

The Bhabha Atomic Research Centre Employees' Co-op. Credit Society Ltd.

(Registration No. 29770)

R-5, Old Shed, Behind RLG, Trombay, Mumbai - 400 085. Telephone : 2550 5470, 2559 4985, 2559 4986
Fax - 022-2550 5500 Email : b_soc@vsnl.com

Ref. No. BARC / CS / 1659

Date :
August, 26 2015

To,

M/s SHVRK & CO.
150/4114, Pantnagar Parivartan C..H.S.,
New Pant Nagar, Vallabh Baug Lane,
Ghatkopar (E), Mumbai - 400 075

Sub: Audit Rectification Report for the year 2014-2015

Dear Sir,

Please find enclosed herewith three sets of Audit Rectification Report for the year 2014-15 in "O" form. According to your Statutory Audit Report for the year 2014-15, we have removed the lapses and adopted the suggestions which you have mentioned in your Statutory Audit Report for the year 2014-2015 wherever possible.

You are requested to submit this Rectification Report along with your comments/opinion to Registrar Office at Pune & Mumbai in time and kindly take it on the record of our Society.

Thanking you,



Yours faithfully

(Sachin G. Usarkar)
Hon. Secretary
for & on behalf of Managing Committee

Encl:

1. Audit Rectification Report for the year 2014-15.
2. Resolution passed in Managing Committee Meeting held on 07.08.2015.

Checked by Mr.R.K.More, Manager



Received
28/08/15
Jitendra Gupta OK
Jitendra

YEAR 2014-2015\AUDIT RECTIFICATION REPORT (2014-15)\Audit Rectification Report Letters.docx

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Ref. No. BARC / CS /

Date :

16th Special Meeting of the Managing Committee

Resolution No. : 128

Date of Meeting: 07.08.2015

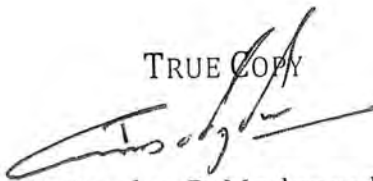
Managing Committee unanimously resolved to remove the lapses and to adopt the suggestions in the Statutory Audit Report for the year 2014-2015 wherever possible.

Proposed by : Shri Dnyaneshwar R. More

Seconded by: Shri Vijay D. Kakade

RESOLUTION PASSED UNANIMOUSLY.

TRUE COPY



(Rajendra P. Madgaonkar)

CHAIRMAN

Checked by Mr.R.K.More, Manager 

The Bhabha Atomic Research Centre Employees' Co-op. Credit Society Ltd.

(Registration No.29770)

AUDIT RECTIFICATION REPORT UNDER SECTION 82/87

FORM "O" (SEE RULE 73)

Date of Audit : 24.02.2015 to 02.06.2015

**Name & Designation of
Person carrying out
Audit enquiry or inspection :**

C.A., Ravindra N. Naik,
Partner M/s SHVRK & Co
Chartered Accountants

Name & Date of order under section 83/84 : M/s SHVRK & Co.

No. BARC/CS/2379 dt.15.09.2014

Office: 150/4114, Pantnagar Parivartan C..H.S.,
New Pant Nagar, Vallabh Baug Lane,
Ghatkopar (E), Mumbai – 400 075

Period covered : 01.04.2014 to 31.03.2015

PART "A"

SR. NO.OF OBJECTION	OBSERVATION MADE BY AUDITOR	EXPLANATION BY SOCIETY	NO. & DATE OF RESOLUTION	REMARK
3.Members:	There were no nominal members. Membership Register I & J are not up to date Members KYC's are not taken	No person has applied for nominal membership. Now it is upto date & kept for verification. We receive members' personal data from BARC time to time, therefore we do not take members' KYC.	Resolution No. : 128 Date of meeting: 07.08.2015	
6. Financial Highlights	There has been decrease in investments by 51.92% due to short term deposit matured with MDCC Bank.	Action will be taken in future to keep the deposit amount in MDCC	Resolution No. : 128 Date of meeting: 07.08.2015	
10. Audit	The Society has not carried out System Audit.	Action will be taken as per remark.	Resolution No. : 128 Date of meeting: 07.08.2015	
6. Statutory & other	Provident Fund: The Society should follow the provident Fund	Action will be taken as per	Resolution No. : 128 Date of meeting:	

Compliances:	Act.	remark.	07.08.2015	
	Income Tax: The Society should recover Rs.40,14,000/- with interest from I-tax Department.	Action will be taken as per remark.		
9. Investments:	The name mention on share certificate of MDCC bank is "BARC Trombay Employees Co-op. Credit Society Ltd." The Society is advised to change the name of society on share certificate.	We have written letter to Head Office, MDCC Bank to change name on share certificate.	Resolution No. : 128 Date of meeting: 07.08.2015	
Staffing Patterns:	The society has not maintained the service book of the society employees.	Noted. Action will be taken as per remark.	Resolution No. : 128 Date of meeting: 07.08.2015	
Computerized System & Software:	<p>a. In the downtime of the using server, one optional/Extra server should be used.</p> <p>b. Copies of the System Files should be kept in safe custody.</p> <p>c. If any important work pending, and have to finish after 'Day end', then details of such transactions should be notify in the Register.</p> <p>d. Passwords should be change on regular intervals to maintain the proper secrecy.</p> <p>e. Only specific employees should have the authority of change/alter the back dated entries. And details of these kinds of transactions should be noted in separate register.</p>	<p>Action has been taken & now one backup server is available in the downtime of main server.</p> <p>Noted.</p> <p>Noted.</p> <p>Noted.</p> <p>Action will be taken as per remark.</p>	Resolution No. : 128 Date of meeting: 07.08.2015	

Breach of Act and Bye Laws:-

SEC.	RULES	BYE-LAWS	OBSERVATION MADE BY AUDITOR	EXPLANATION BY SOCIETY	NO.& DATE OF RESOLUTION	REMARK
71	56	-	Staff P. F. Trustee Board is not formed.	Matter is still pending with Income Tax Officer, vashi, Navi Mumbai from 2.5.2004	Resolution No. : 128 Date of meeting: 07.08.2015	
-	107B	-	Fidelity Bond, Personnel sureties are not obtained from staff.	Noted. This is being done	Resolution No. : 128 Date of meeting: 07.08.2015	
-	107 C	-	Over Limit Cash maintain throughout the year	Noted.	Resolution No. : 128 Date of meeting: 07.08.2015	
-	107 D	-	Cash & Bearer cheque payments above Rs.1000/- are made.	Noted.	Resolution No. : 128 Date of meeting: 07.08.2015	
73.1 AB	-	-	The managing committee members are not executed jointly & severally responsible bond.	Not Applicable.	Resolution No. : 128 Date of meeting: 07.08.2015	
69	-	-	Charity Fund is not raised.	Not Applicable.	Resolution No. : 128 Date of meeting: 07.08.2015	
74	-	-	Approval of the registrar is not obtained for appointment of the Manager & his pay & allowance.	We had send letter to Registrar of Co-op. Societies Mumbai on 02.07.2012 for the appointment of Manager. Still we have not received any reply from Registrar of Co-op. Societies.	Resolution No. : 128 Date of meeting: 07.08.2015	
-	-	61	Financial statement must be ready within 45 days of every co-op. year & submitted within 15 days from date of preparation to the Registrar.	Noted & action will be taken as per remark.	Resolution No. : 128 Date of meeting: 07.08.2015	
-	-	49A	The Society should calculate the Net Profit as per Rule 49A of MSC Rule 1961.	Noted.	Resolution No. : 128 Date of meeting: 07.08.2015	

PART "B"

A. Liabilities:

SR. NO.OF OBJECTION	OBSERVATION MADE BY AUDITOR	EXPLANATION BY SOCIETY	NO. & DATE OF RESOLUTION	REMARK
1, Members and Share Capital : Rs. 30,52,39,500/-	a) Share Certificate has not been issued to some members since 2002.	Action taken. We have issued Shares Certificates to those who have completed share amount of Rs.15,000/- upto June 2012.	Resolution No. : 128 Date of meeting: 07.08.2015	
5. Current Liabilities & Provisions Rs. 14,49,40,227/-	C) Interest accrued due but not paid Rs.75,840,020/-:- Above interest has been accrued on subscription from members and payable since 1992-93. Society should transfer the old interest unpaid to appropriate account.	As per suggestion action will be taken	Resolution No. : 128 Date of meeting: 07.08.2015	

ASSETS SIDE:

SR.NO.OF OBJECTION	OBSERVATION MADE BY AUDITOR	EXPLANATION BY SOCIETY	NO.& DATE OF RESOLUTION	REMARK
1. Cash & Bank Balances:	A) Cash in Hand Rs.500; There is no insurance coverage for Cash in Hand & Cash in Transit. The cash was continuously held above the retention limit. B) Bank Balances: The Society is advised to reverse the entries pending for more than 3 months.	Our society is located in B.A.R.C. which is prohibited area, hence no insurance company is interested for providing insurance coverage. Noted and action will be taken as per remark Noted and action will be taken as per remark.	Resolution No. : 128 Date of meeting: 07.08.2015	
3. Loans & Advances :	Society should take the action u/s 101 on the defaulters.	Noted and action will be taken as per remark.	Resolution No. : 128 Date of meeting: 07.08.2015	
4. Interest Outstanding on Loan:	Loan against Deposit and Staff loan was accounted on Cash basis instead of accrual basis. It is advisable to account it on accrual basis.	Noted and action will be taken as per remark.	Resolution No. : 128 Date of meeting: 07.08.2015	

Checked by Shri R.K.More, Manager

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Printing and stationary register is not available for audit to us.	Printing and stationary register is not available for audit to us.	Noted. Now register is available on record of society.	Resolution No. : 128 Date of meeting: 07.08.2015	
7. MTNL Deposits:	The MTNL Deposit Receipt is not on record.	Noted. Letter has been sent to issue duplicate receipt.	Resolution No. : 128 Date of meeting: 07.08.2015	
8. Advance for Income Tax (AY2010-11):	The assessment was completed for A.Y.2010-11, Income tax officer made demand of Rs.2,62,76,720/-. The Society paid Rs.40,14,000/-. The appeal order from CIT (Appeal) is in favour of Society. The deduction u/s/80(P) is allowed. The Society should recover Rs.40,14,000/- with interest from Central Government.	Letter has been sent to WD2 (2) (2) dt.28.10.2013 for refund of this amount.	Resolution No. : 128 Date of meeting: 07.08.2015	

PART C:

General Remarks:

OBSERVATION MADE BY AUDITOR	EXPLANATION BY SOCIETY	NO.& DATE OF RESOLUTION	REMARK
1) Xerox copy of employee ID, PAN and Salary Slip should be taken with new members application form.	Noted. Action will be taken as per observation.	Resolution No. : 128 Date of meeting: 07.08.2015	
2) Guarantors Payment slip should not be taken of all loan bond.	Noted.	Resolution No. : 128 Date of meeting: 07.08.2015	
3) On many of loan Bond signature of Chairman was not taken.	Noted.	Resolution No. : 128 Date of meeting: 07.08.2015	
4) Renew stamp not affixed on promissory note.	Noted and action will be taken in future.	Resolution No. : 128 Date of meeting: 07.08.2015	
5) On loan forms only installment amount is written & interest amount is not written.	Noted and action will be taken as per remark.	Resolution No. : 128 Date of meeting: 07.08.2015	
6) It was noticed that in investment in Reserve Fund with MDCC bank the maturity date was exceeds by one day. i.e. if it was deposited on 1/1/2014 for 12 months that the due date for the same was 31/12/2014 but on receipts it was 01/01/2015.	Noted, correction in date is rectified from MDCC Bank.	Resolution No. : 128 Date of meeting: 07.08.2015	
7) On FD receipts there was not mention the mode of interest payment.	Noted and care will be taken as per observation.	Resolution No. : 128 Date of meeting: 07.08.2015	
8) There was variation in interest rate from 8.65 % to 10.10% on FD with MDCC Bank, so all FD are to be clubbed and deposit at higher rate of interest.	Noted, action will be taken as per observation.	Resolution No. : 128 Date of meeting: 07.08.2015	
9) Minute book of Management Committee & list of loan sanctioned in managing committee showing difference, some times from numbers are also differenced numbers.	Noted.	Resolution No. : 128 Date of meeting: 07.08.2015	

Checked by Shri R.K.More, Manager

In case of loan against FD the lien was taken.	Noted and action will be taken again as per observation.	Resolution No. : 128 Date of meeting: 07.08.2015	
11) Committee meeting honorarium / sitting fees Register should be maintained.	Not Applicable.	Resolution No. : 128 Date of meeting: 07.08.2015	
12) Resolution number of committee meeting is not written on new members application forms.	Noted and action will be taken again as per observation.	Resolution No. : 128 Date of meeting: 07.08.2015	
13) If loan is paid by the borrower before the maturity i.e. lump sum payment of outstanding Loan. Society should recover the 'processing charges' for same.	Noted. We will think on this in future.	Resolution No. : 128 Date of meeting: 07.08.2015	
14) It is advised to the Society to charge interest on loan day basis.	Noted.	Resolution No. : 128 Date of meeting: 07.08.2015	
15) Members PAN should be mentioned on the Saving Withdrawals more than Rs.50,000/-	Not Applicable.	Resolution No. : 128 Date of meeting: 07.08.2015	
16) The Society should decide the scope of internal auditor & obtain Internal Audit Report on timely basis.	Noted.	Resolution No. : 128 Date of meeting: 07.08.2015	
17) Keys of cash safe are with cashier only. The keys should be held at least two authorised persons.	Noted. Action will be taken as per remark.	Resolution No. : 128 Date of meeting: 07.08.2015	
18) It was reported to us that Share Certificate conversion mainly made on 1 st April of each financial year. But we observed from the system that there was no locking to the function so conversion can make at any time of the year by any one.	Noted and action will be taken for software locking system.	Resolution No. : 128 Date of meeting: 07.08.2015	

While verification of loan bonds following deficiency are found:-

EMERGENC LOAN:

DATE	LOAN NO.	NAME & AMT.	OBSERVATION MADE BY AUDITOR	EXPLANATION BY SOCIETY	NO.& DATE OF RESOLUTION	REMARK
2/4/2014	29618	Umesh H. Jeswani Rs.4784/-	Loan sanction even he was not paid 1/4 th amount with interest.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
2/4/2014	32196	S.B.Kamble Rs.4875/-	Loan sanction even he was not paid 1/4 th amount with interest.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
2/4/2014	32279	M.I.A.Chougale	Loan sanction even he was not paid 1/4 th amount with interest.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	

4/2014	29815	R.P.Tamore	Loan sanction even he was not paid 1/4 th amount with interest.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
2/4/2014	26352	C.J.Shahabaje	Loan sanction even he was not paid 1/4 th amount with interest.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
2/4/2014	31594	Mandal Minati	Loan sanction even he was not paid 1/4 th amount with interest.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
2/4/2014	32189	V.K.Bavkar	Loan sanction even he was not paid 1/4 th amount with interest.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
2/4/2014	26370	Mohammad K.	Loan sanction even he was not paid 1/4 th amount with interest.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
2/4/2014	32350	Ramesh K. Dalvi	Loan sanction even he was not paid 1/4 th amount with interest.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	

2) SPECIAL LOAN:

DATE	LOAN NO.	NAME & AMT.	OBSERVATION MADE BY AUDITOR	EXPLANATION BY SOCIETY	NO.& DATE OF RESOLUTION	REMARK
4/4/2014	40260	Pravin Vikya Karmoda Rs. 2,50,000/-	Chairman Signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
23/4/2014	42322	Manojkumar Wadekar Rs.50,000/-	Chairman Signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
19/6/2014	26968	Sushila Shankar Chaudhari Rs.2,87,000/-	The surety will retiring on or before the loan period expired.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
26/6/2014	14145	A.S.Thakare Rs.2,50,000/-	The surety will retiring on or before the loan period expired.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	

10/2014	13305	S.T.Nanaware Rs.5,00,000/-	Surety payment slip is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
30/9/2014	31117	V.P. Mayadhath Rs.3,40,000/-	Surety payment slip is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
10/10/2014	39867	V.J.Patil Rs.2,31,000/-	Loan form not full filled up.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
24/12/2014	42231	Pravin Arjun Mahajan Rs.1,60,000/-	Loan form no.2757 this loan form & loan register different name & amount.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
24/12/2014	21560	S.S.Kushwah Rs.6,00,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
26/12/2014	35355	Praveenkumar Suggiseti Rs.8,00,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
29/12/2014	33564	Babu Lal Mali	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
1/1/2015	39453	Shirke Tushar K. Rs.4,00,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
2/1/2015	42618	A. Farha Jabin Turan Rs.50,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
2/1/2015	27366	Navin S. Chandramore Rs.4,66,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
5/1/2015	28752	Tarachand Babulal Karoitya Rs.4,75,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
6/1/2015	32381	U.M.Verma Rs.6,36,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for	Resolution No. : 128 Date of	

Checked by Shri R.K.More, Manager

				verification.	meeting: 07.08.2015	
6/1/2015	20830	Hanuman Rai Rs.8,00,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
8/1/2015	18111	N. Kanagasabai Rs.8,00,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
9/1/2015	29470	Hari Ram Rs.6,00,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
9/1/2015	36449	M.M. Phonedekar Rs.6,00,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
9/1/2015	39655	D.S.Lembhe Rs.5,60,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
12/1/2015	39519	Sushant Shyam Salvi Rs.5,60,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
13/1/2015	25335	D.S.Kamble Rs.7,80,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
16/1/2015	26901	S.A.Patil Rs.3,91,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
16/1/2015	3083	P.B.Bhandut Rs.2,00,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
19/1/2015	19740	A. Thariyan Rs.8,00,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
21/1/2015	38381	N.K.Jha Rs.50,000/-	Chairman signature is to be obtained.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	

RDINARY LOAN:

LOAN NO.	NAME	AMT.	OBSERVATI ON MADE BY AUDITOR	EXPLANATI ON BY SOCIETY	NO.& DATE OF RESOLUTI ON	REMARK
2014	Yogesh K. Shejul (M.No. 38992)	1,40,000/-	Actual loan sanctioned as per loan bod is Rs.1,40,000/- but as per register it is Rs.75,000/-	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
3700	B.K.Koli (M.No. 15807)	2,00,000/-	The retirement period of borrower is less than repayment period of our loan.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	
3694	B.R.Londhe (M.No. 25488)	1,25,000/-	The net pay is Rs.8276/-, installment is Rs.7815/- & Retirement period is less than loan repayment period.	Noted and rectified it, so again kept for verification.	Resolution No. : 128 Date of meeting: 07.08.2015	

6) Closing Stocks Rs. 325,241.00

Particulars	Amount Rs.
Stock of Printing and Stationery	218,041.00
Stamp Duty (Adhesive Stamp)	107,200.00
Total	325,241.00

We have verified the stamp duty on 24/02/2015 and found correct.

List of printing stationery verified value by the management of the society which is enclosed herewith. Printing and stationery register is not available for verification at the time of audit.

7) MTNL Deposits Rs. 3,000.00

This amount is deposited with MTNL. The deposit receipt was not on record at the time of audit.

8) Advance for Income Tax (A.Y. 201-11) Rs. 4,014,000.00

The assessment was completed for A.Y. 2010-11, Income tax officer made demand of Rs. 2,62,76,720.00. The society was paid the amount of Rs. 4,014,000.00. The appeal order from CIT (Appeal) is in favour of society. The deduction u/s 80(P) is allowed by the officer.

The society should get the refund of Rs. 4,014,000.00 with the interest from the Income Tax department.

