and the account is now regular	Marked NPA
20	GHOSHIA	225900000086	ANJANA HARESH KAPADIA	5000000	7174400	7381896	Anjanaben Hareesh Kapadia: This loan account is in recovery under the Revenue Act. We propose to report the account to HO seeking permission to mark as NPA	Marked NPA
21	VANAKBARA	2159000000121	VIVEK SEA FOODS	5000000	6256940	6531427	Vivek Sea Foods: This loan account is in recovery under the revenue act. We propose to report the account to HO seeking permission to mark as NPA	Marked NPA
22	VANAKBARA	215901000011	GIVA NATU	2000000	2251842	2329663	Giva Natu: This loan account is in recovery under the revenue act. We propose to report the account to HO seeking permission to mark as NPA	Marked NPA
23	VANAKBARA	2159000000111	SOLANKI CHHAGAN VAMANG	3500000	1781839	1884986	Solanki Chhagan Varjag: Despite calling over phone and issue of notice he has not responded till date. Long overdue account. We propose to report the account to HO seeking permission to mark as NPA.	Marked NPA
24	VANAKBARA	2159000000139	MAHESH NATU	1100000	1183985	1194244	Mahesh Natu: Borrower every months loan installment credit and promised to regular loan early. We propose to report the account to HO seeking permission to mark as NPA.	Marked NPA
25	VANAKBARA	2159000000102	LAKHMANBAU CHAVDA	1450000	1626039	1217730	Lakhman Bau Chavda: He promised repay loan early. We propose to report the account to HO seeking permission to mark as NPA	Marked NPA
26	NANI DAMAN BRANCH	195230002320	PATEL SUBHASH LALUBHAI	370000	528138	554285	Patel Subhash Lalubhai: Despite calling over phone and issue of notices he has not responded till date. Long overdue account. We propose to report the account to HO seeking permission to mark as NPA and proceed under SARFAESI action	Marked NPA
27	NANI DAMAN BRANCH	195250000779	AMEETA ALPESH KALYANA	130000	127210	132723	Ameeta Alpesh Kalyana: She is out of daman and reportedly staying in kolkata. Not receiving calls. Guarantor also pursuing with the borrower for payment. The Guarantor salary is only Rs. 8000. We can not recover from guarantor. We propose to report the account to HO seeking permission to mark as NPA	Marked NPA
28	NANI DAMAN BRANCH	205260000171	PATES SHELUBHAI DHEDABHAI	1000000	1276522	1336670	Patel Shilubhai Dhedabhai: He Promised to sell the Boat financed by us and repay the loan. We propose to report the account to HO seeking permission to mark as NPA	Marked NPA
				215813000	204946209	203336693		



Annexure -10

The Daman & Diu State Co-Operative Bank Ltd

Status of branch wise inoperative accounts as on 31.03.2024 viz-a-viz 31.10.2024

SR no.	Branch	Inoperative accounts as on 31.03.24	Inoperative accounts as on 31.10.2024		
		No. of inoperative accounts	Total no. of inoperative accounts	Process/ Reduce as on 31.10.2024	No. of inoperative accounts non-compliant
1	Moti Daman	4836	1690	3146	158
2	Nani Daman	13830	13799	31	9778
3	DIU	4248	2648	1600	588
4	Vanakbara	4034	2025	2009	163
5	Ghoghla	2980	2646	334	943
6	Somnath	4912	1254	3658	450
7	Bhimpore	5273	2438	2835	772
8	Fudam	1498	764	734	143
9	Kachigam	2275	964	1311	135
Total		43886	28228	15658	13130

