

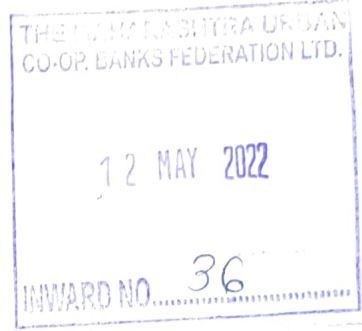
PRITAM NEVREKAR & ASSOCIATES
CHARTERED ACCOUNTANTS

23, Deepashree,
M.G. Road,
Bhaskar Colony, Naupada,
Thane (West) - 400 602.
☎ 9987332185

10.05.2022

To,

The Honorary Chief Executive & Secretary,
The Maharashtra Urban Co-operative Banks' Federation Ltd.,
Bhartiya Krida Mandir, Naigaon,
Wadala Road, Mumbai: 400 031.



Madam,

Sub: Submission of Internal Audit Report for the period from 01.04.2021 to 31.03.2022

We have completed Internal Audit of your Federation for the period from 01.04.2021 to 31.03.2022 and are submitting herewith a copy of it for your perusal.

Thanking you,

For Pritam Nevrekar & Associates
Chartered Accountants

Handwritten signature of Pritam Nevrekar in blue ink.

Proprietor
Mem. No. 147450
F.R. No. - 136122W
Place : Thane

INTERNAL AUDITOR'S REPORT

We have audited the attached Balance Sheet of **THE MAHARASHTRA URBAN CO-OPERATIVE BANKS' FEDERATION LTD., MUMBAI** as at 31st March, 2022 and also the foregoing Income & Expenditure Account for the year ended up to that date.

These financial statements are the responsibility of the Federation's Management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards subject to the scope of audit as laid down by the Board of Directors. An audit includes examining, on a test check basis, evidence supporting the amounts and disclosures in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

On the basis of the information and explanation given to us, we are of the opinion that :-

1. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. Proper books of account as required by the Act, Rules and Bye-laws of the Federation have been kept by the Federation so far as appears from our examination of the books.
3. The transactions of the Federation which have come to our notice have been within the powers of the Federation.
4. The accounts give the information required by the Act in the manner so required and give a true and fair view :-
 - a) In the case of Balance Sheet, of the state of affairs of the Federation as at 31st March 2022.
 - b) In the case of the Income & Expenditure Statement, of the Surplus for the year ended on the date.

For Pritam Nevrekar & Associates
Chartered Accountants



Proprietor
Mem. No. 147450
F.R. No. - 136122W
Place : Thane

UDIN: 22147450ALXU4R3162

THE MAHARASHTRA URBAN CO-OPERATIVE BANKS' FEDERATION LTD.

DISCUSSION CERTIFICATE

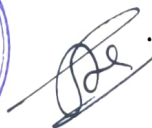
This is to certify that the enclosed report of Internal Audit for the year 2021-22 has been discussed with **Mrs. Sayali Bhoir (Chief Executive & Secretary)** as on 10th May, 2022 at 1.00 p.m. The irregularities noticed by us were discussed for early remedial action.



Pritam A. Nevrekar

Chartered Accountant

For Pritam Nevrekar & Associates



Sayali S. Bhoir

Chief Executive & Secretary

The Maharashtra Urban Co-op. Banks' Federation Ltd.

THE MAHARASHTRA URBAN CO-OPERATIVE BANKS' FEDERATION LTD.

1) ADDITIONS TO FUNDS

• **FUNDS**

PARTICULARS	BAL. AS ON 31.03.2021	BAL. AS ON 31.03.2022	GROWTH
A) Reserve Fund	94,51,855.00	96,52,855.00	2,01,000.00
B) Building & Development Fund	3,11,59,701.00	3,33,59,701.00	22,00,000.00
C) Staff Gratuity Fund	89,13,463.07	1,09,49,287.07	20,35,824.00
D) Staff Leave Encashment Fund	49,84,081.00	67,06,483.00	17,22,402.00
E) Amortization Fund for Leasehold Premises	14,75,000.00	15,25,000.00	50,000.00
F) Unforeseen & Contingent Liability Fund	61,37,000.00	74,37,000.00	13,00,000.00
G) Staff Welfare Fund	36,44,000.00	56,44,000.00	20,00,000.00
H) Special Reserve for Investment	32,00,000.00	0.00	(32,00,000.00)
I) Election Reserve Fund	3,82,000.00	2,00,000.00	(1,82,000.00)
TOTAL	6,93,47,100.07	7,54,74,326.07	61,27,226.00

- During the year Federation's funds are increased by ₹ 61.27 Lakh.
- Income & Expenditure Account balance of ₹ 8,01,232.10 for the year ended 31.03.2021 is apportioned in following manner.

Particulars	Amount (₹)
Reserve Fund - 25%	2,01,000.00
Building & Development Fund	2,00,000.00
Unforeseen & Contingent Liability Fund	1,00,000.00
Staff Gratuity Fund	1,00,000.00
Staff Leave Encashment Fund	2,00,000.00
Bal. C/F for Next Year	232.10
TOTAL	8,01,232.10

- During the year, Federation has made ad-hoc provisions which are as follows:-

Particulars	Amount (₹)
Building & Development Fund	20,00,000.00
Staff Gratuity Fund	20,00,000.00
Staff Leave Encashment Fund	20,00,000.00
Staff Welfare Fund	20,00,000.00
Unforeseen & Contingent Liability Fund	12,00,000.00
TOTAL	92,00,000.00

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

2) REGISTER MAINTAINED:-

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

S.N.	Name of the Register	Observation
1.	Investment Register	Register is maintained in computer system & 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.

3) MINUTE BOOK:

- During the year 5 board meetings and 2 sub-committee meetings were held. Secretarial Compliance is done as per Bye-Law.
- Annual General Meeting was required to be held prior to 30th September 2021, which was held on 29th September, 2021 and Secretarial Compliance is done.

4) BANK ACCOUNTS

- **Apna Sahakari Bank Ltd :-**

Balance as per GL on 31.03.2022 ₹ 2,91,727.76

Balance as per Bank on 31.03.2022 ₹ 3,14,562.76

Reconciliation has been done as on 31.03.2022 and found correct.

- **M.S.C. Bank :-**

Balance as per GL on 31.03.2022 ₹ 1,92,363.70

Balance as per Bank on 31.03.2022 ₹ 2,35,747.70

Reconciliation has been done as on 31.03.2022 and found correct.

- **UCO Bank :-**

Balance as per GL on 31.03.2022 ₹ 2,43,436.46

Balance as per Bank on 31.03.2022 ₹ 2,95,781.46

Reconciliation has been done as on 31.03.2022 and found correct.

- **Unity Small Finance Bank :-**

Balance as per GL on 31.03.2022 ₹ 92,29,297.00

Balance as per Bank on 31.03.2022 ₹ 92,29,297.00

Account is tallied with the Bank statement as on 31.03.2022.



5) FIXED ASSETS

- We have verified Additions to fixed assets with necessary supporting & found in order.
- Fixed assets are depreciated at following rates as considered appropriate by the management.

S.N.	Assets	Depreciation
1.	Furniture & Fixtures	10 % of W.D.V.
2.	Office Equipment	15% of W.D.V.
3.	Computer	33.33% W.D.V.
4.	Library Account	20% W.D.V.
5.	Vehicle	15% of W.D.V.
6.	Air conditioner	15% of W.D.V.
7.	Xerox Machine	15% of W.D.V.

6) GENERAL LEDGER SCRUTINY:

- Advance Subscription from members is ₹ 1,10,858.18

S.N.	Name of the Bank	Amount (₹)
1.	Abhinandan Urban Co-operative Bank Ltd., Amravati	810.00
2.	Ahmednagar Jilha Nagari Sahakari Bank Asso. Ltd., Ahmednagar	10.00
3.	Babaji Date Mahila Sahakari Bank Ltd., Yavatmal	125.00
4.	Dharmveer Sambhaji Urban Co-operative Bank Ltd., Pune	20,000.00
5.	Dhule & Nandurbar Jilha Sarkari Nokaranchi Sahakari Bank Ltd., Dhule	4,601.18
6.	Janata Co-operative Bank Ltd., Malegaon, Nashik	810.00
7.	Jankalyan Co-operative Bank Ltd., Nashik	3,990.00
8.	Lonavala Sahakari Bank Ltd., Pune	3,314.00
9.	Nashik District Ind. & Mercantile Co-operative Bank Ltd., Nashik	1,000.00

10.	Pravara Sahakari Bank Ltd., Loni, Ahmednagar	550.00
11.	Shivparvati Mahila Nagari Sahakari Bank Ltd., Parbhani	18,010.00
12.	Shree Panchganga Nagari Sahakari Bank Ltd., Kolhapur	125.00
13.	The Ambika Mahila Sahakari Bank Ltd., Ahmednagar	700.00
14.	The Deccan Merchants Co-operative Bank Ltd., Mumbai	35,000.00
15.	The Malegaon Merchants Co-operative Bank Ltd., Nashik	763.00
16.	The Muslim Co-operative Bank., Pune	1,050.00
17.	The Ojhar Merchants Co-operative Bank Ltd., Nashik	20,000.00
	TOTAL	1,10,858.18

7) OTHER ASSETS:-

- Members Subscription as on 31.03.2022

	Particulars	Amount (₹)
	Members' subscription as on 31.03.2021	86,87,222.00
Less: -	Amount collected from members in 2021-22	13,53,003.00
		73,34,219.00
Less: -	Members' subscription reversed from 2010-11 to 2020-21	2,44,966.00
Add: -	Members' subscription receivable for the year 2021-22	27,26,392.00
	Total Members' subscription receivable as on 31.03.2022	98,15,645.00

- Federation has reversed Members subscription receivable from following Banks as the banks licenses were cancelled by RBI.

Name of Bank	Amount (₹)
The Karad Janata Sahakari Bank Ltd., Satara	70,000.00
Vasantdada Nagari Sahakari Bank Ltd., Usmanabad	14,000.00
Shivam Sahakari Bank Ltd., Ichalkaranji, Kolhapur	83,000.00
Karnala Nagari Sahakari Bank Ltd., Raigad	60,000.00
Independence Co-operative Bank Ltd., Nasik	17,966.00

- Federation has accounted members' subscription on receipt basis instead of mercantile basis.

The year wise Outstanding Membership fees as of 31.03.2022 are as follows

S. No.	Year	Amount (₹)
1.	2006-07	54,000
2.	2007-08	66,000
3.	2008-09	67,500
4.	2009-10	97,000
5.	2010-11	97,500
6.	2011-12	1,24,500
7.	2012-13	1,60,257
8.	2013-14	2,57,000
9.	2014-15	2,78,000
10.	2015-16	3,40,000
11.	2016-17	4,89,119
12.	2017-18	7,87,914
13.	2018-19	9,88,747
14.	2019-20	13,79,716
15.	2020-21	19,02,000
16.	2021-22	27,26,392
	Total	98,15,645

- Federation must try to recover this subscription as early as possible.



8) INCOME & EXPENDITURE ACCOUNT :

- We have verified accounts with supporting vouchers & found correct.
- The Summary of Income & Expenditure as on 31.03.2022 is as follows:

Particulars	31.03.2021	31.03.2022	Increase /(Decrease)
INCOME			
Membership Subscription	98,50,159.00	1,02,50,611.00	4,00,452.00
Interest Received	35,94,877.00	41,10,147.00	5,15,270.00
Other Income	2,26,494.00	46,76,526.00	44,50,032.00
Total Income (A)	1,36,71,530.00	1,90,37,284.00	53,65,754.00
EXPENDITURE			
Employee Cost	50,63,109.00	53,06,620.00	2,43,511.00
Board of Directors Expenses	91,293.00	3,16,844.00	2,25,551.00
Office Expenses	3,14,220.00	4,88,600.00	1,74,380.00
Fees, Commission etc.	1,75,964.04	3,15,167.08	1,39,203.04
Property Expense (Rent, Taxes, Insu., Ele., Dep., Rep etc)	7,41,784.00	8,76,768.00	1,34,984.00
Other expenditure	14,77,134.00	16,07,507.00	1,30,373.00
Total Expenditure (B)	78,63,504.04	89,11,506.08	10,48,002.04
Gross Surplus (C = A - B)	58,08,025.96	1,01,25,777.92	43,17,751.96
Transfer to various Funds (D)	50,07,000.00	92,00,000.00	41,93,000.00
NET Surplus (E = C - D)	8,01,025.96	9,25,777.92	1,24,751.96

During the year, the gross surplus of the Federation is increased by ₹ 43.18 Lakhs which is mainly due to increase in other income.



Increase in Other Income is mainly because of following reasons

1. During the year, the Federation has reversed Provision for Special Reserve for Investment amounting to ₹ 32 Lakhs.
2. The Federation has received ₹ 10,86,500/- as Income from Training as compared to ₹ 1,80,000/- of previous year.

The Federation has accounted members' subscription on receipt basis instead of mercantile basis.

9) CURRENT LIABILITIES:-

- **Sundry Liabilities & Provisions as on 31.03.2022 is ₹ 9,86,924.58**

We have checked Current Liabilities & the amount represents provisions made for various expenses.

S.N.	Particulars	Amount (₹)
1.	Provision for Ex-Gratia	7,21,488.00
2.	Electricity Charges Payable	9,291.00
3.	Telephone Charges Payable	1,120.00
4.	Internal Audit Fees Payable	20,000.00
5.	Statutory Audit Fees Payable	9,669.00
6.	Staff Security Deposit	66,000.00
7.	GST Payable	72,432.58
8.	TDS Payable	1,424.00
9.	Membership subscription Payable (NAFCUB)	80,000.00
10.	Labour Contract Payable	5,500.00
	TOTAL	9,86,924.58

10) INVESTMENTS:-

- a. We have physically verified investments receipts and the same were found in order.
- b. Fixed deposits as on 31.03.2022 were as follows:

S.N.	Particulars	Amount (₹)
1.	G. P. Parsik Janata Sahakari Bank Ltd.	5,00,000.00
2.	Apna Sahakari Bank Ltd.	78,000.00
3.	TJSB Sahakari Bank Ltd.	55,00,000.00
4.	GS Mahanagar Co-operative Bank Ltd.	10,00,000.00
5.	The Cosmos Co-operative Bank Ltd.	10,00,000.00
6.	NKGSB Co-operative Bank Ltd.	10,00,000.00
7.	M.S.C. Bank Ltd.	2,29,00,000.00
8.	SVC Co-operative Bank Ltd.	1,00,00,000.00
9.	The Saraswat Co-operative Bank Ltd.	90,00,000.00
10.	Uco Bank Ltd.	1,07,00,000.00
	TOTAL	6,16,78,000.00

- Interest receivable of ₹ 15,931/- on said Investment is properly shown by the Federation.

11) GENERAL OBSERVATIONS:-

- According to Lease Agreement Point No. 5, the Federation shall not sub- lease the premises. But the Federation has sub leased the part of the premises to The Brihan Mumbai Nagari Sahakari Banks Association & received ₹ 7.45 Lacs as deposit.
- We are thankful to the Chairman, Vice-Chairman, Directors, Chief Executive & Secretary and other staff for giving co-operation during the internal audit.

