



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 31.03.2019, and
 - ii. In the case of the Income & Expenditure Account, of the surplus of its during accounting year ending on 31.03.2019.

UDIN: 21086946AAAACH5326

Date: 02.12.2021
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. The Sabha has received donation of ₹3,250 during Fin Year 2018-19. In contrast, the Sabha has paid ₹6,56,851 to 34 institutions, ₹3,00,000 being highest. Donation paid was ₹6,100 in the books of school also. Sabha paid ₹31,259 and School also paid ₹31,165 as 'gifts and presentations' during this FY 18-19. ₹6,84,940 from Sabha books were paid as 'social welfare expenses. The society reportedly heavily on these counts 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. In cultural programs, social welfare expenses, gift and representations, where lavish expenses were reportedly laid out, very petty donations, seems to have been received. We can't rule out the expenses on donation paid, cultural programs, social welfare expenses, gift and representations might be personal one and not aimed at achieving object of society.
2. During FY 2018-19, Sabha has reportedly incurred ₹16,55,385 on single (1) cultural program, wherein 4,150 persons took lunch. Besides this, Sabha has incurred ₹1,16,593 on other programs as well. Strangely, almost all the expenses were in cash and on three occasions, these exceeded ₹2,00,000 also. They exceeded ₹10,000 in many many cases. There was one singer, who was paid ₹2,45,000 in cash in one go. One Mr. Rawat caterer was paid ₹2,34,000 against his bill of lunch of 3900 plates. Program arrangers spent ₹1,82,894 on different refreshments, lunches and dinners. ₹5,40,900 was paid to three different ten houses. We can't rule out duplicity of expenses and do not rule out personal elements in these expenditures in cash. *This scale of expenses is generally not incurred in schools and these might have helped society to achieve its aims and objectives. We can't rule out something very wrong about this expenditure, wherein society running so many schools act in total violation of act and rules so made during demonetization.*
3. The society seems to have paid ₹68,000 on tent house at Jawahar Nagar Branch for opening of computer center. There is no space for such a large tent at Jawahar Nagar Branch. Either this function might have been held at some other place or something very wrong about this expense.
4. No donations were received during FY 2018-19. Only 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 2014-15. 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 donations might not have been entered in books.*

5. 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
- construction of building,
 - repair and maintenance of building, of all and any type
 - repair and maintenance of Air Conditioner, furniture
 - repair and maintenance of buses
 - purchase of buses, car
 - purchase of furniture, mobile, computers and other assets
 - advertisement, cultural program and
 - other school related activities.
- The same is the case with other purchases and expenditure.

The society purchased five (5) buses from the same vendor and there are no quotations, surveys, rate competition, brand analysis since lately huge expenditure were incurred on repair and maintenance. In the absence of information, we can't comment on the process and amount of purchase of buses.

The society has paid to M/s Shri Krishna Construction and manpower ₹81,81,143 through bank against its opening balance of ₹84,22,666 and has also paid advance amount of ₹18,65,427 as advance, though no work or repair work was undertaken by this firm during this FY 2018-19. Out of total payment made to this firm ₹21,06,950 was paid in cash and that too mostly exceeding ₹10,000. ₹8,00,000 was paid by cheque on 01.08.2018 against bill balance, whereas the same was in fact, advance payment. There were no resolutions for advance payments. This party was paid ₹10,68,650 in cash in 24 installments, though no bill was submitted. We don't know why was cash paid? What was the urgency? This party was being paid through banking channels also and regularly then there was no need for cash payment. We feel something fishy in the transactions with this firm as already reported and this advance trouble more. Bills of repairs and bills of building also didn't inspire any confidence since timings of bills was very wrong and there were no tender, no competition.

Similarly, the society has paid to M/s Teach Construction ₹21,00,000 through bank against its opening balance of ₹22,70,014, though no work or repair work was undertaken by this firm during this FY 2018-19. We feel something not very correct in the transactions with this firm as already reported.

Bills of repairs and bills of building also didn't inspire any confidence since timings of bills was very wrong and no tender, no competition.

Similarly, the society has paid to M/s Shri Balaji International, a sister concern of Shri Krishna Construction and manpower, ₹19,93,487 all through cash only and that too in instalments of ₹1,00,000 around 19 times and on daily basis. Nothing has been paid through bank. It seems that rooms are and were repaired every year of all branches, but field surveys suggest a different story. It seemed that no work or repair work was undertaken by this firm or any other firms during this FY 2018-19. We feel something not very correct in the transactions with this firm as already reported. Bills of repairs and bills of building also didn't inspire any confidence since timings of bills was very wrong and no tender, no competition, payment in cash. We feel that all of these receipts were never acknowledged in books of account except some few. This expenditure of room repairing was undertaken after room repairing and whitewash with paint in earlier FY 2017-18 coupled with actual state of rooms at different schools. Hence, we doubt these transactions.

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

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₹25,28,171 were paid to M/s Jai Badri Narayan Wood Works for Furniture and Fixtures. No quotations and no purchase orders were found. There were no disclaimers about relations of its owners with MC members. All the supplies are overlapping during the year and also with previous years. In the absence of requisitions from schools, calling of tenders, quotations and criterion of choice of vendor we can't say anything about choice of new vendor. During the year there was no new building and field surveys don't suggest new sets of school furniture. Further in the absence of gate-in entries, quality and qty check on bills, we are unable to form opinion about the transactions happened.

₹3,00,000 were paid in cash in instalments of ₹1,00,000 and ₹50,000 all against rules and reportedly for books to wards of 4th class and staff wards. There are no list of books and no lists of wards of staff. There are no proof of receipt of and distributions of books to staff wards of ₹ 3,00,000. In fact, the figure of ₹3,00,000 and that too in cash guide us to doubt the transaction and coupled with absence of lists and details of donated objects and duties, this transaction seems not to be genuine. We also doubt the bill raised and payment on the orders of President and secretary.

Society paid ₹21,00,000 by cheque to m/s Tejas Construction for different items and reportedly works undertaken in previous year, though serious doubts have been raised about works undertaken by this firm. Interestingly, this party was paid 21,00,000 during the year, while ₹1,70,014 was paid in April 19. This party has reportedly been credited with bills worth ₹8,10,000 in April 19 and payment was made in April 2019 only. VERY STRANGELY, SOCIETY COLLECTED ₹8,100 IN CASH FOR DEDUCTION OF TDS, WHEREAS AT THAT POINT OF TIME, SOCIETY WAS TO PAY ₹8,01,900 TO TEJAS. We can't believe that Tejas would have paid ₹8,100 in cash for TDS in Apr 19, when it was due to receive ₹8,01,900 from it.

From the perusal of above stated facts, it seems that this vendor has not undertaken any activity worth ₹8,10,000 in April 2019. Field surveys by the undersigned suggest no such repairs were undertaken, since schools were in bad shape.

Society has paid ₹3,61,127 to Science Lab Chemical & Equipments during FY 2018-19 in Aug, 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. Large increase in expenditure to the tune of six times vis a vis previous year gives rise to doubt of authenticity. We can't rule out duplicate bills, since it being higher than previous years and manifold. *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 ₹32,000 to buy black and green boards, ₹12,000 for 4 boards, ₹12,000 for 3 boards, and ₹8,000 for 2 boards. We don't know sizes and exact locations of these boards and fate of old boards.

Society has paid ₹35,28,800 to buy furniture and fixtures to Mr. Rajinder Rawat purchased furniture worth ₹33,512 from one M/s JKS Pipes and Steel Furnitures all in cash for 46 chairs at Sehatpur branch. Mr. Surinder Rawat purchased furniture worth ₹68,030 in cash from M/s Santosh Wood Works for ₹54,000 paid in cash and ₹14,030 from M/s Shree Balaji Furnitures. The society is dealing with M/s Santosh Wood Works directly also and payment is made through banking channels.

One of the supplier's M/s Sai Enterprises was paid ₹25,61,049 to buy furniture and also repair of the furniture. He supplied. It seems that M/s Jai Badari Narayan Wood Works is related to this firm M/s Sai Enterprises and also with Sikandar Kumar is owner of Sai Enterprises as cash paid to Mr. Sikandar Kumar has been debited to M/s Sai Enterprises and there are contra journal entries. ₹25,28,171 has been paid to M/s Jai Badri Narayan Wood Works for same set of Furniture and Fixtures. ₹13,24,420 were paid to Mr. Sikandar Kumar. He supplied Furniture and Fixtures and also undertook repair and maintenance of furniture worth. Jai Badri Narayan Wood Works submitted bills worth ₹7,62,036 in twenty (20) bills for same material and for same location and all costing similar. Similarly, this firm has

submitted eleven (11) bills of ₹16,55,142 between 5-6 days for different locations but for same and similar items. These firms have undertaken repair work also and this also is same and similar. Same and similar supplies were made by different parties by different bills and tat too in bunches have made counting and verification all the more tough and impossible. No physical verification was undertaken at schools and there are no records to show which benches are fixed and which new benches are now in which class and branch of school. He and his firms have been paid in cash directly and through MC members *more than ₹10,000 many times*. Society has paid to, Sikander Kumar, Sai Enterprises & Jai Badri Narayan Wood Works 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 and repairs to furniture and fixtures.*

Society has paid ₹1,75,672 to buy CCTV and like items out of which ₹1,55,872 worth of cameras were reportedly installed at Main branch. ₹1,38,234 worth of CCTV were installed in June 2015 and ₹44,220 worth were installed on March 2017. During the current year also, purchases were made in cash and from a regular supplier of computers and CCTV. I don't know where CCTV cameras are which were purchased by Mr. Dev Singh for ₹35,500 in Mar 2019 and what is the location of CCTV camera worth ₹39,872 purchased from M/s Dada Infotica in July 2018 and CCTV purchased by Mr. Devendra Rawat in cash from M/s Dada Infotica for ₹64,600 starting from April 18 till Oct 18 and situation and status of CCTV cameras purchased by Mr. Yadav, Principal for ₹35,700 from M/s J K Computer (Bill doesn't seem to be proper). These are supposedly duplicate expenses as is clear from field surveys as CCTV cameras in working are far less and far few. Further, Major installation was done in March 2017. We doubt that either this is a bogus and duplicate expenditure or previous ones were bogus and duplicate. Previously also, we have pointed out that 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 ₹4,59,255 for computers and printers and their accessories both directly in cash and mostly in cash and through bills. Total purchases of computers and printers was ₹69,47,298 from April 2005 till mar 2019. There is opening WDV of ₹84,356 and based on 60% depreciation, it must have been of at least ₹4,00,00 earlier. 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. We, however, can comment that as many computers are not there in schools run by this society since There is no sale of computer, printer and other items. Hence, we cannot comment of process and amount of purchase of computers.*

Society paid ₹83,834/- to buy mobile phones for out of which two mobiles of ₹20,990 and ₹8,685 were purchased for President of society and also 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 purchased one (1) Whirlpool AC 1.5 Ton 3D from M/s Hariom Electricals for ₹32,5000 during FY 2018-19for Sainik Colony Branch. We can't specify which Air conditioner 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 air conditioners.*

06.07.2005	2Nos.	₹47,980	Girish Chand
04.04.2006	1 Nos.	₹33,000	Softvision Electricals
13.06.2013	1 no.	₹32,400	Nitin traders
10.07.2015	1 no	₹43,000	Vijay Sales
23.05.2016	1 no	₹47,500	Santi Sales Corp.
19.07.2016	1 no	₹42,650	Santi Sales Corp.
29.05.2018	1 no	₹32,500	Hari Om Electricals

Society has purchased under the Head 'Water Cooler' two (2) Fridges and one (1) water dispenser from M/s Haryana RefAir Company, M/s Hariom Electricals and M/s Sanjay Electronics for ₹27,396 during FY 2018-19. We can't specify which Fridge/Water dispenser is situated and when it was purchased. Similar purchases happened in previous years also as per details. We will like to point out that opening balance of 'Water Cooler' was ₹1,74,700 as on 31.03.2005 and sufficient water coolers and fridges must have been there at that point of time. 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 and also, we can't rule out misuse of these properties mentioned.* (Interestingly, there is no sale of water coolers and/or dispensers.)

Total Summary of Water Coolers from 2005-2006 is as under:

Opening written down value as on: ₹1,74,700 as on 31st March 2005

TOTAL	11,33,390			36	
Summary	Amount (Rs.)		Product	Nos.	
	9,98,147.00		Water Cooler	23	
	99,397.00		Dispenser	9	
	30,096.00		Refrigerator	3	
	5,750.00		Water Purifier	1	

Basic details are as under:

Date	AMT	Bill No	Expense	QTY.	Party Name
19/07/2005	5,750.00	64	Water Purifier	1	Deepak Tech India
06/07/2006	42,188.00	4179	Water Cooler	1	Khanna Aircon
26/07/2006	4,697.00	1542	Dispenser	1	Unique Sales
15/04/2009	27,238.00	4309	Water Cooler	1	United Refrigeration
22/04/2009	42,612.00	4327	Water Cooler	1	United Refrigeration
02/05/2009	42,613.00	4358	Water Cooler	1	United Refrigeration
30/06/2010	48,501.00	4613	Water Cooler	2	United Refrigeration
21/05/2012	49,044.00	4979	Water Cooler	1	United Refrigeration
27/06/2013	53,000.00	5199	Water Cooler	1	United Refrigeration
27/06/2013	53,000.00	5200	Water Cooler	1	United Refrigeration
27/06/2013	53,000.00	5201	Water Cooler	1	United Refrigeration
18/04/2014	52,082.00	5312	Water Cooler	1	United Refrigeration
26/04/2014	52,082.00	5324	Water Cooler	1	United Refrigeration
16/09/2014	8,900.00	8499	Dispenser	1	Cash-Sabharwal Electronics
29/09/2014	9,100.00	1201416313	Refrigerator	1	Cash-S K Kalra
01/07/2015	56,199.00	5455	Water Cooler	1	United Refrigeration
01/07/2015	50,000.00	452	Water Cooler	1	Unique Sales
21/07/2015	57,000.00	319	Dispenser	6	Puri Tech Technology

24/07/2015	50,000.00	498	Water Cooler	1	Unique Sales
27/07/2015	50,000.00	499	Water Cooler	1	Unique Sales
18/08/2015	54,000.00	533	Water Cooler	1	Unique Sales
11/07/2016	34,438.00	3457	Water Cooler	1	Guru Hrikshna Traders
12/07/2016	39,500.00	166	Water Cooler	1	Commercial Refrigerator works
15/07/2017	49,000.00	18/0006	Water Cooler	1	Unique Sales
18/04/2018	8,496.00	1902	Refrigerator	1	Haryana Ref Air Company
27/04/2018	12,500.00	555	Refrigerator	1	Hari om Electronics
11/04/2019	48,500.00	92	Water Cooler	1	Unique Sales
25/04/2019	28,800.00	G00841	Dispenser	1	cash
03/05/2019	43,000.00	SAP/WC-19-20/080	Water Cooler	1	Sapling Services
16/05/2019	8,150.00	G01337	Water Cooler	1	Shanti Sales corporation

Sabha has paid ₹2,09,125/- for fans to mainly two parties 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. *We believe the fans must have been replaced, but we couldn't find sale of scrap or exchange offer like some discount on replacement also. In the absence of quotations, requisitions, gate in entry, we are not able to comment on process and amount of purchases.*

Society paid ₹ 20,85,448 for "Deepawali Expenses" during this Fin year 2018-19 as compared to ₹6,51,292 in FY 2015-16. This is more than 220.20% increase. Society is not supposed to gift items to anybody during Deepawali.

a) ₹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 1st 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.*

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 made a huge expenditure on advertisements of ₹36,35,235 in FY 2018-19 in books of school as compared to 9,56,375 in FY 2017-18 and ₹6,15,654. These expenses are 280% of previous year expenses and 490% of expenditure done in FY 2015-16. Only ₹4,83,575 was spent through bank and **all other ₹31,51,660 was done in cash.** And out of total exp. Of ₹36,35,235 in FY 2018-19 ₹29,50,235 is mainly on flex boards. In January 19, expenditure is to the tune of 17,58,500. The quantum of bills was ₹15,87,135 till December 19. Many many book entries are reportedly paid to Taj bulletin and regularly, but no cheque payments. Out of total ₹16,52,000 was reportedly paid to JKM Services and Advertising Co. for flex bills put up in Aug 18 to Jan 19 vide their bill no. 001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 011, 012, 013 and 014. This company reportedly provided security services in April 19 only in all branches of school (₹56,640*7) of ₹3,96,480 and got paid in May 19. There were no further transactions with this firm before Aug 18 and after April 19.

There are no details as to where these flex boards were put on nor contents of approved Flex Board are ever found. There is no rationale, no competition, no cost benefit analysis of putting out this much amount on flex boards. *We can't rule out duplicity of bills and bogus bills in these expenses booked in books of school.*

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.

6. 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 Backhaul School (10+2) and 2C school. **We doubt that society has all the property documents along with old paper trails to prove its ownership on land.** 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 paid insurance charges during this financial year as well for all previous years and it doesn't know what is covered and for what risks? How an expense seems to have been passed based on bank statement and society has not asked for cover note and/or insurance policy.

7. 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 finally repaid ₹13,00,000 without any interest during this Fin year and again next year. Similarly, a loan of ₹15,00,000 was taken from one M/s krish Enterprises and was repaid within 15 days through banking channels only. We will like to point out that cash in hand on 3rd November 2018 was 15,59,837 and it remained ₹15,11,177 despite this transaction. Society was having cash in hand in the books of Sabha and books of different schools as well. Hence, either cash was not available for use or transaction happened due to reasons not known and not explained to us. 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.

8.

The society is not regular in payment of loan to State Bank of Hyderabad during FY 2018-19 also.

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.

9. 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.
10. 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) ₹6,45,240 to Aryan media Solution @ exorbitant rate of ₹10/- per student per month, whereas it is somewhere @0.04 only. *Aryan Media Solution and Uolo technology were both paid for same services and were paid for the month of June 18 also.* In addition to above, ₹24,815 seems to have been paid in cash to M/s Uolo technology Pvt Ltd from May to Jun 2018. ₹49,630 was paid to one M/s Uolo technology Pvt Ltd from July to Oct 2018. We have reservations about this expenditure as stated elsewhere in this report.
 - b) ₹2,16,060 in cash for water tank cleaning every month. We have our reservations about this expenditure as stated elsewhere in this report.
 - c) ₹43,424 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 ₹2,16,060 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'
11. ₹3,00,000 for books from one gentleman named M/s Bansal Stationers and Book seller and total payment made was in cash. Surprisingly, books costed exactly ₹3,00,000 and were distributed in April 18. Surprisingly, Bill no was 5201 dated 14.04.2018; whereas other bills of this party for library books

were 5314,5315,5316,5317 all dated 12.03.2018. How can this party issue prior numbered bill on a later date and that too in next year? This has raised a strong doubt about this bill. This firm was paid ₹18,35,049 also in cash for Library books ₹1,00,000 daily from 12.03.2021 till 31.03.2021. However, during FY2018-19, M/s Bansal Stationers and Book seller was asked to come every month instead of daily. Last payment in cash of ₹50,000 on 17.07.2018 was made as per orders of Mr. DS Gosia and Mr. Surinder Rawat.

Similarly, Mr Rajinder Rawat, MC member supplied books for welfare of students on 5th February 2019 of ₹4,25,525. He was paid cash in April 18 onwards, but could supply syllabus books only in February 2019. He supplied these books vide bill no. HEH/353/2017-18. Suffix of this bill suggest that this bill belonged to FY 2017-18, but issued in Feb 2019. Similarly, M/s Himalayan Education House supplied text books also on 5.2.19 but through the same bill i.e. HEH/353/2017-18 as that of Mr Rawat. In fact, society paid ₹50,000 to Himalayan Book House in July 2018 and this amount is shown to have been paid to Mr. Rawat in the books of society. It seems that Mr Rajinder Rawat is related to M/s Himalayan Education House. These acts raise a doubt about integrity of transaction and it seems that there were no supplies and no student welfare, but cash paid to these persons and firm was wrongly accounted for in books of society.

12. 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. 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.

13. 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.

14. 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 p.m. 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.

b) Mr. Laxman Singh Negi (Tinku) was paid ₹2,44,000 in cash in April,18. He made an expenditure of around ₹59,693 in Aug 18, ₹2,15,105 in Dec 18and recovered balance ₹ 30,000 in cash. TDS of 1,050 was also deducted and so he was a contractor to society. Dealing of MC member as contractor to society are prohibited as per bye- laws of society.

c) Mr. Ganesh Negi was paid ₹5,48,050 in cash on many occasions. Details of his reported expenditure are as follows:

- | | |
|--|------------|
| i) Advertisement | ₹ 1,32,600 |
| ii) Repair and maintenance-Computer | ₹ 52,500 |
| iii) Computer and Printers | ₹ 32,000 |
| iv) Repair and maintenance of Buses | ₹ 1,68,530 |
| v) Repair & maintenance of Others | ₹ 38,350 |
| vi) Cultural Programme Exp. | ₹ 69,900 |
| vii) Generator Charges SP Branch | ₹ 54,000 |
| viii) Cash Return to close account balance | ₹ 170 |
- d) Mr. Dev Singh Gusain was paid ₹ 10,76,345 in cash in FY 2018-19 in the books of School. He is reported to have made expenditure on following:
- | | |
|--|------------|
| i) Repair and Maintenance Building (Badkhal) | 2,25,000 |
| ii) Repair and Maintenance Build | ₹ 3,69,185 |
| iii) Security Guard Exp. (JC Branch) | ₹ 2,83,200 |
| iv) Repair & maintenance Furniture | ₹ 1,32,960 |
| v) CCTV Camera | ₹ 35,500 |
| vi) Repair & maintenance Computer | ₹ 30,500 |
- e) Mr. Rajinder Singh Rawat was paid ₹ 7,10,873 in cash in FY 2018-19. He is reported to have made expenditure on following:
- | | |
|---|------------|
| i) Fans and coolers | ₹ 68,086 |
| ii) Furniture and Fixtures | ₹ 33,512 |
| iii) Repair and maintenance electricity | ₹ 36,600 |
| iv) Cultural programme exp. | ₹ 37,750 |
| v) Security to HSEB | ₹ 32,900 |
| vi) Electricity installation | ₹ 20,000 |
| vii) Repair and maintenance Building (SP) | ₹ 16,500 |
| viii) Students welfare exp. | ₹ 4,25,525 |
| ix) Cash return to close account | ₹ 40,000 |
- a) Mr. MS Aswal was paid ₹ 10,07,475 in cash on various occasions and paid ₹ 1,65,520 in cash cultural program, repair and maintenance electricity ₹ 24,375, repair and maintenance building (SP Branch) ₹ 28,300, advertisement and publicity ₹ 36,000, printing and stationery ₹ 25,600, transfer to Garhwal Sabha ₹ 3,85,125 (62,875 + 12,250 + 3,10,000) and cash return to close his accounts ₹ 3,42,555 (two parts 3,20,000 + 22,555).

Mr. Vinod Nautiyal was paid ₹ 68,98,187 in cash during FY 2018-19 He reported expenditure as follows:

- | | |
|---|-------------|
| i) Advertisement and publicity | ₹ 25,83,930 |
| <i>Nothing on record to show its relation to Society.</i> | |
| ii) Conveyance Exp. (Local) | ₹ 52,184 |
| iii) Cultural Program | ₹ 80,000 |
| iv) Printing and stationery | ₹ 21,025 |
| v) Repair and maintenance building | ₹ 10,39,048 |
| vi) Repair and maintenance furniture | ₹ 13,90,230 |
| vii) Repair and maintenance (Mujeri) | ₹ 2,75,000 |
| viii) Repair and maintenance (SP) | ₹ 3,50,000 |
| ix) Repair and maintenance buses | ₹ 5,40,370 |
| x) Security guard exp. (Badkhal) | ₹ 5,66,400 |

b) Mr. Surender Singh Rawat was paid ₹ 19,13,389 from the books of school. He returned ₹ 42,403 in cash. He reported to have paid expenses as follows:

i) Advertisement and publicity	₹ 2,11,100
ii) Furniture and Fixture	₹ 75,030
iii) Garhwal Sabha	₹ 3,45,793
iv) Printing and Stationery	₹ 28,240
v) Cultural Program	₹ 45,373
vi) Repairs building (JC Branch)	₹ 1,50,350
vii) Repair and Maintenance Building	₹ 1,90,660
viii) Repair and maintenance (Mujeri)	₹ 1,19,000
ix) Repair and maintenance (dabua)	₹ 3,19,200
x) Repairs Electricity	₹ 15,280
xi) Repair and maintenance furniture	₹ 2,08,700
xii) Student welfare	₹ 1,53,360
xiii) Uniform to staff	₹ 8,900

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 2018-19	FY 2015-16	% Increase
1.	Deepawali Expenses	20,85,448	6,51,292	220.20%
2.	Repair and maintenance	67,28,498	41,67,710	61.44%
3.	Furniture and Fixtures	35,28,800	16,76,039	110.54%
4.	Uniform to Staff	12,45,807	3,18,956	290.59%
5	Cultural Program exp	27,58,033	5,03,367	447.92%
6.	Advertisement	36,85,620	6,20,654	493.83%
7.	Meeting and Conference	7,23,029	2,60,779	177.26%
8.	Computer	4,59,255	11,51,711	-60.12%
9.	Library Books	NIL	1,995	-100%

10.	Printing and Stationary	10,02,137	2,98,805	235.38%
11.	Examination Expenses	9,68,195	7,67,335	26.18%
11.	Sports Expenses	1,56,625	2,33,010	-32.78%

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.

15. 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) ₹7,81,16,224 (2015-16.1,20,17,336) have been spent in cash in Main School
- b) ₹ 16,96,914.70 (2015-16.13,80,216) in books of Sabha.
- c) ₹ 3,40,000 (2015-16.2,60,000) in books of SGM branch
- d) ₹ 6,12,500(Prv yr.4,00,000) in books of JC branch
- e) ₹4,36,000 (2015-16.4,25,131) books of Mujeri Branch
16. 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.*
17. The society has paid ₹6,45,240/- to Aryan media Solution for SMS services @ exorbitant rate of ₹10/- per student per month. ₹53,410 were paid to Aryan media Solution for SMS services at the same rate. Strangely, SMS services were provided in the month of June 2018 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.*

18. The society has paid ₹ 1,35,000 towards faculty expenses to Mr. C.S. Negi *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 ₹ 7,23,029/- on 154 occasions in one year all in cash including but not limited to lunch and dinners outside the premises for many persons. ₹83,500 were paid to Shakti Tent House on 20.01.2019. another ₹1,31,000 were paid on 24.02.2019 to Shakti Tent House. Lunch expenses were ₹12,000 on 7.2.19; ₹15,000 on 12.2.19 and ₹16,000 on 22.02.2019 and were paid to Batra Restaurant. *No quotations and no comparison and reasoning of choosing vendors for payment. of more than 1 lac. ₹6,84,940 were paid for social welfare expense, but major part in cash. We are inclined to 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 ₹ 7,20,000 to some of the MC members from school as conveyance allowance (and MC members have charges and collected ₹2,88,000 from school as telephone allowance and Sabha paid ₹90,070/- to MC members for conveyance expenses including taxi to distant places. We are of the opinion that taking conveyance allowance as well reimbursement of expenses incurred is duplicity of expenditure and that too by MC members. 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 ultra vires 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.'

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.

For Anil K. Gupta & Associates
Chartered Accountants

Date: 02.12.2021
Place: New Delhi.

-sd- with Round Stamp

(Anil Kumar Gupta)
F.C.A.

Membership No. 086946