

S.D.SATAM & CO.

CHARTERED ACCOUNTANTS

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

M -9820496081 / 9820641936

27.05.2025

To,

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

Sir,

THE MAHARASHTRA URBAN
CO-OP. BANKS' FEDERATION LTD.

02 JUN 2025

INWARD NO. 46

Sub: Submission of Internal Audit Report for the period from 01.04.2024 to 31.03.2025

We have completed Internal Audit of your Federation for the period from 01.04.2024 to 31.03.2025 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: 25104904BMJMTQ3691



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, 2025 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 2025.
 - b) In the case of the Income & Expenditure Statement, of the Surplus for the year ended on the date.

Date : 27.05.2025

Place: Mumbai



S.D. SATAM & Co.
CHARTERED ACCOUNTANTS

E.R. No. 118302W

Santosh D. Satam
Proprietor

For S. D. Satam & Co.,

Chartered Accountants

UDIN :- 25104904BMJMTQ3691

THE MAHARASHTRA URBAN CO-OPERATIVE BANKS' FEDERATION LTD.

DISCUSSION CERTIFICATE

This is to certify that the enclosed report of Internal Audit for the year 2024-25 has been discussed with Mr. Prasad Patil (Chief Executive & Secretary) as on 23.05.2025 at 11.00 a.m. The irregularities noticed by us were discussed for early remedial action.



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

Prasad V. Patil
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 31.03.2024	BAL. AS ON 31.03.2025	GROWTH
A) Reserve Fund	1,01,19,855.00	1,03,60,855.00	2,41,000.00
B) Building Fund	3,37,59,701.00	3,40,59,701.00	3,00,000.00
C) Development Fund	1,70,36,000.00	2,09,04,000.00	38,68,000.00
D) Staff Gratuity Fund	31,49,287.07	33,49,287.07	2,00,000.00
E) Staff Leave Encashment Fund	59,01,219.00	65,29,327.00	6,28,108.00
F) Amortization Fund for Leasehold Premises	16,25,000.00	16,75,000.00	50,000.00
G) Unforeseen & Contingent Liability Fund	76,37,000.00	76,37,000.00	0.00
H) Staff Welfare Fund	27,44,000.00	27,44,000.00	0.00
I) Special Reserve for Investment	70,00,000.00	80,00,000.00	10,00,000.00
J) Legal Expenses Fund	12,90,000.00	12,90,000.00	0.00
K) Election Reserve Fund	2,10,500.00	3,10,500.00	1,00,000.00
TOTAL	9,04,72,562.07	9,68,59,670.07	63,87,108.00

- During the year Federation's funds are increased by ₹ 63.87Lakh.
- Income & Expenditure Account balance of ₹ 9,58,560.26 for the year ended 31.03.2024 is apportioned in the following manner:

Particulars	Amount (₹)
Reserve Fund - 25%	2,40,000.00
Building Fund	3,00,000.00
Development Fund	4,18,000.00
Bal. C/F for Next Year	560.26
TOTAL	9,58,560.26



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

Particulars	Amount (₹)
Development Fund	34,50,000.00
Election Reserve Fund	1,00,000.00
Staff Gratuity Fund	2,00,000.00
Staff Leave Encashment Fund	13,50,000.00
Special Reserve For Investment	10,00,000.00
TOTAL	61,00,000.00

- During the year an amount of ₹50,000/- is 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 7 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 2024, which was held on 28th September, 2024 and Secretarial Compliance is done.



4) BANK ACCOUNTS• **Apna Sahakari Bank Ltd :-**

Balance as per GL on 31.03.2025	₹ 23,282.94
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Balance as per Bank on 31.03.2025	₹ 23,282.94
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Account is tallied with the Bank statement as on 31.03.2025.

• **M.S.C. Bank :-**

Balance as per GL on 31.03.2025	₹ 9,13,283.14
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Balance as per Bank on 31.03.2025	₹ 9,13,283.14
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Account is tallied with the Bank statement as on 31.03.2025.

• **UCO Bank :-**

Balance as per GL on 31.03.2025	₹ 18,68,632.92
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Balance as per Bank on 31.03.2025	₹ 18,71,480.92
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Reconciliation has been done as on 31.03.2025 and found correct.

• **UCO Bank (Current A/c) :-**

Balance as per GL on 31.03.2025	₹ 5,466.74
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Balance as per Bank on 31.03.2025	₹ 5,466.74
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Account is tallied with the Bank statement as on 31.03.2025.

• **Unity Small Finance Bank (Current A/c) :-**

Balance as per GL on 31.03.2025	₹ 35,707.60
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Balance as per Bank on 31.03.2025	₹ 35,707.60
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Account is tallied with the Bank statement as on 31.03.2025.



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.	Computer	33.33% W.D.V.
3.	Motor Vehicle	15% of W.D.V.
4.	Office Equipment	15% of W.D.V.
5.	Air conditioner	15% of W.D.V.
6.	Xerox Machine	15% of W.D.V.
7.	Library Account	20% W.D.V.

6) GENERAL LEDGER SCRUTINY

- Advance Subscription from members is ₹ 1,83,526.18

S.N.	Name of the Bank	Amount (₹)
1.	Abhinandan Urban Co-operative Bank Ltd., Amravati	810.00
2.	Ahmednagar Jilha Nagri Sahakari Banks Association Ltd., Ahmednagar	10.00
3.	Ahmednagar Shahar Sahakari Bank Ltd., Ahmednagar	30,000.00
4.	Amravati Vibhag Nagari Sahakari Banks Association Ltd., Amravati	2,950.00
5.	Babaji Date Mahila Sahakari Bank Ltd., Yavatmal	125.00
6.	Dhule & Nandurbar Jilha Sarkari Nokaranchi Sahakari Bank Ltd., Dhule	4,601.18
7.	Ghoti Merchants Co-operative Bank Ltd., Nashik	3,540.00
8.	Godavari Urban Co-operative Bank Ltd., Nashik	3,540.00
9.	Jankalyan Co-operative Bank Ltd., Nashik	3,990.00
10.	Nashik District Ind. & Mercantile Co-operative Bank Ltd., Nashik	1,000.00
11.	Sangli Jilha Prathmik Shikshak Sahakari Bank Ltd., Sangli	3,540.00



12.	Shivparvati Mahila Nagari Sahakari Bank Ltd., Parbhani	10.00
13.	Shri Panchganga Nagari Sahakari Bank Ltd., Kolhapur	125.00
14.	Shri Krishna Co-operative Bank Ltd., Nagpur	590.00
15.	State Transport Co-operative Bank Ltd., Mumbai	3,540.00
16.	SVC Co-operative Bank Ltd., Mumbai	300.00
17.	The Ashta Peoples Co-operative Bank Ltd., Sangli	80.00
18.	The Deccan Merchants Co-operative Bank Ltd., Mumbai	30,000.00
19.	The Malegaon Merchants Co-operative Bank Ltd., Nashik	763.00
20.	The Mogveera Co-operative Bank Ltd., Mumbai	35,000.00
21.	The Muslim Co-operative Bank Ltd., Pune	35,000.00
22.	The Sutex Co-operative Bank Ltd., Gujarat	24,000.00
23.	The Vidarbha Urban Co-operative Banks Association Ltd., Vidarbha	12.00
	Total	1,83,526.18

7) OTHER ASSETS**Members Subscription as on 31.03.2025**

	Particulars	Amount (₹)
	Members' subscription as on 31.03.2024	83,24,360.00
Less: -	Amount collected from members in 2024-25	4,02,500.00
		79,21,860.00
Less: -	Members' subscription reversed from 2021-22 to 2023-24	95,000.00
Add: -	Members' subscription receivable for the year 2024-25	26,66,000.00
	Total Members' subscription receivable as on 31.03.2025	1,04,92,860.00

- 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 (₹)
The City Co-operative Bank Ltd.	0.00
The Rajapur Sahakari Bank Ltd.	14,000.00
Pune Commercial Co-operative Bank Ltd.	0.00
Jaiprakash Narayan Nagri Sahakari Bank Ltd.	81,000.00
Total	95,000.00



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

The year wise Outstanding Membership fees as of 31.03.2025 are as follows:

S. No.	Year	Amount (₹)
1.	2006-07	27,000.00
2.	2007-08	39,000.00
3.	2008-09	40,500.00
4.	2009-10	79,000.00
5.	2010-11	78,000.00
6.	2011-12	69,000.00
7.	2012-13	82,500.00
8.	2013-14	1,62,500.00
9.	2014-15	1,70,000.00
10.	2015-16	2,20,500.00
11.	2016-17	3,21,500.00
12.	2017-18	5,27,914.00
13.	2018-19	6,70,950.00
14.	2019-20	7,54,000.00
15.	2020-21	9,06,644.00
16.	2021-22	9,60,360.00
17.	2022-23	11,42,492.00
18.	2023-24	15,75,000.00
19.	2024-25	26,66,000.00
	Total	1,04,92,860.00

- 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 31.03.2025 is as follows:

Particulars	31.03.2024	31.03.2025	Increase /(Decrease)
INCOME			
Membership Subscription	1,05,17,000.00	90,28,500.00	(14,88,500.00)
Interest Received	56,53,390.99	62,43,901.30	5,90,510.31
Other Income	57,71,399.95	53,87,366.78	(3,84,033.17)
Total Income (A)	2,19,41,790.94	2,06,59,768.08	(12,82,022.86)
EXPENDITURE			
Employee Cost	76,42,676.00	72,40,075.00	(4,02,601.00)
Board of Directors Expenses	6,28,971.00	6,92,614.00	63,643.00
Office Expenses	5,36,372.67	5,35,742.00	(630.67)
Fees, Commission etc.	3,50,567.34	3,73,702.50	23,135.16
Property Expenses (Rent, Taxes, Insu., Ele., Dep., Rep. etc)	10,74,438.00	8,91,845.00	(1,82,593.00)
Other Expenditure	36,14,436.00	27,35,137.40	(8,79,298.60)
Total Expenditure (B)	1,38,47,461.01	1,24,69,115.90	(13,78,345.11)
Gross Surplus/Deficit (C = A - B)	80,94,329.93	81,90,652.18	96,322.25
Transfer to various Funds (D)	71,36,000.00	61,00,000.00	(10,36,000.00)
NET Surplus (E = C - D)	9,58,329.93	20,90,652.18	11,32,322.25

During the year, the gross surplus of the Federation is increased by ₹ 96.3 Thousands, which is mainly due to increase in interest income.

Net decrease in Expenditure is mainly because of following reasons

1. Federation's Board of Directors Expenses is increased by ₹ 63,643/-.
2. Federation's Employee Cost is decreased by ₹ 4,02,601/- due to changes in number of employee and no provision for Ex gratia in the current year in comparison to last year.



3. Federation's Other Expenditure is decreased by ₹ 8,79,298.60/- due to no provision for taxation in the current year as there is no taxable income in the current year as per the Income Tax Laws.

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

9) CURRENT LIABILITIES

- Sundry Liabilities as on 31.03.2025 is ₹ 19,72,100.58

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

S.N.	Particulars	Amount (₹)
1.	Electricity Charges Payable	1,000.00
2.	Telephone Charges Payable	1,000.00
3.	Internal Audit Fees Payable	20,000.00
4.	Statutory Audit Fees Payable	10,480.00
5.	Staff Security Deposit	54,000.00
6.	GST Payable	3,54,161.58
7.	Water Charges Payable	750.00
8.	Provision for Income Tax	15,23,359.00
9.	Book Charges Payable	600.00
10.	Office Equipment Maintenance & Service Charges Payable	6,750.00
	TOTAL	19,72,100.58



10) INVESTMENTS

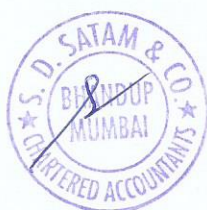
- a. We have physically verified investments receipts and the same were found in order.
- b. Fixed deposits as on 31.03.2025 were as follows:

S.N.	Particulars	Amount (₹)
1.	Apna Sahakari Bank Ltd.	54,000.00
2.	The Maharashtra State Co-operative Bank Ltd.	5,59,00,000.00
3.	NKGSB Co-operative Bank Ltd.	10,00,000.00
4.	The Cosmos Co-operative Bank Ltd.	1,25,00,000.00
5.	The Saraswat Co-operative Bank Ltd.	1,20,00,000.00
	TOTAL	8,14,54,000.00

OTHER INVESTMENTS

S.N.	Particulars	Amount (₹)
1.	Equity warrants	17,45,860.00
2.	Non-Cumulative Preference Shares	69,83,430.00
	TOTAL	87,29,290.00

- The Federation has also invested in 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 Lakh as deposit.
- We are thankful to the Chairman, Vice-Chairperson, Directors, Chief Executive & Secretary and other staff for giving co-operation during the internal audit.


Date: 27.05.2025

Place: Mumbai

UDIN :- 25104904BMJMTQ3691



For S.D.Satam & Co.
For S. D. SATAM & Co.
CHARTERED ACCOUNTANTS
R. No. 110302W


Santosh D. Satam
Proprietor
Chartered Accountants
(Santosh Satam)
