

THE DHARAMPETH MAHILA MULTI STATE CO-OP SOCIETY LTD, NAGPUR

Part II

Notes to the account for the Year 2019-20

- 1) **Depreciation & Depreciation Fund:** - The current year's provision is made on the basis on historical cost and straight line method on the following rates. The rate of depreciation as decided by the management are as under:-

Dead Stock	5.00%
Furniture	5.00%
Computer	15.00%
Building	2.00%
Electric Material	2.00%
Locker	5.00%
Air Conditioner	2.00%
Telephone & Telex	2.00%
Fixing & furnishing	2.00%
Temp. Dead Stock	5.00%
Vehicle Purchases	10.00%
Note Counting Machine	5.00%

- 2) Katol Branch Deposit payable of ` 15,93,056/- stands from last so many years' balance sheet. It is informed that the Katol branch was closed and balances were transferred to Sadar Branch, but still Katol branch showing balance in the books of accounts. We have been informed that the matter is sub judice.
- 3) The society has made provision for NPA during the year of ` 1,55,32,696.64 and total provision upto 31/03/2020 is ` 16,78,24,552.78. The management has represented before us that the existing provision is sufficient to cover the NPA accounts. The management has made the Provision during the year for Interest Reversal on NPA Accounts of ` 4,62,51,343.50, and the total provision for interest reversal as on 31/03/2020 is ` 14,04,08,043.00.
- 4) During the year provision for employee bonus is made of ` 12,87,399/-.

- 5) There is suspense account of ` 36,51,453.00 Debit balance appearing in the balance sheet. The society should reconcile the same and necessary entries may be passed at the earliest.
- 6) Provision for Income tax is not require to the society, as the income is deductible u/s 80P of the Income Tax act 1961. Hence the provision for deferred tax is also not required as per AS-22 issued by Institute of Chartered Accountants of India.
- 7) The KYC norms should be followed strictly as per guidelines of RBI.
- 8) On test checking the sanctioning/ Disbursement/ Documentation of the loans cases as given in the individual report of the branches insurance cover in some of the property mortgaged should be taken by the society.

The Dharampeth Mahila Multi State Co-Op Society Ltd, Nagpur

Mrs. Nilima Bawane
President

Mrs. Sarika Pendse
Vice President

Place: Nagpur
Dated: 23/06/2020

For Ratan Chandak & Co
Chartered Accountants


CA. Sudhir Baheti
Partner

M. No 042711
FRN 108696W

UDIN: 20042711AAAACC9560



Compliance of Statutory Auditors Report for the period ended 31/03/2020

Our Auditors **M/s. Ratan Chandak & Company , Partner – Shri. Sudhir Baheti** has completed statutory audit for the Year 2019-20 and submitted the report in Part I AND Part II. The Part I is related to policy matters and accounting principles and Part II includes notes to the account for Year 2019-20.

PART II :

- 1) **Deprecation and depreciation fund :-** We have made the provision of Rs.15060416/- on all immovable assets for the year 2019-20 on historical cost and straight line method on the rates given in the report. This method is applied since beginning and our auditors have approved the straight line method. The total provision on depreciation has been transferred to depreciation fund and fund has reached to Rs.90687469.05 as on 31/03/2020.
- 2) **Katol Branch deposit payable:** This matter relates to our branch closed during the year 2008 and the matter is subjudice, as such this entry has been kept pending and the same will be adjusted after the matter is resolved at the court level.
- 3) **NPA Provision:** Our auditors has shown the NPA provision made on the NPA accounts and amount of interest reversal as per requirement. The total NPA provision on NPA upto 31/03/2010 is Rs. 167824552.78 and interest reversal is Rs. 14,04,08,043/-. No auditors comment.
- 4) **Bonus Provision:** No comment by the auditors. It is a just passing reference made by the auditors. The provision of bonus required as per rules.
- 5) **Suspense Account :** The amount of Rs.36,51,453/- is related to the unreconciled entries and we concur with the views of the auditors to reconcile the same at the earliest.
- 6) **Provision for Income Tax:** The auditors has just indicated that income tax is not applicable to the society as per income tax rules.
- 7) **KYC Norms:** We are strictly following the KYC norms as per guidelines of the RBI and strict circular has been sent to branches on regular intervals and our internal inspectors are checking on regular basis during the course of inspection.
- 8) **Insurance Cover:** We are insuring the properties required to be insured immediately after disbursement of loan and our loan department is taking care of insurance of assets required to be insured.

We have compiled all the queries on notes to the account for the Year 2019-20.

Thanking You,

Yours Faithfully,

Vice-President
The Dharampeth Mahila
Multi-State Co-op. So. Ltd.


Management Advisor
The Dharampeth Mahila
Multi-State Co-op. So. Ltd.