

The Maharashtra Urban Co-operative Banks' Federation Ltd.

Statutory Audit Report

Year 2020-2021

PART-A

GENERAL OBSERVATIONS AND COMMENTS

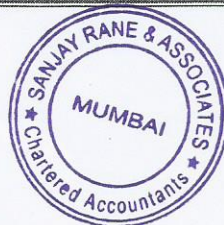
1. PREFACE: -

- 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 01.04.2020 to 31.03.2021 with reference to your letter vide no. 219/Statutory Audit/2020-21 dated 22nd February, 2021. 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. OBJECTS-

The objects of the Federation are-

- i) 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;



- ii) To render advice to member banks in financial matters as also legal and Banking matters and other matters of common interest;
- iii) To undertake by 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;
- iv) To convene Conferences, Seminars, Symposia and Study Groups to discuss problems of Urban Co-operative Banks and devise measures to ensure fulfillment of the promotional role of the Federation.
- v) To foster the organization and growth of Urban Co-operative Banks in the State of Maharashtra and organize research projects and undertake studies on matters pertaining to Urban Co-operative Banks.
- vi) 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.
- vii) To function as Repository of knowledge and to obtain from members banks, information regarding procedures and practices, organizational structure and Financial operations of Urban Co-operative Banking system in the State of Maharashtra.
- viii) To organize exchange of information and opinions as also views on any other aspect of interest to Urban Co-operative Banks.
- ix) To carry on publicity to educate public opinion with regard to the scope, importance and activities of the Urban Banking movement for creative growth and development.
- x) To keep in touch with following authorities/establishments with a view to giving benefit of the information derived there from to the members.
 - 1) All concerning Departments of the Reserve Bank of India.
 - 2) Commissioner for Co-operation and Registrar of Co-operative Societies, Maharashtra State, Pune and all concerned officers of the State Government
 - 3) The Maharashtra State Co-operative Bank Ltd., Mumbai and such other institutions.
- xi) To take necessary steps to ensure the proper discharge of the statutory obligation by member banks including the maintenance of adequate cash reserve and liquid assets by the member banks.



- xii) To arrange visits to member banks as per their request and to render advice to member banks with regard to interpretation and enforcement of Awards, Settlements between the Banks and their employer's union.
- xiii) To carry on such functions and duties and exercise such powers as are delegated to it by the Government and Registrar under the Maharashtra Co-operative Societies Act, 1960 and Rules, framed there under.
- xiv) To review periodically the structure of Co-operative finance and banking in the State of Maharashtra and to make suitable recommendations to member banks, and/or the authorities of the State Government and the Reserve Bank of India.
- xv) To maintain close co-ordination and liaison with Chambers of Commerce, Universities and other Educational Institutions and also Co-operative Training Colleges run by the National Cooperative Union of India and all the Federations' of the other State or any other institution decided by the Board of directors from time to time to accomplish the objectives of the Federation.
- xvi) To raise or borrow money for the developmental activities for the Federation.
- xvii) 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.
- xviii) To publish periodically Bulletin containing latest development in Co-operation, banking law and allied matters for the benefit of Urban Banks.
- xix) To assist the member banks as per their request in regard to the framing staff Service Rules, Standing Orders, Salary Structure for its employee and other matters for efficient and better management of Urban Co-operative Banks as deemed necessary and representing their cases before the appropriate authorities.
- xx) To provide Co-operative & Banking education and training to its members.
- xxi) To act as an Umbrella Organization under the guidelines of the RBI.
- xxii) To conduct recruitment, selection, interview & promotion programmes for Urban Cooperative Banks.



3. GENERAL OBSERVATION AND COMMENTS:-

1) AUDIT INFORMATION:

- Statutory audit of the Federation was commenced on 28.06.2021 for the period 01-04-2020 to 31-03-2021 and completed on 09.07.2021. Audit has been carried out by Sanjay Rane & Associates, 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:

S. N.	Particulars	As on 31.03.2021	As on 31.03.2020	Addition	(Deletion)
1	District & Regional Co-operative Banks' Associations	18	18	--	--
2	Urban Co-op. Banks	480	482	--	(2)
3	Associates Members Bank	01	01		
	Total	499	501	--	(2)

- During the financial year 2020-2021 licence of C.K.P. Co-op. Bank Ltd. is cancelled by the RBI while the RBI had consented merger of Needs of Life Co-op. Bank Ltd. with The Sutex Co-op. Bank Ltd., Surat.

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 is 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 24th March 2021. 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 2020.
- Federation had earned a Net Surplus of ₹ 8,00,306.14 in 2019-2020.
- Appropriation of surplus fund of ₹ 8,00,306.14 as follows :

Particulars	Amt (₹)
Reserves Fund	2,00,100.00
Building & Development Fund	2,00,000.00
Unforeseen & Contingent Liability Fund	1,00,000.00
Staff Gratuity Fund	1,50,000.00
Staff Leave Encashment Fund	1,50,000.00
Balance carried forward	206.14
Total	8,00,306.14



B) Board Meetings:-

- During the year 6 board meetings & 1 sub-committee meeting were held.
- Minutes of Board Meetings and others are properly written & maintained in a separate register.
- Due to Covid 19 Pandemic and Lockdown in the country; Annual General Meeting was held with physical presence of members as well as virtually on 24th March 2021 and Secretarial Compliance is done.

5. STATUTORY COMPLIANCE

- Federation has submitted rectification report i.e. 'Form O' with registrar against the audit report for the year 2019-2020 on dated 07.12.2020.

6. STATUTORY AUDITOR'S FEE

- For the financial year 2019-2020 Federation has paid statutory audit fee of ₹ 9,826/- (exclusive of GST) and the copy of receipt was made available for verification.

7. REGISTERS MAINTAINED:-

We have verified the following register & our observation are as follows:-

S. N.	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 2019-2020.
- The Financial Year 2020-2021 there were no election because of COVID pandemic, therefore the same Director Members are continued on Board.
- During the financial year 2020-2021 there were 22 Director Member's on board of the Federation. (Refer Annexure I)

9. **CHAIRMAN AND C.E.O.**

- During the financial year Shri. Vidyadhar V. Anaskar was a Chairman & Smt. Sayali Sanjay Bhoir was a 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 committee 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 2020-2021.



PART B

Ledger Scrutiny-

A. Liabilities

1. Reserves and Other Funds - ₹ 6,93,47,100.07

• **FUNDS**

Particulars	Bal. as on 31.03.2021	Bal. as on 31.03.2020	Growth
A) Reserve Fund	94,51,855.00	92,51,755.00	2,00,100.00
B) Building & Development Fund	3,11,59,701.00	3,03,59,701.00	8,00,000.00
C) Staff Gratuity Fund	89,13,463.07	81,63,463.07	7,50,000.00
D) Staff Leave Encashment Fund	49,84,081.00	42,51,541.00	7,32,540.00
E) Amortization Fund for Leasehold Premises	14,75,000.00	14,25,000.00	50,000.00
F) Unforeseen & Contingent Liability Fund	61,37,000.00	55,00,000.00	6,37,000.00
G) Staff Welfare Fund	36,44,000.00	30,44,000.00	6,00,000.00
H) Special Reserve for Investment	32,00,000.00	16,00,000.00	16,00,000.00
I) Election Reserve Fund	3,82,000.00	0.00	3,82,000.00
Total	6,93,47,100.07	6,35,95,460.07	57,51,640.00

- During the year reserves and other funds are increased by ₹ 57,51,640/-
- During the year ₹ 50,000/- was 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 ₹ 50,07,000.00 towards reserves was made on adhoc basis :



Particulars	Amount (₹)
Building & Development Fund	6,00,000.00
Staff Gratuity Fund	6,00,000.00
Staff Leave Encashment Fund	7,00,000.00
Staff Welfare Fund	6,00,000.00
Unforeseen & Contingent Liability Fund	5,25,000.00
Special Reserve for Investment	16,00,000.00
Election Reserve Fund	3,82,000.00
TOTAL	50,07,000.00

- The Provisions towards Staff Gratuity Fund & Staff Leave Encashment Fund have been made on actuarial valuation basis.

2. Provision for defaulted Subscription- ₹ 86,87,222/-

- During the year Federation has provided ₹ 29,07,358/- towards current year subscription and has recovered ₹ 11,36,517/- towards old defaulted subscription. An age-wise detail of defaulted subscription is given under Sundry Debtors.

3. Outstanding Liabilities – ₹ 10,41,218.58

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

4. Advance Subscription- ₹ 1,75,858.18

- 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 ₹ 9,453/-.
- Verified cash in hand as on 09.07.2021 and balance of ₹ 1,59,594/- found in order.

2. Bank Balances ₹ 13,83,349/-

All the bank accounts are reconciled as of 31st March 2021 and no entries are pending for more than three months. Following are the Bank balances-

S. N.	Particulars	Amount (₹)
1	M.S.C. Bank Saving A/c	6,69,895.70
2	Apna Sahakari Bank Saving A/c	6,39,459.30
3	UCO Bank Saving A/c	73,994.00

3. Investments : ₹ 6,43,94,584/-

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

S. N.	Bank Name	Amount (₹)
1	Apna Sahakari Bank Ltd.	54,000.00
2	Bassein Catholic Co-operative Bank Ltd.	17,00,000.00
3	G. P. Parsik Janata Sahakari Bank Ltd.	15,00,000.00
4	GS Mahanagar Co-operative Bank Ltd.	10,00,000.00
5	M.S.C. Bank Ltd.	1,85,00,000.00
6	Punjab & Maharashtra Co-operative Bank Ltd.	82,34,716.00
7	SVC Co-operative Bank Ltd.	75,00,000.00
8	The Bharat Co-operative Bank Ltd.	30,00,000.00
9	The Saraswat Co-operative Bank Ltd.	90,00,000.00
10	The Satara Sahakari Bank Ltd.	19,05,868.00
11	TJSB Sahakari Bank Ltd.	1,20,00,000.00
	Total	6,43,94,584.00



- Physically verified all the instruments related to investments and no irregularity was observed.
- These Investments are made as per the Bye-laws approved by the Registrar.
- Investment in PMC bank is Non Performing Investment and federation has made provision of ₹ 32.00 Lakh against it. Further, federation has created Overdue Interest Reserve against Interest Receivable of PMC Bank of ₹ 9,93,658/-.
- Interest receivable on Investments ₹ 5,26,208/- were properly accounted in the books.

4. Other Deposits - ₹ 58,728/-

Other Deposits pertains are as follows:-

S. N.	Particulars	Amount (₹)
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 : ₹ 86,87,222/-

- Sundry debtors pertain to Membership Subscription Receivable.
- Age-wise details of receivable on account of membership subscription are as follows:

Outstanding for	Amount (₹)
Less than 1 year	29,07,358.00
1 to 3 years	36,72,877.00
3 to 5 years	8,72,230.00
More than 5 years	12,34,757.00
Total	86,87,222.00



6. Fixed Assets - ₹ 15,50,093.93

Particulars	Amount (₹)
Air conditioner	1,75,627.00
Computer	34,248.00
Furniture & Fixture	10,25,247.13
Library Account	19,662.80
Office Equipment	69,016.00
Vehicle	1,98,144.00
Xerox Machine	28,149.00
Total	15,50,093.93

- During the audit period, addition was made in Air Conditioner.
- Depreciation is charged on yearly basis.
- In the Annual General Meeting held on March 24, 2021, it was resolved to write off Service Tax Recoverable of ₹ 1,40,824/- shown in Balance Sheet as on 31.03.2020 and certified by the Statutory Auditor.
- Accordingly, the following amount of Service Tax Receivable was written off on March 31, 2021:

(a) Service Tax Recoverable during the year 2012-13 ₹ 75,332/-

(b) Service Tax Recoverable during the year 2013-14 ₹ 65,492/-

₹ 1,40,824/-

7. Other Assets - ₹ 12,59,743/-

Particulars	Amount (₹)	Remarks
Prepaid expenses on AMC	44,543.00	
Prepaid Insurance Charges	1,746.00	
Water Charges from B.M Association Receivable	2,500.00	
Income Tax Demand	7,07,155.00	
TDS Receivable	5,03,799.00	Details are under;
		2014-15 21,250.00
		2015-16 1,403.00
		2016-17 26,779.00
		2017-18 18,606.00
		2019-20 66,666.00
		2020-21 1,11,708.00
		2021-22 2,57,387.00
Total	12,59,743.00	



C. INCOME & EXPENDITURE ACCOUNT:-

We have verified vouchers with supporting & found correct.

Income & Expenditure as on 31.03.2021 were as follows:-

Particulars	31.03.2021	31.03.2020	Increase/ (Decrease)	% Change
INCOME				
Membership Subscription	98,50,159.00	1,03,55,656.00	(5,05,497.00)	(4.88)
Interest Received	35,94,877.00	45,11,777.00	(9,16,900.00)	(20.32)
Other Income	2,26,494.00	44,84,076.00	(42,57,582.00)	(94.95)
Total Income (A)	1,36,71,530.00	1,93,51,509.00	(56,79,979.00)	(29.35)
EXPENDITURE				
Employee Cost	50,63,109.00	49,20,389.00	1,42,720.00	2.90
Board of Directors Expenses	91,293.00	4,67,068.00	(3,75,775.00)	(80.45)
Office Expenses	3,14,220.00	9,44,438.00	(6,30,218.00)	(66.73)
Fees, Commission, etc.	1,75,964.04	2,41,248.59	(65,284.55)	(27.06)
Property Expense (Rent, Taxes, Insu., Ele., Dep. & Rep. etc)	7,41,784.00	8,08,177.00	(66,393.00)	(8.22)
Other expenditure	14,77,134.00	25,70,185.54	(10,93,051.54)	(42.53)
Total Expenditure (B)	78,63,504.04	99,51,506.13	(20,88,002.09)	(20.98)
Gross Surplus (C = A - B)	58,08,025.96	94,00,002.87	(35,91,976.91)	(38.21)
Transfer to various Funds (D)	50,07,000.00	86,00,000.00	(35,93,000.00)	(41.78)
NET Surplus (E = C - D)	8,01,025.96	8,00,002.87	1,023.09	0.13

- During the year, the Net surplus of the Federation is increased by ₹ 1,023.09. This increase in net surplus is mainly due to decrease in expenditure. However, the Gross surplus of the Federation is decreased by ₹ 35,91,976.91. This decrease in gross surplus is mainly due to decrease in membership subscription, interest income, other income & increase in employee cost etc. The Federation has accounted members subscription on receipt basis instead of mercantile basis. The other income is on account of, Income from Renting Conference Hall, Training fees & Donation etc.



- The following are the details of funds transferred to various funds:

Particulars	Amount (₹)
Building & Development Fund	6,00,000.00
Special Reserve for Investment	16,00,000.00
Staff Welfare Fund	6,00,000.00
Staff Gratuity Fund	6,00,000.00
Staff Leave Encashment Fund	7,00,000.00
Unforeseen & Contingent Liability Fund	5,25,000.00
Election Reserve Fund	3,82,000.00
Total	50,07,000.00

- During the year ₹ 50,000/- was transferred to amortisation fund of leasehold premises as the Property Lease cost is ₹ 30,00,000/- which is distributed over 60 years of lease period.

D. STAFF RELATED MATTERS:-

1. Staff Provident Fund – ₹ 3,92,677/-

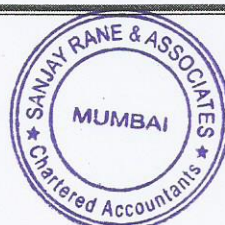
- During the year Federation has contributed ₹ 3,92,677/- towards staff provident fund.
- We have verified Provident Fund Challans, deductions & simultaneous deposit thereof and found the same in order.

2. Gratuity - ₹ 89,13,463.07

- No Gratuity was paid during the audit period.
- The liability towards gratuity has been made on actual basis.
- Provision of ₹ 7,50,000/- has been made on 31.03.2021.

3. Leave Encashment - ₹ 49,84,081/-

- Verified leave encashment paid ₹ 1,17,460/- during the audit period and found in order.
- The provision of ₹ 8,50,000/- has been made on 31.03.2021.



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 ₹ 7,44,750/- as a deposit against it.
- 2) In the 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/- belonging to years 2012-13 & 2013-14 is non-recoverable. Hence, as certified by the Statutory Auditor, the same was written off on 31.03.2021 with prior approval of Annual General Meeting held on March 24, 2021.
- 3) Federation is constantly making efforts to recover outstanding amount of membership fees from the members. During the financial year it has recovered ₹ 11,36,517/- outstanding subscription pertaining to the previous financial years.

Vote of Thanks:

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

Place: Mumbai

Date: 28/07/2021

For Sanjay Rane & Associates.

Chartered Accountants



(CA Abhijeet Deshmukh)

ANNEXURE I

Director Members during the financial Year 2020-2021

S. N.	Name	Representative
1	Shri. Vidyadhar V. Anaskar (Chairman)	Vidya Sahakari Bank Ltd., Pune
2	Shri. Ramakant U. Khetan (Vice-Chairman)	The Akola Janata Commercial Co-operative Bank Ltd., Akola
3	Shri. Anandrao V. Adsul (Director)	The City Co-operative Bank Ltd., Mumbai
4	Shri. Sandeep S. Ghandat (Director)	Abhyudaya Co-operative Bank Ltd., Mumbai
5	Shri. Dnyaneshwar B. Wangde (Director)	The Satara Sahakari Bank Ltd., Mumbai
6	Shri. Ajay J. Bramhecha (Director)	The Lasalgaon Merchant's Co-operative Bank Ltd., Lasalgaon
7	Shri. Bhaskar K. Kothawade (Director)	The Ojhar Merchant's Co-operative Bank Ltd., Ojhar
8	Shri. Uttam B. Joshi (Director)	Thane Bharat Sahakari Bank Ltd., Thane
9	Shri. Vijay P. Dhere (Director)	Pune Merchants Co-operative Bank Ltd., Pune
10	Late Damodar K. Majgaonkar (Director) (Date of Death : September 04, 2020)	Omdatta Chaitanya Sahakari Bank Ltd., Wai
11	Shri. Sunil O. Deora (Director)	Omprakash Deora People's Co-operative Bank Ltd., Hingoli
12	Shri. Satish B. Gupta (Director)	The Chikhali Urban Co-operative Bank Ltd., Chikhali
13	Shri. Kailashchandra J. Agrawal (Director)	The Vidarbha Urban Co-operative Banks' Association Ltd., Nagpur
14	Shri. Jagdish P. Tuljapurkar (Director)	The Solapur Jilha Nagri Sahakari Banks' Association Ltd., Solapur
15	Shri. Durgadas D. Neve (Director)	The Jalgaon Jilha Nagari Sahakari Banks' Association Ltd., Jalgaon
16	Shri. Jayawant S. Jalgaonkar (Director)	Dapoli Urban Co-operative Bank Ltd., Dapoli
17	Adv. Ashok B. Shelke (Director)	Shri Swami Samarth Sahakari Bank Ltd., Nighoj
18	Shri. Prakash K. Gavali (Director)	Janata Sahakari Bank Ltd., Satara
19	Smt. Shobhatai S. Savant (Director)	The Annasaheb Savant Urban Co-operative Bank Ltd., Mahad
20	Dr. Shashitai B. Ahire (Director)	The Nashik Jilha Mahila Sahakari Bank Ltd., Nashik
21	Shri. Sitaram B. Adsul (Co-op. Director)	The Brihanmumbai Nagari Sahakari Banks' Association Ltd., Mumbai
22	Shri Sanjay N. Bhende (Co-op. Director)	Nagpur Nagrik Sahakari Bank Ltd., Nagpur
23	Smt. Sayali S. Bhoir (Chief Executive & Secretary)	The Maharashtra Urban Co-operative Banks' Federation Ltd., Mumbai



ANNEXURE II

OUTSTANDING LIABILITIES FOR THE YEAR ENDED 31ST MARCH 2021

PARTICULARS	AMOUNT (₹)
Electricity Charges Payable	10,143.00
Internal Audit Fees Payable	20,000.00
Member Subscription Payable (NAFCUB)	40,000.00
Provision for Ex-Gratia	6,86,051.00
Staff Security Deposit	54,000.00
Statutory Audit Fees Payable	6,986.00
Telephone Charges Payable	1,742.00
TDS Payable For A.Y. 21-22	2,139.00
Water Charges Payable	10,000.00
GST Payable	2,10,157.58
TOTAL	10,41,218.58



ANNEXURE III
ADVANCE SUBSCRIPTION

S. N.	Particulars	Amount (₹)
1	Abhinandan Urban Co-operative Bank Ltd., Amravati	810.00
2	Ahmednagar Jilha Nagri Sahakari Banks Association Ltd.	10.00
3	Babaji Date Mahila Sahakari Bank Ltd., Yavatmal	125.00
4	Desaiganj Nagri Sahakari Bank Ltd., Gadchiroli	7,000.00
5	Dharmveer Sambhaji Urban Co-operative Bank Ltd., Pune	20,000.00
6	Dhule & Nandurbar jilha Sarkari Nokaranchi Sahakari Bank Ltd., Dhule	4,601.18
7	Janata Co-operative Bank Ltd., Malegaon	810.00
8	Janakalyan Sahakari Bank Ltd., Nashik	3,990.00
9	Krushiseva Urban Co-operative Bank Ltd., Solapur	14,000.00
10	Lonavala Sahakari Bank Ltd., Pune	3,314.00
11	Nashik District Ind. & Mercantile Co-operative Bank Ltd., Nashik	1,000.00
12	Pravara Sahakari Bank Ltd., Ahmednagar	550.00
13	Shivparvati Mahila Nagri Sahakari Bank Ltd., Parbhani	10.00
14	Shree Panchganga Nagari Sahakari Bank Ltd., Kolhapur	125.00
15	The Ambika Mahila Sahakari Bank Ltd., Ahmednagar	700.00
16	The Deccan Merchants Co-operative Bank Ltd., Mumbai	35,000.00
17	The Malegaon Merchants Co-operative Bank Ltd., Nashik	763.00
18	The Mogveera Co-operative Bank Ltd., Mumbai	35,000.00
19	The Muslim Co-operative Bank Ltd., Pune	1,050.00
20	The Ojhar Merchants Co-operative Bank Ltd., Nashik	47,000.00
	Total	1,75,858.18



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	
	(i) Audit Classification	'A'
Date of Registration	09 th March, 1979	
	(ii) Audit Classification given during the last three audits	'A'
Area of operation	MAHARASHTRA	
No. of Branches, Depots & shops (Give separate figure)	NIL	

1.	Audit information :										
	(i) Full name , designation and head Quarters of auditing officer	M/s. Sanjay Rane and Associates CHARTERED ACCOUNTANTS									
	(ii) Period covered during the present audit	1.04.2020-31.03.2021									
	(iii) Dates on which	(1) Audit was commenced and continued.	28.06.2021								
		(2) Audit was completed.	09.07.2021								
		(3) Audit memo was submitted.	28.07.2021								
2.	Membership :										
	(i) No. of Members :	(a) Individuals :	(i) Ordinary -- NIL (ii) Nominal -- NIL (iii) Sympathizer -- NIL								
		(b) Societies	--								
		(c) Others.	<table border="1"> <tr> <th>Particulars</th> <th>Nos.</th> </tr> <tr> <td>Associates Members Bank</td> <td>01</td> </tr> <tr> <td>District /Regional Co-op Banks' Associations</td> <td>18</td> </tr> <tr> <td>Urban Co-op. Banks</td> <td>480</td> </tr> </table>	Particulars	Nos.	Associates Members Bank	01	District /Regional Co-op Banks' Associations	18	Urban Co-op. Banks	480
Particulars	Nos.										
Associates Members Bank	01										
District /Regional Co-op Banks' Associations	18										
Urban Co-op. Banks	480										
	Give details of the other members , if any										
	Total		499								



	(ii)	Have new members been duly admitted? Have they paid entrance fees?	-NA-
	(iii)	Are their written applications in order and are they filed properly?	-NA-
	(iv)	Is the members register kept in Form "I" prescribed under Rules 32 and 65(i) of the M.C.S. Rules 1961?	-NA-
	(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 in order and are they duly accepted?	During the year there were no resignations, however 2 banks license was cancelled i.e. CKP Co-op Bank Ltd. & Needs of life Co-op Bank Ltd.
	(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?	-NA-
	(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?	-NA-
	(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	24.03.2021
	(b)	Special General Meeting.	----
	(ii)	State the No. of meetings held during the period as follows :-	
	(a)	Board Meeting	6
	(b)	Sub Committee Meeting	1



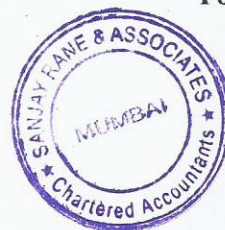
6.	Rectification Reports :																							
	(i)	Has the society submitted audit rectification report of the previous audit memos? If so, give dates of submission. If not, state the reason for non-submission.	Yes. Rectification Report for the financial year 2019-2020 is submitted on 07.12.2020.																					
	(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. 9,826/- 01-04-2019 to 31-03-2020																					
	(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. S.D. SATAM & CO. Chartered Accountants 2020-2021 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, Chief Executive & Secretary of the Federation.																					
	(ii)	Pay drawn : Grade :	Rs. 1,01,172/- p.m. Chief Executive & 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"> <thead> <tr> <th>S. N.</th> <th>Designation</th> <th>No. of Employees</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>CEO & 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>2</td> </tr> <tr> <td>4.</td> <td>Driver</td> <td>1</td> </tr> <tr> <td>5.</td> <td>Peon</td> <td>2</td> </tr> <tr> <td></td> <td>Total</td> <td>7</td> </tr> </tbody> </table>	S. N.	Designation	No. of Employees	1.	CEO & Secretary	1	2.	Accountant	1	3.	Asst. Clerk	2	4.	Driver	1	5.	Peon	2		Total	7
S. N.	Designation	No. of Employees																						
1.	CEO & Secretary	1																						
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5.	Peon	2																						
	Total	7																						



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?	01-04-2019 to 31-03-2020 Surplus: ₹ 8,00,306.14														
	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>2,00,100.00</td> </tr> <tr> <td>Building & Development Fund</td> <td>2,00,000.00</td> </tr> <tr> <td>Unforeseen & Contingent Liability Fund</td> <td>1,00,000.00</td> </tr> <tr> <td>Staff Gratuity Fund</td> <td>1,50,000.00</td> </tr> <tr> <td>Staff Leave encashment Fund</td> <td>1,50,000.00</td> </tr> <tr> <td>Balance c/f</td> <td>206.14</td> </tr> </tbody> </table>	Particulars	Amt (₹)	Reserves Fund	2,00,100.00	Building & Development Fund	2,00,000.00	Unforeseen & Contingent Liability Fund	1,00,000.00	Staff Gratuity Fund	1,50,000.00	Staff Leave encashment Fund	1,50,000.00	Balance c/f	206.14
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Staff Leave encashment Fund	1,50,000.00																
Balance c/f	206.14																
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 – ₹ 1,59,594/- Physically verified on 09.07.2021														
	2.	Who produced the cash for counting? Give her name and designation. Is she authorized to keep cash?	Mrs. Tanuja Gole (Chief 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?	All interests are recovered on deposits with various UCBs except deposits with Punjab & Maharashtra Co-op. Bank Ltd.														



		(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 its 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><tr><th>Particulars</th><th>%</th></tr><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></table>	Particulars	%	Furniture & Fixture	10.00	Office Vehicles	15.00	Computer & Printers	33.33	Office Equipment	15.00	Library books	20.00
Particulars	%																
Furniture & Fixture	10.00																
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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 CEO-												



For Sanjay Rane and Associates.

Chartered Accountants

Firm Reg No. 121089W

(CA. Abhijeet Deshmukh)
M. No.129145

UDIN – 221129145AAAAYP6743

(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

S. N.	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 09.07.2021 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	-No-
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 is granted by the Government, Government undertakings or financial institutions to the Society.
9.	Whether the society is properly carrying-out its objects and obligations towards members.	-YES-

For Sanjay Rane & Associates.

Chartered Accountants

Firm Reg No. 121089W



(CA. Abhijeet Deshmukh)

Partner

M. No. 129145

Place : Mumbai

Date : 28.07.2021



UDIN – 221129145AAAAYP6743