

STEEL AUTHORITY OF INDIA EMPLOYEES' COOPERATIVE CREDIT SOCIETY LIMITED

DIRECTORS' REPORT

On the occasion of 51st Annual General Meeting of the Society, your Board extends its heartiest welcome to you all and takes the privilege of placing before you the Annual Report along with the Audited Statement of Accounts for the year ended 31st March, 2018.

You will be happy to note that considering the various social welfare activities carried out by the Society during the year 2017-2018 including running and managing the Ispat Cooperative Hospital, your Society has performed moderately well with sustained growth during 2017-2018.

MEMBERSHIP

As on 31.03.2018 the total number of Members of your Society stood at 2468 as against 2481 as on 31.03.2017, thereby recording a net decrease by 13 Members.

BOARD OF DIRECTORS

During the year under report, the Board of Directors met 7 (Seven) times for the purpose of managing the society effectively and efficiently. The suggestions put forward by the Delegates in 50th Annual General Meeting had been properly taken care of by the Board.

FINANCIAL PERFORMANCE

The performance of your Society in key operational parameters, during financial year 2017-2018, was as under :

(i) SHARE CAPITAL AND RESERVES

The Paid up Share Capital of the Society stood at Rs. 319.6768 Lakh as on 31.03.2018. The Reserves and Surplus stood at Rs.3905.1320 Lakh as on 31.03.2018.

(ii) DEPOSIT AND BORROWING

The Deposit and Borrowings of the Society increased from Rs.35196.4247 Lakh in 2016-2017 to Rs.36694.9648 Lakh in 2017-2018, registering a growth of 04.2576%. It is expected that the newly elected Board would take appropriate steps to increase the rate of growth in the coming years. It is suggested that General Body should consider increasing the rate of contributions towards Thrift Fund, MMBF and Guarantee Fund.

(iii) LOANS AND ADVANCES

Total Loans and Advances of the Society increased by 0.4974% to reach at Rs.9932.9031Lakh as on 31.03.2018 from Rs. 9883.7399 Lakh as on 31.03.2017.

During the year under report through revision of existing loan schemes your Board could invest additional Rs. 10.00 Crores under loans & advances. However that was not sufficient compared to total funds available.

Under the circumstances, The Board should explore the possibilities of investing the surplus amount for its hospital project and other diversified business projects in line with the proposals placed through VISIONS 2022 and adopted by the General Body.

(iv) NET PROFIT AND DIVIDEND

The Net Profit of the Society for the year 2017-2018 was Rs. 75.4146 Lakh against Rs. 77.6964 Lakh of the previous year registering a depreciation in Net Profit by Rs. 2.2818Lakh.

As there is a gradual decrease of loanee/effective Membership and ineligibility of the new Members to consume higher quantum of loans, there is a high possibility of erosion of interest income through loans sanctioned to Members and a gradual decrease in return of net profit in respect of Total Funds.

During the year under report Surplus funds invested at cost outside the business could not fetch average return of the same more than 9.5%.

OTHER ACTIVITIES

MUTUAL BENEFIT FUND

(₹ in Lakh)

Description	2017-2018	2016-2017
No. of Members	2468	2481
No. of Death	16	10
Claims Admitted	1.5840	10.0430
Average amount of each claim	0.0990	1.0043

During the year under report a total amount of Rs.13.9520 Lakh was paid to 85 Retired Members from this fund @ Rs. 350.00 per completed year of membership as Retirement Benefit.

LOAN LIQUIDATION FUND

Opening Balance as on 01.04.2017	Rs. 80,12,437.00
Add - Members' Contribution during the year	Rs. 16,52,786.00
	Rs. 96,65,133.00
Less : Adjustment of Loan A/cs of deceased members	Rs. 0.00
Closing Balance as on 31.03.2017	Rs. 96,65,133.00

Upto 31st March 2018, an amount of Rs.2,56,51,017.00 (Rupees Two Crores Fifty Six Lakhs Fifty One Thousand Seventeen Only) had been utilized from this Fund for 123 numbers of Deceased Members.

Considering the involvement of higher risk both because of higher age group of members and increased quantum of loan, the scheme has been suitably amended last year.

SENIOR MEMBERS' DEPOSIT SCHEME

Members' Retirement Benefit Scheme was introduced in the year 2004-05 to support the retired employees who were ex-members of the Society with some extra interest benefit. During the last 13 years Society has extended this facility to 2546 Members upto 31.03.2018. During the year under report the facility under the Scheme has further been extended.

FAREWELL PRESENTATION

During the year 2017-18 134 No. of Silver Made Mementos were presented to the Members at the time of their separation from SAIL on attaining the age of superannuation. Your Board wishes them and their families a happy and peaceful post-retirement life.

ISPAT COOPERATIVE HOSPITAL

Ispat Cooperative Hospital, an exemplary and matchless contribution of the Members of our Society for the welfare of the people. Even after providing various healthcare services in the areas of Out-patients Department, In-Patients Department, Pharmacy, 24-Hours Diagnostic, Emergency and Ambulance services at an affordable cost, the management of the hospital has resolved to refund at least Rs. 10.00 lakh per month, totaling to Rs. 1.20 Crores during the year 2018-19. If the present trend of steady growth continues, with implementation for further developmental schemes, it may be hopefully expected that Management of the Hospital will be in a position to double the return during the year 2019-20.

SOCIETY'S GROUP MEDICLAIM POLICY

Another unique scheme successfully introduced by the Society for the welfare of its members including Nominal Members with an aim to save the families from financial degradation owing to high cost of hospitalized treatment. With the facilities like "No Upper age Limit", inclusion with "Pre-Exist disease with a minimum six months waiting period", "No upper age limit for dependent daughters" and comparatively lower rate of premium, the scheme is becoming popular amongst our members especially our Nominal Members. The first year of the policy will expire on 31st October, 2018. Your Board is negotiating with the Insurance Company to make it more attractive.

VISION 2022

The General Body of the Society in its 50th Annual General Body held on 10th September, 2017, considered and adopted the 5-year Perspective Plan covering period 2017-2022 titled "Vision 2022" represents but another step in the evolution of development planning for the Cooperative Society. The Plan proposed a set of actions and activities to achieve the stated objectives to fulfill the needs and dreams of our Members. Your Board has already started working to that direction so that the stated objectives would be achievable within the stipulated time-frame.

HOLIDAY HOMES

During the year under Report a DEFICIT over Income in respect to Expenditure to the tune of Rs.5,95,586.29 has been registered by the Society.

AUDIT

In terms of section 70 of the MSCS Act, 2002, M/s. P Ghosh & Associates., Chartered Accountants were appointed as Auditors of the Society for the year 2017-18 by the General Body in its Annual General Meeting held on 13th September 2017.

Your Board proposes to re-appoint M/s. P Ghosh & Associates., Chartered Accountants as Statutory Auditors of the Society for the year 2018-2019 against a remuneration of Rs.15,000.00.

ACKNOWLEDGEMENTS

The Directors express their sincere thanks to all the Bankers of the Society, statutory Auditors, CMO Management including all Regional Pay Offices, Ispat Club, Central Registrar of Cooperative Societies, National Cooperative Union of India, NAFCUB, WB State Cooperative Bank Ltd. WB Federation of Coop Banks & Credit Societies Ltd., WB State Cooperative Union, Kolkata District Cooperative Union and other Institutions for their cooperation and support extended to the Society as and when required.

The continued progress of the Society is mainly owing to the interest taken in its working by the Members and Nominal Members of the Society. The Directors wish to record their sincere gratitude to all the Members for the overwhelming confidence in the Society, and gratefully acknowledge their continued support and valuable cooperation extended to the Society.

Your Directors wish to place on record their deep sense of appreciation of the valuable contribution to all the staff Members, at all levels, without which the progress achieved would not have been attainable. The Directors look forward to their continued cooperation and dedication to ensure faster growth and progress of the Society.

Long Live Cooperation,

For and on behalf of the Board of Directors



(Jyotirmoy Chakraborty)
Chairman

Place : Kolkata
Dated : 9th September 2018