

THE MEGHALAYA CO-OPERATIVE APEX BANK LIMITED

**37th Annual Report
with
Audited Statement of Accounts
FOR THE YEAR ENDED 31st MARCH
2007-08**

REGD. OFFICE :

**M.G.Road, SHILLONG – 793001
Meghalaya**

**E-mail : apexbank@sancharnet.in
Website : www.mcab.gov.in**

BOARD OF DIRECTORS , 2007-08

1. Mrs. R.Warjri, Chairperson of the Bank
2. Shri Mukul Das. Ex-MLA , Vice Chairman of the Bank
3. The Commissioner & Secretary to the Govt. of Meghalaya, Cooperation Department, Shillong.
4. The Commissioner & Secretary to the Govt. of Meghalaya, Agriculture Department, Shillong.
5. The Registrar of Cooperative Societies, Meghalaya, Shillong.
6. The General Manager, NABARD Meghalaya R.O. , Shillong.
7. Dr.Celestine Lyngdoh, Pahamsyiem, Nongpoh, Ri-Bhoi District.
8. The Chairman/Representative of Meghalaya Apex Handloom Weavers & Handicrafts Cooperative Federation Ltd., Apex Bank Complex, M.G.Road, Shillong-793001.
9. The Chairman/Representative of Nongtluh Service Coop. Society Ltd., Nongtluh, Ri-bhoi District.
10. The Chairman/ Representative of Marngor Service Coop. Society Ltd., BPO – Laitkseh, West Khasi Hills Dist.
11. The Chairman/ Representative of Saipung Area SCS Ltd., Ladthalaboh, Jowai-7930150.
12. The Chairman/ Representative of District Level Marketing Coop. Society Ltd., Tura-794001.
13. The Chairman/ Representative of Jowai Coop. Urban Bank Ltd., Jowai-793150.
14. The Chairman/ Representative of Shaphrang Multipurpose Coop. Society Ltd., Nongdiengngan, P.O. Kyrdemkuilai, Ri-Bhoi District.
15. The Chairman/ Representative of Pynursla Sub-Area Marketing Coop. Society Ltd., Pynursla-793110, East Khasi Hills district.
16. Shri D.F.War, Managing Director of the Bank.

EXECUTIVE COMMITTEE, 2007-08

1. Mrs. R.Warjri, Chairperson of the Bank
2. Shri Mukul Das, Ex-MLA , Vice-Chairman of the Bank
3. The Commissioner & Secretary to the Govt. of Meghalaya, Finance Deptt., Shillong.
4. The Registrar of Cooperative Societies, Meghalaya, Shillong.
5. The Chairman/ Representative of Pynursla Sub-Area Marketing Coop. Society Ltd., Pynursla – 793110, East Khasi Hills District.
6. The Chairman/ Representative of Shaphrang Multipurpose Coop. Society Ltd., Nongdiengngan, P.O. Kyrdemkulai, Ri-Bhoi District.
7. Dr. Celestine Lyngdoh, Pahamsyiem , Nongpoh, Ri-Bhoi District.
8. Sri D.F.War, Managing Director of the Bank.

CENTRAL LOAN COMMITTEE , 2007-08

1. Mrs. R.Warjri, Chairperson of the Bank
2. Shri Mukul Das, Ex-MLA, Vice-Chairman of the Bank
3. The Commissioner & Secretary to the Govt. of Meghalaya, Finance Deptt., Shillong .
4. The Registrar of Cooperative Societies, Meghalaya, Shillong.
5. The Commissioner of Transport, Meghalaya, Shillong.
6. The Director of Community & Rural Development, Meghalaya, Shillong.
7. The Director of Agriculture, Meghalaya, Shillong.
8. The Director of Fisheries, Meghalaya, Shillong.
9. The Director of Housing, Meghalaya, Shillong.
10. The Director of Animal Husbandry & Veterinary, Meghalaya, Shillong.
11. The Director of Industries, Meghalaya, Shillong.
12. The Chief Executive Officer, Meghalaya Khadi & Village Industries Board, Temple Road, Shillong – 793001.
13. The Chairman/ Representative of District Level Marketing Coop. Society Ltd., Tura – 794001.
14. The Chairman/ Representative of Jowai Coop. Urban Bank Ltd., Jowai.
15. Shri N.B.Dutta, (Retd. JRCS), Legal Adviser MCAB, Bomfyle Road, Shillong-793001.
16. Shri D.F.War, Managing Director of the Bank.

Statutory Auditors

The Dy. Registrar (Audit) of
Cooperative Societies, Head Office &
The Senior Cooperative Officer
Shillong

Approved Bankers

1. The Reserve Bank of India , Guwahati
2. The State Bank of India, Shillong
3. The Bank of Baroda, Shillong
4. The UCO Bank , Shillong
5. The United Bank of India, Shillong
6. The Indian Bank , Shillong
7. The Bank of India, Shillong
8. The ICICI Bank, Kolkata

Thirty-seventh Annual Report for the year 2007-2008

DIRECTORS' REPORT

Dear Fellow Cooperators,

It gives me immense pleasure to welcome you to the Thirty-seventh Annual General Body Meeting of the Meghalaya Cooperative Apex Bank Ltd. and present the Annual Report on the working of the Bank during the year 2007-2008 and the audited Statements of Accounts for the year ended 31st March, 2008 for your kind perusal and adoption.

The Cooperative Credit Structure in the State of Meghalaya as you are all aware, is of two tier and at the helm of the structure is the Apex Bank, which is operating through its 41 Branches spread over Seven Districts with two Women's Branches and Mobile Banking covering 7 rural centres under East Khasi Hills District. In its endeavour to improve its outreach, the Bank opened its 41st Branch at Amlarem in the Jaintia Hills District on 30.11.2007.

During the last 37 (thirty seven) years the Bank has come a long way with impressive performances and achievements in almost all its financial activities and grown into a premier Bank in the State.

The strength (i.e. owned fund) of the Apex Bank lies in the share capital and reserves created out of profits and funds received from Govt. which presently stands at 22.27 crores as on 31.03.2008 in comparison to Rs.12.63 crores during 2006-07. The main component of resources is deposits which stood at Rs.719.48 crores as on 31.03.2008. Another significant component of resources is the borrowings from NABARD/ State Government, NSTFDC, etc.

The working capital of the Bank has increased from Rs.701.26 crores (2006-07) to Rs.864.08 crores as on 31.03.2008.

The members will be happy to know that the Bank has been able to channelise concessional credit of the National Schedule Tribe Finance & Dev. Corporation (NSTFDC) to the tribals of the state w.e.f. Dec., 2007 with the support of the State Government who has been kind enough to issue a Govt. Guarantee of Rs.5.00 crores.

The Bank has also been continuing its mission of promoting savings 'no-frill' and thrift habits among the majority tribal population, meeting their credit requirements and it has become a household name in Meghalaya.

2. MANAGEMENT OF THE BANK :
Board of Directors & Professional Management

The Management of the Bank is vested in a Board of Directors comprising 16 Directors of which 11 Directors are elected by the General Assembly, three are Govt. nominees namely, Commissioner & Secretary, Cooperation; Commissioner & Secretary, Agriculture & the Registrar of Cooperative Societies; one representative of NABARD, Meghalaya R.O., Shillong and the Managing Director of the Bank, Ex-officio Director from the remaining two Directors. The Bank has also an Executive Committee consisting of 8 Directors of the Bank including the Chairperson, Vice-Chairman, the Commissioner & Secretary, Finance (EA) Deptt., the Registrar of Cooperative Societies and the Managing Director of the Bank. During the year under report, the Board of Directors met 7 times and the Executive Committee 4 times.

The MCAB is perhaps the only State Cooperative Bank in the country which has the unique distinction of functioning through an elected Board of Directors continuously since its establishment in the year 1971 and managed professionally.

The Bank has a Central Loan Committee at H.O. headed by the Chairperson of the Bank and other members of the Committee are mostly technical experts of State Government like Director of Agriculture; Director, Housing; Director, Animal Husbandry & Vety., Fisheries & Industries, Commissioner of Transport, CEO of KVIC etc. Besides every Branch of the Bank has a Branch Loan Committee and Branch Advisory Committee.

The Meghalaya Cooperative Apex Bank Ltd., Shillong

The Bank has also a Management Committee , Funds Investment & Management Committee at Head Office headed by the Chairperson of the Bank and the other Members of the committee are Vice-Chairman, Managing Director, Divisional Heads at H.O. & Area Managers of the Bank. The Management Committee meets monthly & reviews the progress and implementation of work under different Divisions of the Bank.

3. COMPARATIVE POSITION OF THE BANK :

The Bank has been maintaining a steady progress in almost all its business & financial parameters and the comparative financial position indicating the progress under different heads for the last five years is indicated below :

(Rs.in lakhs)						
Sl. No.	Particulars	March 2004 (Rs.)	March 2005 (Rs.)	March 2006 (Rs.)	March 2007 (Rs.)	March 2008 (Rs.)
1.	Share Capital (paid up)	438.02	510.96	565.29	596.86	637.07
2.	Reserve Fund & Other Reserves	516.19	531.08	572.02	665.89	1589.87
3.	Provision for NPA & PA (Prin. & Intt.)	2978.22	3239.50	3661.68	3910.48	4388.36
4.	Deposits	38750.44	44915.97	50314.77	59054.98	71947.65
5.	Borrowings from Reserve Bank/ NABARD	1770.19	1653.27	2399.87	2228.45	2739.45
6.	Borrowings from Govt. & NSTFDC	880.43	1121.39	1171.01	509.04	657.53
7.	Cash & Bank Balances	2492.98	2566.38	2225.05	3692.10	4758.18
8.	Investment in Govt. & Trustee Securities	10798.40	13729.40	14721.45	15250.60	17019.30
9.	Money at Call & Short Notices, etc.	13009.82	19182.17	22770.22	25920.63	32399.31
10.	Other Investments	7834.71	6258.37	6301.72	5353.72	5593.85
11.	Loans & Advances	9264.93	9773.43	10669.55	14629.65	19388.52
12.	Other Assets	4220.66	4481.90	5213.12	5279.50	7249.10
13.	Working Capital	47621.50	55991.65	61901.11	70126.20	86408.26
14.	Net Profit	70.45	81.50	107.34	108.57	202.77
15.	Number of Branches	39	40	40	40	41

4. WORKING RESULT – PROFITABILITY OF THE BANK :

The Bank has increased its net profit earning from Rs. 1,08,56,770.17 in 2007 to Rs.2,02,77,145.33 in 2008 .

The MCAB has been a profit making organization and it has no accumulated losses in its Profit & Loss A/c & Balance Sheet .

5. SHARE CAPITAL & MEMBERSHIP :

The Bank has an authorized Share Capital of Rs.10,00,00,000.00 and the Paid-up Share Capital of the Bank stood at Rs.6,37,07,000.00 at the end of March, 2008 as against Rs.5,96,86,000.00 in the last year. The break-up of the Paid-up Share Capital and the Membership of the Bank as on 31st March, 2007 and 2008 are shown below :

	Number of Members		Amount (Rs.)	
	31.03.2007	31.03.2008	31.03.2007	31.03.2008
Government	1	1	346,04,500.00	376,43,500.00
Societies	482	482	125,34,500.00	129,20,000.00
Individuals	2249	2948	115,41,000.00	121,23,500.00
Others	81	101	10,06,000.00	10,20,000.00
Total	2813	3532	596,86,000.00	637,07,000.00

6. RESERVE FUND, OTHER RESERVES & PROVISIONS :

The Reserve Fund , Other Reserves & Provisioning of the Bank aggregated to Rs.59,78,23,079.29 as on 31.03.2008 as against Rs. 45,76,36,467.08 in the last year. The entire Statutory Reserve Fund, Agricultural Credit Stabilisation Fund and Bad Debts Reserve Fund of the Bank has been invested in Government Securities i.e. outside its business operation. During the year, the Bank has received Rs. 30.67 lakhs from Income-Tax Department towards refund of income-tax and surcharge for the financial year 2004-05 (Assessment Year 2005-06) which has been appropriated to Statutory Reserve Fund.

The Bank has also claimed for refund of Income tax and Surcharge for the years w.e.f. 2000-01 to 2002-03 & 2006-07.

7. INVESTMENT IN GOVT. AND TRUSTEE SECURITIES :

The investment of the Bank in Government and Trustee Securities amounted to Rs.170,19,30,000.00 as on 31.03.2008 as against Rs. 152,50,60,000.00 in the last year recording an increase of Rs.17,68,70,000.00 during the year under report.

The comparative position and the break-up of Govt. and Trustee Securities held by the Bank for the last three years is shown below :

Year	Central Govt. Securities (Rs.)	State Govt. Securities (Rs.)	Trustee Securities (Rs.)	Total (Rs.)
31.03.2006	79,79.00 lakhs	49,80.40 lakhs	17,62.00 lakhs	147,21.45 lakhs
31.03.2007	92,58.20 lakhs	48,30.40 lakhs	11,62.00 lakhs	152,50.60 lakhs
31.03.2008	11,207.90 lakhs	54,30.00 lakhs	3,81.00 lakhs	170,19.30 lakhs

8. INVESTMENT OF SHORT TERM DEPOSITS & OTHER INVESTMENTS :

The Bank invested a total amount of Rs. 323,99,30,621.00 with the Public Sector Commercial Banks and Sister Cooperative Banks in Short-term Deposits as on 31st March, 2008 as against Rs.259,20,62,690.00 in the previous year. The Bank had also invested a sum of Rs.5593,84,683.00 with IDBI & IFCI Bonds, NABARD etc. as on 31.03.2008 to fetch higher rates of interest.

9. DEPOSIT MOBILISATION BY MCAB :

The MCAB has introduced several attractive deposit schemes comparable with the Public Sector and Commercial Banks operating in the State and its deposit growth position for the last three years is given below :

The Meghalaya Cooperative Apex Bank Ltd., Shillong

(Rs. in lakhs)

	March 2006 (Rs.)	March 2007 (Rs.)	March 2008 (Rs.)
Total Deposits	50314.77	59054.98	71947.65
Demand Deposits	29296.31	35817.21	48644.42
Time Deposits	21018.46	23237.77	23303.23

The significant feature of deposit mobilization of the Bank is that it attaches importance for mobilization of low cost deposits, and it has moved successfully in this direction, which may be seen from the above position. Again, the Bank has been able to reduce the cost of its deposits substantially, as low cost deposits comprises of 67.61% of total deposits as at 31st March, 2008.

10. **BORROWING & REFINANCE FACILITIES :**

The Bank has been availing concessional credit and refinance facilities from National Bank for Agriculture and Rural Development (NABARD) and State Government as well as from National Schedule Tribe Finance & Development Corporation from time to time and the total borrowings of the Bank at the end of March, 2008 stood at Rs.33,96,98,298.00 as against Rs. 27,37,49,362.00 in the previous year. The position of refinances/ borrowings of the Bank from different sources are indicated below :

(Rs. in lakhs)

	<u>As on 31.03.2007</u>	<u>As on 31.03.2008</u>
(a) Borrowings from State Govt.		
Outstanding at the beginning of the year	471.01	509.04
Availed during the year	43.36	-
Repaid during the year	5.33	0.57
Outstanding at the end of the year	509.04	508.47
(b) Refinance from NABARD		
Outstanding at the beginning of the year	2399.87	2228.45
Availed during the year	466.01	944.27
Repaid during the year	437.42	433.27
Outstanding at the end of the year	2228.45	2739.45

(c) Refinance from NSTFDC

Outstanding at the beginning of the year	Nil
Availed during the year	76.37
Repaid during the year	1.84
Outstanding at the end of the year	74.53

The Bank has never defaulted in repayment of its due instalments with interest to the State Govt. , NABARD and other financial institution(s) .

11. LOANS AND ADVANCES :

Lending Operation & Business Diversification

The MCAB has diversified its lending operation. In addition to Agril. & Allied Agril. purposes, the Bank extend credit facilities for Transport, Housing, Consumer Durables, Tourism, Shopping & Market Complex, Agro Processing, Cottage & Small Scale Industrial units. Under the Integrated Village Development Scheme, the Bank has been extending credit facilities for any productive economic activity which is viable, bankable and socially useful. The Annual Credit disbursal position of the Bank for the last three years ended at 31st March is indicated below :

31 March, 2006	Rs. 5921.51 lakhs
31 March, 2007	Rs. 6800.75 lakhs
31 March, 2008	Rs. 7935.63 lakhs

(a) Crop Loans through Cooperative Societies

During the year ended 31st March, 2008, the Bank sanctioned Short-term (Agricultural) Loans to the extent of Rs.254.45 lakhs to 86 Service Cooperative Societies for carrying on Seasonal Agricultural Operations by their members who are mostly small and marginal farmers.

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The position of issue, recovery, outstanding dues etc. of Short-term (Agril.) Loans as on 31.03.2008 stood as follows :

(Rs.in lakhs)

Amount sanctioned during the year	Amount disbursed during the year	Amount recovered during the year	Amount outstanding at the close of the year	Amount over-dues at the close of the year
Rs.254.45	Rs.249.36	Rs.173.25	Rs.840.18	Rs.580.29

The Bank has been extending Short-term (Agril.) Loans under the Normal Credit Limit System as per production oriented Crop Loan Manual of Reserve Bank of India as well as through the Cash Credit (Agril.) System & Kisan Credit Cards (KCC).

(b) Allied Agricultural Loans to Farmers :

The State has no separate Long Term Cooperative Credit structure and the MCAB through a separate full fledged Division caters to the ' Long Term Cooperative Credit' in the state since 1977-78. Credit facilities are provided for a variety of agricultural & allied agricultural purposes like Land Development, Minor Irrigation, Tractor, Power Tillers, Piggery, Poultry, Goatery, Dairy, Horticulture Plantation schemes and Pisciculture One Thousand Ponds Scheme.

Acquaculture Development – 1000 Ponds

In order to rapidly multiply fish production and narrow down the demand and supply gap of fish consumption and also to generate employment in rural areas the Bank has taken up a scheme of Fishery Finance under 'Acquaculture Development 1000 Ponds' launched by Govt. of Meghalaya vide its Gazette Notification dt. 24.03.2006. Under the scheme till 31.03.2008 the Bank has already financed 839 Nos. of beneficiaries amounting to Rs.6,58,29,600.00.

The Meghalaya Cooperative Apex Bank Ltd., Shillong

The purpose-wise issue, recovery and outstanding position of Allied Agril. Loans to farmers as on 31.03.2008 stood as under :

(Rs.in lakhs)

S/No.	Purpose	Outstanding at the beginning of the year 31.03.2007	Issue during the year	Recovered during the year	Outstanding at the end of the year 31.03.2008
1.	L.T. (LDB)	89.65	6.65	4.29	92.01
2.	M.T.(LDB)	102.45	60.83	12.87	150.41
3.	IRDP	488.10	-	0.45	487.65
4.	HORT	11.96	1.88	0.05	13.79
5.	IVDS	8.50	-	1.50	7.00
6.	ICDP	251.17	21.06	17.14	255.09
7.	M.T. Acquaculture	244.87	166.85	9.72	402.00
	TOTAL	1196.70	257.27	46.02	1407.95

(c) **Loans under NSTFDC Schemes :**

The Bank has financed 327 Nos. of tribal beneficiaries to the tune of Rs.74.53 lakhs upto 31.03.2008 with concessional rate of interest under the auspices of National Schedule Tribe Finance and Development Corporation.

(d) **Women Development Cell :**

The Bank has set up a Women Development Cell at Head Office with the approval of the Board and started functioning w.e.f. 1st October, 2007 with the support of NABARD. The main objective of the Women Development Cell is to create awareness among rural women for a friendly banking environment as well as to increase credit flow and strive towards capacity building of women particularly in rural areas.

(e) **Term Loans for I.R.D.P. / SHG & SGSY beneficiaries :**

The Bank has been extending credit facilities to the identified beneficiaries under the Credit Linkage through IRDP/ SHG under SGSY and Non-SGSY Schemes in the State since 1987-88. The position of such loans at the end of 31.03.2008 is indicated below :

Position of IRDP Loans :

(Rs.in lakhs)

No. of Beneficiaries	Amount sanctioned	Amount disbursed	Amount recovered	Amount Outstanding Prin. & Intt.
11027	Rs.673.31	Rs.544.01	Rs.56.36	Rs.1102.21 *

* includes outstanding interest of Rs.614.56 lakhs

Position of SHG under SGSY & Non-SGSY :

(Rs.in lakhs)

	No. of beneficiaries	Amount of loans sanctioned	Amount disbursed	Amount recovered	Amount outstanding
SHG (SGSY)	5756	107.75	107.75	56.53	55.91
SHG (Non-SGSY)	4772	36.85	36.85	18.03	20.42

12. CAPITAL INVESTMENT SUBSIDY SCHEME :

In order to provide scientific storage facility to the farmers, the Bank has extended a Long Term Loan of Rs.1.24 crores to RAPs Ware House Pvt. Ltd. and Rs.3.33 lakhs to Smti. Stalin Thabah for construction of a Rural Godowns at Khanapara and Sohiong respectively under '**Gramin Bhandaran Yojona**', a capital investment subsidy scheme.

13. CREDIT FACILITIES TO STATE LEVEL COOPERATIVE INSTITUTIONS :

The Bank has been providing financial assistance in the shape of overdraft facilities, Cash Credit Accomodation and Term Loans to State & District Level Cooperative Institutions, namely, Meghalaya State Cooperative Marketing & Consumers Federation (MECOFED) & Meghalaya State Cooperative Housing Financing Society . The amount outstanding against them as on 31.03.2008 stood as under :

	(Rs.in lakhs)
i) MECOFED (including interest dues) LT Loans	- Rs.464,58,945.00
Cash Credit Accounts	- Rs.172,24,777.00
ii) Meghalaya State Coop. Housing Financing Society Ltd. (including interest dues)	- Rs. 67,09,563.00
 Total	 - Rs.703,93,285.00

14. ADVANCES TO MARKETING, CONSUMERS AND OTHER TYPE SOCIETIES :

During the year ended 31 March, 2008 the Bank sanctioned Cash Credit Accomodations to Consumers, Industrial and Other Type Cooperative Societies against pledge & hypothecation of stocks, etc. and the total amount outstanding against them at the end of 31st March, 2008 stood at Rs.839,25,040.29

i) Marketing Societies	- Rs.221,66,511.22
ii) Consumer Cooperatives	- Rs. 20,07,123.40
iii) Industrial Cooperatives	- Rs.491,62,440.49
iv) Other Cooperatives	- Rs.105,88,965.18
 Total	 - Rs.839,25,040.29

15. MEDIUM TERM LOANS TO TRANSPORT OPERATORS :

The Bank disbursed Medium Term Loans amounting to Rs.0.74 crores to 26 Road Transport Operators during the year ended 31st March, 2008 . The total amount outstanding against such loans stood at Rs.4.09 crores at the end of March, 2008.

16. LOANS TO SALARY-EARNERS FOR DWELLING HOUSES :

The Bank has been providing long term loans to salary-earners other than Bank's staff for construction of residential houses through the Bank Branches located in the Community Development Block Headquarters and other identified areas in the entire State and the position of such loans stood as under at the end of March, 2008 :

i) No. of Beneficiaries	-	793 Nos
ii) Amount outstanding at the beginning of the year	-	Rs.1549.27 lakhs
iii) Amount sanctioned during the year	-	Rs. 509.84 lakhs
iv) Amount disbursed during the year	-	Rs. 509.84 lakhs
v) Amount recovered during the year	-	Rs. 505.92 lakhs
vi) Amount outstanding as on 31.03.2008	-	Rs.1553.19 lakhs

17. LOANS & ADVANCES TO REGULAR CONSTITUENTS & STAFF OF THE BANK :

The Bank has been extending Short-Term Loans and Overdraft facilities to the regular constituents of the Bank and the Govt. Gazetted Officers against Salary Bills and Fixed Deposit Receipts. Medium-term Loans are also provided to salary-earners other than Bank's staff for the purchase of Consumer Durables against adequate securities. Officers and employees of the Bank are provided advances for purchase of Consumer Durables, Cars and 2-wheelers as also long-term loans for construction of residential houses. Total outstanding balance against such loans and advances stood at Rs.1689.71 lakhs at the end of March, 2008 as against Rs.1692.77 lakhs in the last year.

18. ASSISTANCE TO EDUCATED UN-EMPLOYED YOUTHS FOR SELF EMPLOYMENT GENERATION :

The Bank has undertaken special initiatives to assist the educated un-employed youths in the State , two counselling & capacity building centers were set up in the Bank during the year under review – one at Shillong & the other at Tura for providing guidance and counselling to the youth and entrepreneurs on different bankable schemes and

extended over Rs.61.89 lakhs in the shape of Cash Credit Accomodation and Term Loans for running PCO's, 3-wheelers, Dhaba type Restaurants, Medicine Shops, Computer Centre, etc. during the year 2007-08 to 160 beneficiaries. The Bank has also been extending loans to educated unemployed youths under normal schemes of the Bank.

19. MANPOWER DEVELOPMENT & EMPLOYER – EMPLOYEE RELATIONSHIP :

The Bank has been giving utmost importance to manpower development and the officers and employees of the Bank are regularly deputed for training to MDMI, National & Regional Level Training Institutes. Employees of the Bank and office-bearers of affiliated Cooperative Societies also attending Workshops, Seminars & Exposure Programmes to update their knowledge and skill for rendering efficient services to the people. During the year under report, 66 officers and employees of the Bank and 248 office-bearers of member Cooperative Societies have attended such programmes.

The Bank has been maintaining excellent Employer-Employee relationship and this has contributed immensely for increasing the growth and profitability of the Bank.

20. AUTOMATION / COMPUTERISATION OF BANK

The Bank has undertaken computerization/automation in a phased manner. Twenty two Branches of the Bank located in the state have already been computerized and the process has been initiated for the computerization of the remaining Branches . A number of operations in the H.O. Divisions have been put on line and the process for full computerization is now in progress.

21. AUDIT & ACCOUNTS

The accounts of the Bank and its Branches for the year 2007-08 were audited by the Auditors of the Cooperation Department and the Statutory Audit has classified the Bank under 'A' Class. Further, as per requirement ,the Tax Audit of the Bank for the year 2006-07 has been taken up and completed by M/s Parthasarathy Choudhury and Associates who are the approved Auditors.

22. APPRECIATION

The Bank has been recognized at the National Level and several Prestigious Special Awards have been awarded to the Bank by the National Federations & NABARD.

23. ACKNOWLEDGEMENT

The Board of Directors place on record their gratitude to the Government of Meghalaya, Ministry of Agriculture and Cooperation, Govt. of India, Reserve Bank of India, National Bank for Agriculture & Rural Development, National Federation of Agril. & Rural Development Banks, National Federation of State Co-op. Banks, National Coop. Development Corporation, National Cooperative Union of India & National Schedule Tribe Finance & Development Corporation (NSTFDC) for their valuable guidance and support to the Bank from time to time.

The Board of Directors express their gratitude to the Chief Secretary ; the Addl. Chief Secretary ; Agriculture Production Commissioner; Principal Secretary, Finance ; Commissioner & Secretary, Cooperation and Commissioner & Secretary, Agriculture; Director of Institutional Finance, Meghalaya and the Registrar of Coop. Societies for extending necessary help & guidance to the Bank. The Board is also thankful to the members of the Central Loan Committee and the Branch Loan Committee for their valuable guidance & support extended to the Bank from time to time.

The Board offers special thanks to affiliated Cooperative Societies, their members & the esteemed constituents of the Bank and the General Public for their support and patronage to the Bank. The Board also wishes to compliment the Auditors of the Cooperation Department for timely completion of audit and offering valuable suggestions for further improving the system and procedures of the Bank.

The Meghalaya Cooperative Apex Bank Ltd., Shillong

The Board further wishes to place on record their appreciation for the loyal and sincere services put in by the officers and employees of the Bank and is hopeful that they will continue to do the same for achieving better results in the ensuing years.

For & on behalf of
The Board of Directors

R.Warjri
CHAIRPERSON

Dated, Shillong,
11th December, 2008