



AUDIT REPORT

1. We have examined the Audited Balance Sheet of GARHWAL SABHA, Registration No. HR/019/2013/00534 dt. 27th Sep, 2013 (Registered) under the Haryana Registration and Regulation of Societies Act - 2012 and registration no. 73 dt. 20.02.1974 Under the Societies Registration Act, 1860; and having office at 2C, N.I.T. Faridabad – 121001 (Haryana) as at 31.03.2010 and Audited Income & Expenditure Account for the Year ended on that date in terms of Memo No. DR/DIC/FBD/364 Dated 26.03.2021 from District Registrar, Firms and Societies, Faridabad.
2. Audited Financial Statements are in agreement with the books of accounts maintained by the said society *subject to notes to accounts and our observations and opinion based thereon.*
3. We didn't obtain all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of the audit subject to notes to accounts and our observations and opinion based thereon.
4. In our opinion, proper books of accounts have been kept by the head office so far as appears from our examination of the books subject to notes to accounts *and our observations and opinion based thereon.*
5. In our opinions and to the best of our information and according to information given to us and subject to notes to accounts *and our observations and opinion based thereon*, we are unable to form an opinion whether the said Accounts give a true and fair view: -
 - i. In the case of the Balance Sheet of the state of affairs of the above-named society as at 31.03.2017, and
 - ii. In the case of the Income & Expenditure Account, of the surplus of its during accounting year ending on 31.03.2017.

UDIN: 21086946AAAABZ1238

Date: 01.10.2021
Place: New Delhi.

For Anil K. Gupta & Associates
Chartered Accountants

-sd- with Round Stamp

(Anil Kumar Gupta)
F.C.A.
Membership No. 086946

Our observations:

1. During this financial year ₹4,62,231 were received in cash as membership fees. In the absence of information, we can't comment, whether the same was in accordance with bye-laws of society. It seems that society has received this money @153 per member or @ 253 per member as against ₹505 mandated by bye-laws of the society. We can't say why and how life membership fees was amended, since we were not provided proper information in this regard.
2. The Sabha has received donation of ₹7,812 including ₹1,000 from one Mr. Ganesh Negi, who repaid loan of ₹60,000 in May2016 after more than 24 months. In contrast, the Sabha has paid ₹3,36,802 to 42 institutions and advertisements in souvenirs belonging to many institutions for development of region belonging to Uttarakhand, but didn't receive anything from any institutions, societies, trusts. We can't rule out the donation paid might be personal one and not aimed at achieving object of society. In cultural programs too, society used to receive a few donations from vendors of school.
3. During FY 2015-16 ₹6,36,435 worth of donations and books were received from book counter/stall. These receipts were there in 2006-07, 2007-08 and ₹6,00,000 in FY 2015-16. There was mention of such income in minutes as well. But since 2009 till 2014-15, there has been no such income booked in books of accounts. *It might be possible that students were allowed to read and buy books on their own without any recommendation from school or these might not have been entered in books.*
4. There are mentions of asking for quotations as suggested in minutes book for different contracts awarded; But these quotations, comparative statements thereof; and criterion of choosing one contractor couldn't be provided. Hence, the process of award of contract couldn't be verified. There have not been any Gate-In entries of goods received and no entry of goods out for repair. We were not provided with requisitions received from schools regarding specified work or repair or goods and similarly no satisfaction note as to quality and quantity of goods and/or job completions satisfaction and/or date of complete. Hence, we can't say anything about quantity and quality of goods and services billed to society and purposes for which these were used and bought. We can't comment about the process of award of contracts issued and amount for which these were issued/awarded for
 - a) construction of building,
 - b) repair and maintenance of building, of all and any type
 - c) repair and maintenance of Air Conditioner, furniture
 - d) repair and maintenance of buses
 - c) purchase of buses, car
 - d) purchase of furniture, mobile, computers and other assets
 - d) advertisement, cultural program and
 - e) other school related activities.The same is the case with other purchases and expenditure.

One M/s Shri Krishna Construction and manpower was paid ₹42,61,377 by the society and this party has submitted bills worth ₹8,28,907 only. Last bill raised by this party was in 10th Jan 2017. M/s Shri Krishna Construction and manpower was paid ₹19,27,300 by the society in cash as advance immediately after demonetization period. This amount is far greater than ₹2,00,000 (two lacs) cumulative, most upper limit set up by Govt. of India. There were stringent provisions laid down by Government of India from Nov 8 and during Dec 30 2016. I don't know how this society will explain cash advances of more than ₹20,000/-, which was reduced to ₹10,000/-. The cash payment was in the range of ₹2,00,000 (four (4) times), ₹1,50,000 one time, ₹60,000 (one time), ₹50,000 (three times), ₹20,000 (34 times). These were advance payments and not for any immediate need. Surprisingly, TDS has been deducted and paid on these cash advances as well. These payments need urgent attention and should be probed for verification and necessary action by concerned authorities. We will like to add that society retained and maintained cash in hand More than ₹24,37,727 during demonetization period, whereas it was ₹2,90,430 during FY 2015-16. The Society deposited all cash in hand out of ₹ 23,81,434 in large currency as on 9th Nov 2016 on 11th and 12th Nov 2016. Society received ₹ 80,39,218 during Nov and Dec 16 but deposited cash ₹ 12,67,500 in bank and paid ₹ 40,45,703 in cash for different purposes. Something really wonderful must have happened, so that this cash in hand kept for two months long period of demonetization period and M/s Shri Krishna Construction and manpower was paid ₹19,27,300 just after this period and cash in hand plummeted to ₹76,811 as on 31st March 2017 only in main school books. These transactions and entries and expenses all need to be probed in very much detail and very proper competent authorities. Coincidentally, ₹23,00,000 was taken as unsecured loan on 10th Feb 2017.

The Sabha has incurred ₹48,870 on repair of temple in April 16 at 2C branch to Mr. Kafil Ahmed during the year. The Sabha has paid ₹62,050 on repair of this temple in Nov 2015 also i.e., only during last year. This scheduled event should have requisition, cost estimates, quotations, job completion reports. *We cannot comment on such expenditure in the absence of required information.*

The Sabha has paid ₹11,67,966 to KS Construction for Indra Nagar Temple. This scheduled event should have requisition, cost estimates, quotations, job completion reports. *We cannot comment on such expenditure in the absence of required information.*

Society has paid ₹11,67,966 to M/s KS Construction and till Aug 16 only, out of this ₹50,000 was paid in cash (20000+30000). ₹17,12,117 to M/s Sakshi Enterprises for repair and maintenance of building. ₹25,18,166 to Shri Balaji International for repair and maintenance of building. All these expenses are for tile tracing, dismantling, replastering, interlocking of even new buildings. Same and similar type of expenditure is purportedly seems to have been incurred, whereas there are no evidences. Personal visits of the undersigned showed poor state of building and construction quality. These type of expenditure seems to be very excessive and arbitrary.

These indicate fishy transactions since such material must have disturbed working in schools very widely. These wide repairs should have been undertaken only in summer holidays. We are at a loss to know how management must have verified and cleared for payment for these types of expenses. *These expenses have been incurred without calling for quotations, no claim back clause, no retention money etc. Hence, it is not possible to comment on this expenditure.* Society has paid *advance payments with no claim back clause, no quotations, no estimate and no competition. It seems that many works mentioned in vouchers are repeat of works done in earlier years.* There are few details available regarding requisition from schools regarding requirement of construction and requirement of repair at various sites. More than one contractor seems to have been engaged and strangely, repair work was going on simultaneously with Building work. Since specific measurements/sq feet of total work done are not available, it can't be ruled out that society might have paid more than once for the same work. During this FY 2016-17 payment was i.e., paid in cash also. We doubt the genuineness of cash payment to a party, who was being paid through banking channels. *These transactions are very typical and are indicative of fishing transactions to shield some other transactions. How such a faithful vendor had to be paid in cash? These transactions raise doubt about nature and integrity of transaction entered. We are unable to form any opinion about these and similar transactions happening.*

Society has paid ₹90,150 to buy two (2) Air Conditioners to M/s Santi Sales Corporation. *There are no quotations, no brand analysis, No cost analysis, no gate entries. Air conditioners have been purchased previously also, but since Fixed Assets Register of Society is not available, not physical verification of assets seems to have been undertaken, we can't comment on process and amount of purchase of fixed assets including but not limited to Air Conditioners.*

Society has paid ₹2,84,004 to buy black and green boards, exact numbers, sizes and exact locations not known. Society has paid ₹37,41,731 to buy furniture and fixtures. One of the suppliers M/s Sai Enterprises was paid ₹12,34,016 to buy black boards (1,37,000) and furniture (8,94,450) and others including repairs of furniture. Similarly, other supplier's M/s Sikandar Kumar was paid ₹34,03,333 to buy black boards (1,24,200), furniture (25,90,068) and for repairs to building and furniture etc. M/s Santosh Wood Works was paid ₹2,52,460 and M/s Rohit Aluminium and Glass Works ₹33,527 were other suppliers. During these periods smart classes were also going on in different schools. I hope they bring their own electronic boards. Society has paid to Santosh Wood Works, Sikander kumar, Sai Enterprises for wood works, furniture and fixtures, repair of building, repair of furniture and fixtures, repair of building. Similar works were undertaken by other contractors. There are no records to verify the same. We are at a loss to know how job verification was done by society. There are no reports of requisition from school, job assignment, job completion, job checking and recommendation for payments There are no stock-in registers, no quotations, no job completion report, no requisition from schools. No rates have been fixed for these routine works. No policy decisions regarding when and from whom and at what rate has been mandated. Society is running seven (7) schools and these are routine expenses. Hence, nothing

can be said or procedure adopted for calling for contractors, fixing rates, terms and conditions, verification of job done. In the absence of quotations and fixed rates, we can't comment on the amount of expenditure as well. *There are no quotations, no brand analysis, No cost analysis, no gate entries. black and green boards have been purchased previously also, but since Fixed Assets Register of Society is not available, not physical verification of assets seems to have been undertaken, we can't comment on process and amount of purchase of fixed assets including but not limited to furniture and fixtures, black and green boards.*

Society has paid ₹3,51,215 to buy CCTV and like items. Incidentally and broadly, w.d.v. of these assets was ₹3,66,566. ₹2,08,495 worth of CCTV camera were installed in buses again. Previously, CCTV installation costed society ₹84,512 in FY 2013-14; ₹3,53,418 in FY 2015-16. *₹We are at a loss to believe such a huge double expenditure again after six months happened. It indicates that either previous purchase was wrongly undertaken or there is trouble with this year. We in the absence of proper and adequate information can't comment on such double expenditure in such a short span of time.*

Society has paid ₹15,72,924 for computers and printers both directly in cash and through bills. Mr. Dev Singh Gusain bought himself, out of imperest money taken by him in cash from school, six (6) dual core computers 1,14,660 in cash i.e., ₹19,110 per piece, but bill no. was nil. Society paid ₹1,14,933 for Dual Core 6 computers at same and similar price. It means that the MC members were aware of advantages of buying through quotations, but they didn't apply the same principles while buying. The school was running very well without these computers and such requisitions were not found for purchase of computers. There are no fixed assets registers at branches and consolidated one at Head Office. *In the absence of requisition, gate-in entry, machine specifications and machine installation, budget approvals, this expenditure and their nature raises doubts whether these actually happened or not. Hence, we cannot comment of process and amount of purchase of computers.*

Society paid ₹75,800/- to buy mobile phones for MC members, which is against bye-laws of society, since MC members are barred from holding and keeping all and any type of assets of society.

Society has paid ₹33,14,175/- to M/s Shree Motors Pvt Ltd and others to buy two (2) buses. There are no quotations, field surveys, cost estimates of running the buses. There is no estimate, no condition report, no survey report etc. *Hence, we cannot comment of process and amount of purchase of buses.*

Society has purchased five (5) water coolers for ₹34,438/- during FY 2016-17 and one (1) SS body water cooler at Mujeri. Similar purchases happened in previous years also. There are no quotations, price surveys, no gate-in entries, Requisitions from schools, cost estimates etc. *Hence, we cannot comment of process and amount of purchase of watercoolers.*

Sabha has paid ₹77,100/- for fans to many parties and also in cash. Similar materials were purchased from many suppliers. There are no stock-in registers, no quotations, no class rooms description of

installations and no job completion report, no requisition from schools. No rates have been fixed for these routine works. No policy decisions regarding when and from whom and at what rate has been mandated. Society is running seven (7) schools and these are routine expenses. Hence, nothing can be said or procedure adopted for calling for suppliers, fixing rates, terms and conditions, verification of location of fixing fans. In the absence of quotations and fixed rates, we can't comment on the amount of expenditure as well. *In the absence of quotations, requisitions, gate in entry, we are not able to comment on process and amount of purchases.*

Society has paid ₹47,569/- in cash for Library Books supposedly for CBSE IT from one Pradeep Negi. Quotations from suppliers, gate-in entry, no entry in Assets Register and Library books records etc. were not made available. Hence, we can't comment on process nor on amount of expense.

Society has paid ₹39,500/- for TV. Quotations from suppliers, gate-in entry, entry in Assets Register and Library books records etc. were not made available. Hence, we can't comment on process nor on amount of expense.

Society paid ₹22,61,859 for "Deepawali Expenses" during this Fin year 2016-17 as compared to ₹6,51,292 in FY 2015-16. This is more than 350% increase. We can't rule out personal expenditure in this huge and wide gap. We totally disagree with such lavish expenditure. It should be termed as personal expenditure.

Similar is the case with expenditure on Invertor, sound system, fans coolers, and other items.

Society has paid ₹50,000/- in cash on various dates reportedly against bills to Mr. SP Bhatt for internal audit and debited this sum towards internal audit. No reports from the internal auditor were made available.

5. The Society is not maintaining 'Fixed Assets Register'; hence we couldn't verify Fixed Assets of the Garhwal Sabha and different assets in different schools. There were wide mismatches with Fixed Assets partially maintained at Badkhal School (10+2) and 2C school. We have seen originals of sale deeds of three land, which were mortgaged with the bank previously. We have placed these in safe custody. However, detailed chain of documents pertaining to previous stakeholders in those lands, Legal search reports regarding those wasn't provided to us. There are many additions in even different schools. Same and similar items are being purchased and installed by different vendors. There are variety of furniture, sound systems, scientific items, buildings, computers of various types, books, air conditioners, water coolers, buses, vehicles and what not. We were not provided with consolidated Fixed Assets Register. We found Fixed Asset Register in two branches, but it was containing sketchy details of sports equipment and details were not matching in many items, though some were matching. Sports items are less than 1% of Fixed Assets of the society. There are huge expenses on various cultural programs and sound systems, chairs etc. are

always taken on rent. Hence, we can't say anything about situation, location, custody, safekeeping etc. of Fixed Assets of the society and various schools and also originals documents. Insurance Register also couldn't be provided, which could have provided some guidance about fixed assets belonging to Society.

Society advanced ₹26,00,000 during financial year 2016-17 purportedly for purchase of additional land at Sehatpur. We were not made available copies of prior deeds of this land nor any agreement to sale containing all terms and conditions of this deal. We can't say anything about process and quantum of this advance and rather are skeptical about manner in which it has been dealt. *Society has paid ₹6,00,000 in cash in February 2017 (2,00,000 each three times to this person) even after demonetization. This person was paid ₹20,00,000 through banking channels starting from Nov 16 also. It is to be noted that this person was paid ₹5,00,000 by cheque in mar 2017 also. We are at a loss to know why a person will force society to pay in cash, when he/she was getting payment through bank. In terms of Income Tax Act after 1st day of June 2015, no payment exceeding 20,000 can be paid in cash for purchase of property. We are not aware of circle value of this property too. There are no quotations, market survey, cost analysis. We don't know whether the land is contiguous to existing land and also rate at which it was purchased. Why the society was promoting payment in cash just after demonetization. Further, ₹24,00,000 was paid in cash to this person in May 2017. Thus, society paid 30,00,000 in cash to buy this land. It makes society liable to pay 30,00,000 penalty and every doubt is raised as to why a person will need payment in cash, when he/she has received payment by cheque. The sale deed of this land is to be reaffirmed to check how these payments have been reflected in registration of land. This purchase of land doesn't seem to be genuine and against laws of the land and prima facie wrong.*

6. The Society is not maintaining 'Mortgages/ Charge Register'; hence we couldn't say anything about secured loans of society and as to whether, which assets are pledged and/or mortgaged with different banks/financial institutions. The society has taken an unsecured non-interest-bearing loan from one Mr.

Sunil, whose KYC are not available in the records. He was repaid without any interest in two instalments. We can't say whether any assets of the society were mortgaged or not. No document showing approval of unsecured loan from this party was provided to us.

Sabha has taken loan from bank against its buses. There are no interest rate comparisons, no processing charges comparison etc.

7. The society is running schools in Faridabad and major sources of revenue are fees derived from schools. We were not provided Fees Reconciliation Statement to enable us to verify whether all the fees have been collected or not and if not collected, whether the same has been carried to next year. Similar is the case with fees paid in advance.

Proof and authority of full and/or partial waiver of fees of students also couldn't be provided and couldn't be verified. Policy decisions regarding full/partial waiver of fees and also for students who couldn't make it to next classes were not found.

However, as per books of accounts and book entries, it seems that unpaid fees and advance fees have been carried forward to next years. In our opinion, it seems that there may not be major differences except discrepancy in Fees waivers, but with all the fees clerks in place in all the schools, it is strange that monthly and Annual Fees reconciliation, which is the major source of revenue, couldn't be provided.

8. Similarly, we were not provided 'salary reconciliation' and their matching with their respective attendance sheets. We have been told that Principal madam and branch in charges send signed attendance sheets monthly, but the respective records couldn't be provided to us for this respective year. There is no checking and verification of attendance of various schools and temple by the management and head office staff. We have been told that the process of appointments, removals, transfers is with managing committee, but we were not provided with records showing process adopted for selection of various staff members. There are no studies, whether staff available with other branch can be transferred and prior firm opinion about qualification, experience etc. of staff to be selected. The present administrative staff couldn't provide us documents as to how many applications received, panel of interview board, requirements of written tests etc. before interview, recommendation of interview board and basis of decision of staff section committee. We could not find standard salary structure of staff persons selected and hence verification of salary amount couldn't be done. Annual Increment orders and their certification is not found in proper form. In our opinion, it seems that there may be differences in regard to a)

selection, b) appointment c) salary fixing d) increment and attendance of various persons. We can't rule out differences in amount payable of the salary amount. It is strange that monthly and Annual salary reconciliation, which is the major expenditure, couldn't be provided.

Further, there is mention of many close relative of MC members working in schools and regarding their salary. We couldn't find any disclaimer by employees/beneficiaries of school and/or sabha that they are not related to any members of management committee in past or present, nor there is no such disclaimer by members of managing committee. In terms of bye-laws of society family members, dependents, near relatives of MC members can't be employed in school, temple, Sabha and MC members are supposed to give a disclaimer about it.

9. There is mention of passing of budget in 1st quarter of every year in the bye-laws of the society, but the copy of budget passed in the meeting were not provided. We couldn't find mention of passing of budget during this year.

10. The society and schools do not have a practice of issue and certify cash balance at the close of month and at the close of year with number of notes of each denomination. Hence, cash balances taken as per balance sheet only. There have been many instances of cash being kept by office bearers of managing committee and refund of cash by them to the society on different dates. *This practice gives room to a doubt whether the society was having cash in hand on cut-off date as stated in accounts and in the balance sheet.*

The society has paid in cash to different MC members They repaid these cash loan in cash in total violation of income tax provisions particularly 269SS and 269TT of Income Tax Act, 1961. These practices have happened previously also and all with and by the MC members. *These are gross misuse of funds of society and against all types of moral, ethical, legal standards. These are barred by laws of the land as well as bye-laws of society.*

a) Society has given loan to one Mr. Sandeep Chauhan, who is not even MC Committee member, of ₹50,000 in Jan 17, which was received back after more than 12 months in cash without interest. We doubt the transaction in terms of payee, authority and also penalty payable by the society due to receipt of loan paid in cash. Surprisingly, this amount was paid just after demonetization.

b) Society has paid ₹57,000 (25,000+16000+8000+8000) to one Ms. Veena Latwal for reportedly rent of computer center at Lakkarpur. The society has as many as 7 computer centers and all duly equipped with latest computers and printers. Why society paid rent to this person and surprisingly, entry of rent paid was passed in Oct 2018 only as if it was a bad debt. There are no receipts from this computer center. *We doubt this transaction and doubt*

whether there was any agreement as to opening of computer center.

- c) Mr. Chandra Singh Negi was paid ₹3,87,000 by cheque in Jun 16. He refunded ₹3,87,000 in cash in Jan, 17 after demonetization period, when more than ₹2,00,000 was banned in cash for any purpose. Repayment of loan in excess of ₹20,000 was otherwise banned. This is legally, ethically, morally wrong.
- d) Mr. Shankar Rawat was paid ₹1,50,000 by cheque in Aug 16. He refunded ₹1,50,000 in cash in 31st Dec (50,000) and 2nd Jan, 17(1,00,000) in cash after demonetization period. Repayment of loan in excess of ₹20,000 was otherwise banned. This is legally, ethically, morally wrong.
- e) Mr. Vijay Chand Ramola was paid ₹50,000 by cheque in Jan 17. He refunded ₹50,000 in cash in Jan, 17 after one week cash. Repayment of loan in excess of ₹20,000 was otherwise banned. This is legally, ethically, morally wrong.
- f) Mr. Virender Kumar was paid ₹10,000 by bank and refunded ₹10,000 in cash in July 17 after 11 months.
- g) Mr. Laxman Singh Negi (Tinku) was paid ₹1,00,000 out of which, ₹40,000 were paid by cheque in Jun 16 and ₹60,000 were in cash July, Aug and Nov 16. He retained and didn't refund during current Fin year 2016-17. He refunded ₹1,00,000 in cash in July 17 in one go. Repayment of loan in excess of ₹20,000 was otherwise banned. This is legally, ethically, morally wrong.
- h) Mr. Pradeep Negi was paid ₹1,30,000 in cash June and July,16. He refunded ₹14000 in cash in Aug 16 and ₹ 62,653 in Dec 2016 during Demonetization period. Repayment of loan in excess of ₹20,000 was otherwise banned. This is legally, ethically, morally wrong.
Details of his reported expenditure are as follows:
- | | |
|--------------------------|----------|
| i) housekeeping expenses | ₹ 5,778 |
| ii)Library Books | ₹ 47,569 |
- i) Mr. Harris Kumar Paliwal was paid ₹40,000 by cheque in Aug 16 based on his application. He refunded ₹40,000 in cash in July 17 after more than 12 months. Repayment of loan in excess of ₹20,000 was otherwise banned. This is legally, ethically, morally wrong to use funds of society by MC members.
- j) Mr. Balwant Singh Negi was paid ₹70,000 in cash in three instalments June and July 16. He refunded ₹70,000 in cash in Aug 16 after 1-2 months. Repayment of loan in excess of ₹20,000 was otherwise banned. This is legally, ethically, morally wrong to use funds of society by MC members.

- k) Mr. Ganesh Negi was paid ₹75,000 in cash on many occasions. He refunded ₹42,500 in cash in demonetization period. He was paid ₹49,940 from SGM branch in cash. Details of his reported expenditure are as follows:
- | | |
|---------------------------|----------|
| i)Advertisement | ₹ 7,500 |
| ii)Repair and maintenance | ₹ 74,940 |
- l) Mr. Rajinder Singh Negi was paid ₹70,450 in cash on many occasions. He refunded ₹15,400 in cash. Details of his reported expenditure are as follows:
- | | |
|---------------------|----------|
| i)Advertisement | ₹ 30,450 |
| ii)Furniture | ₹ 18,000 |
| iii)Sports Expenses | ₹ 6,600 |
- m) Mr. Dev Singh Gusain paid ₹25,000 in cash to Prem tent House for Mar 2017 out of imperest taken by him in the book of Gharwal Sabha. In the books of School, he was paid ₹5,94,914 in cash. He is reported to have made expenditure on following:
- | | |
|------------------------------|----------|
| i) Computer | 1,14,660 |
| ii) Printing and stationary | 41,975 |
| iii) Deepawali Expenses | 1,27,503 |
| iv) Repair and Maintenance | 2,73,126 |
| v) Cultural Program Expenses | 37,650 |
- All these expenses have risen during FY 2016-17 as compared to FY 2015-16, despite the fact that two months demonetization period during FY 2016-17.
- n) Mr. Rajinder Singh Rawat was paid ₹16,000 in cash in Jun 16 for expenses of ₹15,350/- in May 15. He refunded ₹650 in July 16. Why and how someone will be paid ₹650/- extra for expenses already incurred. We don't find logic and so we doubt this expenditure. He was paid ₹5,000 by Mr. Vinod Nautiyal in cash and he refunded ₹5,000 in cash on closing day of year.
- o) Mr. MS Aswal was paid ₹1,15,000 in cash for Ram Leela Expenses to same party M/s Prem tent House in Oct 16 out of imperest taken by him. Strangely, cheque issued to three different persons got bounced, but all these payments and bounced entries were done in his imperest accounts. Later on, these expenses were incurred in cash. It indicates that there was no consensus on organizing Ram Leela Expenses. Mr. Aswal incurred total ₹3,02,184 in cash on Ram Leela Expenses. Total ₹5,64,586 were incurred and receipts were ₹2,01,707 from Ram Leela. *We can't comment on these process and amount of expense on Ram Leela undertaken by the society.*
- Mr. Aswal was also paid ₹1,06,241 from the books of school in cash. He refunded ₹45,628 in cash in three instalments. He was paid ₹23,160 in cash from Sehatpur Branch. He is reported to have incurred following expenses:
- | | |
|---------------------------|----------|
| i)Advertisement | ₹ 23,160 |
| ii)Repair and Maintenance | ₹ 62,013 |
| iii) Staff Welfare | ₹ 600 |
- p) Mr. Shashi Kant was paid ₹9,18,564 for election expenses, all in cash. Total election expenses were ₹9,47,508 during this period. ₹28,944 were incurred on stationary, registers and laminated cards. The election expenses were ₹2,69,800 during FY 2013-14. *We can't understand why such a huge expenditure was done for voting by local Faridabad residents only belonging to one Gharwal community. We can't rule out personal expenditure and expenses on electioneering by candidates. We can't understand such a*

huge expenditure. More so because there are no verified data of members even as on date and no collegiums. It is strange that election officers were paid honorarium in cash in June 2016.

- q) Mr. Surender Rawat was paid ₹46,897 in cash for Uttarakhand Foundation celebration in Nov 2016. He was paid ₹60,000 for Holi celebrations also. The aims and objects of society doesn't allow for such expenses. Further, Holi celebration of exact amount of ₹60,000/- is personal expenditure and can't be understood to have been incurred for achieving aims and objects of society. *We can't comment on these process and amount of expense on Holi (₹60,000 exact) and UKD foundation day celebration undertaken by the society.*
- r) Mr. Vinod Nautiyal was paid ₹43,800 in cash for Salahkar meeting in January 2017. Salahkars are part of management and are part of management committee. *We can't comment on these process and amount of expense of ₹43,800 on advisors' meeting. This was first time, when such expenditure was undertaken.*
Mr. Vinod Nautiyal was due to pay ₹1,36,000 in the beginning of year, but he Refunded the loan in cash ₹1,36,000 in one go. He was paid ₹2,35,990 in cash. He returned ₹5,249 in cash and reported expenditure as follows:
i)Uniform to staff ₹ 34,751
ii)Repair and Maintenance ₹1,95,990
- s) Mr. Uttam Singh was paid ₹83,200 in cash for repair and maintenance of temple which was reconstructed in this very year FY 2016-17 It was reportedly repaired in Nov 15 as well. He was also paid ₹54,000 for Bhandara in Sep 2016. *We can't comment on these process and amount of expense undertaken by the MC members of society.*
- t) Mr. Surender Singh Rawat was paid ₹3,77,050 from the books of school. He returned ₹206,565 were returned in cash in four instalments. He reported to have paid expenses as follows:
i) Holi Expenses ₹ 60,000
ii)Repair and Maintenance ₹ 91,485
iii)Conveyance ₹ 9,050
- u) Mr. Yogesh Budakoti was to pay ₹4,00,000 to society, received by him in cash in FY 2014-15. He repaid ₹4,00,000 in cash in three instalments. He was paid ₹6,24,645 more in cash and his expenditure was as follows:
i)Printing and Stationary ₹3,31,200
ii)Diwali Expenses ₹1,21,000
iii) Uniform Expenses ₹1,72,445

These can be termed as personal expenses unless prior authorised in meeting. We couldn't find such mention of authorisations.

Further, these expenditures are not verifiable.

We wish to state comparison of the above stated expenditure with the previous year:

Sl	Particulars	FY 2016-17	FY 2015-16	% Increase
1.	Deepawali Expenses	22,61,859	6,51,292	247.29%
2.	Repair and maintenance	71,69,903	41,67,710	133.46%
3.	Furniture and Fixtures	37,41,731	16,76,039	123.25%
4.	Uniform to Staff	5,61,188	3,18,956	75.95%
5	Cultural Program exp	9,65,407	5,30,367	91.79%

6.	Advertisement	9,46,866	6,20,654	52.56%
7.	Meeting and Conference	10,17,221	2,60,779	290.07%
8.	Computer	15,72,924	11,51,711	36.57%
9.	Library Books	47,569	1,995	2284.41%
10.	Printing and Stationary	12,91,950	2,98,805	332.37%
11.	Sports Expenses	2,96,110	2,33,010	27.08%

The aforesaid expenditure was incurred in cash and by the MC members. This expenditure is far in excess of any comparison of historical data, trends and activity. There are no pre-authorisations nor reasons nor rationality why such large expenses were not undertaken after a careful analysis of cost and benefits and after taking due advantages of competition in NCR region and also proper recordings of goods purchased and/or services availed.

11. In terms of bye-laws of the society, cash receipts and payments are to be made through banking channels only and only in grave emergency through cash. Different powers of office bearers of MC of society have been prescribed. The President has power of expenditure of ₹ 10,000; general Secretary ₹ 7,000 and in grave emergency. There have wide defaults of this clause stated in bye-laws. However, there is mention of different powers, which might be given to different office bearers, but the same should have been passed in MC meetings with appropriate rules.
- Huge amounts have been spent in cash and many of these expenses have been adjusted in last month of year, which is quite troublesome and casts doubt about actual happening of expenditure and also on amounts spent.*
- a) ₹ 2,91,76,561 (Prv yr.1,20,17,336) have been spent in cash in Main School
- b) ₹ 39,21,946 (Prv yr.13,80,216) in books of Sabha.
- c) ₹ 3,20,000 (Prv Yr2,60,000) in books of SGM branch
- d) ₹ 6,20,000 (Prv Yr.5,01,900) in books of Dabua branch
- e) ₹ 4,66,800 (Prv yr.4,00,000) in books of JC branch
- f) ₹ 7,35,000 (Prv yr.7,80,000) books of SP branch
- g) ₹4,50,000 (Prv yr.4,25,131) books of Mujeri Branch
12. The Sabha has paid ₹3,36,802 to 42 institutions, but didn't receive anything from these institutions, societies, trusts. The Sabha has received donation of ₹7,812 including ₹1,000 from one Mr. Ganesh Negi, who repaid loan of ₹60,000 in May2016 after more than 24 months (Given in Apr 14 & Oct 14). *We can't rule out the donation paid might be personal one and not aimed at achieving object of society.*
13. The Sabha paid ₹47,860 on advertisement as compared to ₹5,000 in FY 2015-16. *Total advertisement expenditure during this Fin Year 2016-17 were ₹9,46,866 as compared to ₹6,20,654 in FY 2015-16. There is steep increase of 152% in this expenditure. We can't comment on such expenditure as there are no proper authorisations and also no discussion as to*

how such expenditure was helping Sabha and schools to achieve their objectives.

14. The society has incurred ₹8,01,858 in FY 2016-17 as compared to ₹7,67,335 incurred in FY 2015-16. Supplies were received from many vendors including photostat of examination papers. There are no cost comparisons, nor quotations of a quarterly recurring exercise. Since many vendors are supplying same and similar items, it is not possible for us to comment on process and amount of such expenditure. *Hence, we can't comment on process and amount of huge change in this expenditure.*
15. The society has paid ₹97,300/- to M/s Dream learning infotech for SMS services @ exorbitant rate of ₹10/- per student per month. ₹3,97,860 were paid to Aryan media Solution for SMS services at the same rate. These services are generally available @ ₹0.04 per SMS for bulk purchasing. There have been no quotations, competition, survey, requisition from school. *We feel something very fishy and wrong in this contract.*
16. The society paid ₹37,650 for rent of dresses to M/s Chitra Shala celebrating Independence Day in cash to Mr. Dev Singh Gusain, and again paid ₹39,300 by cheque in Dec 16 to same firm for Independence Day. *It is unthinkable that Independence Day was celebrated with ₹ 76,950 for rent of dresses. In Previous year ₹71,770 were paid for dresses to two different vendors and this time to same vendor. It is to be noted that Full dress expenses of Ram Leela for ten days were ₹48,888 as compared to ₹ 76,950 for one day. We feel something was happening which was not very right and not actually spent. Major part of it was in cash. However, in the absence of adequate information, we can't comment on such expenditure.*
17. The society has paid ₹ 1,63,500 towards faculty expenses to Mr. Vijay Laxmi Dabral and ₹1,74,000/- to Mr. C.S. Negi and ₹10,000 to Ms. Shikha Khoriya and ₹14,000 to Mr. SK Jugran. *No TDS seems to have been deducted. There is no mention of status, functions, and also benefits to schools and society.*
18. The society has paid ₹ 10,17,221/- on 303 occasions in one year including but not limited to lunch and dinners outside the premises for many persons out of which single expenses exceeding ₹10,000 were 25 in number and amount spent was ₹5,05,641. In comparison ₹2,60,779 were incurred on 130 occasions. On 8th June 2016 three caterers and four tent houses were engaged for one meeting and total expenditure was ₹1,96,386/-. Strangely, ₹38,800 were paid in cash to election officers and persons on election duty. *No quotations and no comparison and reasoning of choosing this one vendor for payment of more than 1 lac. ₹7,34,775/- were paid for social welfare expense, but all in cash. ₹73,080/- was paid in cash for 'Holi festival celebration'. Mr. Ganesh Negi also incurred*

₹11,000/- for Holi celebrations at some another place. *We can term it as personal expenditure but not expenditure aimed at achieving objects of society.* We could not find notice, agenda, name of attendees, nor minutes of such meetings. *We can't comment nor we could relate these expenses to objects of society.*

19. The society has paid ₹ 6,34,000 to some of the MC members from school as conveyance allowance (₹4,08,000 prv. Yr.) and MC members have charges and collected ₹2,76,000 from school as telephone allowance (₹1,44,000 Prv yr). and Sabha paid ₹1,68,826/- to MC members for conveyance expenses including taxi to distant places ₹ 1,31,160 whereas minutes suggested that all the advisors and office bearers should be paid such allowance @ 400 p.m. only.. It is not clear how these visits served the purposes of advancement of objects of society 'Garhwal Sabha.'
20. Amount recoverable from M/s Bhatt Tour and Travels ₹44,653 was written off as Bad Debts., M/s Nucleus Events Network ₹2,80,000 remained pending to be recovered; Mr. Ganesh Negi paid ₹60,000/-in cash after winning elections; pending remained to be recovered during FY 2015-16. During FY 2015-16, ₹60,000 were advanced to one Mr. Chander Singh Rawat by Cheque and recovered ₹30,000 in cash and balance through bank. How society can give loan of more than 60,000/- in cash? This society is not a thrift and credit society? This is gross misuse of funds of society.

We, state that we have come across some facts and information was not provided for as stated above. We don't rule some other deficiencies either.

Date: 01.10.2021
Place: New Delhi.

For Anil K. Gupta & Associates
Chartered Accountants

-sd- with Round Stamp

(Anil Kumar Gupta)
F.C.A.
Membership No. 086946