

S.D.SATAM & CO.

CHARTERED ACCOUNTANTS

C-2003, STATION PLAZA, STATION ROAD, BHANDUP WEST, MUMBAI: - 400078.

M -9820496081 / 9820641936

12.05.2023

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 01.04.2022 to 31.03.2023

We have completed Internal Audit of your Federation for the period from 01.04.2022 to 31.03.2023 and are submitting herewith a copy of it for your perusal.

Thanking you,

For S. D. Satam & Co.

Chartered Accountants

(Santosh D Satam)

Proprietor

Memb. No. 104904

PANEL NO. 17257

UDIN: 23104904BGVOBM5047



S.D.SATAM & CO.

CHARTERED ACCOUNTANTS

C-2003, STATION PLAZA, STATION ROAD, BHANDUP WEST, MUMBAI: - 400078.

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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, 2023 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 2023.
 - b) In the case of the Income & Expenditure Statement, of the Surplus for the year ended on the date.

Date :-12.05.2023

Place: Mumbai



For S. D. SATAM & Co.
CHARTERED ACCOUNTANTS
E.P. No. 118302W

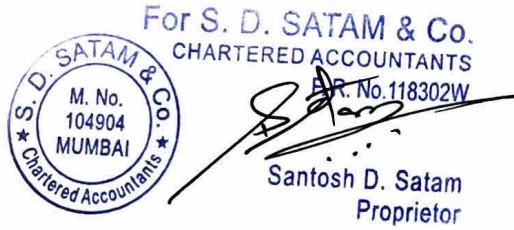
For S. D. Satam & Co.
Santosh D. Satam
Proprietor
Chartered Accountants

UDIN :- 23104904BGVOBM5047

THE MAHARASHTRA URBAN CO-OPERATIVE BANKS' FEDERATION LTD.

DISCUSSION CERTIFICATE

This is to certify that the enclosed report of Internal Audit for the year 2022-23 has been discussed with **Mrs. Sayali Bhoir (Chief Executive & Secretary)** as on 12th May, 2023 at 1.00 p.m. The irregularities noticed by us were discussed for early remedial action.



Santosh D. Satam
Chartered Accountant
For S. D. Satam & Co.

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 31.03.2022	BAL. AS ON 31.03.2023	GROWTH
A) Reserve Fund	96,52,855.00	98,84,855.00	2,32,000.00
B) Building & Development Fund	3,33,59,701.00	3,35,59,701.00	2,00,000.00
C) Staff Gratuity Fund	1,09,49,287.07	1,20,49,287.07	11,00,000.00
D) Staff Leave Encashment Fund	67,06,483.00	73,78,301.00	6,71,818.00
E) Amortization Fund for Leasehold Premises	15,25,000.00	15,75,000.00	50,000.00
F) Unforeseen & Contingent Liability Fund	74,37,000.00	75,37,000.00	1,00,000.00
G) Staff Welfare Fund	56,44,000.00	57,44,000.00	1,00,000.00
H) Special Reserve for Investment	0.00	35,00,000.00	35,00,000.00
I) Legal Expenses Fund	0.00	12,90,000.00	12,90,000.00
J) Election Reserve Fund	2,00,000.00	1,00,000.00	(1,00,000.00)
TOTAL	7,54,74,326.07	8,26,18,144.07	71,43,818.00

- During the year Federation's funds are increased by ₹ 71.43 Lakh.
- Income & Expenditure Account balance of ₹ 9,26,010.02 for the year ended 31.03.2022 is apportioned in following manner:

Particulars	Amount (₹)
Reserve Fund - 25%	2,31,500.00
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	2,94,000.00
Bal. C/F for Next Year	510.02
TOTAL	9,26,010.02



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

Particulars	Amount (₹)
Staff Gratuity Fund	10,00,000.00
Staff Leave Encashment Fund	5,80,000.00
Staff Welfare Fund	1,00,000.00
Election Reserve Fund	1,00,000.00
Legal Expenses Fund	12,90,000.00
Special Reserve For Investment	35,00,000.00
TOTAL	65,70,000.00

- 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 5 sub-committee meetings were held. Secretarial Compliance is done as per Bye-Laws.
- Annual General Meeting was required to be held prior to 30th September 2022, which was held on 23rd September, 2022 and Secretarial Compliance is done.

4) BANK ACCOUNTS

• **Apna Sahakari Bank Ltd :-**

Balance as per GL on 31.03.2023 ₹ 26,926.94

Balance as per Bank on 31.03.2023 ₹ 1,18,549.94

Reconciliation has been done as on 31.03.2023 and found correct.

• **M.S.C. Bank :-**

Balance as per GL on 31.03.2023 ₹ 1,82,971.70

Balance as per Bank on 31.03.2023 ₹ 1,82,971.70

Reconciliation has been done as on 31.03.2023 and found correct.

• **UCO Bank :-**

Balance as per GL on 31.03.2023 ₹ 5,48,902.29

Balance as per Bank on 31.03.2023 ₹ 5,48,902.29

Reconciliation has been done as on 31.03.2023 and found correct.

• **Unity Small Finance Bank :-**

Balance as per GL on 31.03.2023 ₹ 72,857.30

Balance as per Bank on 31.03.2023 ₹ 72,857.30

Account is tallied with the Bank statement as on 31.03.2023.



5) FIXED ASSETS

- a. We have verified Additions to fixed assets with necessary supporting & found in order.
- b. 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 ₹ 2,40,010.18

S.N.	Name of the Bank	Amount (₹)
1.	Abhinandan Urban Co-operative Bank Ltd., Amravati	810.00
2.	Ahmednagar Jilha Nagari Sahakari Banks Association Ltd., Ahmednagar	10.00
3.	Ahmednagar Shahar Sahakari Bank Ltd., Ahmednagar	35,000.00
4.	Babaji Date Mahila Sahakari Bank Ltd., Yavatmal	125.00
5.	Brahmadeodada Mane Sahakari Bank Ltd., Solapur	3,540.00
6.	Desaiganj Nagri Sahakari Bank Ltd., Gadchiroli	7,000.00
7.	Dhule & Nandurbar Jilha Sarkari Nokaranchi Sahakari Bank Ltd., Dhule	4,601.18
8.	Godavari Urban Co-operative Bank Ltd., Nashik.	3,540.00
9.	Janata Co-operative Bank Ltd., Malegaon, Nashik	810.00
10.	Jankalyan Co-operative Bank Ltd., Nashik	3,990.00
11.	Loknete Dattaji Patil Sahakari Bank Ltd., Lasalgaon	30,000.00



12.	Lonavala Sahakari Bank Ltd., Pune	3,314.00
13.	Nashik District Ind. & Mercantile Co-operative Bank Ltd., Nashik	1,000.00
14.	Pravara Sahakari Bank Ltd., Loni, Ahmednagar	550.00
15.	Rahimatpur Sahakari Bank Ltd., Satara	12,000.00
16.	Raigad Sahakari Bank Ltd., Mumbai	14,000.00
17.	Sangli Jilha Prathmik Shikshak Sahakari Bank Ltd., Sangli	3,540.00
18.	Shivparvati Mahila Nagari Sahakari Bank Ltd., Parbhani	9,010.00
19.	Shree Panchganga Nagari Sahakari Bank Ltd., Kolhapur	125.00
20.	Shree Vyankatesh Co-operative Bank Ltd., Malegaon, Nashik	5,900.00
21.	Shri Krishna Co-operative Bank Ltd., Nagpur	590.00
22.	The Ambika Mahila Sahakari Bank Ltd., Ahmednagar	700.00
23.	The City Co-operative Bank Ltd., Mumbai	30,540.00
24.	The Deccan Merchants Co-operative Bank Ltd., Mumbai	30,000.00
25.	The Malegaon Merchants Co-operative Bank Ltd., Nashik	763.00
26.	The Mogveera Co-operative Bank Ltd., Mumbai	3,540.00
27.	The Muslim Co-operative Bank., Pune	35,000.00
28.	The Vidarbha Urban Co-operative Banks Association Ltd., Vidarbha	12.00
	TOTAL	2,40,010.18

7) OTHER ASSETS:-

Members Subscription as on 31.03.2023

	Particulars	Amount (₹)
	Members' subscription as on 31.03.2022	98,15,645.00
Less: -	Amount collected from members in 2022-23	29,98,129.00
		68,17,516.00
Less: -	Members' subscription reversed from 2011-12 to 2021-22	5,80,919.00
Add: -	Members' subscription receivable for the year 2022-23	18,96,492.00



Add: -	Additional provision done on account of short provision for F.Y. 2011-12 & 2021-22	10,000.00
	Total Members' subscription receivable as on 31.03.2023	81,43,089.00

- During the year, Federation has made Additional provisions of ₹ 3,000/- & ₹ 7,000/- on account of short provision done for Shreemant Malojiraje Sahakari Bank Ltd., Phaltan, Satara & Laxmi Vishnu Sahakari Bank Ltd., Ichalkaranji, Kolhapur for F.Y. 2011-12 & 2021-22 respectively.
- Federation has reversed Members subscription receivable from following banks as some banks' licenses are cancelled by RBI and some banks' are merged with other banks.

Name of Bank	Amount (₹)
Premier Auto Employees Co-operative Bank Ltd., Mumbai	64,500.00
Shivajirao Bhosale Sahakari Bank Ltd., Pune	90,000.00
The Seva Vikas Sahakari Bank Ltd., Pune	70,000.00
Shree Aanand Co-operative Bank Ltd., Pune	59,000.00
Choundeshwari Sahakari Bank Ltd., Ichalkaranji, Kolhapur	1,16,000.00
Sarjeraodada Naik Shirala Sahakari Bank Ltd., Sangli	81,000.00
Swami Samarth Urban Co-operative Bank Ltd., Naldurga, Usmanabad	50,300.00
Dr. Shivajirao Patil Nilangekar Urban Co-operative Bank Ltd., Latur	50,119.00
TOTAL	5,80,919.00

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

The year wise Outstanding Membership fees as of 31.03.2023 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	87,000
7.	2012-13	1,03,000



Internal Auditors 2022-23

8.	2013-14	1,80,000
9.	2014-15	1,87,000
10.	2015-16	2,37,500
11.	2016-17	3,93,500
12.	2017-18	6,07,914
13.	2018-19	7,24,950
14.	2019-20	9,28,089
15.	2020-21	11,49,644
16.	2021-22	12,66,000
17.	2022-23	18,96,492
	Total	81,43,089

- 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 31.03.2023 is as follows:

Particulars	31.03.2022	31.03.2023	Increase /(Decrease)
INCOME			
Membership Subscription	1,02,50,611.00	1,25,98,637.00	23,48,026.00
Interest Received	41,10,147.00	39,41,553.30	(1,68,593.70)
Other Income	46,76,526.00	41,57,624.00	(5,18,902.00)
Total Income (A)	1,90,37,284.00	2,06,97,814.30	16,60,530.30
EXPENDITURE			
Employee Cost	53,06,620.00	77,70,025.00	24,63,405.00
Board of Directors Expenses	3,16,844.00	4,79,697.00	1,62,853.00
Office Expenses	4,88,600.00	6,22,438.00	1,33,838.00
Fees, Commission etc.	3,15,167.08	4,71,045.99	1,55,878.91
Property Expense (Rent, Taxes, Insu., Ele., Dep., Rep etc)	8,76,768.00	9,44,716.00	67,948.00



Other expenditure	16,07,507.00	29,01,672.00	12,94,165.00
Total Expenditure (B)	89,11,506.08	1,31,89,593.99	42,78,087.91
Gross Surplus (C = A - B)	1,01,25,777.92	75,08,220.31	(26,17,557.61)
Transfer to various Funds (D)	92,00,000.00	65,70,000.00	(26,30,000.00)
NET Surplus (E = C - D)	9,25,777.92	9,38,220.31	12,442.39

During the year, the gross surplus of the Federation is decreased by ₹ 26.17 Lakhs which is mainly due to increase in employee cost and other expenditure.

Increase in Expenditure is mainly because of following reasons

1. Federation's Employee Cost is increased by ₹ 24,63,405/-.
2. The Federation has paid ₹ 2,83,902/- for Election Expenses
3. The Federation has made a Provision for Income Tax of ₹ 7,00,000/-.

Increase in Other Income is mainly because of following reasons

1. The Federation has received ₹ 19,50,266/- as Income from Training as compared to ₹ 10,86,500/- of previous year.
2. The Federation has received ₹ 18,20,424/- as Legal Fees.
3. The Federation has received ₹ 39,41,553.30/- as Interest on Investment.

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

9) CURRENT LIABILITIES:-

- **Sundry Liabilities & Provisions as on 31.03.2023 is ₹ 17,34,934.58**

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

S.N.	Particulars	Amount (₹)
1.	Provision for Ex-Gratia	8,80,166.00
2.	Electricity Charges Payable	1,000.00
3.	Telephone Charges Payable	1,623.00



4.	Internal Audit Fees Payable	20,000.00
5.	Statutory Audit Fees Payable	10,499.00
6.	Staff Security Deposit	66,000.00
7.	GST Payable	39,415.58
8.	TDS Payable	3,500.00
9.	Water Charges Payable	750.00
10.	Provision for Income Tax	7,00,000.00
11.	Director's Travelling Allowance Payable	11,981.00
	TOTAL	17,34,934.58

10) INVESTMENTS:-

- a. We have physically verified investments receipts and the same were found in order.
- b. Fixed deposits as on 31.03.2023 were as follows:

S.N.	Particulars	Amount (₹)
1.	G. P. Parsik Janata Sahakari Bank Ltd.	5,00,000.00
2.	Apna Sahakari Bank Ltd.	66,000.00
3.	M.S.C. Bank Ltd.	40,00,000.00
4.	SVC Co-operative Bank Ltd.	25,00,000.00
5.	The Satara Sahakari Bank Ltd	10,00,000.00
6.	The Saraswat Co-operative Bank Ltd.	20,00,000.00
7.	Uco Bank Ltd.	97,00,000.00
	TOTAL	1,97,66,000.00

- Interest receivable of ₹ 57,166/- on said Investment is properly shown by the Federation.



OTHER INVESTMENTS:-

S.N.	Particulars	Amount (₹)
1.	Government Securities	4,93,80,921.00
2.	Interest Receivable on Govt. Security	8,72,574.00
3.	Equity warrants	17,45,860.00
4.	Non Cumulative Preference Shares	69,83,430.00
	TOTAL	5,89,82,785.00

- The Federation has also invested in Government securities, Equity warrants, and Non cumulative Preference Shares.

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.

Date: 12.05.2023

Place: Mumbai

UDIN :- 23104904BGVOBM5047

For S.D.Satam & Co.
 For S. D. SATAM & Co.
 CHARTERED ACCOUNTANTS
 F. R. No.118302W

 Santosh D. Satam
 Chartered Accountants
 (Santosh Satam)
