We have the pleasure to report that we have completed the Statutory Audit for the above named Society for the year 2016-17 and have observed the following subject to which we have signed the Balance Sheet as on 31st March, 2017 and the Profit & Loss Account for the year ended on 31st March 2017 and the schedules and annexures thereon.

01.  CASH IN HAND : Rs. 7128203.00

The closing Cash in Hand of Rs.7128203.00 as on 31.03.17 have been verified by us at the Society’s Payment counters and found the same to be in order as per Cash Book.

02.  BANK BALANCES : Rs. 2,46,35261.00

The Bank Accounts and reconciliation thereon with the Bank Book/General Ledger and the Bank Statement/Pass Book furnished before us have been checked and reconciled and found in order as per the above records.

03.  LOANS AND ADVANCES : Rs. 98,83,73,994.00

We have examined the procedure of Loans & Advances made to Members, Employees and Others and have found them in order in terms of the Byelaws. The schedules of loans were also checked which are in agreement with the Loan Ledger maintained by the Society. It may be noted that loans to members were granted as per amended Clause 53 of Byelaws of the Society and the loan sanctioned during the year has been approved by the Loan Scheme adopted by the General Body and duly ratified at the Board Meeting.

04.  INVESTMENTS

(i)  INVESTMENTS – Reserve Fund – Rs. 2, 42,47,840.00

During the year under audit, nothing has been transferred from ‘Investment Others’ (Govt. Securities) to Reserve Fund.

(ii)  INVESTMENTS-OTHERS – Rs. 2,19,67,58,430.00

Investments were verified by us with the Investment Register along with the depository Statement of Accounts and Schedules and found the same to be in order. The Society invested/deposited the funds in terms of Clause 53 of the Byelaws of the Society. Profit & Loss arising out of sale of investments during the year have been considered in the books of Accounts.

(iii)  INVESTMENTS IN SHARES WBSC- Rs. 59,58,750.00

(iv)  INVESTMENTS IN SHARES IN SSUS LIMITED- Rs 1000.00
05. OTHER ASSETS : Rs. 27,70,68,766.15
   (i) Interest accrued on Investments but not received : Rs. 17,08,32,907.00
   We have examined the details of interest accrued on investment of
   Rs. 17,08,32,907.00 and have found the same to be in order as per records
   maintained by the Society.
   (ii) Interest Receivable on Loan : Rs. 3,99,75,621.00
   The Society used to book the interest on loan on due basis. Accordingly the
   quantum of interest has been drawn as per books and records and appropriate
   credit has been given in the Profit and Loss Account which are in order.
   (iii) Suspense Remittance Rs. 6,00,000.00
   The society has received Rs 6,00,000.00 at the year end which could not be
   allocated to any head. The same is advised to be transferred to appropriate head
   of income.

06. FIXED ASSETS : Rs. 54,58,30,313.10
   (i) The opening values of Gross Block of Fixed Assets were Rs. 33,73,21,718.00.
   During the year the gross addition in the block were Rs. 21,11,87,267.00 and
   Revaluation reserve were Rs. 4,95,57,611.00 Less Adjustment during the year
   (2016-17) Rs. 2,29,200.00 the depreciation was charged Rs. 5,20,07,083.00 (AS
   Per I.T Act). The details of Gross Block, Addition and Net Block were verified with
   the schedule.
   (ii) The fixed assets were not physically verified by us. But it is stated by the Management
   that the assets are verified at Society’s Office and at Holiday Homes of the Society
   from time to time. Rates of Depreciation were charged as per rate of earlier years.
   The Fixed.

07. ISSUED AND SUBSCRIBED CAPITAL : Rs. 3,26,72,790.00
   The total issued and subscribed capital as on 31.03.2017 stood at Rs. 3,26,72,790.00
   divided into 32,67,279 shares of Rs.10/- each fully paid.
   No. of shares as on 01.04.2016
   Rs. 33,23,658
   Add : Shares allotted during the year 2016-17
   Rs. 1,74,037
   Less : Refund during the year
   Rs. 1,17,658
   No. of shares as on 31.03.2017
   Rs. 32,67,279

08. RESERVE AND OTHER FUNDS :
   Reserve Fund : Rs. 6,91,53,638.98
   During the year under audit the Reserve Fund stood at Rs. 6,91,53,638.98 as on
   31.03.2017 (Previous Year Rs. 6,70,99,360.68). A sum of Rs. 19,42,411.88 (being
   25% of Net Profit and Rs. 8760 being Admission Fees and Rs. 40,037.00 being
   Unpaid dividend of 2013-14 and Rs. 63,069.42 being undistributed profit for
   Previous Year i.e. 2015-2016 has been transferred to Reserve Fund as per Clause
   58(d)(d) of the Byelaws of the Society.
(i) Special Reserve Fund: Rs. 2,18,59,837.30

Balance in this fund as on 31.03.2017 was Rs.2,18,59,837.30 (Previous Year Rs.2,10,82,872.30). A sum of Rs.7,76,965 being 10% of Net Profit of Rs. has been transferred to this fund during the year.

(ii) Co-operative Education Fund: Rs. 5,18,078.00

The above balance has been arrived at as on 31st March, 2017 after appropriation of the same @ 1% of Net Profit.

09. DEPOSITS & BORROWINGS: Rs. 3,51,96,42,473.03

The total deposit and borrowings as on 31.03.2017 stood at Rs. 3,51,96,42,473.03, which includes Loan from Financial Institutions to the tune of Rs. 28,68,73,586.94. As agreed schedule furnished by the Management for all the Members deposit position such as Thrift Fund, Guarantee Fund, Saving Deposit, Recurring Deposit, MRBS & Fixed Deposit by Members have been found in order.

10. CURRENT LIABILITIES & PROVISIONS: Rs. 6,43,87,344.41

(a) The balance under this account as on 31.03.2017 was Rs. 6,43,87,344.41
(Previous Year Rs. 5,07,28,741.00). Supporting Schedules to verify the above balances obtained and have been found to be tallied.

(b) Income Tax: Shown under current liability for Rs. 58,69,950.00. Provision for Income Tax for Rs.10,00,00 has been created during the current year also the provision was not created for previous year. The Resultant balance shown in current liability for Rs. 58,69,950.00 is as under

<table>
<thead>
<tr>
<th>Provision for I.T for 12-13</th>
<th>Rs. 1,00,00,000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for I.T for 15-16</td>
<td>Rs. 10,00,000.00</td>
</tr>
<tr>
<td>I.T paid as per demand notice u/s 156-13-14</td>
<td>Rs. 50,67,890.00</td>
</tr>
<tr>
<td>I.T paid as per demand notice u/s 156-14-15</td>
<td>Rs. 62,160.00</td>
</tr>
<tr>
<td><strong>Rs.</strong> 58,69,950.00</td>
<td></td>
</tr>
</tbody>
</table>

10A. Interest Payable on Fixed Deposits: Rs. 3,74,14,751.00

We have verified the Schedule of Interest payable on fixed deposit and found in Order.

11. RETIREMENT BENEFITS

a) Provident Fund

The Society contributes to Provident Fund, which is administered by the Government, and the Society has regularly deposited it during the year in Employee’s Provident Fund Account with the appropriate authorities in India.
b) Gratuity

The Society has Gratuity Policy with Life Insurance Corporation of India towards future payments of retirement Gratuity to its employees and pays annual premium as determined by the Corporation.

12. DIVIDEND

No provision for dividend was created during the year, but a fund has been created by the name as dividend equalization fund for Rs. 45,00,000.00

Proposed Dividend paid during the year 2015-16 for Rs. 56,15,997.00 for last year @ 17% on paid up share capital.

13. PROFIT & LOSS ACCOUNT : Rs. 77,69,647.51

The Profit & Loss A/c has shown Rs. 77,69,647.51 as profit for the year 2016-17 and for the year 2015 – 16 it was Rs. 74,53,375.23

14. Interest / Dividend received and due : Rs. 23,44,89,297.06

(Previous Year Rs. 21,40,90,195.23)

The balance under this account as on 31.03.2017 was Rs. 23,44,89,297.06
(Previous Year Rs. 24,52,95,017.04).

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received from loan to members</td>
<td>Rs. 11,06,33,831.00</td>
</tr>
<tr>
<td>Interest received from loan to employees</td>
<td>Rs. 37,296.00</td>
</tr>
<tr>
<td>Interest on Bank Deposits and Investments</td>
<td>Rs. 12,38,18,170.06</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Rs. 23,44,89,297.06</strong></td>
</tr>
</tbody>
</table>

15. Deficit for maintaining Holiday Home during the year 2016-17 was for Rs. 34,41,131.10

The Society has maintained 8 (Eight) Holiday Homes and all the Holiday Homes show the Deficit balance, except Puri & Chennai.

The books of accounts are generated in the computer system and have been properly maintained by the Society. Details of each holiday home are mentioned below :-

- Puri HH (+) Rs. 3,69,066.24 (Surplus)
- Digha HH (-) Rs. 10,348.00 (Deficit)
- Kolkata (-) Rs. 8,46,822.94 (Deficit)
- Delhi (-) Rs. 17,15,116.00 (Deficit)
- Mumbai (-) Rs. 11,42,434.00 (Deficit)
- Chennai (+) Rs. 12,325.00 (Surplus)
- Gangtok (-) Rs. 12,220.00 (Deficit)
- Panchgani (-) Rs. 95,580.00 (Deficit)
16. ADDITIONAL OBSERVATIONS :-

a) Gold Loan Fluctuation: Gold Loan is maintained by Ispat Cooperative House of Steel Authority of India Employee's Cooperative Credit Society Limited. It has been observed that there is no reserve created against the fluctuation of market value of gold as on the date of loan given to members and on the date of repayment of loan.

b) Share Certificate:

As per clause no. 20 of the byelaws every person admitted as a member of the society shall be entitled to receive in gratis a Share Certificate stating the number of share/shares and their distinctive number/numbers and the value thereof. But no share certificate is issued to the members of the society instead a computer generated statement is issued to the members for the balance of shares held by members. This is due to the members losing the share certificate issued by the society. As per the bye law of the society if the members loose a certificate a new certificate should be issued in lieu thereof on payment of a fee as prescribed by the Board per share certificate. The Society is violating the bye laws regarding Share Certificate.

c) TDS

We have observed that TDS has been deducted on various payment made to contractors during the year 2016-17.

Lastly, we extend our thanks to the Management and the Staff of the Society for their cooperation in execution of the audit.

For, U. S. Saha & Co
Chartered Accountants
FRN-309037E

Place: Kolkata
Dated: 05-07-2017

U. S. SAHA (FCA)
(Partner)
(M. No. 015491)