

FINAL AUDIT REPORT
OF
THE MAYURBHANJ CENTRAL CO-OP. BANK LTD.
BARIPADA

For the Year 1989-90
(1-7-89 to 30-6-90)

REPORT OF SRI B.P. MOHAPATRA, AUDIT OFFICER
 OF CO-OP.SOCIETIES, MAYURBHANJ AUDIT CIRCLE, AUDITOR ON
 THE FINANCIAL STATEMENT OF THE MAYURBHANJ CENTRAL COOP.
 BANK LIMITED, BARIPADA AS ON 30.6.1990.

- A. (i) Name of the institution and address: THE MAYURBHANJ CENTRAL
 CO-OP.BANK LTD., BARIPADA
 DIST.-MAYURBHANJ,
 STATE : O R I S S A.
- (ii) Registration No.& date: Regd.No.28 MB
 Dt.31.1.1951.
- B. Period of Audit: 1.7.99 to 30.6.90.

C. MEMBERSHIP:

Total No.of membership of the bank stood at 224 out of which indebted members stood at 131 and defaulted members 99. The percentage of defaulting members to the indebted member formed 68%. There is no irregularities in admission of members. The position of membership of the bank is given below for last 3 years.

<u>30.6.88</u>	<u>30.6.89</u>	<u>30.6.90</u>
224	224	224

D. SHARE CAPITAL

Total paid-up share capital of the bank stood at Rs.1,29,42,525.00 as on 30.6.90 as against Rs.1,29,21,450.00 of the previous year out of which State Govt. contribution in share amounting to Rs.62,00,000.00. The Govt. share capital contribution works out to 47.9% of the total paid up share capital of Rs.1,29,42,525.00 as on 30.6.90. The share capital held by defaulting societies stood at Rs.59,92,325.00 which formed 46.30% of the total paid up share capital. The ratio between share capital contributed by the Govt. and Coop.Institution is 1:1.08. There is no irregularities in collection of share. It was observed that share

As per provision of the Bye-laws No.4(i), the authorised share capital is Rs.5,00,000.00 made up of 25,00,000 shares of Rs.25.00 each allotted by the Central Co-op.Bank. So the total paid up share capital of Rs.1,29,42,552.00 has not exceeded the authorised share capital of Rs.5,00,000.00. The position of share capital of the bank is given below for last 3 years.

<u>30.6.88</u>	<u>30.6.89</u>	<u>30.6.90</u>
1,28,14,450.00	1,29,21,450.00	1,29,42,525.00

E. MANAGEMENT:

(a) The Board of Directors to the Committee of Management were elected in an Election General Body Meeting held on 10.8.88 under the Presidentship of Election Officer-cum-Deputy Registrar, Co-op. Societies, Baripada Division, Baripada and the present Committee of Management assumed the office with effect from 19.1.89. This Board of Management continued its functioning till 24.4.90. In pursuance of order No.9864 dt. the 24th April, 1990 of the Registrar, Co-op. Societies, Orissa, Bhubaneswar the Board of Management of Mayurbhanj Central Co-op.Bank Ltd. was suspended and Sri L.M. Baskey, D.R.C.S., Baripada Divn., Baripada assumed the charges of Board of Management of the Mayurbhanj Central Co-op. Bank Ltd., Baripada as Officer-in-charge on 25.4.90 in the fore-noon. Consequent upon the transfer of Sri L.M. Baskey, D.R.C.S., Baripada Divn., Baripada, Sri Maheswar Panda D.R.C.S. took over the charges of the Management of the Bank on the 13th June 1990 and continued as Officer-in-Charge upto 30.6.90.

(b) Name of the Key Officers:

President: Sri Basanta Kumar Jena, from 1.7.89 to 24.4.90.

Officer-in-Charge: Sri L.M. Baskey, D.R.C.S., Baripada Divn., Baripada from 25.4.90 to 12.6.90.

Sri Maheswar Panda, D.R.C.S., Baripada Divn., Baripada from 13.6.90 to 30.6.90.

Secretary: Sri Makar Chandra Marndi, D.R.C.S. on foreign service deputation from 1.7.89 to 30.6.90.

Officer-in-Charge of Accounts: Sri Gouranga Maiti, from 1.7.89 to 30.6.90.

F. WORKING CAPITAL AND COST OF MANAGEMENT

(a) The working capital of the bank as on 30.6.90 has been worked out in term of the circular No.67 dated 2nd Jan.'89 of the Registrar, Co-op.Societies, Orissa, Bhubaneswar.

Total liabilities of the Balance Sheet as on 30.6.90:		16, 23, 79, 746.11
Minus (a) Bills for contra:	29, 026.04	
(b) L o s s:	<u>81, 71, 784.70</u>	
		<u>82, 00, 810.74</u>
		<u>15, 41, 78, 935.37</u>

The working capital of the bank is arrived at Rs.15,41,78,935.37 as on 30.6.90 as against Rs.14,08,22,474.33 as on 30.6.89.

Thus, there is an increase of working capital of Rs.1,33,56,461.04 compared to last year and thus the increase of working capital formed 9.48%. The working capital of the Bank for last three years are mentioned below:

<u>30.6.88</u>	<u>30.6.89</u>	<u>30.6.90</u>
<u>13, 69, 65, 277.24</u>	<u>14, 08, 22, 474.33</u>	<u>15, 41, 78, 935.37</u>

From the above table it is observed that increase in working capital from year to year is considered to be meagre and however, upward trend is noticed.

Total estimated bad and doubtful assets of the Bank as on 30.6.90 is calculated at Rs. 1,60,34,923.70

The working capital on last date of Audit is:	Rs.15,41,78,935.37
Minus bad & doubtful assets	<u>Rs. 1,60,34,923.70</u>
	<u>Rs.13,91,44,011.67</u>

An amount of Rs.13,91,44,011.67 is available for utilisation in Bank against which an amount of Rs.10,02,66,822.90 has been invested in various purpose as on 30.6.90 which forms 72.58%. The details of which are mentioned below:

1. Investment with O.S.C.B.	Rs. 1,03,14,245.77
2. 12 years N.D.C.	Rs. 60.00
3. Share with Co-op.Institutions	Rs. 26,01,100.00
4. Investment in loans	Rs.10,12,79,888.87
5. Investment in fixed assets.	Rs. 9,34,231.91
6. Investment in other assets.	<u>Rs. 11,72,219.95</u>

It is quite evident from the investment position of the bank at the close of the year that the bank could not utilise the available funds of Rs.13,81,44,011.67 in various investments, it has utilised 72.58% of the funds available as on 30.6.90. It is not the healthy sign of a Banking institution. Further the bank has sustained a cumulative loss of Rs.81,71,784.70 as on 30.6.90.

(b) Cost of Management

The cost of management of the bank for the year 1989-90 is calculated as per circular No.17217 dt.7.6.84 of the Addl. Registrar, Co-op. Societies, Orissa, Bhubaneswar.

Total expenditure in the loss side of profit & loss a/c. for the year '89-90:	1,27,42,978.90
Minus: (a) Interest paid on loans	46,72,623.13
(b) -do- deposit	38,40,714.86
	<u>85,13,337.99</u>
	<u>42,29,640.91</u>

The cost of Management of the Bank is calculated at Rs.42,29,640.91 as on 30.6.90 as against Rs.42,38,577.46 as on 30.6.89. Thus the cost counts 2.74% of the working capital of Rs.15,41,73,935.37 as against 3% of the previous year. The cost of Management has exceeded to the prescribed limit of 2.5% which is considered to be violation of financial discipline.

6. The misappropriation of funds were not detected in course of audit at head office and its branches.

It is observed that the compliance to the defects pointed out in the final audit report for the year 1988-89 prepared by the Bank were neither adequate nor convincing. All important irregularities are continuing.

1. No sound and systematic internal check system in daily transaction of head office and branches is in vogue as a result error of omission and commission and irregularities in financial involvement is rampant. It is suggested that sound internal check system should be adhered to so that there would not be any scope for frauds remaining undetected.

i) There is no periodical rotation of duties among staff members at head office and Branches.

2. It was observed that the bank did not maintain required stipulated percentage of statutory liquid assets throughout the year under audit. Hence, there is shortfall in maintenance of liquid assets as required under Sec.24 of B.R. Act of 1949 as the provisions are mandatory in character.

3. In course of checking of liquidity register, it is revealed that in many occasions excess cash reserve beyond 6% of the demand and time liabilities have been maintained during the period under audit. In this regard the Bank did not take any appropriate steps to formulate policy for mobilisation of resources. It is further observed that liquidity register is not being signed by any responsible officer of the bank as a token of accuracy.

4. The bank has not created cadre fund as envisaged in the circular No.34892 dt.4.12.85 of the R.C.S., Orissa.

5. The bank has defaulted in payment of Govt. dues Rs.1,27,849.04 in respect of Dividend on Govt. shares which is rolling since long. The bank is advised to remit the amount under proper head of account to Govt. since it is a Govt. revenue. Further the bank has defaulted in payment of instalment of N.O.D.C. loan to Govt. and also the bank has defaulted to the Apex Bank in repayment of various loans and the total default as on 30.6.90 amounted to Rs.533.23 lacs.

6. The bank is paying interest on savings bank deposit accounts opened in the name of business and trading concerns which is clear violation of directive of R.B.I. Further it was observed in branch bank audit that the bank is paying higher/lower rate of interest on term deposits. In course of interim audit of Baripada branch and Khunta branch it is noticed that further loan has been granted against particular term deposit before liquidation of loan fully availed previously.

7. The societies have not maintained minimum time lag of seven days in recovery and disbursement of loan at members level. It is clear violation of stipulation laid down by the NABARD.

8. The bank has failed to maintain the non-overdue cover for its borrowing from Apex Bank for short-term Agl.loan.

9. The bank has failed to maintain seasonality disci-

11. R.B.I. stipulation is not being followed at the time of renewal of cash credit of marketing societies as well as LAMPS. Cash credit limits were renewed without any transaction in the cash credit accounts. Periodical verification of stock was not made and stock statement were not furnished monthly. The bank should be very vigilant over the cash credit loan advanced to W.C.S. Due to inadequate action by the bank, cash credit loan to Mayurbhanj Wholesale Consumers Coop.Store, Baripada and all the R.C.M.Ss. in the district have turned to Bad-debt.

12. Modus operandi of collection of interest of the bank is quite defective. As per stipulation of NABARD the recovery should be adjusted towards interest demand first. The balance of recoveries should be adjusted towards principal demand. But the instruction has not been implemented by the bank. As a result overdue interest is mounting year by year. The bank is advised to follow the circular No.31100 dt.10.10.88 of the R.C.S., Orissa, Bhubaneswar meticulously.

13. The total approved budgetary estimate for the year 1989-90 of the bank was Rs.1,22,18,470.00 against which expenditure incurred by the bank was Rs.1,27,42,978.90. The excess expenditure of Rs.5,24,508.90 has been incurred by the bank which is quite irregular. Bank did not impose restriction on expenditure keeping in view of the approved budgetary limit.

14. As revealed from pay acquittance roll, the bank employees have been paid dearness pay. But they were not eligible to get the same as their pay have been revised after 1.1.86 and fixation of pay has been made taking into account the D.A. and A.D.A. admissible from the month of January 1986. This is a serious mistake involving financing irregularities.

15. Total number of indebted societies stood at 131 as on 30.6.90 out of which 89 societies become defaulting societies. Hence, percentage of defaulting societies at the end of 30.6.90 is 68% which is not healthy sign.

16. No branch committee meetings were held during the period under audit as per provision of Bye-laws and subsidiary rules for the year 1989-90.

17. Interest calculation on loans and deposits were not correctly done.

18. As required in the provision of the Bye-laws No. 38(21)

to inspect the LAMPS for safety of the bank investment.

19. As envisaged under section 10 of the subsidiary rule of the bank, the branches of the bank have not been inspected quarterly by the officers of the bank. In this connection, the Registrar of Co-op. Societies, Orissa, Bhubaneswar circular No.08590 dt.10.8.90 should be scrupulously adhered to.

H. LOSSES: Reason for loss.

The bank sustained a loss of Rs.21,16,834.01 in the profit and loss account for the year 1989-90 as against last year's loss of Rs.20,26,707.61. The main reasons of loss are enumerated hereunder:

1. The Mayurbhanj Central Co-op. Bank Ltd. has designed different kinds of deposit schemes. The Board of Management of the bank has accepted the Mayur deposit scheme in their meeting held on 21.8.78 vide resolution No.9. The Deputy Registrar, Co-op. Societies, Baripada Divn., Baripada approved the scheme and communicated vide his letter No.834 dt.7.10.78. The Mayur deposit scheme is reinvestment in nature earning more than 16½% rate of interest. The rate of interest on borrowing and lending is governed by the Directives of R.B.I., NABARD from time to time. At the time of introduction of deposit scheme the interest rate of lending was 10%. Subsequently the rate of interest on lending has been sealed down to 7½% per annum, which squized the scope of lending of deposits tapped on higher rate of interest. As the bank has no scope to invest its money at higher rate of interest, it sustained heavy loss by tapping the deposit. The balance of Mayur deposit as on 30.6.89 stood at Rs.145.70 lacs. Difference between the rate of interest on borrowing and lending is 9%. The loss on this deposit worked out to Rs.13.11 lacs.

Besides, the bank is paying 14% interest on Recurring deposit. The total recurring deposit stood at Rs.27.83 lacs as on 30.6.89. So the difference between the rate of interest is 6.5%. Hence the loss on this deposit worked out to Rs.1.81 lacs.

The other term deposits of the bank such as security deposit of employees, security deposit of Cadre employees, fixed deposits, Gangotri deposits, Reserve Fund deposit of C.S. and Risk fund deposit of C.S. stood at Rs.1,00,29,372.94 as on 30.6.89. The bank is paying average interest at the rate of 10% per annum. Out of the above amount the bank has invested only

The balance amount of Rs.75,29,372.94 has been invested in Agril. loan at the rate of 75% of interest per annum. So the loss on this deposit is calculated to Rs.1.88 lacs. Hence total loss on deposit accounts comes to Rs.16.80 lacs.

The Management of the bank who accepted the Mayur & Recurring Deposit scheme and the than Chief Executive who placed the scheme in the Board should be held responsible for introduction of the scheme without considering the scope of re-investment of this huge deposit.

2. The second reason of loss is due to payment of Dearness pay to the employees of the Bank. It is revealed that, Bank employees has been paid the dearness pay per with Govt. rate. The bank has sought clarification from the Registrar, Co-op. Societies, Orissa, Bhubaneswar regarding payment of D.P. The Registrar, Co-op. Societies, Orissa in his letter No.17004(17) dt.12.7.90 has been pleased to clarify that employees of the Central Coop.Banks are not eligible to get Dearness pay since their pay has been revised after 1.1.86. On receipt of clarification, the Bank has discontinued drawal of D.P. from July 1990. During the period(from 1.7.89 to 30.6.90) under audit, the bank has paid towards D.P. an amount of Rs.1,76,377.00 to the employee which is beyond their admissibility. The Chief Executive is requested to take early action for ensuring recovery of the amount from the employees.

3. The total approved budgetary estimate for the year 1989-90 of the bank was Rs.1,22,18,470.00 against which expenditure incurred by the bank for '89-90 was Rs.1,27,42,978.90. The excess expenditure of Rs.5,24,508.90 has been incurred by the bank which is another reason for incurring loss. The bank did not impose restriction on expenditure keeping in view of the approved budgetary limit pertaining to the expenditure of interest on borrowing, Interest on deposit, establishment and salary P.F. contribution by bank, Bonus to staff, Bank's house rent, running expenses of jeep, Electric charges, meeting and entertainment, insurance premium, commission to Tiny agent, Adm. charges to P.F.Commissioner, Incentive award to staff and depreciation etc. The bank did not adhere to the instruction meticulously regarding restriction of nominal expenditure as instructed by the Deputy Registrar, Coop.Societies, Baripada Division, Baripada vide his letter No.4702, dt.6.11.89 in connection with

4. The investment of loan has been fallen in comparison with the borrowing in the year 1989-90. As a result, an amount of Rs. 84.00 lacs has been invested under non-interest bearing assets and revenue expenditure ~~xxxx~~ which has seriously affected the interest margin rate. On this score, the bank has suffered loss to the tune of Rs. 2.25 lacs by way of paying interest to the Orissa State Co-op. Bank Ltd. The Management of the bank is responsible for not utilising its funds judiciously and misutilised the loan borrowed from Orissa State Co-op. Bank Ltd. otherwise.

5. Excess cash reserve beyond optimum fixed has been maintained for many days in the period which affects the interest margin rates. This habit should not be repeated in future. Bank should be very judicious in deployment for funds.

6. The bank has borrowed N.O.D.C. loan from Govt. to maintain adequate coverage of N.O.D.C. The total loan stood at Rs. 21,83,334.00 as on 30.6.89. The average rate of interest on borrowing is 10% where as the lending rate of interest is 7½%. The loss on this score is calculated Rs. 55,000.00

7. The bank has maintained excess staff in respect of the grade noted below over and above the sanctioned strength in respective grades.

Accountant	4
Supervisor	7
Driver	1
	12

The salary of the above mentioned staff during the period under audit is calculated at Rs. 2,45,400.00 which is the contributory factor for causing loss. The Chief Executive is requested to reduce the above excess staff at an early date.

I. DEMAND, COLLECTION & BALANCE:

Demand, Collection & balance both the principal and interest for last three years is given below:

<u>Particulars</u>	<u>Including cash credit</u>		
	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Demand	7,25,30,090.72	8,21,09,418.42	7,03,03,082.59
Collection	2,96,94,264.59	3,70,84,501.74	71,85,159.70
Balance	4,28,35,826.13	4,50,24,916.68	6,31,17,922.89
% of collection	41.0%	45.0%	10.2%

Excluding Cash Credit

Interest

<u>Particulars</u>	<u>1987-88</u>	<u>1988-89</u>	<u>1989-90</u>
Demand	1,97,06,712.21	1,87,01,559.17	2,59,96,498.36
Collection	92,31,709.87	50,11,847.46	12,73,712.78
Balance	1,04,75,002.34	1,36,89,711.71	2,47,22,785.58
% of collection	46.8%	26.8%	4.9%

From the above table it is observed that collection percentage in respect of Agril. and non-agril. loan for the year 1989-90 is calculated at 6.5% as against 42% of the previous year. The percentage of overdue to demand on principal is calculated at 93.5%. The entire amount collected under principal and interest represents by collection of cash.

The collection percentage in respect of agril., non-agril. and cash credit worked out 10.2% for the year 1989-90 as against 45% of previous year.

The percentage of total overdue loan to demand comes to 89.8% as on 30.6.90.

As regards collection of interest, the percentage of collection is 4.9% as against 26.8% of the previous year. Low percentage of collection in respect of principal and interest is due to debt relief declared by the Govt. However, the bank should step up its recovery drive in order to arrest the increasing trend of overdues. It is suggested that the bank should take stern action for collection of its dues. The quantum of overdue interest was Rs.1,36,89,711.71 as on 30.6.89. The situation further deteriorated as on 30.6.90 when quantum of overdue interest touched as high as to Rs.2,47,22,785.58. During the period under audit, the bank was unable to provide 100% overdue interest reserve. The bank has only provided towards overdue interest reserve to the tune of Rs.57,18,896.71 as against overdue interest of Rs.2,47,22,785.58 which forms 23.31%.

An amount of Rs.66.31 lacs against defaulting members of 1104 has been covered by disputes under the A.K.C.S. Circle, Baripada, Karanjia and Rairangpur. Further an amount of Rs.167.09 lacs against 4140 members is pending as on 30.6.90 for disposal of E.P. cases. The bank could not take suitable action to cover all overdues loans by dispute and also pursue the disposal of E.P. cases in order to achieve the better collection percentage due to debt relief declared by the State Government.

Yearwise break up of overdues (Principal)

Less than	1 to 2 years	2 to 3 years	3 to 4 years
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Yearwise break up of overdues (Interest)

<u>Less than one year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>3 to 4 years</u>
1,10,33,073.87	38,46,641.00	20,91,781.00	20,32,393.00
	<u>4 to 5 years</u>	<u>above 5 years</u>	<u>Total</u>
	23,14,258.00	34,04,638.71	2,47,22,785.58

Position with the Societies: D.C.B. as on 30.6.90 (ex in lacs)

<u>Demand</u>	<u>Collection</u>	<u>Balance</u>	<u>% of collection</u>
Pri. 642.78	22.24	620.54	3.46%
Int. 311.69	6.36	305.33	2.04%

Due to defective modus operandi of collection of principal and interest, the collection position of society level differs from bank level. Further, it is obvious that the collection at bank level was made by adjustment of S.B.D. accounts of societies which is objectionable.

J. BAD DEBTS

In term of the circular No.265 dt.2.1.73 and No.40170 dt.18.9.76 of the R.C.S. Orissa, Bhubaneswar estimation of bad and doubtful assets of the bank as on 30.6.90 is calculated hereunder.

<u>Sl.No.</u>	<u>Particulars</u>	<u>Bad total</u>
1.	Share in O.S.C. Ins. C.S.	2,000.00
2.	Advance recoverable	20,214.98
3.	Litigation advance	572.70
4.	Adjusting head recoverable	18,796.48
5.	Suspense recoverable from O.S.C.B.	2,536.29
6.	Unapproved expenditure	1,925.58
7.	Unauthorised expenditure	34,136.93
8.	Security deposit for tender paper	500.00
9.	Loan due by Liq. C.S. bad & doubtful	9,07,428.49
		<u>9,88,111.36</u>
10.	Bad & doubtful loan	
	3 to 5 years:	1,17,15,811.34
	Loan above 5 years(Bad)	33,31,000.00
		<u>1,50,46,812.34</u>
		<u>1,60,34,923.70</u>

Estimated bad & doubtful assets of the bank stood at Rs.1,60,34,923.70 as on 30.6.90. As against above amount, the bank

1. Bad & doubtful debt reserve	16,72,109.05
2. Risk fund reserve	9,17,655.89
3. Provision for unapproved expenditure	1,925.58
4. Provision for adjusting head recoverable	18,575.69
Total =	<u>26,10,266.21</u>

The estimated bad and doubtful assets is Rs.1,60,34,923.70 as on 30.6.90 as against Rs.1,00,53,067.76 of the previous year. It is observed that bad and doubtful assets has been increased to the tune of Rs.62,77,086.96 which formed 62.5%.

The bank has covered maintaining provisions and reserves which formed 16% of the erosion of the value of the bad and doubtful assets as on 30.6.90.

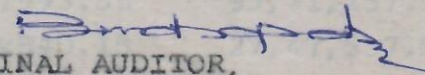
The bank has received debt relief claims from Govt. through O.S.C.B. Ltd. vide letter No.3454 dt.25.9.90, No.52 dt.25.9.90 and No.4191 dt.10.10.90 of Rs.15,05,973.12, Rs.1,33,02,466.74 and Rs.5,48,06,122.00 respectively. Thus total debt relief claim received by the bank during the year 1990-91 is Rs.6,96,14,561.86 which will arrest the quantum of bad and doubtful debts relating to overdue loan more than 3 to 5 years and above 5 years and loans dues by liquidated C.S..

K. The bank has sustained loss to the tune of Rs.21,16,834.01 during the year under audit and total accumulated loss is arrived at Rs.21,71,884.70. The overdue interest and bad and doubtful debts are mounting year by year. The Management is to minimise the expenditure under different head. The expenditure under certain items is found upward trend and beyond budgetary limit. The bank should maintain austerity in respect of all nominal expenditures.

Effective action and sincere efforts of the Committee of Management are indispensable at the present stage for remedy of the prevailing draw back of the bank.

The bank is classified during the year 1989-90 - 'C'

Last year's classification: 'C'


FINAL AUDITOR,
M.C.C.BANK LTD., BARIPADA

-CUM-
AUDIT OFFICER,

PROFILE AND LOAN ACCOUNT OF THE HAYWARDLAND CENTRAL CO-OPERATIVE BANK LTD
FOR THE YEAR 1951-52

<u>us year</u>	<u>Expenditure</u> <u>Particulars</u>	
474.78	1. (a) Interest paid on loans	46,72,623.13
606.77	(b) Interest paid on deposits	33,40,714.86
		<hr/>
226.65	2. <u>Salary allowances and P.F.</u>	26,98,513.76
748.76	(a) Estt. and salary	60,434.45
974.95	(b) T.A. to staff	1,71,930.90
502.00	(c) Bonus paid to staff	73,993.77
935.20	(d) Medical allowance to staff	2,25,608.00
875.28	(e) P.F. contribution to staff	2,17,564.49
748.50	(f) House rent allowance to staff	53,597.00
013.10	(g) Gratuity paid to staff	34,596.00
	(h) Surrender leave to staff	<hr/>
		35,36,233.37
641.65	3. <u>Director & Local Committee members</u> <u>allowances and fees</u>	10,734.65
	(a) T.A. and sitting fees to Directors	10,734.65
936.10	4. <u>Rent & Taxes, Insurance & Lighting etc.</u>	2,487.20
187.26	(a) Rent and Taxes	54,648.29
764.85	(b) Premium paid	25,712.40
	(c) Electric expenses	<hr/>
948.00	5. Law Charges	1,109.80
		82,847.59
		1,109.80

10

6. POSTAGE, TELEGRAM & TELEPHONE CHARGES

7,796.60
19,751.00
-
6,597.97
19,930.00
26,427.97

7. Audit fees
-
42,855.00
16,482.92
59,337.92

8. Depreciation and repairs to properties
(a) Depreciation
(b) Repairs & renewals

41,370.17
31,074.12
78,240.76
13,286.00
77,876.34
1,651.00
79,527.34

9. Stationary, Printing & Advertisement
(a) Printing and stationaries
(b) Advertisement

3,903.75
33,219.76
120.00
21,573.85
29,350.83
4,740.35
33,200.00
10,100.00
2,521.00
70,745.00
20,292.20
3,644.19
79,115.00
720.00
2,040.00
49,986.17

10. Other expenditures
(a) I.C. day expenses
(b) Contingencies
(c) Water charges
(d) Meeting and entertainment
(e) Running expenditure of jeep
(f) Periodical and magazine
(g) Bank's house rent paid
(h) Liveries to staff
(i) Subscription and donation
(j) Hire charges of jeep
(k) Administrative charges
(l) Incentive to staff
(m) Bank's cadre fund contribution
(n) Clearing house charges
(o) Profit and loss account (receipt book destroy)
(p) Commission to Tiny agent

404.20
27,172.68
100.00
23,140.54
40,468.53
5,259.90
40,767.00
7,945.00
200.00
1,087.65
21,058.75
4,347.30
1,84,447.50
900.00
-
73,437.02

(q) Cooperative Education Society
 (r) Provision for O.D. Int. Reserve
 (s) Deposit mobilisation, counter at Luvpi

1,15,076.92
 -
 4,33,417.07

Grand Total =

1,27,42,979.90

2,791.00

92,34,613.79

12,13,985.99

983.31

77,549.00

7,170.38

13,980.12

77,962.40

91,842.52

1,06,26,144.89

21,16,834.01

1,27,42,978.90

I N C O M E S

1. Interest & Discounts

(a) Interest received on loans

(b) Interest received on investment

2. Commission, Exchange, Brokerage

(a) Commission received and paid

Subsidy and donation

4. Income from Non-Banking Assets & Profit

from dealing with such account

5. Other Receipts.

(a) Misc. Income

(b) Dividend on investment

6. Profit & Loss A/c.

Net loss for the year 1989-90

5,78,747.12

8,81,637.91

231.93

73,232.00

12,985.77

10,275.50

77,941.37

54,950.69

76,735.93

Deputy Secretary
 Secretary
 Final Auditor
 Administrator

Chief Administrator

nager, Accounts

Particulars

1. <u>CAPITAL</u>			
(i) Authorised capital 20,00,000 per share @ 25/- each	00,000.00		
(ii) Subscribed share capital 5,17,701 shares of Rs.25/- each		62,00,000.00	
(iii) <u>Amount subscribed and paid up</u>			67,42,525.00
(a) Govt. share of Rs.25/- each 2,43,000 shares	00,000.00		
(b) Paid up Institution shares of Rs.25/- each for 2,69,701 shares	21,450.00		1,29,42,525.00
2. <u>RESERVE FUNDS AND OTHER RESERVES</u>			
(i) Statutory reserve	32,215.47	8,32,215.47	
(ii) Agriculture stabilisation fund	34,443.93	5,50,477.25	
(iii) Building fund	52,721.17	2,52,721.17	
(iv) Dividend equalisation fund	1,000.00	1,000.00	
(v) Risk fund reserve	17,655.89	9,17,655.89	
(vi) Bad and doubtful reserve	72,109.05	16,72,109.05	
(vii) Investment depreciation reserve	-	-	
(viii) Common good fund	7,724.87	7,724.87	
(ix) Gratuity fund	61,401.14	61,401.14	
(x) Jeep fund	14,000.00	14,000.00	
3. <u>PRINCIPAL SUBSIDIARY STATE PARTNERSHIP ACCOUNT</u>			
4. I. (A) <u>DEPOSIT AND OTHER ACCOUNTS</u>			
(i) Fixed deposit of individual	37,866.00	56,73,255.00	
(ii) Fixed deposit of institutions	81,601.00	1,91,601.00	
(iii) Security deposit of employees	84,523.14	4,15,109.34	
(iv) Recurring deposit of individual	85,119.53	33,29,942.47	
			43,09,304.84

89,31,538.70
 2,90,955.15
 2,00,765.25
1,90,77,616.31

1,90,77,616.31

51,42,150.00
 7,38,131.03
 10,18,573.14
 2,70,702.01
 40,81,892.11
1,12,51,448.29

1,12,51,448.29

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(vi) Mayur deposit - Individual
 (vii) Mayur deposit - Institution
 (viii) Security deposit - Cadre employees

(B) OTHER SOCIETIES

- (i) Fixed deposit - Societies
- (ii) Reserve fund deposit of societies
- (iii) Risk fund deposit of societies
- (iv) Recurring deposit of societies
- (v) Mayur deposit of societies

II. SAVINGS BANK DEPOSITS

(a) Individuals

- (i) S.B.D. - Individuals
- (ii) Tiny S.B.D. - Individuals
- (iii) S.B.D. - Institution
- (iv) Tiny deposit A/c.
- (v) Tiny deposit of Societies

(b) Central Bank

(c) S.B.D. of Societies

85,67,714.24
 39,21,192.79
 20,09,973.95
 18,255.00
 2,14,427.24

1,07,69,795.03

2,55,00,358.25

III. CURRENT DEPOSITS

(a) Individuals

- (i) C.D. of individuals
- (ii) C.D. of institutions

1,44,320.06
 3,22,215.96

500.00
 900.18
 771.69
 998.76
 129.26

651.89
 400.73
 553.80
 205.00
 849.00

352.11

175.62
 496.88

(iii) Govt. of Central Bank
 (iv) G.O. of societies
 (v) Matured Term Deposit

20,99,042.31
 2,46,008.49
 28,11,596.92

28,11,596.92
 5,86,41,009.67

5. B O R R O W I N G S

(i) From O.S.C.B. Ltd.

(a) S.F. loans

(i) S.F. loan No. I

(ii) S.F. loan No. II

(iii) Cash credit loan (of which secured against)

(iv) S.F.H. loan due to O.S.C.B.

(v) S.F. Instant Fresh Finance loan

1,08,46,000.00
 61,25,000.00
 21,69,286.60
 18,79,797.84
 2,25,59,000.00

4,35,79,084.44

(A) Govt. and other approved securities

(B) Other tangible securities

(b) M.F. loans.

(i) M.T. loan 5 years

(ii) I.R.D.P. loan (M.T.)

20,79,500.00

20,79,500.00

(ii) Reserve Bank of India

(iii) M.T. Conversion loan which secured against

1,25,99,272.00

(c) L.T. loans.

(i) L.T. loan O.S.C.B.

(ii) I.R.D.P. L.T. loan O.S.C.B.

(iii) I.R.D.P. (I.S.B.) loan

8,10,200.00

42,52,700.00

64,29,400.00

2,40,91,572.00

(B) OTHER FUNDIBLE SECURITIES

(i) From Reserve Bank of India

(ii) State Government

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(iii) (a) B.T. loan
 (b) M.T. loan

(c) Production loan which secured against

(A) Govt. and other approved security

(B) Other tangible security

(C) Long Term Loans

134.00	(i) Non-overdue cover loan to Govt.	21,83,334.00	22,07,559.00
35.00	(ii) Cess fund loan to Govt.	24,225.00	7,19,57,715.44
70.15	6. Bills for collection being bills receivable as per contra	29,026.04	29,026.04
96.71	7. Branch adjustment a/c.	45,549.47	45,549.47
30.73	8. Overdue interest reserve	57,19,896.71	57,19,896.71
91.50	9. <u>Interest payable</u>		
	(a) Interest on deposits	1,02,557.66	
	(b) Interest on loans	46,62,296.18	
00.00	10. <u>OTHER LIABILITIES</u>		47,64,853.94
73.11	(i) Pay advance of S.C. Mohanty	100.00	
05.51	(ii) Suspense A/c.	20,55,677.66	
76.37	(iii) Dividend payable	1,30,005.51	
64.35	(iv) Subsidy of societies	37,476.37	
59.42	(v) Bonus payable	1,74,483.93	
67.98	(vi) Outstanding charges payable	80,281.07	
89.00	(vii) Rebate on handloom sales to W.C.S.	267.98	
81.00	(viii) G.P.F. A/c.	1,385.00	
18.86	(ix) Unspent subsidy	3,981.00	
	(x) Cadre fund	7,44,253.96	

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1,114.25	(xli) Fidelity guarantee premium	1,114.25
1,925.59	(xlii) Provision for unapproved expenditure	1,925.59
7,313.40	(xliii) L.I.C. premium of employees	9,335.09
497.60	(xiv) Advance for receipt books	497.60
9,935.16	(xv) T.C. for care wheat	9,935.16
32,000.00	(xvi) Rehabilitation fund to weaker C.S.	5,32,000.00
18,575.69	(xvii) Provision for adjusting head recoverable	18,575.69
1,263.00	(xviii) Security for pump set	1,263.00
8,660.25	(xix) Cost of empty gunny bags	8,660.25
68,005.60	(xx) Crop loan insurance premium	30,480.84
8,103.78	(xxi) Security deposit for godown construction	8,103.78
16,098.00	(xxii) Audit fee payable to Government	22,807.00
9,402.45	(xxiii) Cost of M.S. Iron rods	9,402.45
3,742.74	(xxiv) Cost of A.C. sheets	3,742.74
6,842.50	(xxv) Provision for gratuity fund	6,842.50
35,527.50	(xxvi) Provision for jeep depreciation reserve	35,527.50
45,289.20	(xxvii) P.F. deposit of employees	5,999.20
150.00	(xxviii) Cost of S.W. pipe	150.00
33,081.00	(xxix) Margin money of societies	33,081.00
1,869.00	(xxx) Gratuity fund of societies	2,509.00
1,000.00	(xxxi) Legal charges received from LAMPS	1,000.00

11. Profit & Loss Account

Profit for the year brought forward
from profit and loss account

19,093.89

= GRAND TOTAL =

16,23,79,746.11

39,70,969.10

LIABILITIES AND EQUITY

1. S.A.B.H.
 - (a) (i) Cash in hand
 - (ii) Cheque in hand
 - (b) Current account with Banks
2. Balance with other Banks
 - (i) Current Deposits
 - (ii) S.B.D. in post office
 - (iii) Fixed deposit with O.S.C.B.
 - (i) Fixed deposit with O.S.C.B.
 - (ii) Purnima deposit with O.S.C.B.
 - (iii) Fixed deposit against depreciation reserve
 - (iv) Fixed deposit against B.D. reserve
 - (v) Special bad debt reserve
 - (vi) Fixed deposit against security deposit
 - (vii) Fixed deposit against common good fund
 - (viii) F.D. against dividend equalisation fund
 - (ix) F.D. against building fund
 - (x) reserve fund
 - (xi) S.T.F.D. with Bank of India, Baripada
3. Money at short call
4. Investment
 - (i) In Central & State Govt. security (book value of 12 years N.D.C. face value)
 - (ii) Other trustee security (L.D.B. Debenture)

		6,05,965.80
		-
		20,72,666.60
		-
		-
		30,56,900.00
		55,76,100.00
		53,632.31
		10,604.79
		58,535.00
		1,90,000.00
		1,724.87
		1,000.00
		6,000.00
		11,59,848.80
		2,00,000.00
		1,03,14,245.77

60.00

(iii) Share in Coop. Institutions (other than Item 5 below)

00.00	(a) Share in O.S.C.S.	25,95,000.00
00.00	(b) Share in O.S.C. Insurance C/S	2,000.00
00.00	(c) Share in O.S.H.W.C.S.	1,000.00
	<u>Other Investments</u>	
00.00	(a) Share in Central Ware Housing Corpn.	2,000.00
00.00	(b) Share in O.S.F.C.	1,000.00
00.00	(c) Share in S.T.S.C. Development Corpn.	100.00
		<u>3,100.00</u>
		<u>26,01,100.00</u>

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5. Investment out of principal/subsidiary partnership

9.97	(i) S.F. loan to society Kh. No. I	1,36,94,019.08
17.63	(ii) S.F. loan to society Kh. No. II	1,32,62,046.48
1.42	(iii) S.F. loan to society Rabi No. I	73,49,196.26
0.56	(iv) S.F. loan to society Rabi No. II	36,11,570.21
9.00	(v) S.F. loan to society O.P.F.P. No. I	1,54,664.00
6.00	(vi) S.F. loan to society O.P.F.P. No. II	3,10,333.00
7.00	(vii) S.F. Non-agril. loan to society	1,58,356.00
7.64	(viii) Cash credit loan to other C.S.	34,46,247.51
5.48	(ix) Cash credit loan to W.C.S.	28,32,594.89

4,49,19,032.42

- (a) Govt. and other approved securities
- (b) Other tangible securities of advance amount due from the individual of the advance:

Overdue:

Considered bad:

Considered doubtful:

:- 8 :-

(B) M.T. loans

(i) M.T. loan to C.S. conversion	65,40,338.67
(ii) M.T. loan to C.S. 3 years	9,63,696.88
(iii) M.T. loan to C.S. 4 years	13,41,685.13
(iv) M.T. loan to C.S. 5 years	37,58,345.43
(v) M.T. Non-Agril. loan to C.S.	1,94,74,697.88
(vi) M.T. Non-Agril. loan to C.S. 5 years	19,10,215.90
(vii) Cess fund loan to W.C.S.	1,20,177.49
(viii) Loan due by liquidated C.S.	9,07,428.49
(ix) Loan against term deposit	33,26,551.21
(x) M.T. loan to C.S. 7 years	74,142.00
(xi) M.T. loan to C.S. 8 years	1,68,463.77
(xii) M.T. loan to C.S. 9 years	1,25,172.25
(xiii) M.T. loan to C.S. 15 years	33,702.00
(xiv) M.T. loan to C.S. Bio-gas	6,125.00
	<hr/>
	3,87,50,742.10

(A) Govt. and other approved securities
 (B) Other tangible securities of the advance amount due from individual of the advance amount:

Overdue:

Considered doubtful:

Considered Bad:

(C) Long term loans

(i) L.T. loan to C.S. Dugwell I	99,11,223.09
(ii) L.T. loan to C.S. Dugwell II	71,080.00
(iii) L.T. loan to C.S. Pumpset I	31,06,997.94
(iv) L.T. loan to C.S. Pumpset II	1,42,450.37

(v) L.F. loan to C.S. Tank No. I	43,78,481.95
(vi) L.F. loan to C.S. Tank No. II	99,981.00
	<hr/>
	1,77,10,114.35
	<hr/>
	10,12,79,899.87

Of which advance amount: Overdue:
 Considered doubtful:
 Considered bad:

3,23,96,215.04
<hr/>
18,55,868.70

7. <u>Interest receivable</u>		
(a) On loans	3,23,96,215.04	
(b) On investment	<hr/>	
	18,55,868.70	
Of which: Overdue:		
Considered doubtful:		
Considered Bad:		
8. Bills receivable being bills received as per contra	29,026.04	29,026.04
9. Branch adjustment	-	
10. Premises less depreciation	6,51,166.37	6,51,166.37
11. Furniture and fixture less depreciation	2,83,065.54	2,83,065.54
12. <u>Other assets.</u>		
(i) Library less depreciation	1,118.07	
(ii) Jeep less depreciation	43,700.22	
(iii) salable forms	1,72,053.82	
(iv) security deposit for electrification	306.00	
(v) advance recoverable	2,33,070.82	
(vi) Litigation advance	572.70	
(vii) adjusting head recoverable	18,796.48	
(viii) security deposit for water pipe connection	60.00	

511.95
 381.00
 , 314.03
 , 763.39
 , 070.15
 , 331.53
 , 055.57
 , 998.90
 829.37
 , 625.28
 , 725.16
 306.00
 , 447.79
 572.70
 , 878.49
 60.00

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536.20	(ix) Suspense receivable from G.S.C.B.	2,536.20
270.02	(x) Construction account	1,82,583.76
234.98	(xi) Stock of lubricants	111.25
883.15	(xii) Stock of stationary	78,255.54
500.00	(xiii) Advance against rehabilitation fund	3,98,500.00
500.00	(xiv) Security for tender paper	500.00
300.00	(xv) Prepaid insurance premium	-
915.38	(xvi) Cement account	3,915.38
44.50	(xvii) Postage in hand	47.20
925.58	(xviii) Unapproved expenditure	1,925.58
30.00	(xix) Security for news paper	30.00
136.93	(xx) Unauthorised expenditure	34,136.93
572.73	(xxi) Interest rebate receivable from Govt.	9,46,572.73
	<u>13. Profit & Loss Account</u>	
	Net loss for the year brought forward from P/L A/c. 1987-88:9,13,166.16	
	Net loss for the year brought forward '88-89 from P/L A/c. 51,41,784.53	
	Net loss for the year brought forward from P/L A/c.'89-90 21,16,834.01	
	<u>GRAND TOTAL</u>	<u>81,71,784.70</u>

21,18,792.68

81,71,784.70

16,23,79,746.11

[Signature]
Administrator

[Signature]
Final Auditor

[Signature]
Secretary

[Signature]
Deputy Secretary

Chief Administrator

Accounts

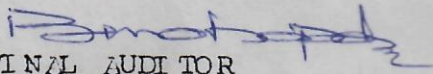
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AUDITOR'S CERTIFICATE.

Certified that I have audited the forgoing Balance Sheet as on 30.6.90 and the Profit and Loss account for the year ending 1989-90 of the Mayurbhanj Central Co-operative Bank Ltd. and my report on them is as follows:

I have obtained the information and explanations required in connection with the above audit and subject to the detailed audit report furnished separately. I am of opinion that the Balance Sheet and the Profit and Loss account have been drawn up properly so as to exhibit a true and correct view of the affairs of the said Bank, according to the best of my information and explanation given to me and as shown by the books of the Bank.


FINAL AUDITOR
- CUM -

AUDIT OFFICER,
OF COOP. SOCIETIES OF MAYUREHANJI
AUDIT CIRCLE, BARIPADA (ORISSA).

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