

## **S.D.SATAM & CO.**

CHARTERED ACCOUNTANTS

C-2003, STATION PLAZA, STATION ROAD, BHANDUP WEST, MUMBAI: - 400078.  
M -9820496081 / 9820641936

To,

Date 19/09/2020

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 31<sup>st</sup> March, 2020.**

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 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 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,



S.D. SATAM & CO.  
CHARTERED ACCOUNTANTS

F. No. 118302W

Santosh D. Satam  
Proprietor

PANEL NO. 17257

FORM No. N-2  
[See Section 81 and rule 69 (3)]

## INDEPENDENT AUDITOR'S REPORT

To,

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

### Report on the Financial Statements as a Statutory Auditor

1. We have audited the accompanying financial statements of The Maharashtra Urban Co-operative Bank's Federation Limited, which comprise the Balance Sheet as at 31st March 2020 and the Statement of Income & Expenditure for the year ended, and a summary of significant accounting policies and other explanatory information incorporated in these financial statements of the Society audited by us for the period 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with Maharashtra Co-operative Societies Act, 1960 & Rules there under. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation 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 applicable Standards by The Institute of Chartered Accountants of India and under the MCS Act. 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 judgment, 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 Society'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 explanations given to us, the said accounts together with the notes thereon give the information required as per the Maharashtra Co-operative Societies Act 1960 and the Maharashtra Co-operative Societies Rules 1961, and any other applicable Acts, and or circulars issued by the Registrar, in the manner so required for the society gives a true and 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 society as at 31st March 2020;

(ii) in the case the Statement of Income & Expenditure Account there is a Excess of Income over Expenditure for the year ended 31<sup>st</sup> March 2020.

### Report on Other Legal and Regulatory Matters

7. The Balance Sheet and the Income & Expenditure Account have been drawn up in accordance with the provisions of the Maharashtra State Co-operative 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 our audit and have found them to be satisfactory.

(b) The transactions of the Society, which have come to our notice, have been within the powers of the Society.

(c) The returns received from the offices and branches of the Society have been found adequate for the purposes of our audit.

9. In our opinion, the Balance Sheet and Income & Expenditure Account comply with applicable Accounting Standards.

**10. We further report that :**

(i) The Balance Sheet and Income & Expenditure Account dealt with by this report, are in agreement with the books of account and the returns.

(ii) In our opinion, proper books of account as required by law have been kept by the Society so far as appears from our examination of these books.

(iii) The reports on the accounts of the branches audited by branch auditors have been dealt with in preparing our report in the manner considered necessary by us.

(iv) for the year under audit, the society has been awarded "A" classification.

Place :-Mumbai

Date: 19.09.2020

UDIN: 20104904AAAAOA7643



For S D Satam & Co.

Chartered Accountants

(CA Santosh Satam)

M.No.104904

Panel No.17257



# The Maharashtra Urban Co-operative Banks' Federation Ltd.

## Statutory Audit Report

Year 2019-20

### PART-A

#### GENERAL OBSERVATIONS AND COMMENTS

##### 1.00 PREFACE:-

- ♦ The Maharashtra Urban Co-operative Banks' Federation Ltd. (hereinafter referred as "Federation") has been registered on 9<sup>th</sup> March 1979 having registration no. BOM/GNL/8/1979 with registered office at 4<sup>th</sup> 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 01.04.2019 to 31.03.2020 with reference to your letter vide no. 232/Statutory Audit/2019-20 dated 25<sup>th</sup> September, 2019. 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.

##### 2.00 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.

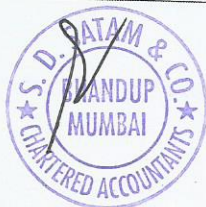


- iii) To undertake by itself or/and arrange either through the Reserve Bank of India or The Maharashtra State Co-operative Bank or any other organization and Institution for the training of the staff of member Banks and Associations.
- iv) To convene Conferences, Seminars, Symposia and Study Groups to discuss problems of Urban Co-operative Banks and devise measures to ensure 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 Co-operative 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 REI.
- xxii) To conduct recruitment, selection, interview & promotion programmes for Urban Co-operative Banks.



3.00 GENERAL OBSERVATION AND COMMENTS:-1) AUDIT INFORMATION:

- ◆ Statutory audit of the Federation was commenced on 09-07-2020 for the period 01-04-2019 to 31-03-2020 and completed on 31-07-2020. Audit has been carried out by M/s. S.D. Satam & Co., 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 31/03/2020	As on 31/03/2019	Addition	(Deletion)
1.	District & Regional Co-operative Banks' Associations	18	18	--	--
2.	Urban Co-op. Banks	482	482	2	(2)
3.	Associate Member Bank	1	1		
	<b>Total</b>	<b>501</b>	<b>501</b>	<b>2</b>	<b>(2)</b>

- During the financial year 2019-2020 'The Janata Commercial Co-op Bank, Khamgaon was merged with The Chikhali Urban Co-op Bank., & R S Co-Op Bank, Mumbai. was merged with Mehasana Urban Co-Op. Bank, Mehasana, Gujarat. The following banks are is added as a new member banks during the year;
  - Pune Sahakari Bank Ltd. Pune.,
  - Ichalkaranji Merchants Co-operative Bank., Kolhapur.

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 has 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 BOOKA) Annual General Meeting:-

During the financial year Annual General Meeting was held on 24<sup>th</sup> September 2019 at 2.30 p.m. 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 31<sup>st</sup> March, 2019.
- ♦ Federation had earned a Net Surplus of ₹ 7,36,413.27 in 2018-19.
- ♦ Appropriation of surplus fund of ₹ 7,36,413.27 as follows :

Particulars	Amt (₹.)
Reserves Fund	1,84,110.00
Building & Development Fund	1,50,000.00
Unforeseen & Contingent Liability Fund	1,50,000.00
Staff Gratuity Fund	1,00,000.00
Staff Leave Encashment Fund	1,52,000.00
Balance carried forward	303.27
<b>Total</b>	<b>7,36,413.27</b>



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.

5) STATUTORY COMPLIANCE

- ◆ Federation has submitted rectification report i.e. 'Form O' with registrar against the audit report for the year 2018-19 on dated 17-06-2019.

6) STATUTORY AUDITOR'S FEE

- ◆ For the financial year 2018 - 19 Federation has paid statutory audit fee of ₹7,968/- (exclusive of GST) and the copy of receipt was made available for verification.

7) REGISTERS MAINTAINED:-

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

Sr. No.	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 2019-20.
- ◆ During the financial year 2019-20 there are 22 Director Members on board of the Federation. (Refer Annexure I)

9) CHAIRMAN AND C.E. & SECRETARY

- ◆ During the financial year Shri. Vidyadhar V. Anaskar was Chairman & Smt. Sayali S. Bhoir was 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 committees 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 2019-20.

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For S. D. SATAM & Co.  
CHARTERED ACCOUNTANTS  
M. No. 104904  
MUMBAI  
Chartered Accountants  
R. No. 118302W  
Santosh D. Satam  
Proprietor

**PART B****Ledger Scrutiny-****A. Liabilities****1. Reserves and Other Funds - ₹ 6,35,95,460.07**

Particulars	Bal. As On 31.03.2020	Bal. As On 31.03.2019	Growth
Reserve Fund	92,51,755.00	90,66,645.00	1,85,110.00
Building & Development Fund	3,03,59,701.00	2,87,09,701.00	16,50,000.00
Staff Gratuity Fund	81,63,463.07	66,58,890.07	15,04,573.00
Staff Leave Encashment Fund	42,51,541.00	30,88,314.00	11,63,227.00
Amortization Fund for Leasehold Premises	14,25,000.00	13,75,000.00	50,000.00
Unforeseen & Contingent Liability Fund	55,00,000.00	38,50,000.00	16,50,000.00
Staff Welfare Fund	30,44,000.00	20,44,000.00	10,00,000.00
Special Reserve for Investment	16,00,000.00	-	16,00,000.00
<b>TOTAL</b>	<b>6,35,95,460.07</b>	<b>5,47,92,550.07</b>	<b>88,02,910.00</b>

- ♦ During the year reserves and other funds are increased by ₹ 88,02,910/-
- ♦ During the year ₹ 50,000/- were 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 ₹ 86,00,000 towards reserve were made on adhoc basis :

Particulars	Amount
Building & Development Fund	15,00,000.00
Staff Gratuity Fund	15,00,000.00
Staff Leave Encashment Fund	15,00,000.00
Staff Welfare Fund	10,00,000.00
Unforeseen & Contingent Liability Fund	15,00,000.00
Special Reserve for Investment	16,00,000.00





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

2. Provision for defaulted Subscription- ₹ 71,16,581/-

During the year Federation has provided ₹ 24,92,200/- towards current year subscription and also recovered ₹ 12,99,656/- towards old defaulted subscription. An age-wise detail of defaulted subscription is given under Sundry Debtors.

3. Outstanding Liabilities - ₹ 11,07,491.58

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

4. Advance Subscription- ₹ 1,80,576.18

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 ₹ 1,03,881.00. The actual verification of cash is made on 31.07.2020 and balance of ₹ 3,758/- found in order with cash book.

2. Bank Balances- ₹ 77,72,909.04

All the bank accounts are reconciled as of 31<sup>st</sup> March 2020 and no entries are pending for more than three months. Following are the Bank balances-

Sr. no.	Particulars	Amount
1	M.S.C. Bank Saving A/c	88,316.70
2	Apna Sahakari Bank Saving A/c	76,22,309.34
3	UCO Bank Saving A/c	62,283.00



## 3. Investments : ₹ 5,22,71,584.00 :

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

Sr. No.	Bank Name	Amount
1	Apna Sahakari Bank Ltd.	81,000.00
2	Bharat Co-op. Bank Ltd.	65,00,000.00
3	GS Mahanagar Co-Op Bank Ltd., Mumbai	13,00,000.00
4	Bassein Catholic Co-op Bank Ltd	1,15,00,000.00
5	M.S.C. Bank	30,00,000.00
6	Gopinath Patil Parsik Janata SBL	15,00,000.00
7	Punjab & Maharashtra Co-op Bank Ltd	82,84,716.00
8	The Satara Sahakari Bank Ltd	19,05,868.00
9	SVC Co-Operative Bank Ltd	30,00,000.00
10	The Saraswat Co-Operative Bank Ltd	20,00,000.00
11	TJSB Sahakari Bank Ltd. Thane	30,00,000.00
12	The NKGSB Co-Op Bank Ltd	1,05,00,000.00
	Total	5,22,71,584.00

- ♦ Physically verified all the instruments related to investments and no irregularity was observed.
- ♦ These Investments are made as per the Bye laws approved by Registrar.
- ♦ Interest receivable on Investments ₹ 5,55,175/- were properly accounted in the books.





## 4. Other Deposits- ₹ 58,728/-

Other Deposits pertains are as follows:-

S. N.	Particulars	Amount-Rs.
1.	Telephone Deposit	11,500.00
2.	B.E.S.T Deposit	41,603.00
3.	Mahanagarpalika Water Meter Security Deposit	5,625.00
	<b>Total</b>	<b>58,728.00</b>

## 5. Sundry Debtors &amp; Other receivables: ₹ 71,16,581/-

Age-wise details of receivable on account of membership subscription receivable, renting conference hall receivable, and GST on members' subscription, sponsorship, advertisement receivable, are as follows:

Outstanding for	Amount-Rs.
Less than 1 year	24,92,200.00
More than 1 years	46,24,381.00
<b>Total</b>	<b>71,16,581.00</b>

## 6. Fixed Assets - ₹ 16,62,632.93

Particulars	Amount
Furniture & Fixture	11,39,165.13
Office Vehicle	2,33,111.00
Electrical Installation & Office Equipments	2,14,406.00
Computer & printers	51,373.00
Library Books	24,577.80
<b>Total</b>	<b>16,62,632.93</b>

- ♦ During the audit period, additions were made in Computer, Office Equipment & Library Books.
- ♦ Depreciation is charged on yearly basis.
- ♦ In the Annual General Meeting held on 24/09/2019, it is resolved that the Assets having written down value less than ₹ 600/- and which are not in use are to be written off with approval of ensuing Annual General Body Meeting.



- ♦ Accordingly the following assets are having written down value less than ₹ 600/- as on 01/04/2019 and which are not in use.

S.N.	Assets	Amt. as on 31/03/2019	Depreciation	W.D.V. as on 31/03/2020
1	Telephone Instrument - (5 Nos)	385.00	58.00	327.00
2	Bathroom Geyser	440.00	66.00	374.00
3	Tea Machine	311.00	47.00	264.00
4	Telephone Instrument	286.00	43.00	243.00
5	Board of Directors Name Board	522.00	52.00	470.00
6	Table (2)	423.30	42.00	381.30
7	Storewell	433.24	43.00	390.24
8	Ceiling fan 48" Crompton	222.00	22.00	200.00
9	Ceiling fan 48" Orient	251.00	25.00	226.00
10	Wall fan guest room	207.00	21.00	186.00
11	Water meter 2 sets	402.00	40.00	362.00
12	LAN Setting (31.3.2009)	93.00	31.00	62.00
13	Installation of Akruiti Software- 3 Pcs	17.00	6.00	11.00
14	HP Printer-1800 (8.6.2010)	356.00	119.00	237.00
15	Mother Board (9.2.2011)	141.00	47.00	94.00
16	Wireless Router (30.8.2011)	98.00	33.00	65.00
17	CEO's Cabin Lazer Printer	218.00	73.00	145.00
18	HP PRINTER 1010	281.00	94.00	187.00
	Total	5086.54	862.00	4224.54





## 7. Other Assets - ₹ 10,71,674/-

Particulars	Amount	Remarks
Festival Advance	14,400.00	
Water & amenities charges from B.M Association Receivable	8,446.00	
Service Tax Receivable	1,40,824.00	
Income Tax Demand	4,28,035.00	
Prepaid Insurance	1,010.00	
Prepaid expenses on AMC	40,857.00	
Renting Conference Hall receivable	1,67,400.00	
GST on members' Subscription Receivable	24,290.00	
TDS Receivable	2,46,412.00	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



**C. INCOME & EXPENDITURE ACCOUNT:-**

We have verified vouchers with supporting & found correct.

Income & Expenditure as on 31.03.2020 were as follows:-

Particulars	31.03.2020	31.03.2019	Increase/ (Decrease)	% Change
<b>INCOME</b>				
Membership Subscription	1,03,55,656.00	95,79,814.00	7,75,842.00	8.10
Interest on Investment	45,11,777.00	40,48,768.50	4,63,008.50	11.44
Other Income	44,84,076.00	19,07,701.00	25,76,375.00	135.05
<b>Total Income (A)</b>	<b>1,93,51,509.00</b>	<b>1,55,36,283.50</b>	<b>38,15,225.50</b>	<b>24.56</b>
<b>EXPENDITURE</b>				
Employee Cost	49,20,389.00	52,82,249.00	(3,61,860.00)	(6.85)
Board of Directors Expenses	4,67,068.00	5,98,078.00	(1,31,010.00)	(21.91)
Office Expenses	9,44,438.00	9,31,264.30	13,173.70	1.41
Fees, Commission etc.	2,41,248.59	1,90,941.63	50,306.96	26.35
Property Expense (Rent, Taxes, Insu., Ele., Dep etc)	8,08,177.00	9,00,493.00	(92,316.00)	(10.25)
Other expenditure	25,70,185.54	13,97,059.00	11,73,126.54	83.97
<b>Total Expenditure (B)</b>	<b>99,51,506.13</b>	<b>93,00,084.93</b>	<b>6,51,421.20</b>	<b>7</b>
<b>Gross Surplus (C = A - B)</b>	<b>94,00,002.87</b>	<b>62,36,198.57</b>	<b>31,63,804.30</b>	<b>50.73</b>
<b>Transfer to various Funds (D)</b>	<b>86,00,000.00</b>	<b>55,00,000.00</b>	<b>31,00,000.00</b>	<b>56.36</b>
<b>NET Surplus (E = C - D)</b>	<b>8,00,002.87</b>	<b>7,36,198.57</b>	<b>63,804.30</b>	<b>8.67</b>

During the year, the gross surplus of the Federation is increased by ₹ 31,63,804.30 i.e. by 50.73% of the previous year's surplus this increase in gross surplus is mainly due to increase in membership subscription, other income, decrease in employee cost, Board of Directors Expense and property expenses etc. The Federation has accounted members subscription on receipt basis instead of mercantile basis. The major other income is on account of Income from Renting Room, Conference Hall, Donations, Sponsorship etc.





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

Particulars	Amount
Building & Development Fund	15,00,000.00
Staff Gratuity Fund	15,00,000.00
Staff Leave Encashment Fund	15,00,000.00
Staff Welfare Fund	10,00,000.00
Unforeseen & Contingent Liability Fund	15,00,000.00
Special Reserve for Investment	16,00,000.00
<b>Total</b>	<b>86,00,000.00</b>

#### **D. STAFF RELATED MATTERS:-**

##### **1. Staff Provident Fund :**

- ◆ During the year Federation has contributed ₹ 3,78,489/- towards staff provident fund.
- ◆ We have verified Provident Fund Challans, deductions & simultaneous deposit thereof and found the same in order.

##### **2. Gratuity :**

- ◆ Gratuity was paid ₹ 95,427/- during the audit period.
- ◆ The liability towards gratuity has been made on actual basis.
- ◆ Provision of ₹ 15,00,000/- has been made on 31.03.2020.

##### **3. Leave Encashment:**

- Verified leave encashment paid ₹ 4,88,773/- during the audit period and found in order.
- The provision towards leave encashment is made on adhoc basis.
- Provision of ₹ 15,00,000/- has been made on 31.03.2020.

\*\*\*\*\*



## 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 Nagri Sahakari Banks' Association Ltd & has received ₹ 7.45 Lakh as a deposit against it.
- 2) In 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 ₹ 1,40,824.00 is yet to be recovered from member banks and it is advisable to write off the said amount with permission of General Body.
- 3) Federation is constantly making efforts to recover outstanding amount of membership fees from the members. During the financial year it has recovered ₹12,99,656/- outstanding subscription pertaining to the previous financial years.
- 4) There is contingent liability towards Income tax for AY 2014-15 of ₹ 6,39,010/- & AY 2017-18 of ₹ 15,01,168/- against which Federation has paid ₹ 1,27,801/- & ₹ 3,00,234/- respectively and has preferred an Appeal against the said Income Tax orders.





Vote of Thanks:

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

Place: Mumbai

Date: 19.09.2020

UDIN: 20104904AAAAOA7643

For S D Satam & Co.

Chartered Accountants



(CA Santosh Satam)

M.No.104901

Panel No.17257

## ANNEXURE I

## List of Director Members during financial Year 2019-20.

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





## ANNEXURE II

OUTSTANDING LIABILITIES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020.

PARTICULARS	AMOUNT
Provision for Ex-Gratia	6,30,806.00
Internal Audit Fees Payable	20,000.00
Statutory Audit Fees Payable	9,826.00
Telephone Charges Payable	3,586.00
Water charges Payable	4,000.00
Electricity Charges Payable	14,000.00
Swayam Enterprise	2,158.00
Classic Cool Service	9,409.00
Labour Contract Payable	65,354.00
Meeting Expenses Payable	12,180.00
Indian Banks Association Subscription Payable	53,100.00
Miscellaneous Expenses Payable	800.00
News Paper Expenses Payable	1,210.00
Mahalaxmi Enterprises DTDC Courier	101.00
GST Payable	80,148.53
Income Tax Payable	61,699.00
TDS Payable	2,229.00
Professional Tax Payable	1,200.00
Provident Fund Payable	62,522.00
Provident Fund Administration Charges Payable	1,753.00
Honorarium Fees Payable	2,500.00
Staff Security Deposit	66,000.00
<b>TOTAL</b>	<b>11,07,491.58</b>



## ANNEXURE III

## ADVANCE SUBSCRIPTION

S.N.	Particulars	Amount
1	ABHINANDAN URBAN CO-OP BANK LTD, AMRAVATI	810.00
2	AHMEDNAGAR JILHA NAGRI SAHAKARI BANK ASSOCIATION LTD	10.00
3	BABAJI DATE MAHILA SAHAKARI BANK LTD, YAVATMAL	125.00
4	DHULE & NANDURBAR JILHA SARKARI NOKARANCHI SAHAKARI BANK LTD	4,601.18
5	INDEPENDENCE CO-OP BANK LTD, NASIK	40.00
6	JAI TULJABHAVANI URBAN CO-OP BANK LTD	1,898.00
7	JANATA CO-OP BANK LTD, MALEGAON	810.00
8	JANKALYAN SAHAKARI BANK LTD, NASIK	3,990.00
9	LONAVALA SAHAKARI BANK LTD, PUNE	3,314.00
10	NASIK DISTRICT INDUSTRIAL & MERCANTILE CO-OP. BANK LTD, NASIK	1,000.00
11	PATAN CO-OPERATIVE BANK LTD, MUMBAI	2,480.00
12	PRAVARA SAHAKARI BANK LTD, LONI	550.00
13	PUNJAB & MAHARASHTRA CO-OP BANK LTD	50,000.00
14	SHIVPARVATI MAHILA NAGARI SAHAKARI BANK LTD, PARBHANI	10.00
15	SHRI PANCHGANGA NAGARI SAHAKARI BANK LTD, KOLHAPUR	125.00
16	THE AMBIKA MAHILA SAHAKARI BANK LTD, AHMEDNAGAR	700.00
17	THE DECCAN MERCHANT CO-OP BANK LTD	41,300.00
18	THE MALEGAON MERCHANTS CO-OP BANK LTD	763.00
19	THE MUSLIM CO-OP BANK LTD, PUNE	1,050.00
20	DHARMAVEER SAMBHAJI URBAN CO-OPERATIVE BANK LTD	20,000.00
21	THE OJHAR MERCHANT CO-OPERATIVE BANK LTD, OJHAR	47,000.00
	<b>TOTAL</b>	<b>1,80,576.18</b>





**S.D.SATAM & CO.**

**CHARTERED ACCOUNTANTS**

C-2003, STATION PLAZA, STATION ROAD, BHANDUP WEST, MUMBAI: - 400078.M -  
9820496081 / 9820641936

**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, 2020 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.

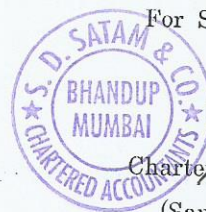
On the basis of the information and explanation given to us, we are of the opinion that:-

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. 2019-2020 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 2020.
  - 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: 19 / 09 / 2020.

Place: Mumbai

UDIN: 20104904AAAAOA7643



For S.D.Satam & Co.

Chartered Accountants  
(Santosh Satam)