



**AUDIT REPORT**

1. We have examined the Audited Balance Sheet of GARHWAL SABHA, Registration No. HR/019/2013/00534 dt. 27<sup>th</sup> 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 31.03.2018, and
  - ii. In the case of the Income & Expenditure Account, of the surplus of its during accounting year ending on 31.03.2018.

UDIN: 21086946AAAACA2635

Date: 05.10.2021  
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.

The firm M/s Shri Krishna Construction and manpower probably belonging to two-time election officer of society Mr. Shashi Kant constructed 5,666 sq feet out of 4,500 sq feet (500 Sq yards) of new land. This firm has completed construction of school building at new plot at Sehatpur both ground floor and First Floor i.e., 5666 sq feet each totaling ₹11,332 sq feet 20 days prior to purchase of land (15.05.2017). This firm completed 2<sup>nd</sup> floor same 5666 sq feet in June 2017 i.e., 65 days flat after completion of 2<sup>nd</sup> Floor. The rate is ₹1100 per sft i.e., inclusive of all things. Best of marble, sanitary, wood works, best class toilets etc. We doubt this payment of ₹1,86,97,800 (i.e., 62,32,600 multiplied by three (3) on many counts including this impossibility. This firm was paid in cash just after demonetization. Society paid ₹ 22,79,200 in cash to this party during FY 2017-18 and in advance and one payment being as high as ₹2,00,000 one-time were paid twice, ₹1,00,000 one-time at least twelve times (12). This firm was paid ₹1,02,47,674 through banking channels. Why on earth did such a powerful personality of society needed cash in mar 17 as well as in Mar 18. This firm and this society, both are liable to pay heavy penalties equal to cash payments due to rampant cash payments flouting all norms. These coupled with rates charged by firm, which are very high and as compared to CPWD rates, we doubt these transactions very very much.

₹Malba of 82 truck was filled for front road and JCB did levelling for front road work in Jun 2017 for ₹3,00,000, paid to M/s Shri Balaji International, also belonging to Mr. Shashi Kant and new building was completed in May 2017. Even, submersible was charged to society for ₹71,500 in May 2017 at Sehatpur.

Mr. Brij Mohan Singh Rawat was also paid ₹5,54,660 for various works at Sehatpur, which would have been included in ₹1100 per sft of Shri Krishna. The society has been cheated twice, since windows and whitewash works were also completed in July,2017. It seems that land was purchased along with building.

Tube well boring was done at exorbitant cost of ₹4,27,200 in June 17 at Badkhal Branch. Other building works reported to have been done at Badkhal branch are repeat of works undertaken under the head Repairs to Building in earlier years. Shri Balaji International was not paid for these bills, whereas others including top dignitaries have worked for society after taking advance payments. Every building and even repairs were undertaken after advances even in cash.

There are bills of M/ Shri Balaji international of ₹17,63,920 and ₹3,00,000 of Malba Filling before construction at Sehatpur. This party was paid ₹15,55,000 in cash in instalments of ₹1,00,000 each. *This party and M/s Shri Krishna Construction and manpower seems to share their PAN. It means that they are one person only. This party has raised bills worth ₹35,35,942 for Sehatpur and Sainik Colony branch and nothing has been paid to it so far except. One need to draw inference from previous instances, where this party used to get payment in cash and in advance has*

*worked for society schools and has not got any payment, nor it is demanding any payment. It indicates that the bills raised are not genuine.*

. This scheduled event should have requisition, cost estimates, quotations, job completion reports. *We cannot comment on such expenditure in the absence of required information.*

. *We cannot comment on such expenditure in the absence of required information.*

SGM Nagar Branch paid ₹4,32,250 to Shree Krishna Construction and manpower for plaster at SGM Nagar Branch and ₹3,82,910 on whitewash to M/s Tejash Construction. Plaster work was undertaken in May 17 and whitewash was done in August 17, whereas the same should have been done and/or completed in summer holiday periods. These timings and no quotations give rise to doubt about expenditure undertaken. ₹98,000 were spent by Mr. Nautiyal on toilets through an undated bill of Aggarwal Construction in July 17.

**Sehatpur Branch**, which was constructed three floors of 5400 sq feet out of 4500 sq feet (500 Sq Yards land) in record time of one day by M/s Shree Krishna Construction and manpower was undertaking repair and maintenance activities of old building as well. We quote the bills of various persons/vendors, who undertook these activities.

a) Bill No. 159 for Pulia making and other work by Shree Krishna on 1<sup>st</sup> May 2017 of ₹27,600.

b) Bill no. 161 for Ground Floor Rooms repairing, 1<sup>st</sup> Floor Old room repairing and 2<sup>nd</sup> Floor plaster work of old rooms by Shree Krishna on 12<sup>th</sup> May 2017 of ₹6,59,750.

c) Bill no. 168 for room repairing 6 Nos. (rooms repairing is twice within a week) gallery 1<sup>st</sup> and 2<sup>nd</sup> Floor and Stairs by Shree Krishna on 31<sup>st</sup> May 2017 of ₹4,99,625.

d) Bill dated 29.7.17 for Apex outside, enamel paints of all rooms and repairing work (rooms were repaired by this vendor third time) by Brij Mohan Singh Rawat of ₹2,69,700.

e) Bill No. 161 towards Malva of 82 trucks as filled for front road and JCB did levelling for front road work in Jun 2017 for ₹3,00,000, paid to M/s Shri Balaji International i.e., ₹3,658 per truck.

f) Cash paid to Rajinder Rawat as per bill of Malva on front road (second time malva) 14 Dumper for ₹20,000 in cash i.e., ₹1428 per dumpcart.

Mujeri Branch paid ₹ 4,20,000 vide bill No. 165 for room repairing work i.e., dismantle of old plaster and new plaster work. This branch paid ₹2,18,500 'Bill No. 911 towards repairing of 5 bathrooms, Gallery in July 2017 and ₹12,000 for painting of old board in front side in Jul 17 vide bill no. 913 to M/s Sakshi. M/s Sakshi was paid ₹22,860 against bill no. 916 for board fitting (painted in Jul 17), malva filling and plumber work (bathrooms repair happened in July 17). This party was paid ₹34,960 for building material also.

Jawahar Nagar Branch paid ₹4,52,293 vide bill no 4 to m/s Tejas Construction for 'white was with material' on 31<sup>st</sup> Aug 2017. We will like to elaborate transactions held with M/s Tejas Constructions (*Probably owned by one Mr. Tinku Negi as many payments have been made by this name*) during the year:



- a) M/s Tejas Constructions is a new vendor. He was continuously paid advance thorough the year. All works were undertaken with the funds provided by the society. There were no competitive bids, quotations etc. of works assigned. We doubt whether any works happened or not.
- b) M/s Tejas submitted bill no. 1 on 31<sup>st</sup> August 2017 of ₹3,00,489 for 'whitewash with paint at SGM Nagar Branch, Jawahar Colony and Badkhal branch'
- c) M/s Tejas submitted bill no. 2 on same day as above 31<sup>st</sup> August 2017 of ₹8,83,626 for 'whitewash with paint (with material) at Badkhal branch'. **THIS IS REPEAT BILL ON SAME DAY OF SAME WORK.**
- d) M/s Tejas submitted bill no. 3 on same day as above 31<sup>st</sup> August 2017 of ₹3,82,910 for 'whitewash with material at SGM Branch'. **THIS IS REPEAT BILL ON SAME DAY OF SAME WORK.**
- e) M/s Tejas submitted bill no. 4 on same day as above 31<sup>st</sup> August 2017 of ₹4,52,293 for 'whitewash with material at Jawahar Colony Branch'. **THIS IS REPEAT BILL ON SAME DAY OF SAME WORK.**
- f) M/s Tejas Construction undertook repairing work at 2<sup>nd</sup> Floor with Kota Stone in class rooms at Jawahar Colony Branch for ₹5,02,018 vide Bill No. 1 (*Repeat bill no. in the same fin year, first one being in Aug 17*). This is very sorry state of affairs, where funds of society are being scattered. In fact, he was paid advance for this work after Tejas completed whitewash with paint in same rooms. It seems that no work was undertaken and only bills were submitted. The society is running 7-8 schools and *can't undertake flooring work after whitewash and paint are done and that too twice in Aug 2017.*
- g) M/s Tejas finally did all construction work again and new construction was undertaken, after Kota stones were laid down on 2<sup>nd</sup> Floor. This vendor submitted Bill No. 2 (*Repeat bill no. in the same fin year, first one bill no. 2 being in Aug 17*). It seems this vendor was filing bills only and was not doing any business. We don't believe and we reject all the claims and bills of this party.
- h) M/s Tejas has billed ₹51,96,176 to this society. It was paid ₹13,06,200 in cash; out of which ₹1,00,000 was paid nine (9) times, ₹50,000 was paid six (6) times, ₹40,000 one time in total violation of income tax law and provisions. He was paid ₹15,68,000 through bank also. Society reportedly deducted TDS of ₹51,962. This must be a proprietorship firm and must be having GST registration.

*From the perusal of above stated facts, it seems that this vendor has submitted duplicate bills and might not have undertaken any work as stated o have been done. Society has put itself on a wrong foot and liable for penal action for paying ₹12 lacs in cash and in excess of limits.*

Dabua Colony Branch paid ₹2,85,000 to M/s Shree Krishna Construction and Manpower vide bill No. 166 for old rooms repairing @65/- each on 31<sup>st</sup> May 2017. Similarly, Mr. Vinod Nautiyal received ₹2,68,000 from this branch against Bill No. Nil of Aggarwal Construction AGAIN for repairing of building at Dabua Branch in 6<sup>th</sup> July 2017 just after 30 days. Strangely, just after that plumbing work was undertaken just after one week through Mr. Laxman Singh Negi. In Feb 18 again building material was purchased for repairs.

Society has paid

- a) ₹1,19,79,969 for repair of Building

- b) ₹ 6,48,234 for repair of furniture
- c) ₹8,69,485 for repair of electricity
- d) ₹7,75,031 for repair of buses

Many of these expenses have been paid in cash directly and also through MC members as explained below. There are some regular and other vendors, who has also been paid in cash and some of them have not been paid as explained below. As such, system of requisition, selection of vendor and fixing of rates and liability in case of recurring repairs is not there. There is no system, whereby duplicity of expenditure can be checked. There are numerous examples, especially in building repairs, where duplicity is evident. Electricity repairs are as high as ₹1,50,090, ₹1,38,715, ₹1,14,454, ₹39,825 etc. without specifying location, item name, damage caused of repair and more so, payments being made in cash and at the end of year raise doubts whether the expense has occurred or not. This expenditure is almost three times of expense ₹3,10,651 last year FY 2016-17 and five times of expenditure in FY 2015-16 i.e., ₹1,71,716. Furniture repairs have increased from ₹2,16,580 in FY 2015-16 to ₹6,48,234 in FY 2017-18 i.e., three times. They increased by 5 times in FY 2016-17 vis a vis FY 2015-16. Ambulance repair expenses jumped to ₹1,10,571 from ₹10,865 i.e. 10 times.

Building Repair expenses are for tile tracing, dismantling, replastering, interlocking of even new buildings. Same and similar type of expenditure is purportedly seemed to have been incurred, whereas there are no evidences. Personal visits of the undersigned showed poor state of building and construction quality. These types of expenditures seem 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. *There 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 ₹1,88,800 to Science Lab Chemical & Equipments during FY 2017-18 in Jan, 18 from one M/s Chemical and Chemicals. This is new vendor. Previously, society was buying these things from one M/s Haryana Scientific for ₹49,601 in FY 2015-16 in Jan 2016 and M/s Mercury Scientific Equipments for ₹60,282 in FY 2016-17. We can't rule out bogus and duplicate bills, since it being higher than previous years and manyfold. *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 Science Lab and Chemicals and Equipments.*

Society has paid ₹82,200 to buy black and green boards, exact numbers, sizes and exact locations not known. Society has paid ₹20,32,191 to buy furniture and fixtures. One of the supplier's M/s Sai Enterprises was paid ₹31,41,254 to buy black boards and furniture and others including repairs of furniture and building. It seems that Sikandar Kumar is owner of Sai Enterprises as cash paid to Mr. Sikandar Kumar has been debited to M/s Sai Enterprises. ₹5,62,900 has been paid in cash and *as high as ₹2,00,000, ₹1,30,000 in cash in single payment and more than ₹10,000 many times.* Similarly, other supplier's Sikandar Kumar was paid ₹3,28,076 to buy black boards indirectly through Mr. Surinder Rawat only, furniture and for repairs to building and furniture etc. He was paid ₹5,36,091 plus ₹16,200 in cash and ₹1,00,000 twice and many payments in excess of ₹10,000/-. M/s Santosh Wood Works and M/s Rohit Aluminium and Glass Works were not at all engaged during this FY 17-18. Society has paid to, 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 ₹4,27,850 to buy CCTV and like items. ₹3,51,215 worth CCTV were purchased in 2016-17 and mainly for buses. ₹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 doubt that either this is a bogus and

duplicate expenditure or previous ones were bogus and duplicate. The society has not bought any new buses and always reinstallation of GPS tracking and CCTV for buses running single route in a day and that too not in holidays is unbelievable. *₹ 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 ₹10,05,839 for computers and printers both directly in cash and through bills. Mr. Vinod Nautiyal bought laptop himself of ₹31,500, out of imperest money taken by him in cash from school. printers, monitors were purchased in cash for ₹61,700 in cash Society paid cash to M/s Gyan Dada Infotica ₹14,200 to one printer, whereas it was buying computers and printers from it directly. Society paid ₹1,02,500 to Mr. Rishav Thapliyal and Gyan Dada Infotica ₹11,44,269 for computers and repairs. 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 ₹73,558/- to buy mobile phones for staff out of which ₹ 36,180 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.

7

Society has purchased one (1) water coolers for ₹49,000/- during FY 2017-18 at Main Branch. We can't specify which water cooler is situated and when it was purchased. 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 ₹2,04,029/- for fans to many parties and ₹1,02,863 for Fire Extinguishers and ₹1,14,500 (all in cash and exceeding ₹10K) 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 ₹26,10,888/- out of which all were in cash for Library Books supposedly for CBSE IT from M/s Bansal Stationery and book

seller mainly. M/s Bansal Stationers and Book sellers was paid ₹18,35,049 in cash and all payments exceeding 10 K and as high as ₹1,00,000 one-time eighteen times. No sane businessman would accept more than ₹2,00,000 in one year in cash from one party.

- A. M/s Bansal Stationers and Book Sellers issued Bill No. 5313 of ₹6,31,401 of exactly same books as that of M/s Vimal Publications' bill no. 3809 of 5<sup>th</sup> Dec 2017. We can't imagine how two bills of volume of ₹6,31,401 can be same and that too of library books, which are always different written by different authors, different publishers. HENCE, BOTH THE BILLS ARE FRAUD BILLS.
- B. M/s Bansal Stationers and Book Sellers issued Bill No. 5314,5315,5316 AND 5317 all dated 12.03.2018 and of same value i.e., ₹3,00,912 totaling ₹12,03,648. HOW SOCIETY GOT DIFFERENT BOOKS OF DIFFERENT PUBLICATIONS ALL AT THE SAME PRICE. IT SEEMS THAT ALL THESE FOUR (4) BILLS ARE FRAUD BILLS.

₹6,31,401 worth of library books were supposedly purchased from one M/s Vimal Publications.

- a) M/s Vimal Publications was paid ₹7,50,000 after this bill no. 3809 of 5<sup>th</sup> Dec 2017.
- b) Mr. Pradeep Negi, MC member was paid ₹1,00,000 on 8.12.17 and ₹50,000 on 11.12.2017.
- c) Cheque No. 2336 of BOB was issued to M/s Vimal Publication of ₹1,00,000.
- d) Mr. Pradeep Negi was paid ₹50,000 in cash to be paid to M/s Vimal Publications a final balance. *So, it seems that bill of ₹6,31,401 was settled for ₹3,00,000 @ 50% discount vide ₹1,00,000 through bank and ₹2,00,000 in cash through Mr. Pradeep Negi or Mr. Negi may have withdrawn ₹3,31,401 more from society to settle this bill.*
- e) Mr. Vinod Nautiyal was paid ₹50,000 in cash for onward payment to M/s Vimal Publications *against bill dated 27.3.18 of M/s Vimal. There is no bill entered in books, but cash ₹50,000 was withdrawn by MC member against non-existent bill or duplicate bill.*
- f) Mr. Vinod Nautiyal was paid ₹1,00,000 in cash for onward payment to M/s Vimal Publications *against bill dated 28.3.18 of M/s Vimal. There is no bill entered in books, but cash amount of one lac was withdrawn by MC member against non-existent bill or duplicate bill.*
- g) M/s Vimal was paid ₹3,00,000 vide cheque 002391 on 31<sup>st</sup> March 2018 against a bill dated 5<sup>th</sup> April 2018. *THIS TRANSACTION PROVES THAT CHEQUE WAS ISSUED ON 31.3.2018 AGAINST A FRAUD BILL OF ADVANCE DATE OF FIVE DAYS IN ADVANCE.*

PLEASE TAKE NOTE OF THE FACT THAT THIS BILL DATED 5.4.18 HAS EVER BEEN ENTERED IN BOOKS OF SOCIETY. HENCE, SOME MANAGEMENT COMMITTEE MEMBER HAS FORCED SOCIETY TO PART WITH ₹3,00,000 AGAINST A FAKE, DUPLICATE BILL.

*THIS SEEMS TO BE A SCAM. THIS BILL AMOUNT OF ₹6,31,401 OF M/S VIMAL PUBLICATIONS DATED 5.12.2017 EXACTLY MATCHES WITH BILL NO. 5313 DATED 12.03.2018 OF ₹6,31,401 OF BANSAL STATIONERS AND BOOK SELLERS, WHO WAS PAID IN CASH BUT BILL BY BILL.*

*Mr. Vinod Nautiyal has purchased library books worth ₹1,44,438 from one M/s Vimal Sulekhan against bill no. 3869 dated 20.2.2018 in cash. These books have no gate-in entry nor any location for these library books has been mentioned in the records of society. We are skeptical about this bill also whether this purchase happened at all or not. None can even think of getting this much cash amount and MC member making society vulnerable to penalty and enquiries by government authorities.*

*Keeping in view the circumstances, we doubt the very purchase and payment transactions. We doubt whether any books were purchased from M/s Bansal Stationers or from M/s Vimal or from somebody else.*

Society paid ₹18,72,917 for “Deepawali Expenses” during this Fin year 2017-18 as compared to ₹6,51,292 in FY 2015-16. This is more than 187.57% increase. Society is not supposed to gift items to anybody during Deepawali.

- a) Bills of M/s Khera Enterprises are of ₹2,67,570 and cash payments of ₹1,20,070 have been made in cash by Mr. Yogesh Budakoti.
- b) Mr. Yogesh Budakoti has claimed Diwali expenses of ₹2,51,899 as expenditure by him through bills of M/s Khera Enterprises. The amounts seem similar and both these payments were made in cash and by same person. **We can't rule duplicity of payments.**
- c) Bills of M/s Nath Sports were of ₹89,600 and were paid by bank.
- d) Mr. Yogesh Budakoti has claimed ₹92,210 as sports expenses through same party. **We can't rule duplicity of payments.**
- e) ₹10,71,164 were paid to one M/s City Market for Dry fruits and DD Dry Iron as gift item, which seems to have been bought for some persons other than staff members of schools, since they were distributed sweets box and pudding sets purchased from somewhere else like M/s Khera Enterprises and M/s Gaurav Trading Co. This M/s City Market issued bills in Feb 2019 for deewali of Year 2018-19. In fact, Deewali happened 1<sup>st</sup> week of November 2018, but gifts and sweets continued to be purchased and distributed in January, 19, February 2019. It seems that sweets and dry fruits were purchased and distributed thrice and four times in FY 2018-19. *Payment of these belated Deewali Gifts was made in April 2019.*
- f) We doubt expenditure of  
₹81,000 dated 10.10.2017;  
₹10,71,164 dated 16.10.2017; and  
₹2,51,899 dated 30.11.2017 among others. If deducted from reported expenses of ₹18,72,917 this comes to 4,68,854 as deewali expenses.

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.

*Society has paid ₹55,000/- 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 has taken land on POA/GPA basis (*there are no registration charges paid by society*) on 15<sup>th</sup> May 2017 for ₹90,00,000 and cost towards GPA of ₹25,000 were paid in cash. ₹78,000 was paid as commission to one Mr. Rajinder Singh Rawat, who was member of managing committee. It is unethical, wrong, norms of society and against bye-laws that member of managing committee takes commission in cash from society. NO TDS has been deducted. Payment is in cash. This is triple default. Society has paid ₹24,00,000 in cash (₹9 lacs on 14<sup>th</sup> May 17 and ₹15 lacs on 15<sup>th</sup> may 17) against this land in cash. The seller of land Ms. Rashmi Singh was being paid both in cash and through bank. The society has member who has made this payment are liable to be charged and will have to pay penalty of 24 lacs to **Income Tax Department**. This land was purchased on GPA basis, which means that individual will retain authority to sell, mortgage etc.. This is quite wrong situation and very dangerous as title of land of society worth ₹ 90 lacs are in jeopardy. The society has paid commission worth ₹78,000 and GPA charges of ₹25,000 in cash, which will not be allowed as deduction and penal charges for cash payments in excess of ₹10,000/- may follow. Mr. Rajinder Singh Rawat was also paid ₹21,000 by cheque as medical help. A broker in deal of 90 lacs

and member of management committee get commission on land deal in cash and get medical help ₹21,000 by cheque. 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 ₹35,00,000 through banking channels starting from in May 17 also. It is to be noted that this person was paid ₹5,00,000 by cheque in may 2017also. 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 1<sup>st</sup> 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. 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. We will like to add very tough fact to believe that three story building on this land of 500 sq yards i.e., 4,500 sq feet was completed 5666 sq feet i.e., 1166 sq feet extra (26% extra) b 30<sup>th</sup> June 2017. Ground Floor and First Floor was completed in 25<sup>th</sup> April 2017(20 days prior to purchase) and 2<sup>nd</sup> Floor on 30<sup>th</sup> June 2017 i.e., within 45 days of purchase of land.

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 (Gusain), whose KYC are not available in the records. He was partly repaid ₹10,00,000 without any interest during this Fin year and again next year. 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.

*A Grave thing happened during this financial year. The society has defaulted in payment of loan to State Bank of Hyderabad. The society paid ₹4,83,750 on social welfare expenses and donation and ₹18,72,917 in Deewali expenses, but didn't pay its loan instalments in time. Ironically, these payments were made from the same bank. This situation is bad and clear example of very bad management of funds of society. Society had funds and could have paid dues of bank like instalments in time. It is deplorable.*

*The Sabha has paid ₹1,43,750 as interest for late payment of ESIC. This shows sorry state of affairs. This society has incurred more than ₹11 crores but doesn't have funds to pay statutory dues like ESIC on time. It is deplorable.*

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. The society has paid ₹21,70,400 for student welfare during FY 2017-18 as compared to ₹13,78,569 and detailed break up is as follows:
  - a) ₹6,31,690 to Aryan media Solution @ exorbitant rate of ₹10/- per student per month, whereas it is somewhere @0.04 only. We have reservations about this expenditure as sate elsewhere in this report.
  - b) ₹2,32,800 in cash for water tank cleaning every fortnight. We have our reservations about this expenditure as sate elsewhere in this report.
  - c) ₹1,01,764 were spent separately for water tankers from one regular vendor. It seems tanks were also cleaned by some

other vendor too. It seems that above stated expenditure of ₹2,32,800 is either didn't happen or there might be duplicity in expenditure. **This coupled with aforesaid facts, we are very skeptical about this expenditure incurred in the name of 'STUDENT Welfare'**

- d) ₹8,84,155 for books from one gentleman named M/s Bansal Stationers and Book seller and all in cash and through the year for payments in cash as high as ₹3,99,019 in one go and all other payments more than 10K. Surprisingly, ₹3,99,019 worth of books were distributed in June 17 when schools were closed. This firm was paid ₹18,35,049 also in cash for Library books. **We don't believe that either this donation of books and/or library books happened at all. These must be Fraud Bills as mentioned elsewhere also. ₹30,000 were paid through bank to some unidentified person for data entry of students. What is this? And how it is related to students' welfare. Similarly, sweets distribution is wrongly entered as Student Welfare.**
9. 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.

10. There is mention of passing of budget in 1<sup>st</sup> 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.

11. 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) Mr. Mahender Singh Bisth (Education Secretary) was paid ₹7,000 telephone expenses, whereas during these periods monthly expenses of telephone never surpassed ₹550 per month. It means and clear from the narrations as well that they were drawing salary and not telephone expenses. This practice of getting regular benefits under the guise of expenses is wrong and against bye-laws of society. Mr. Bisth and some other members paid ₹1,000 on Bhandara Day to society, which was treated not as donation, but as refund or advance to society. *It is typically wrong to treat donation of bhandara as payment to society and expenses of bhandara on account of society.*

b)

c) Mr. Laxman Singh Negi (Tinku) has refunded ₹1,00,000 in cash in one go on 22<sup>nd</sup> July, 2017. **Repayment of loan in excess of ₹20,000 was otherwise banned. This is legally, ethically, morally wrong.**

d) Mr. Harish Kumar Patwal (LIC) 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.**

e) Mr. Ganesh Negi was paid ₹50,400 in cash on many occasions. Details of his reported expenditure are as follows:

- i) Advertisement ₹ 13,700
- ii) Repair and maintenance-Computer ₹ 36,700
- f) Mr. Dev Singh Gusain was paid ₹1,00,000 in cash in July 2017 in the books of School. He is reported to have made expenditure on following:
- i) Advertisement & Publicity 31,500
- ii) Repair and Maintenance (Mujedi) 41,400
- iii) Repair and Maintenance (Sehatpur) 18,750
- He transferred balance amount of ₹8,350 to Mr. Vinod Nautiyal, another MC member. This transfer of funds from one member to another of society funds is illegal, unethical and against laws of the land.
- 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.
- g) Mr. Rajinder Singh Rawat was paid ₹1,38,731 in cash in FY 2017-18. He was paid ₹78,000 in cash as commission for purchase of land for society, which is wrong as already explained. He was paid donation ₹21,000 on his application in the same month, in which he received commission. He reportedly made an expenditure of repair and maintenance of 28,331 (17,731+10,600). These entries seem to be duplicate as if someone else must have billed society separately also. There are no details and no methods to ascertain whether it was personal expenditure or belonging to society.
- h) Mr. MS Aswal was paid ₹1,76,241 in cash on various occasions and paid ₹1,60,491 in cash and more than ₹20,000 on many occasions. He paid ₹15,750 in cash for reportedly tent house in cash and that too in excess of ₹10,000. *We can't comment on these process and amount of expense on Tent House undertaken by the society and also payments and receipts in excess of limits prescribed under laws of the land.*
- i) Mr. Vinod Nautiyal was paid ₹16,03,868 in cash during FY 2017-18 *We can't comment on these process and amount of expense of ₹43,800 on advisors' meeting.* He reported expenditure as follows:
- i) Advertisement (Flex Board) ₹81,000  
*Nothing on record to show its relation to Society.*
- ii) Computer and Printers (laptop) ₹31,500  
*Nothing on record to show it was for society.*
- iii) Conveyance ₹42,005  
MC members are paid ₹14,000 monthly. Is this in excess of that?
- iv) Cultural Program ₹1,83,650  
These seems to be duplicate of expenses incurred directly by society, other MC members. These expenses are too lavish and can't be related to society and/or schools. There must be personal element, duplication and nil service to Garhwal Society. Exe. Above 10,000 in cash. There were no occasions mentioned except the fact that two photo studios were engaged for one program.
- v) Repair and maintenance ₹2,68,000  
we can't rule out it as duplicate expenditure as explained above.
- vi) Examination Expenses ₹90,750 in cash  
we can't rule out it as duplicate expenditure since these expenses have increased beyond reasonable limits.
- vii) Fans and coolers ₹1,33,741  
we can't rule out it as duplicate expenditure as explained above.
- Repair and maintenance of Electricity ₹2,19,185

Cash paid to Laxmi Electric and Engg, for unspecified items and unspecified locations. This firm was paid ₹8,80,000 in advance by the society. Why this member needed to pay in cash? We can't rule out this as bogus expenditure.

viii) Library Books

₹1,44,438

Excess as explained above

ix) Printing and Stationary

₹1,47,000

Cash paid to Akshaya Stationary and excessive increase in expenses

x) Mr. Vinod Nautiyal claimed ₹9,220 being paid to M/s Beeru Automobiles (₹7,590); Conveyance Expenses (₹1,500) and very typically staff welfare (₹130).

This MC member went to get ambulance repaired and paid conveyance to visit the repair shop and claimed expenses on lunch during that period as staff welfare. There were around 18 drivers, 18 conductors, transport in charges in three schools during this period. More so, his behavior and attitude are of employee as claimed the 'lunch expense' as 'staff welfare'. We can't rule out this expenditure to be personal expenditure.

xi) Mr. Vinod Nautiyal claimed ₹46,629 being paid to M/s Akshat Stationary (₹23,800 in cash and in excess of ₹10K); to M/s Laxmi Electrical works (₹20,700 in cash and in excess of ₹10K and to who society has made advance payments and was being paid in cheque); and spent 2,118 for lunch and debited it to very typically to staff welfare.

This MC member went to purchase himself and that too in cash and from regular vendors of society and also had lunch/dinner during these shopping sprees and claimed expenses on lunch during that period as staff welfare and other expenses. There were around 18 drivers, 18 conductors, 20 Ayas, guards, temporary staff in these schools during this period. More so, his behavior and attitude are of employee as claimed the 'lunch expense' as 'staff welfare'. We can't rule out this expenditure to be personal expenditure.

j) Mr. Surender Singh Rawat was paid ₹9,14,500 from the books of school. He returned ₹4,989 in cash. He reported to have paid expenses as follows:

i) Black and Green Board ₹16,200

ii) Repair and Maintenance- Furniture ₹ 1,43,906

iii) Conveyance ₹ 12,000

v) Cultural Program ₹1,38,079

vi) Donation Paid ₹16,200

vii) Repairs building ₹2,38,175

viii) Repairs Electricity ₹42,889

ix) Other Repairs ₹18,885

x) Ambulance Repair ₹7,510

One ambulance was repaired for ₹7,590 by Mr. Vinod Nautiyal, another MC member during this week only.

xi) Culture Program in Mar 2018- ₹41,269

xii) Student Welfare Exp ₹2,32,800, being water tank cleaning 19 times i.e., almost every 15 days. This is unique kind of expenditure and generally done once in half year and was not done previously. These expenses need to be probed, field survey suggested water tank cleaning, but not every month. Further, if

tank is cleaned every month, expenses should have been reduced.

u) Mr. Yogesh Budakoti was paid ₹9,29,100 in cash on various occasions by society and his expenditure was as follows:

i)Printing and Stationary	₹3,78,440
ii)Diwali Expenses	₹3,32,899
iii) Uniform Expenses	₹98,625
iv)Conveyance	₹ 20,670
v)Sports Expenses	₹ 92,210
vi)Sports Welfare	₹ 4,758

He refunded ₹1,498 in cash, being balance lower this time. We can't rule out duplicity of expenditure. All these expenses were being undertaken by society through same vendors and payment was done by cheque. There are many instances and circumstances, which suggest that personal expenditure might have been debited to society. The quantum of expenses of the nature mentioned above jumped manifold during this year. We can't rule out personal expenditure and duplicate expenses, since society was dealing with many of these vendors and was paying through banking channels.

*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 2017-18	FY 2015-16	% Increase
1.	Deepawali Expenses	18,72,917	6,51,292	187.57%
2.	Repair and maintenance	1,24,07,945	41,67,710	197.72%
3.	Furniture and Fixtures	20,32,191	16,76,039	21.25%
4.	Uniform to Staff	8,68,302	3,18,956	172.23%
5	Cultural Program exp	5,06,502	5,03,367	0.62%
6.	Advertisement	10,15,595	6,20,654	63.63%
7.	Meeting and Conference	5,97,300	2,60,779	129.04%
8.	Computer	10,05,839	11,51,711	-12.67%
9.	Library Books	26,10,888	1,995	130771.58%
10.	Printing and Stationary	11,72,209	2,98,805	292.30%
11.	Examination Expenses	12,55,697	7,67,335	163.64%
11.	Sports Expenses	5,55,119	2,33,010	138.24%

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.

12. 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) ₹ 3,46,26,849 (2015-16.1,20,17,336) have been spent in cash in Main School
- b) ₹ 18,32,089 (2015-16.13,80,216) in books of Sabha.
- c) ₹ 3,65,000 (2015-16.2,60,000) in books of SGM branch
- d) ₹ 4,50,000 (2015-16.5,01,900) in books of Dabua branch
- e) ₹ 4,90,000(Prv yr.4,00,000) in books of JC branch
- f) ₹ 8,50,000 (2015-16.7,80,000) books of SP branch
- g) ₹3,00,000 (2015-16.4,25,131) books of Mujeri Branch

13. The Sabha paid ₹59,220 on advertisement as compared to ₹5,000 in FY 2015-16. *There are advertisements by way of banners flex boards, display boards and advertisements in some magazines. We doubt that these advertisements were issued to serve interest of Garhwal Sabha. There are no pre authorisations of Media Secretary, president, nor any cost benefit analysis as to what effect and/or impact one particular advertisement will benefit Gharwal Sabha or help in achieving its objectives. There is steep increase 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 ₹12,55,697 in FY 2017-18 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. There is steep increase of 163.64% increase and in the absence of proper information, duplicity can't be ruled out. 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 on examination expenses.*
15. The society has paid ₹6,31,690/- to Aryan media Solution 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. Strangely, SMS services were provided in the month of June 2017 i.e., holiday month. 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 Sabha has reported payment of ₹48,739 towards cultural programme(others) and expenses are for festival celebrations. Similarly, ₹2,86,751 were paid to various Jagran parties and other institutions. ₹77,700 were paid for Gau Raksha Kranti Andolan. ₹18,409 were paid in cash at some marriage functions maximum is ₹11,000. It seems that Garhwal Sabha has got no publicity in these expenses and donations or say in these festivals, since Garhwal Sabha has got only ₹122 on 19.02.18, ₹500 from Mr. PN Bhatt as ambulance fare on 31.05.2017. *Another typical example is that on 29<sup>th</sup> Sept 2017, MC members paid ₹13,100 as donation for bhandara, but got this amount credited to their respective imperest accounts instead. This event is depiction of attitude and thought process of management committee.* These expenses indicate that there are more elements towards personal expenses and less towards expenses attributable to Society. We are not sure whether these expenses served to achieve aims and objects of society.
18. 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.*
19. The society has paid ₹ 5,97,300/- on 231 occasions in one year all in cash including but not limited to lunch and dinners outside the premises for many persons out of which single expenses exceeding ₹10,000 were 6 in number and amount spent was ₹1,33,715. *No quotations and no comparison and reasoning of choosing 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.*



20. 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 ₹2,32,309/- to MC members for conveyance expenses including taxi to distant places. We don't know how taxis hired by MC members and petrol and diesel bills were helping society in any manner. Society was having its own vehicles for all and any works related to Sabha and are being used even for outside tours. We doubt whether conveyance bills paid to MC members can be borne by society or they are their personal expenses. Even payment of conveyance allowance is ultrararest to bye-laws of society and then some of them are being paid from two or more schools as well as from books of Sabha. 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.'
21. Society had paid ₹ 4,00,000/- in two installments as advance to M/s Classic Management Service of Mr. Shankar Rawat in two installment of ₹ 1,00,000/- and 3,00,000/- in Dec 2016. Society again paid ₹ 1,00,000/- in cash in Jan 2017 after demonetization against some proposed bills of services, which didn't happen during F.Y. 2016-17. Society deducted TDS on ₹ 5,00,000/- paid to M/s Classic Management Service of Mr. Shankar Rawat. On 18.02.2017 Mr. Shankar Rawat paid back ₹ 1,00,000/- in cash as if he has received some loan from society. This is in total violation of provision laid down in Income Tax act. Mr. Shankar Rawat has paid ₹ 4,00,000/- in oct 17 as refund of advance received by him from society.
- Strangly, A bill of security Guard and watch expenses for April, May and June 17 of ₹ 1,48,500/- was accounted for in books of society. We feel that this is a duplicate bill and no services has been provided by this company or person. There is no contract. No location of service has been mentioned in the voucher. And this bill seems not to have been issued by M/s Classic Management Service aka Mr. Shankar Rawat since he had already paid back the amount.*
- Very strangly, society paid ₹ 4,00,000/- on 21<sup>st</sup> Oct 2017 and society has accounted four bills of security services at two places. All these four bills are not numbered, nor any PF no. of employee posted at any of the schools are mentioned. These are bogus bills and a very classical example of plundering of funds of society. In fact, money received back was paid back to the same person through fake bills of date of 12 months after the payment. No society or any body will pay advance and that too 12 months before availing most simple service of security guards in terms of availability.*
22. 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 was written off as Bad Debts; *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: 05.10.2021  
Place: New Delhi.

For Anil K. Gupta & Associates  
Chartered Accountants

-sd- with Round Stamp

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