

**STATUTORY AUDIT REPORT
FOR THE
F.Y.2021-2022**



**THE MAHARASHTRA URBAN CO-OPERATIVE
BANKS FEDERATION LTD., MUMBAI.**

**S.D.SATAM & CO
(SANTOSH D. SATAM)
M.NO. 104904
PANEL NO 17257
CHARTERED ACCOUNTANTS
C-2003, STATION PLAZA, STATION ROAD,
BHANDUP WEST MUMBAI :- 400078**

M/s. S.D.Satam & Co.

CHARTERED ACCOUNTANTS

C-2003, STATION PLAZA PREMISES CO. OP. SOC.LTD., STATION ROAD, BHANDUP
(WEST) - 400078. M.NO. 9820496081.

To,

Date 06.06.2022

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

Sub: Submission of Statutory Audit Report for the accounting year ended 31st March, 2022.

The accounts of The Maharashtra Urban Co-operative Banks' Federation Limited have been audited on the basis of record produced and information supplied (oral and written) by the office bearers of the Federation during the course of our audit. The statement of accounts viz. Income & Expenditure A/c. & the Balance sheet, for the aforesaid period have been duly examined and the observation and discrepancies so noticed on the transaction and affairs of the Federation have been mentioned in audit objection and general remarks.

Please find the enclosed herewith Statutory Audit Report for the accounting year 1st April, 2021 to 31st March, 2022 along with the following:-

1. Statement of Income and expenditure Account & the Balance Sheet
2. Auditors certificates, brief introduction & comment on the present status of the Federation, Auditors Report with audit objections, observations & general remarks & other mandatory details of the federation.
3. Audit memorandum in Form no. 1

The Federation is instructed to submit audit rectification report in "O" form within three months from the date of obtaining audit report to the office of registrar of co-operative societies without fail.

Thanking you,

For S. D. SATAM & Co.

CHARTERED ACCOUNTANTS

F.R. No.118302W



Santosh D. Satam
Proprietor

PANEL NO. 17257

INDEPENDENT AUDITOR'S REPORT

(As required under Section 81(5b) of Maharashtra State Co-operative Societies Act, 1960 read with Rule 69 of Maharashtra Co-operative Society's Rules, 1961)

To,

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

Report on Financial Statements

1. We have audited the accompanying Financial Statements of "THE MAHARASHTRA URBAN CO-OPERATIVE BANKS' FEDERATION LIMITED", MUMBAI which comprise the Balance Sheet as at 31st March 2022 and the statement of Income & Expenditure Account for the year ended on that date and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management of the federation is responsible for the preparation of these financial statements that give true and fair view of the financial position and financial performance of the federation in accordance with The Maharashtra Co-operative Societies Act, 1960 and MCS Rules 1961. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanation given to us, the financial statement subject to our comments & observation contained in Audit memorandum, give the information required by The Maharashtra Co-operative Societies Act, 1960 & Rules made thereunder in the manner so required and give true & fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Federation as at March 31, 2022;
- (ii) In the case of Income & Expenditure Account, of the Surplus for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. The Balance Sheet and the Income & Expenditure Account have been drawn up in accordance with the provisions of the Maharashtra Co-operative Societies Act, 1960.



8. We report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit and have found them to be satisfactory;

(b) In our opinion, proper books of accounts as required by law have been kept by the federation so far as it appears from our examination of those books & proper returns adequate for the purpose of our audit have been received from federation;

(c) In our opinion & according to information given to us, there has been no material impropriety or irregularity in the expenditure or in the realization of money due to federation;

(d) To the best of our information & explanation given to us, the transactions of the federation, which have come to our notice, have been within the competence of the federation.

(e) The Balance sheet & the statement of Income & Expenditure deal with by this report are in agreement with the books of accounts & returns.

The Federation has awarded 'A' classification for the financial year 2021-22.

For S. D. SATAM & Co.,

Chartered Accountants

Firm Reg. No. 118302W



(CA Santosh Satam)

Proprietor

M. No. 104904

Panel No : 17257

UDIN: 22104904AMVNKC9423

Place: Mumbai

Date: 06.06.2022

FORM 1**AUDIT MEMO (For all type of societies)****PART-I**

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	1.04.2021-31.03.2022											
	(iii) Dates on which	(1) Audit was commenced and continued.	12.05.2022										
		(2) Audit was completed.	04.06.2022										
		(3) Audit memo was submitted.	06.06.2022										
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>Nos.</th> </tr> </thead> <tbody> <tr> <td>District / Regional Co-operative Banks' Associations</td> <td>18</td> </tr> <tr> <td>Urban Co-operative Banks</td> <td>473</td> </tr> <tr> <td>Associates Members Bank</td> <td>1</td> </tr> <tr> <td>Total</td> <td>492</td> </tr> </tbody> </table>	Particulars	Nos.	District / Regional Co-operative Banks' Associations	18	Urban Co-operative Banks	473	Associates Members Bank	1	Total	492
Particulars	Nos.												
District / Regional Co-operative Banks' Associations	18												
Urban Co-operative Banks	473												
Associates Members Bank	1												
Total	492												



(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?	Attach Annexure
(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	29.09.2021
	(b) Special General Meeting	----
(ii)	State the No. of meetings held during the period as follows :-	
	(a) Board Meeting	5
	(b) Sub Committee Meeting	2
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 2020-2021 is submitted on 17.09.2021.



	(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-	₹ 6,986 /-																					
	a)	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)	01.04.2020 to 31.03.2021 Audit fees paid on 21.03.2022 Treasury Challan No.BA-96/2021-22 Accountant-Mrs.T.S.Gole																					
	(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 2021-2022 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 :	₹ 1,53,841/- p.m. Chief Executive & Secretary																					
	(iii)	State other allowances, if any, facilities given such as rent free quarters etc.	Mobile allowance of ₹ 1500/- p.m. is granted to CE & Secretary as per agreement.																					
	(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.	<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>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>3</td> </tr> <tr> <td>4.</td> <td>Driver</td> <td>-</td> </tr> <tr> <td>5.</td> <td>Peon</td> <td>1</td> </tr> <tr> <td></td> <td>Total</td> <td>6</td> </tr> </tbody> </table>	S. N.	Designation	No. of Employees	1.	C.E. & Secretary	1	2.	Accountant	1	3.	Asst. Clerk	3	4.	Driver	-	5.	Peon	1		Total	6
S. N.	Designation	No. of Employees																						
1.	C.E. & Secretary	1																						
2.	Accountant	1																						
3.	Asst. Clerk	3																						
4.	Driver	-																						
5.	Peon	1																						
	Total	6																						
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. _____	-NA-																					



	(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.	Income and Expenditure :																
	1.	What is the amount of surplus earned or deficit incurred during the last co-operative year?	01.04.2020 to 31.03.2021 Surplus: ₹ 8,01,232.10														
	2.	State how the net profits are distributed?	<table><tr><th>Particulars</th><th>Amt (₹)</th></tr><tr><td>Reserves Fund</td><td>2,01,000.00</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>1,00,000.00</td></tr><tr><td>Staff Leave encashment Fund</td><td>2,00,000.00</td></tr><tr><td>Balance c/f</td><td>232.10</td></tr></table>	Particulars	Amt (₹)	Reserves Fund	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	Balance c/f	232.10
Particulars	Amt (₹)																
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Staff Leave encashment Fund	2,00,000.00																
Balance c/f	232.10																
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 – ₹ 51,410/- Physically verified on 31.05.2022														
	2.	Who produced the cash for counting? Give her name and designation. Is she authorized to keep cash?	Mrs. T. S. 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?	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?	-NA-														
	(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 & Fixtures</td><td>10</td></tr><tr><td>Office Equipment</td><td>15</td></tr><tr><td>Computer</td><td>33.33</td></tr><tr><td>Library Account</td><td>20</td></tr><tr><td>Vehicle</td><td>15</td></tr><tr><td>Air conditioner</td><td>15</td></tr><tr><td>Xerox Machine</td><td>15</td></tr></table>	Particulars	%	Furniture & Fixtures	10	Office Equipment	15	Computer	33.33	Library Account	20	Vehicle	15	Air conditioner	15	Xerox Machine	15
Particulars	%																			
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Xerox Machine	15																			
14.		Have you discussed the draft audit memo in the Board or Managing Committee Meeting? If not, state reasons for the same.		-Discussed with C. E. & Secretary -																

For S.D.Satam & Co.
Chartered Accountants
Firm Regn. No. 118302W



(CA. Santosh Satam)
M. No.104904

UDIN:- 22104904AMVNKC9423

THE MAHARASHTRA URBAN CO-OPERATIVE BANKS' FEDERATION LTD., MUMBAI

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

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 31.05.2022 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 S.D.Satam & Co.
Chartered Accountants
Firm Reg No. 118302W



(CA. Santosh Satam)
M. No. 104904
UDIN:- 22104904AMVNKC9423
Place : Mumbai
Date : 06.06.2022

STATUTORY 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 have 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.

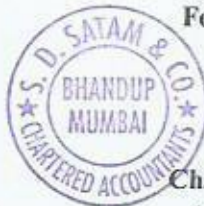
On the basis of the information and explanation given to us, we are of the opinion that: -

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. During F.Y. 2021-2022 we are giving Audit "A" Classification to the federation.
5. 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.
6. All the above certification is subject to remarks stated in part A, B & C of the Statutory Audit report.

Date: 06.06.2022

Place: Mumbai

UDIN: 22104904AMVNKC9423



For S.D.Satam & Co

Chartered Accountants
(Santosh Satam)

Annexure

Are resignations in order and are they duly accepted?

During the financial year 2021-22, the licences of the banks are cancelled by the RBI, while the Punjab and Maharashtra Co-operative Bank Ltd., Mumbai is merged with Unity Small Finance Bank:

1. Punjab And Maharashtra Co-operative Bank Ltd., Mumbai
2. Karnala Nagari Sahakari Bank Ltd., Panvel
3. Independence Co-operative Bank Ltd., Nashik
4. Shivam Sahakari Bank Ltd., Ichalkaranji, Kolhapur
5. The Karad Janata Sahakari Bank Ltd., Satara
6. Vasantdada Nagari Sahakari Bank Ltd., Usmanabad
7. Bhagyodaya Friends Urban Nagari Sahakari Bank Ltd., Amravati



The Maharashtra Urban Co-operative Banks' Federation Ltd.

Statutory Audit Report

Year 2021-22

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 01.04.2021 to 31.03.2022 with reference to your letter vide no. 212/Statutory Audit/2021-22 dated 05th October, 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 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 fulfilment 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 succour, 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 12.05.2022 for the period 01.04.2021 to 31.03.2022 and completed on 04.06.2022. Audit has been carried out by S. D. Satam & Co., Chartered Accountants, 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 31.03.2022	As on 31.03.2021	Addition	(Deletion)
1	District & Regional Co-operative Banks' Associations	18	18	--	--
2	Urban Co-op. Banks	473	480	--	(7)
3	Associates Members Bank	01	01		
	Total	492	499	--	(7)

- During the financial year 2021-22, the licences of the banks are cancelled by the RBI, while Punjab and Maharashtra Co-operative Bank Ltd., Mumbai is merged with Unity Small Finance Bank:

- Punjab And Maharashtra Co-operative Bank Ltd., Mumbai
- Karnala Nagari Sahakari Bank Ltd., Panvel
- Independence Co-operative Bank Ltd., Nashik
- Shivam Sahakari Bank Ltd., Ichalkaranji, Kolhapur
- The Karad Janata Sahakari Bank Ltd., Satara
- Vasantdada Nagari Sahakari Bank Ltd., Usmanabad
- Bhagyodaya Friends Urban Nagari Sahakari Bank Ltd., Amravati



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 29th September 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 2021.
- The Federation had earned a Net Surplus of ₹ 8,01,232.10 in 2020-21.



- Appropriation of surplus fund of ₹ 8,01,232.10 as follows :

Particulars	Amt (₹)
Reserves 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
Balance carried forward	232.10
Total	8,01,232.10

B) Board Meetings:-

- During the year 5 board meetings & 2 sub-committee meetings 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 29th September 2021 and Secretarial Compliance is done.

5. STATUTORY COMPLIANCE:

- The Federation has submitted rectification report i.e. 'Form O' with registrar against the audit report for the year 2020-21 on dated 17.09.2021.

6. STATUTORY AUDITOR'S FEE:

For the financial year 2020-21 Federation has paid statutory audit fee of ₹ 6,986/- (exclusive of GST) and the copy of receipt was made available for verification.



7. REGISTERS MAINTAINED:

We have verified the following registers & our observation is 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 2021-22 there were no election because of COVID pandemic, therefore the same Director Members are continued on Board.
- During the financial year 2021-22 there were 20 Director Members on board of the Federation. (Refer Annexure I)

9. CHAIRMAN AND CHIEF EXECUTIVE & SECRETARY:

- 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 2021-22.



PART B

Ledger Scrutiny-

A. Liabilities

1. Reserves and Other Funds – ₹ 7,54,74,326.07

• **FUNDS**

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

- During the year reserves and other funds are increased by ₹ 61,27,226/-
- 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 ₹ 92,00,000.00 towards reserves was made on adhoc basis :

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

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

2. Provision for defaulted Subscription – ₹ 98,15,645.00

- During the year Federation has provided ₹ 27,26,392/- towards current year subscription and has recovered ₹ 13,53,003/- towards old defaulted subscription. An age-wise detail of defaulted subscription is given under Sundry Debtors.

3. Outstanding Liabilities – ₹ 9,86,924.58

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

4. Advance Subscription – ₹ 1,10,858.18

- This amount represents advance subscription received from member banks by the Federation. Federation needs 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 ₹ 3,683/-.
- Verified cash in hand as on 31.05.2022 and balance of ₹ 51,410/- found in order.

2. Bank Balances – ₹ 99,56,824.92

All the bank accounts are reconciled as of 31st March 2022 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	1,92,363.70
2	Apna Sahakari Bank Saving A/c	2,91,727.76
3	UCO Bank Saving A/c	2,43,436.46
4	Unity Small Finance Bank Current A/c	92,29,297.00

The balances as per Books of accounts and Bank certificate is shown in Annexure IV.

3. Investments – ₹ 6,16,78,000.00

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

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

- 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.
- Interest receivable on Investments ₹ 15,931/- were properly accounted in the books.

4. Other Deposits – ₹ 58,728.00

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 – ₹ 98,15,645.00

- 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	27,26,392.00
1 to 3 years	42,70,463.00
3 to 5 years	12,77,033.00
More than 5 years	15,41,757.00
Total	98,15,645.00



6. Fixed Assets – ₹ 20,26,710.93

Particulars	Amount (₹)
Air conditioner	1,49,281.00
Computer	66,364.00
Furniture & Fixture	9,22,721.13
Library Account	61,487.80
Office Equipment	74,013.00
Vehicle	7,28,917.00
Xerox Machine	23,927.00
Total	20,26,710.93

- During the audit period, addition was made in Computer, Library account, Office Equipment and Vehicle.
- Depreciation is charged on yearly basis.

7. Other Assets – ₹ 15,78,991.00

Particulars	Amount (₹)	Remarks
Prepaid expenses on AMC	35,516.00	
Prepaid Insurance Charges	23,518.00	
Water Charges from B.M Association Receivable	3,968.00	
RCM GST	900.00	
Income Tax Demand	7,07,155.00	
TDS Receivable	8,07,934.00	Details are as 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 2022-23 3,04,135.00
Total	15,78,991.00	



C. Income & Expenditure Account

We have verified vouchers with supporting & found correct.

Income & Expenditure as on 31.03.2022 were as follows: -

Particulars	31.03.2022	31.03.2021	Increase/ (Decrease)	% Change
INCOME				
Membership Subscription	1,02,50,611.00	98,50,159.00	4,00,452.00	4.07
Interest Received	41,10,147.00	35,94,877.00	5,15,270.00	14.33
Other Income	46,76,526.00	2,26,494.00	44,50,032.00	1964.75
Total Income (A)	1,90,37,284.00	1,36,71,530.00	53,65,754.00	39.25
EXPENDITURE				
Employee Cost	53,06,620.00	50,63,109.00	2,43,511.00	4.81
Board of Directors Expenses	3,16,844.00	91,293.00	2,25,551.00	247.06
Office Expenses	4,88,600.00	3,14,220.00	1,74,380.00	55.50
Fees, Commission, etc.	3,15,167.08	1,75,964.04	1,39,203.04	79.11
Property Expense (Rent, Taxes, Insu., Ele., Dep. & Rep. etc)	8,76,768.00	7,41,784.00	1,34,984.00	18.20
Other expenditure	16,07,507.00	14,77,134.00	1,30,373.00	8.83
Total Expenditure (B)	89,11,506.08	78,63,504.04	10,48,002.04	13.33
Gross Surplus (C = A - B)	101,25,777.92	58,08,025.96	43,17,751.96	74.34
Transfer to various Funds (D)	92,00,000.00	50,07,000.00	41,93,000.00	83.74
NET Surplus (E = C - D)	9,25,777.92	8,01,025.96	1,24,751.96	15.57

During the year, the Net surplus of the Federation is increased by ₹ 1,24,751.96. The Gross surplus of the Federation is increased by ₹ 43,17,751.96. This increase in gross surplus is due to increase in other income which is mainly due to reversal of Provision for Special Reserve for Investment amounting to ₹ 32 Lakhs and receipt of Income from training amounting to ₹ 10,86,500/-. The Federation has accounted member's subscription on receipt basis instead of mercantile basis.



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

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

- 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 – ₹ 4,13,091.00

- During the year Federation has contributed ₹ 4,13,091/- towards staff provident fund.
- We have verified Provident Fund Challans, deductions & simultaneous deposit thereof and found the same in order.

2. Gratuity – ₹ 1,09,49,287.07

- Gratuity of ₹ 64,176/- was paid during the audit period.
- The liability towards gratuity has been made on actual basis.
- Provision of ₹ 21,00,000/- has been made on 31.03.2022.

3. Leave Encashment – ₹ 67,06,483.00

- Verified leave encashment paid ₹ 4,77,598/- during the audit period and found in order.
- The provision of ₹ 22,00,000/- has been made on 31.03.2022.



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 The Brihan Mumbai Nagari Sahakari Banks Association Ltd. & has received ₹ 7,44,750/- as a deposit against it.
- 2) Federation is constantly making efforts to recover outstanding amount of membership fees from the members. During the financial year it has recovered ₹ 13,53,003/-outstanding subscription pertaining to the previous financial years.
- 3) The Govt. of India has sanctioned and notified the scheme for the amalgamation of Punjab and Maharashtra Co-operative Bank Limited with Unity Small Finance Bank Limited, which come into effect from 25.01.2022. Accordingly the balance as of 25.01.2022 of Punjab and Maharashtra Co-operative Bank Ltd., Mumbai is shown as Unity Small Finance Bank Limited balance as of 31.03.2022. As per the Federation explanations as such there is no clarification on further provision of said Investment; the appropriate provisions are not made on such Investment. The Federation has reversed the earlier provision of Rs.32 lakhs in the current financial year.

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

For S.D. Satam & Co.

Date: 06.06.2022

UDIN: 22104904AMVNKC9423

Chartered Accountants



(CA Santosh Satam)

ANNEXURE I

Director Members during the financial Year 2021-22

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 Merchants' Co-operative Bank Ltd., Lasalgaon
7	Late Bhaskar K. Kothawade (Director) (Date of Death : May 24, 2022)	The Ojhar Merchants' 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 Brihan Mumbai Nagari Sahakari Banks Association Ltd., Mumbai
22	Shri Sanjay N. Bhende (Co-op. Director)	Nagpur Nagarik 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 2022

PARTICULARS	AMOUNT (₹)
Electricity Charges Payable	9,291.00
Internal Audit Fees Payable	20,000.00
Labour Contract Payable	5,500.00
Member Subscription Payable (NAFCUB)	80,000.00
Provision for Ex-Gratia	7,21,488.00
Staff Security Deposit	66,000.00
Statutory Audit Fees Payable	9,669.00
TDS Payable	1424.00
Telephone Charges Payable	1,120.00
GST Payable	72,432.58
TOTAL	9,86,924.58

ANNEXURE III

ADVANCE SUBSCRIPTION

S. N.	Particulars	Amount (₹)
1	Abhinandan Urban Co-operative Bank Ltd., Amravati	810.00
2	Ahmednagar Jilha Nagari Sahakari Banks Association 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	Janakalyan 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., 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 Ltd., Pune	1,050.00
17	The Ojhar Merchants Co-operative Bank Ltd., Nashik	20,000.00
	Total	1,10,858.18

ANNEXURE IV

Reconciliation of Bank balance as per books of accounts and bank certificate

S. N.	Particulars	Amount as per Books of accounts	Amount as per Bank Certificate
		₹	₹
1	M.S.C. Bank Saving A/c	1,92,363.70	2,35,747.70
2	Apna Sahakari Bank Saving A/c	2,91,727.76	3,14,562.76
3	UCO Bank Saving A/c	2,43,436.46	2,95,781.46
4	Unity Small Finance Bank Current A/c	92,29,297.00	92,29,297.00

