

FORM 1

AUDIT MEMO (For all type of societies)

PART-1

Name of the society	:	THE MAHARASHTRA URBAN CO-OPERATIVE BANKS' FEDERATION LTD., MUMBAI
Full registered address	:	Bharatiya Krida Mandir, 4 th Floor, Naigaon, Wadala, Mumbai- 400 031.
Taluka or Block	:	Mumbai- 400 031.
District	:	MUMBAI
Registration No.	BOM/GNL/8/1979	
Date of Registration	09 th March, 1979	(i) Audit Classification 'A'
Area of operation	MAHARASHTRA	(ii) Audit Classification given 'A' during the last three audits
No. of Branches, Depots & shops (Give separate figure)		NIL

1.	Audit information :										
	(i) Full name , designation and head Quarters of auditing officer	M/s. S. D. SATAM & CO. CHARTERED ACCOUNTANTS									
	(ii) Period covered during the present audit	1.04.2017-31.03.2018									
	(iii) Dates on which	(1) Audit was commenced and continued.	05-05-2018								
		(2) Audit was completed.	26-06-2018								
		(3) Audit memo was submitted.	26-06-2018								
2.	Membership :										
	(i) No. of Members :	(a) Individuals :	(i) Ordinary -- NIL (ii) Nominal -- NIL (iii) Sympathizer -- NIL								
		(b) Societies	--								
		(c) Others.									
			<table border="1"><thead><tr><th>Particulars</th><th>No</th></tr></thead><tbody><tr><td>Maharashtra State Co-op Bank</td><td>0</td></tr><tr><td>District /Regional Co-op Banks' Association</td><td>18</td></tr><tr><td>Urban Co-op. Banks</td><td>483</td></tr></tbody></table>	Particulars	No	Maharashtra State Co-op Bank	0	District /Regional Co-op Banks' Association	18	Urban Co-op. Banks	483
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Maharashtra State Co-op Bank	0										
District /Regional Co-op Banks' Association	18										
Urban Co-op. Banks	483										
	Give details of the other members , if any										
	Total		501								



	(ii)	Have new members been duly admitted? Have they paid entrance fees?	-YES-
	(iii)	Are their written applications in order and are they filed properly?	-YES-
	(iv)	Is the members register kept in Form "I" prescribed	-NA-
		Under Rules 32 and 65(i) of the M.C.S. Rules 1961?	
	(v)	Is a list of members kept in Form "J" under Rule 33 of the M.C.S. Rules, 1961?	-Maintained-
	(vi)	Have due remarks been passed against names of the deceased, dismissed, or resigned members in the Member's register?	-YES-
	(vii)	Are resignations /deletions in order and are they duly accepted?	During the year there were 4 deletions of member banks.
	(viii)	Have nominations made under rule 25 of the M.C.S. Rules 1961 been duly entered in the Member's register under rule 26?	-NA-
3. Shares :			
	(i)	Are applications for shares in order?	}
	(ii)	Is share register written up-to-date?	
	(iii)	Do the entries in share register tally with the entries in the cash book?	
	(iv)	Is share ledger written up-to-date?	
	(v)	Do the total of share ledger balances tally with the figures of share capital in the balance sheet?	
	(vi)	Have share certificates been issued to the share holders for all the shares subscribed?	
	(vii)	Are share transfers and refunds in accordance with the provisions of the Bye-laws, Act and Rules?	
4. Outside Borrowings:			
	(i)	What is the limit fixed in the Bye-laws for borrowings of the society?	}
	(ii)	Has it been exceeded?	
	(iii)	If so, state whether necessary permission has been obtained from the competent authority?	
5. Meetings :			
	(i)	Give dates of :-	
	(a)	Annual General Meeting	19-09-2017
	(b)	Special General Meeting.	----
	(ii)	State the No. of meetings held during the period as follows :-	
	(a)	Board Meeting	4
	(b)	Sub Committee Meeting	4



6.	Rectification Reports :		
	(i)	Has the society submitted audit rectification report of the previous audit memos? If so, give dates of submission. If not, state the reason for non-submission.	Yes. Rectification Report for the financial year 2016-17 is submitted on 12/09/2017.
	(ii)	Have any important points mentioned in the previous audit memos been neglected by the society? If so state them in general remarks.	Refer Audit report.

7.	Audit Fees		
	(i)	Give amount of audit fees last assessed- State period for which assessed : State the date of recovery of audit fees, name of Treasury and amount credited (Give No. and date of Treasury Challan)	Rs. 8,761/- 01-04-2016 to 31-03-2017.
	(ii)	If audit fees have not been paid by the society, give details about outstanding audit fees and reasons for non-payment.	-N.A-

8.	Internal or Local Audit :		
	(i)	If there is internal or local audit, state by whom done, period covered and whether memo is on the record of the Society.	M/s. PRITAM NEVREKAR & ASSOCIATES. (Chartered Accountants) 2017-18 Audit Report is submitted.
	(ii)	State whether there is a proper co-ordination between Statutory Auditor and Internal Auditor.	-YES-

9.	(A) Managing Director/Manager/Secretary																							
	(i)	Name of the Officer/Manager	Smt. Sayali Sanjay Bhoir, C.E. & Secretary of the Federation.																					
	(ii)	Pay drawn : Grade :	Rs.1,26,516/- p.m. C.E. & Secretary																					
	(ii)	State other allowances, if any, facilities given such as rent free quarters etc.	-NA-																					
	(iv)	State whether she is a member.	-No-																					
	(v)	If so, whether she has borrowed or has been given any credit facilities? State the amount borrowed and the amount of overdues, if any	-NA-																					
	(vi)	If other amounts are due from her, give details.	--																					
	(B)	Obtain a list of staff showing names, designations, qualifications, scales, present pay and allowances given, dates from which employed, security furnished etc.	-YES- <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>S. N</th> <th>Designation</th> <th>No. of Employees</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>C.E. & Secretary</td> <td>1</td> </tr> <tr> <td>2.</td> <td>Accountant</td> <td>1</td> </tr> <tr> <td>3.</td> <td>Asst. Clerk</td> <td>4</td> </tr> <tr> <td>4.</td> <td>Driver</td> <td>1</td> </tr> <tr> <td>5.</td> <td>Peon</td> <td>1</td> </tr> <tr> <td></td> <td>Total</td> <td>8</td> </tr> </tbody> </table>	S. N	Designation	No. of Employees	1.	C.E. & Secretary	1	2.	Accountant	1	3.	Asst. Clerk	4	4.	Driver	1	5.	Peon	1		Total	8
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1.	C.E. & Secretary	1																						
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3.	Asst. Clerk	4																						
4.	Driver	1																						
5.	Peon	1																						
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10.	Breaches :																
	(i)	Does the Society possess a copy of the Act, Rules and Its registered Bye-laws?	-YES-														
	(ii)	Give only numbers of breaches of the Act, Rules and Bye- laws? 1. Section Nos. _____ 2. Rules Nos. _____ 3. Bye-laws Nos. _____	N.A.														
	(iii)	Have any rules been framed under the Bye-laws? Are they approved by appropriate authority? Are they properly followed? (These breaches should be discussed in brief in general remarks)	YES														
11.	Profit and Loss :																
	1.	What is the amount of surplus earned or deficit incurred during the last co-operative year?	01-04-2016 to 31-03-2017 Surplus: 6,65,321.05														
	2.	State how the net profits are distributed?	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Amt (₹)</th> </tr> </thead> <tbody> <tr> <td>Reserves Fund</td> <td>1,66,330.00</td> </tr> <tr> <td>Building & Development Fund</td> <td>1,00,000.00</td> </tr> <tr> <td>Unforeseen & Contingent Liability Fund</td> <td>1,00,000.00</td> </tr> <tr> <td>Staff Gratuity Fund</td> <td>1,98,000.00</td> </tr> <tr> <td>Staff Leave encashment Fund</td> <td>1,00,000.00</td> </tr> <tr> <td>Balance c/f</td> <td>991.05</td> </tr> </tbody> </table>	Particulars	Amt (₹)	Reserves Fund	1,66,330.00	Building & Development Fund	1,00,000.00	Unforeseen & Contingent Liability Fund	1,00,000.00	Staff Gratuity Fund	1,98,000.00	Staff Leave encashment Fund	1,00,000.00	Balance c/f	991.05
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Balance c/f	991.05																
12.	Cash, Bank Balances and securities :																
	(a) Cash :																
	1.	Count cash and sign the cash Book stating the amount so counted and date on which counted.	Cash Balance ₹ 68,914/- Physically verified on 01.06.2018														
	2.	Who produced the cash for counting? Give his name and designation. Is she authorised to keep cash?	Mrs. Tanuja Gole (Accountant) Yes, she is authorized person.														
	3.	Is it correct according to the Cash Book?	-YES-														
	4.	Are arrangement for safety of cash in safe and cash in-transit adequate?	-YES-														
	(b) Bank Balance :																
		Do the bank balance shown physically and see whether the Bank statements and Bank balance certificates tally with such balances shown in books of accounts? If not, check reconciliation statements.	-YES-														



	(c) Securities :														
	(1)	Verify securities physically and see whether they are in the name of Society.	-YES-												
	(2)	Are dividends and interest being duly collected?	-YES-												
	(3)	If securities are lodged with the Bank, are relevant Certificates obtained?	-N.A.-												
	(4)	Is investment register kept and written up-to-date?	-YES-												
13.	Moveable and Immovable Property :														
	(1)	Are relevant registers maintained and written up-to-date?	-YES-												
	(2)	Verify property physically and obtained it's list. Do the balances tally with balance sheet figures?	-YES-												
	(3)	In case of immovable property including lands, verify title deeds and see whether they are in the name of the Society.	-YES-												
	(4)	Is the property duly insured where necessary? If so, give details in general remarks?	-YES-												
	(5)	Depreciation :													
	(i)	Is due depreciation charged?	-YES-												
	(ii)	State the rate of depreciation charged on various assets.	<table border="1"> <thead> <tr> <th>Particulars</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Furniture & Fixture</td> <td>10.00</td> </tr> <tr> <td>Office Vehicles</td> <td>15.00</td> </tr> <tr> <td>Computer & Printers</td> <td>33.33</td> </tr> <tr> <td>Office Equipment</td> <td>15.00</td> </tr> <tr> <td>Library books</td> <td>20.00</td> </tr> </tbody> </table>	Particulars	%	Furniture & Fixture	10.00	Office Vehicles	15.00	Computer & Printers	33.33	Office Equipment	15.00	Library books	20.00
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14.	Have you discussed the draft audit memo in the Board or Managing Committee Meeting? If not, state reasons for the same.		-Discussed with CE & S												

Signature and designation of Auditing Officer

Place:- Mumbai
Date:- 26.06.2018



For S. D SATAM & Co.
Chartered Accountants
Firm Reg No. 118302W

(CA. Santosh Satam)
M.No.104904
Panel No.17257

(Maharashtra Co-operative Society Act 1960 of Section 81(2) Audit Remarks)

Name of the Society- THE MAHARASHTRA URBAN CO-OPERATIVE BANKS' FEDERATION LTD., MUMBAI

Sr. No.	Particulars	Remarks
1.	Overdues of debts, if any	-NA-
2.	Cash balance and securities and a valuation of the assets and liabilities of the society	Verified cash as on date 01/06/2018 and found in order.
3.	Whether loan and advances and debts made by the society on the basis of security have been properly secured and the terms on which such loans and advances are made or debts are incurred are not prejudicial to the interest of the society and its members.	-NA-
4.	Whether transactions of the society which are represented merely by book entries are not prejudicial to the interest of the society	-No-
5.	Whether loans and advances made by the society have been shown as deposits	- NA-
6.	Whether personal expenses have been charged to revenue account	-No-
7.	Whether the society has incurred any expenditure in furtherance of its objects	<p>Federation has incurred expenditure for conducting the following meetings / training programmes to achieve its objects :-</p> <p>1. Shri Vidyadhar V. Anaskar, Hon. Chairman, Shri Satish B. Gupta and Shri S. B. Adsul, Hon. Directors of MUCBF and Members of TAF CUB for Mumbai Region, Nagpur Region and Multi-State Region respectively alongwith Chief Executive & Secretary, MUCBF are convening Pre-TAF CUB meetings for UCBs having grade C & D in order to identify their exact nature of problems so as to defend these bank's case strongly before the TAF CUB and RBI authorities & thereby to improve the financial position of these banks and bring awareness</p>



		<p>about RBI policies.</p> <p>2. To recognize and promote the performance excellence amongst member UCBs, Federation has been giving Best Bank Awards to the best banks under different categories at State level annually.</p> <p>3. The Federation is conducting various inhouse / outdoor training programmes / seminars on different banking subjects for the Directors, CEO's, Officers, Employees for their self-enrichment, improvement of skills and thereby creating competent bankers.</p>
8.	Whether the society has properly utilized the financial assistance granted by Government or Government undertakings or financial institutions, for the purpose for which such assistance was granted.	No financial assistance granted.
9.	Whether the society is properly carrying-out its objects and obligations towards members.	-YES-

For S D SATAM & Co.
Chartered Accountants
Firm Reg No. 118302W



Santosh Satam

(CA. Santosh Satam)
(Proprietor)
M. No. 104904
Panel No.17257

Place : Mumbai
Date : 26.06.2018

The Maharashtra Urban Co-operative Banks' Federation Ltd.

Statutory Audit Report

Year 2017-18

PART-A

GENERAL OBSERVATIONS AND COMMENTS

1.00 PREFACE: -

- ◆ The Maharashtra Urban Co-operative Banks' Federation Ltd. (hereinafter referred as "Federation") has been registered on 9th March 1979 having registration no. BOM/GNL/8/1979 with registered office at 4th Floor, Bharatiya Krida Mandir, Naigaon, Wadala Road, Mumbai- 400 031. The area of operation of Federation is Maharashtra. The Federation is covered under Maharashtra Co-operative Societies Act, 1960 & Maharashtra Co-operative Societies Rule, 1961.
- ◆ Our firm was appointed to carry out the audit for the period 01.04.17 to 31.03.18 with reference to your letter vide no. 416/Statutory Audit/2017-18 dated 20th September, 2017. The audit is being carried out based on records and relevant information produced before us.
- ◆ The Federation's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit on test check basis in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India.

2.00 OBJECTS-

The objects of the Federation are-

1. To co-ordinate the working of Urban Co-operative Banks in the State of Maharashtra and to promote and develop sound and progressive Banking principles, practice and ensure uniformity in this respect;
2. To render advice to member banks in financial matters as also legal and Banking matters and other matters of common interest;



3. To undertake itself or/and arrange either through the Reserve Bank of India or the Maharashtra State Co-operative Bank or any other organization and institution for the training of the staff of member Banks and Associations;
4. To convene Conferences, Seminars, Symposia and Study Groups to discuss problems of Urban Co-operative Banks and device measures to ensure fulfilment of the promotional role of the Federation;
5. To carry on such functions and duties and exercise such powers under the Maharashtra Co-operative Societies Act of 1960 and Rules there under as are delegated by the Government and Registrar under the said Act and Rules;
6. To arrange visit to member banks as per their request and to render advice to member banks with regard to interpretation and enforcement of awards, settlement between the Banks and their employers' union;
7. To call for information and periodical returns and statements of their financial position from the Banks and arrange for its dissemination, exchange and publication periodically;
8. To keep in touch with (i) All concerning Departments of Reserve Bank of India (ii) National Bank for Agriculture & Rural Development (iii) The money market (iv) The Securities Market, and to issue periodical bulletins to member banks;
9. To provide succor, advice and guidance to all Urban Co-operative Banks, to study the problems of weak and Mahila Co-operative Banks and those taken under rehabilitation by the Reserve Bank of India by paying special attention to their problems, difficulties and pressing needs and help them for their viability;
10. To publish periodically Bulletin containing latest development in Co-operation, banking law and allied matters for the benefit of the Urban Banks;
11. To act as an Umbrella Organisation under the guidelines of the RBI; and
12. To do all such other things as may be necessary for promoting and protecting the common interests of the member- banks and for carrying out the objects of the Federation.

3.00 **GENERAL OBSERVATION AND COMMENTS:-**

1) **AUDIT INFORMATION:**

- ◆ Statutory audit of the Federation was commenced on 05-05-2018 for the period 01-04-2017 to 31-03-2018 and completed on 26-06-2018. Audit has been carried out by M/s. S.D. Satam & Co., Chartered Accountant, Statutory Auditor, Mumbai.
- ◆ Audit has been carried out based on the records and relevant information produced before us.

2) **MEMBERS:**

Member Banks details are under:

Sr.No.	Particulars	As on 31.03.18	As on 31.03.17	Addition	(Deletion)
1.	District & Regional Co-operative Banks' Associations	18	18	--	--
2.	Urban Co-op. Banks	483	479	8	(4)
	Total	501	497	8	(4)

- During the financial year 2017-2018 licence of Two Members Bank namely, Jamkhed Merchants Co-op Bank Ltd. Ahmednagar & Lokseva Sahakari Bank Ltd. Pune was cancelled by RBI & two member banks were dissolved namely, Ajinkyatara Sahakari Bank Ltd. Satara., Ajinkyatara Mahila Sahakari Bank Ltd. Satara. The following banks were added as new member banks during the year;
 - The Chembur Nagarik Sahakari Bank Ltd. Mumbai.
 - Shree Paisa Fund Shetki Sahakari Bank Ltd. Udapi.
 - Dr. Babasaheb Ambedkar Nagri Sahakari Bank Ltd.
 - Aurangabad District Ind & Urban Co-op Bank Ltd.
 - Saibaba Janata Sahakari Bank Ltd.
 - Wardhaman Urban Co-op Bank Ltd.
 - Citizen Co-op Bank, Rajkot Gujarat.
 - Sanmitra Urban Co-op Bank Ltd.



a) **Membership Application Forms :-**

- ◆ Membership application forms were verified and found correct. (Members are directly appointed by passing the resolution in the board meeting)

b) **'J' Form Register**

- ◆ The Federation has maintained 'J' Form Register; details of members like Name, Addresses, etc. are mentioned in the register.
- ◆ The Federation has not authorised to issue shares to their members as per by Bye-laws.
- ◆ The Federation is accepting membership by receiving ₹ 500/- per member as an entrance fee.
- ◆ At the year end, total amount received from entrance fees is transferred to Reserve fund.

3) **LOANS AND ADVANCES**

During the financial year, Federation does not have any outside loans and advances.

4) **MEETINGS & MINUTES BOOK**

A) **Annual General Meeting:-**

During the financial year Annual General Meeting was held on 19th September 2017 at 2.30 p.m. Minutes of said meeting are properly recorded & maintained. Major points discussed in this meeting are as under:

- ◆ Approval of income and expenditure & Balance Sheet as on 31st March, 2017.
- ◆ Federation has earned a Net Surplus of ₹ 6,65,321.05 in 2016-17.
- ◆ Appropriation of surplus fund of ₹ 6,65,321.05 as follows :

Particulars	Amt (Rs.)
Reserves Fund	1,66,330.00
Building & Development Fund	1,00,000.00
Unforeseen & Contingent Liability Fund	1,00,000.00
Staff Gratuity Fund	1,98,000.00
Staff Leave Encashment Fund	1,00,000.00
Balance carried forward	991.05
Total	6,65,321.05

B) Board Meetings:-

- ◆ During the year 4 board meetings & 4 sub-committee meetings were held.
- ◆ Minutes of Board Meetings and others are properly written & maintained in a separate register.

5) STATUTORY COMPLIANCE

- ◆ Federation has submitted rectification report i.e. 'Form O' with registrar against the audit report for the year 2016-17 on dated 12-09-2017.

6) STATUTORY AUDITORS FEE

- ◆ For the financial year 2016 - 2017 Federation has paid statutory audit fee of ₹ 8,761/- (inclusive of service tax) and the copy of receipt was made available for verification.

7) REGISTERS MAINTAINED:-

We have verified the following registers & our observations are as follows:-

Sr. No.	Name of the Register	Observation
1.	Investment Register	Register is maintained & updated properly.
2.	Leave Register	Register is maintained in computer system & updated properly.
3.	Attendance Register	Register is maintained & updated properly.
4.	Salary Register	Register is maintained & updated properly.



8) **BOARD OF DIRECTORS:**

- ◆ Board of directors are elected for the period from 2014-15 to 2019-20.
- ◆ During the financial year 2017-18 there were 22 Director Member's on board of the Federation. (Refer Annexure I)

9) **CHAIRMAN AND C.E. & Secretary**

- ◆ During the financial year Shri. Vidyadhar V Anaskar was Chairman & Smt. Sayali Sanjay Bhoir was Chief Executive & Secretary of the Federation.

10) **AUDIT CLASSIFICATION**

After looking towards Statutory compliances, Income & Expenditure, Membership Fees recovered, Funds Investment, Overall working of the federation, Legal Follow up, working of the committees and staff, compliances of rules & regulation, Meetings and its compliances, procedural compliances, increase in membership etc.. We are allotting "**A**" Audit classification to the federation for the financial year 2017-18.



PART B**Ledger Scrutiny-****A. Liabilities****1. Reserves and Other Funds - ₹ 5,18,58,563.07****♦ FUNDS**

Particulars	Bal. As On 31.03.2018	Bal. As On 31.03.2017	Growth
Reserve Fund	89,00,045.00	87,29,715.00	1,70,330.00
Building & Development Fund	2,71,09,701.00	2,60,09,701.00	11,00,000.00
Staff Gratuity Fund	70,73,442.07	56,39,056.07	14,34,386.00
Staff Leave Encashment Fund	36,56,375.00	24,02,014.00	12,54,361.00
Amortization Fund for Leasehold Premises	13,25,000.00	12,75,000.00	50,000.00
Unforeseen & Contingent Liability Fund	27,50,000.00	25,50,000.00	2,00,000.00
Staff Welfare Fund	10,44,000.00	8,44,000.00	2,00,000.00
TOTAL	5,18,58,563.07	4,74,49,486.07	44,09,077.00

- ♦ During the year reserves and other funds are increased by ₹ 44,09,077.00.
- ♦ During the year ₹ 50,000/- were transferred to Amortization Fund For Lease Hold Premises as the property Lease cost is ₹ 30,00,000/- which is distributed over the lease period of 60 years.
- ♦ During the year, Appropriation of surplus of ₹ 53,00,000 towards reserve were made on adhoc basis :

Particulars	Amount
Building & Development Fund	10,00,000.00
Staff Gratuity Fund	20,00,000.00
Staff Leave Encashment Fund	20,00,000.00
Staff Welfare Fund	2,00,000.00
Unforeseen & Contingent Liability Fund	1,00,000.00



The Provision towards Staff Gratuity Fund & Staff Leave Encashment Fund to be made on the basis of actuarial valuation basis.

2. Provision for defaulted Subscription- ₹ 41,62,812/-

During the year Federation has provided ₹ 14,97,444/- towards current year subscription and also recovered ₹ 8,57,539/- towards old defaulted subscription. An age-wise detail of defaulted subscription is given under Sundry Debtors.

3. Outstanding Liabilities – ₹ 11,18,959.58/-

Outstanding (Sundry) liabilities pertain to the provision for expenses made during the year. (Refer Annexure II)

4. Advance Subscription- ₹ 46,183/-

This amount represents advance subscription received from member bank by the Federation. Federation need to take steps to settle these advances with member banks' annual subscription or other receivables. (Refer Annexure III)

B. Assets

1. Cash in Hand-

Cash in hand as on the last day of the year was ₹ 4,967.00. The actual verification of cash is made on 01.06.2018 and balance of ₹ 68,914/- found in order with cash book.

2. Bank Balances- ₹ 10,48,553.88/-

All the bank accounts are reconciled as of 31st March 2018 and no entries are pending for more than three months. Following are the Bank balances-

Sr. no.	Particulars	Amount
1	M.S.C. Bank Current A/c	41,480.70
2	Apna Sahakari Bank Saving A/c	9,49,022.18
3	UCO Bank Saving A/c	58,051.00

3. **Investments : ₹ 4,77,27,000.00 :**

The Federation has investments in Fixed Deposits with various Banks as follows:

Sr. No.	Bank Name	Amount
1	Apna Sahakari Bank	5,27,000.00
2	Bharat Bank	35,00,000.00
3	NKGSB Bank	60,00,000.00
4	Bassein Catholic Co-Op Bank	1,00,00,000.00
5	Dombivali Nagrik Sahakari Bank Ltd	15,00,000.00
6	Gopinath Patil Parsik Janata SBL	1,18,00,000.00
7	Punjab & Maharashtra Co-Op Bank Ltd	94,00,000.00
8	The Satara Sahakari Bank Ltd	50,00,000.00
	Total	4,77,27,000.00

- ◆ Physically verified all the instruments related to investments and no irregularity was observed.
- ◆ These Investments are made as per the Byelaw approved by Registrar.
- ◆ Interest receivable on Investments ₹ 3,25,548/- were properly accounted in the books.

4. **Other Deposits- ₹ 58,728/-**

Other Deposits pertains are as follows:-

Sr. No.	Particulars	Amount-Rs.
1.	Telephone Deposit	11,500.00
2.	B.E.S.T Deposit	41,603.00
3.	Mahanagarpalika Water Meter Security Deposit	5,625.00
	Total	58,728.00



5. **Sundry Debtors & Other receivables : ₹ 42,50,928/-**

Age-wise details of receivable are as follows:

Outstanding for	Amount-Rs.
Less than 1 year	15,85,560.00
More than 1 years	26,65,368.00
Total	42,50,928.00

6. **Fixed Assets - ₹ 17,87,845.47**

Particulars	Amount
Furniture & Fixture	11,91,547.67
Office Vehicle	3,22,645.00
Electronic Installation & Office Equipments	2,20,663.00
Computer & printers	49,129.00
Library Books	3,860.80
Total	17,87,845.47

- ◆ During the audit period, additions were made in Computer & Library Books.
- ◆ Depreciation is charged on yearly basis.

7. **Other Assets - ₹ 4,52,012.00/-**

Particulars	Amount	Remarks
Festival Advance	17,400.00	
Water Charges from B.M Association Receivable	1,465.00	
Service Tax Receivable	1,40,824.00	
Income Tax Demand	1,27,801.00	
Prepaid Insurance	2,059.00	
Postage Advance Franking	25,409.00	
Advance to Staff	1,866.00	
Prepaid expenses on AMC	23,726.00	

TDS Receivable	1,11,462.00	Details are under;
		2014-15 21,250/-
		2015-16 1,403/-
		2017-18 26,779/-
		2017-18 18,606/-
		2018-19 43,424/-

C. INCOME & EXPENDITURE ACCOUNT:-

We have verified vouchers with supporting & found correct.

Income & Expenditure as on 31.03.2018 were as follows:-

Particulars	31.03.2018	31.03.2017	Increase/ (Decrease)	% Change
INCOME				
Membership Subscription	1,06,41,096.00	83,11,001.00	23,30,095.00	28.04
Interest on Investment	40,63,702.50	38,61,985.00	2,01,717.50	5.22
Other Income	21,54,753.00	26,63,304.00	(5,08,551.00)	(19.09)
Total Income (A)	1,68,59,551.50	1,48,36,290.00	20,23,261.50	13.64
EXPENDITURE				
Employee Cost	70,14,585.00	56,77,300.00	13,37,285.00	23.55
Board of Directors Expense	4,32,883.00	5,81,975.00	(1,49,092.00)	(25.62)
Office Expense	8,47,151.40	5,54,195.89	2,92,955.51	52.86
Fees Commission Etc	2,76,617.45	2,33,480.70	43,136.75	18.48
Property Expense (Rent, Taxes, Insu., Ele., Dep etc)	10,20,268.00	10,11,473.00	8,795.00	0.87
Other expenditure	13,04,723.00	25,12,896.42	(12,08,173.42)	(48.08)
Total Expenditure (B)	1,08,96,227.85	1,05,71,321.01	3,24,906.84	3.07
Gross Surplus (C = A - B)	59,63,323.65	42,64,968.99	16,98,354.66	39.82
Transfer to various Funds (D)	53,00,000.00	36,00,000.00	17,00,000.00	47.22
NET Surplus (E = C - D)	6,63,323.65	6,64,968.99	(1,645.34)	(0.25)

During the year, gross surplus has increased by ₹ 16,98,354.66 i.e. by 39.82% of the previous year's surplus. This increase in gross surplus is mainly due to increase in income by 13.64% as against increase in expense of 3.07%. The major increase in income is on account of Income from Training, Seminar & Hall Renting by ₹ 16,48,601.00/- The following are the details of funds transferred to various funds;

Particulars	Amount
Building & Development Fund	10,00,000.00
Staff Gratuity Fund	20,00,000.00
Staff Leave Encashment Fund	20,00,000.00
Staff Welfare Fund	2,00,000.00
Unforeseen & Contingent Liab. Fund	1,00,000.00
Total	53,00,000.00

D. STAFF RELATED MATTERS:-

1. Staff Provident Fund – ₹ 5,33,389/-

- ◆ During the year Federation has contributed ₹ 5,33,389/- towards staff provident fund.
- ◆ We have verified Provident Fund Challans, deductions & simultaneous deposit thereof and found the same in order.

2. Gratuity: ₹ 70,73,442.07

- ◆ Gratuity was paid ₹ 7,63,614/- during the audit period.
- ◆ The liability towards gratuity has been made on actual basis.
- ◆ Provision of ₹ 20,00,000/- has been made on 31.03.2018.

3. Leave Encashment:

- Verified leave encashment paid ₹ 8,45,639/- during the audit period and found in order.
- The provision towards leave encashment is made on adhoc basis.
- Provision of ₹ 20,00,000/- has been made on 31.03.2018.

PART C

General Observations-

Major Observations-

- 1) The present office premise of the Federation is on lease basis, for which they have made a deposit of ₹ 30 Lakh. According to the lease agreement, the Federation is not permitted to sub-lease the above mentioned premises, but the Federation has sub leased a part of the premises to Brihan Mumbai Nagri Sahakari Banks Association Ltd & has received ₹ 7.45 Lakh as a deposit against it.
- 2) In previous year, Federation has sought an opinion from Commissioner of Service Tax regarding applicability of service tax & the same is applicable. Federation has paid service tax on subscriptions on behalf of the members, however, service tax amounting to ₹ 1,40,824.00 is yet to be recovered from member banks.
- 3) Federation is constantly making efforts to recover outstanding amount of service tax as well as the membership fees from the members. During the financial year it has recovered ₹ 8,57,539/- outstanding subscription pertaining to the previous financial years.
- 4) There is contingent liability towards Income tax for AY 2014-15 of ₹ 6,39,010/- against which federation has paid Rs.1,27,801/- & preferred an Appeal against the said Income Tax order.



Vote of Thanks:

We express our sincere gratitude for the support & co-operation received from the Managing Committee, C. E. & Secretary & Staff members during the course of audit.

Place: Mumbai

For S D Satam & Co.

Date: 26.06.2018

Chartered Accountants



A handwritten signature in blue ink, appearing to read "Santosh Satam", with a horizontal line underneath.

(CA Santosh Satam)

M.No.104904

Panel No.17257

ANNEXURE I

Director Members during financial Year 2017-18.

Sr. No.	Name of the Director	Name of the Represented Bank/Association
1.	Shri. Vidyadhar V. Anaskar (Chairman)	Vidya Sahakari Bank Ltd., Pune
2.	Shri. Ramakant U. Khetan (Vice- Chairman)	The Akola Janta Commercial Co-op. Bank Ltd., Akola
3.	Shri. Anandrao V. Adsul	City Co-op. Bank Ltd., Mumbai
4.	Shri. Sandeep S. Ghandat	Abhyudaya Co-op. Bank Ltd., Mumbai
5.	Shri. Dnyaneshwar B. Wangde	The Satara Sahakari Bank Ltd., Mumbai
6.	Shri. Ajay J. Bramhecha	The Lasalgaon Merchants Co-op. Bank Ltd., Lasalgaon
7.	Shri. Bhaskarao K. Kothavde	The Ojhar Merchant Co-op Bank Ltd., Ojhar
8.	Shri. Uttam B. Joshi	Thane Bharat Sahakari Bank Ltd., Thane
9.	Shri. Vijay P. Dhere	Pune Merchant Co-op Bank Ltd., Pune
10.	Shri. Damodar K. Majgaonkar	Omdatta Chaitanya Sahakari Bank Ltd., Wai
11.	Shri. Sunil O. Deora	Omprakash Deora People's Co-op Bank Ltd., Hingoli
12.	Shri. Satish B. Gupta	The Chikhali Urban Co-op Bank Ltd., Chikhali
13.	Shri. Jagdish P. Tuljapurkar	Solapur Jilha Nagri Sahakari Banks' Co-op. Association Ltd., Solapur
14.	Shri. Durgadas D. Neve	Jalgaon Jilha Nagari Sahakari Banks' Association Ltd., Jalgaon
15.	Shri. Kailashchandra J. Agrawal	Vidarbha Urban Banks' Co-op. Association Ltd., Nagpur
16.	Smt. Shobhatai S. Savant	The Annasaheb Savant Co-op. Urban Bank Mahad Ltd., Mahad
17.	Dr. Shashitai B. Ahire	The Nashik Jilha Mahila Sahakari Bank Ltd. , Nashik
18.	Shri. Jaywant S. Jalgaonkar	The Dapoli Urban Co-op Bank Ltd., Dapoli
19.	Shri. Ashok B. Shelke	Shri Swami Samarth Sahakari Bank Ltd., Nigoj
20.	Shri. Prakash K. Gavali	Janata Sahakari Bank Ltd., Satara
21.	Shri. Sitaram B. Adsul	The Brihanmumbai Nagari Sahakari Banks' Association Ltd., Mumbai
22.	Smt Vidyatai S. Kelkar	Babaji Date (Yavatmal) Mahila Sahakari Bank Ltd., Yavatmal
23.	Smt. Sayali S. Bhoir (Chief Executive & Secretary)	The Maharashtra Urban Co-op. Banks' Federation Ltd., Mumbai



ANNEXURE II

OUTSTANDING LIABILITIES FOR THE YEAR ENDED 31ST MARCH 2018.

PARTICULARS	AMOUNT
Member Subscription Payable	160,000.00
Provision for Ex-Gratia	787,232.00
Labour Contract Payable	27,000.00
Internal Audit Fees Payable	20,000.00
Statutory Audit Fees Payable	8,630.00
Telephone Charges Payable	4,245.00
Water charges Payable	5,858.00
Electricity Charges Payable	15,810.00
Classic Cool Service	9,409.00
Staff Security Deposit	27,000.00
Income Tax on Salary Payable	1,866.00
TDS on Contract Payable	28.00
GST Payable	51,881.58
TOTAL	1,118,959.58



ANNEXURE III
ADVANCE SUBSCRIPTION

Sr. No.	Particulars	Amount
1	ABHINANDAN URBAN CO-OP BANK LTD, AMRAVATI	810.00
2	AHMEDNAGAR JILHA NAGRI SAHAKARI BANK ASSOCIATION LTD	10.00
3	BABAJI DATE MAHILA SAHAKARI BANK LTD, YAVATMAL	125.00
4	BRAMHAPURI URBAN CO-OP BANK LTD, CHANDRAPUR	6,000.00
5	DHULE & NANDURBAR JILHA SARKARI NOKARANCHI SAHAKARI BANK LTD	4,600.00
6	INDEPENDENCE CO-OP BANK LTD, NASIK	40.00
7	JAI TULJABHAVANI URBAN CO-OP BANK LTD	1,898.00
8	JANATA CO-OP BANK LTD, MALEGAON	810.00
9	JANKALYAN SAHAKARI BANK LTD, NASIK	3,990.00
10	LONAVALA SAHAKARI BANK LTD, PUNE	3,314.00
11	MAHATMA PHULE DIST UCBL, AMARAVATI	4,580.00
12	NAGAR URBAN CO-OP BANK LTD, AHMEDNAGAR	7,416.00
13	PATAN CO-OPERATIVE BANK LTD, MUMBAI	2,480.00
14	SHIVPARVATI MAHILA NAGRI SAHAKARI BANK LTD, PARBHANI	360.00
15	SHRI PANCHGANGA NAGRI SAHAKARI BANK LTD, KOLHAPUR	125.00
16	THE AJARA URBAN CO-OP BANK LTD, KOLHAPUR	1,050.00
17	THE AMBIKA MAHILA SAHAKARI BANK LTD, AHMEDNAGAR	700.00
18	THE MUSLIM CO-OP BANK LTD, PUNE	1,050.00
19	THE PANDHARPUR URBAN CO-OP BANK LTD, SOLAPUR	5,176.00
20	THE PEOPLES CO-OPERATIVE BANK LTD., DEULGAON, BULDHANA	405.00
21	VANA NAGRI SAHAKARI BANK LTD, VARDHA	37.00
22	YESHWANT NAGRI SAHAKARI BANK LTD, LATUR	1,207.00
	TOTAL	46,183.00

