



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. We were not provided with signed and/or Audited Financial Statements. Hence, we can't say whether the Copy of balance Sheet provided on e-mail is authenticated or not. We are unable to say whether Financial Statements in agreement with the books of accounts maintained by the said society and that too *subject to notes to accounts and our observations and opinion based thereon.*

Sl	Particulars	Opening Balance	Dr/Cr	Total of Debits in HO versus Total of Credits in Brn.	Total of Credits in HO versus Total of Debits in Brn.	Closing Balance	Dr/Cr
A.1	Head Office Books	-	Dr	4,31,69,760.74	5,68,90,773.00	1,37,21,012.26	Cr
A.2	Sainik Colony Branch	3,77,93,510.53	Dr	5,60,36,251.51	5,67,70,932.00	3,70,58,830.04	Cr
A.3	Difference (1-2)	3,77,93,510.53		1,28,66,490.77	1,19,841.00	5,07,79,842.30	
B.1	Head Office Books	-	Dr	1,40,42,003.90	16,25,109.23	21,83,105.33	Cr
B.2	2C Branch	36,18,851.00	Dr	25,77,779.00	11,42,034.23	21,83,105.33	Dr.
B.3	Difference (1-2)	36,18,851.00		1,14,64,224.90	4,83,075.00	-	

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 31.03.2020, and
- ii. In the case of the Income & Expenditure Account, of the surplus of its during accounting year ending on 31.03.2020.

UDIN: 21086946AAAACI9929

For Anil K. Gupta & Associates
Chartered Accountants

Date: 03.12.2021
Place: New Delhi.

-sd- with Round Stamp

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

Our observations:

1. The Sabha has received no donation during Fin Year 2019-20. In contrast, ₹3,01,600 were spent on social welfare expenses mainly in donation to 39(Thirty-Nine) persons ranging from ₹31,000 to ₹1,700. It is strange that Sabha didn't receive a single penny in donation despite such wide-ranging donations doling out. We can't rule out personal expenditure in it. Also, the Sabha has paid ₹ 1,1,8,972 on advertisements, which included payments to Uttaranchal Maitri Sangh and Uttaranchal Sanskritik and many payments to Taj Bulletin; ₹98,000 on Bhandara including ₹33,000 to M/s Rawat Digital Studio. It is strange that photo shoot costed ₹33,000 for bhandara and no donation was received before and after such a grand event. It seems that these expenses were not incurred to achieve objectives of society. ₹55,300 was paid as donation to various organization, but no donation was received for Garhwal Sabha. This has been happening since last many years. We can't say whether objectives of done societies match with that of Garhwal Sabha in the absence of MOUs and prior resolution of Management Committee for these particular donations. However, out of this 21,000 was given to Zila Sainik Board with the noting 'From Registrar Office' ₹13,195 was incurred for four (4) cultural programs from the books of Sabha. Besides this, ₹92,775 was incurred all in cash and through imperest for photo shoots and Independence Day celebrations. ₹8,81,287 were incurred on various newspapers for reasons best known to MC Committee. We also note that lacs of amounts are reportedly was spent on wooden photo frames for last many years including this year. recipients of these photos with such quality frames didn't bother to pay any kind of donation to society. **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 2019-20, Sabha has reportedly incurred ₹13,195 on four occasions and only 5,110 in cash versus ₹6,55,385 on single (1) cultural program in FY 2018-19.

₹92,775 were incurred on flowers, photo shoot and Independence Day celebrations, but while drafting financial statements, this expense is noted as ₹90,615 only.

We can't rule out duplicity of expenses and do not rule out personal elements in these expenditures in cash. *These might not 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. 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 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 ₹16,36,500 as advance out of which ₹15,00,000 was paid through cheque in six instalments, though it didn't submit no bills. ₹1,36,500 was also paid in cash nine instalments of as high as 38,000 in one go without any necessity and/or urgency. Society has paid similar advance in previous year also. There is an opening balance of ₹18,65,427 as Advance Paid though no work or repair work was undertaken by this firm during this FY 2018-19 and FY 2019-20. There were no resolutions for advance payments. This party was paid ₹10,68,650 in cash in 24 installments in FY 2018-19 also, 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 very wrong about these transactions with this firm as already reported and this advance troubles 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.

IT SEEMS THAT PAYMENT WAS GIVEN TO SHREE KRISHNA CONSTRUCTION AND MANPOWER AND BILLS WERE TAKEN IN THE NAME OF SHRI BALAJI INTERNATIONAL. THE DEBIT BALANCE OF ₹35,01,927 IN THE LEDGER OF SHREE KRISHNA CONSTRUCTION AND

MANPOWER EXACTLY MATCHES WITH CREDIT BALANCE OF ₹35,01,927 IN THE LEDGER OF SHRI BALAJI INTERNATIONAL. HENCE, BILLS ARE BOOKED IN ONE FIRM AND PAYMNET IS DEBITED IN ANOTHER FIRM. THIS IS NOTHIN BUT FRAUD AND MANAGEMENT COMMITTEE MUST BE AWARE ABOUT THESE.

Similarly, the society has paid to M/s Teach Construction ₹9,88,114 through bank against its opening balance of ₹1,70,014 and against repair bills of ₹8,10,000 of various branches, though it seems that such work or repair work is very repetitive and is being billed by one or two or three sister concerns. There are no requisitions from schools and no records as to what was needed, what was done and no completion reports. Had this activity is of repetitive nature, Society should have floated tenders to invite quotations and lowest and/or most competitive bidder would have undertaken the activity. It is very strange that same set of contractors doing same kind of activity without any monitoring and without any visible complaints from so many schools. The society deducted TDS of ₹8,100 on 10th April, 2019 and received this TDS in cash from from M/s Tejas Constructions, whereas M/s Tejas was to receive ₹8,01,900 from Society. He was reportedly paid ₹8,10,000 on 30th April 2019. It gives a doubt that M/s Tejas was paid ₹8,10,000 in April, 19 and bills were entered later on. We doubt whether any vendor will pay ₹8,100 and that too in cash, when he was due to receive payment against his bills. 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 'Nil' amount to M/s Shri Balaji International, a sister concern of Shri Krishna Construction and manpower, against is bills of construction worth ₹ 53,44,567.00. These bills are shown as still payable. Bills are related to superstructures created over and over again and Teja's are issued on one day i.e., 10.08.2019. These include same and similar kind of repairs undertaken in previous years also and in same branches for similar type of work. There was no previous or continuing contract, no requisition and field survey don't suggest any new construction since no land was purchased. The bills ae related to walls, main gates, sewer works etc. These bills on the face of it raises doubt about their sanctity. We doubt veracity of these bills. **IT SEEMS THAT PAYMENT WAS GIVEN TO SHREE KRISHNA CONSTRUCTION AND MANPOWER AND BILLS**

WERE TAKEN IN THE NAME OF SHRI BALAJI INTERNATIONAL. THE DEBIT BALANCE OF ₹35,01,927 IN THE LEDGER OF SHREE KRISHNA CONSTRUCTION AND MANPOWER EXACTLY MATCHES WITH CREDIT BALANCE OF ₹35,01,927 IN THE LEDGER OF SHRI BALAJI INTERNATIONAL. HENCE, BILLS ARE BOOKED IN ONE FIRM AND PAYMNET IS DEBITED IN ANOTHER FIRM. THIS IS NOTHIN BUT FRAUD AND MANAGEMENT COMMITTEE MUST BE AWARE ABOUT THESE.

₹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 room 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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₹41,085 was paid by cheque to M/s Santosh Wood Works agst its only bill no. 243 of FY 2018-19 after deduction of TDS of ₹415. In April 2019 this firm was paid ₹1,63,400 without deduction of TDS agst its bill no. 247 within one week. This very firm was paid in cash through Mr. Yogesh Budakoti ₹4,23,100 immediately for same furniture agst Bill No. 60,61 and 68. This raises doubt about the transaction itself as to whether these transactions happened or not. 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 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.

₹5,67,180 was paid to M/s Shailash Wood Woks during FY 2019-20 and total amount was paid in cash except ₹43,877. It is a new vendor and was paid ₹5,10,000 in cash for two months i.e., from April 19 till June 2019. This firm started repairing in June 2019 and submitted all its bills No. 39,40 and 41 in June 2019. Mr. Vinod nautiyal, MC member also paid ₹11,00,800 to this vendor in cash for Furniture and Fixtures. These CASH PAYMENTS IN VIOLATION AND EXCESS OF ALL LIMITS LAID DOWN UNDER VARIOUS STATUTES, IF TRUE, WILL LEAD TO CRIMINAL ACTION AGAINST THE PAYER AND RECEIVER. These bills and voucher raises VERY SERIOUS doubts about the transaction itself as to whether these transactions happened or not. 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 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. Scrutiny of books of 2C ranch reveals the following pattern of booking of expenses of this firm. Comparison of bill no and dates when these were entered suggest that these bills are not of transactions shown in the books of accounts of society.

Sr	Bill No.	Regarding	Amount	Date of entry in books
1	046	Repair Building 2C	85,000	8-4-2019
2	039	Repair Furniture 2C	2,62,925	29-6-2019
3	043	Repair Building 2C	1,200	4-12-2019
4	032	Repair Building 2C	44,320	1-1-2020
5	006 and 004	Repair Building 2C	5,445	14-3-202
6.	037	Furniture and Fixtures- Cash paid	3,93,800	22-6-2019
7.	038	Furniture and Fixtures Cash paid	7,07,000	28-6-19

₹4,44,550 were paid to M/s Kamal Book Depot by bank reportedly for books to be supplied free of cost to staff wards and poor family students. 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 ₹ 4,44,550. In fact, the figure of ₹4,44,550 guide us to doubt the transaction and coupled with absence of lists and details of donated objects and dunes, 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 reportedly paid ₹12,91,090 for Science Lab Chemical & Equipments during FY 2019-20 round the year (against trend of buying it end of Fin. Year) 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. During FY 2018-19 there was sharp increase of six times vis a vis previous year and have given rise to doubt of authenticity. During this year purchase rose by 21 times of purchase in FY 2017-18. 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. Chemicals and lab equipments 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 ₹1,53,500 for computers and printers and their accessories and all in cash and through imperest accounts. 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 paid ₹49,000 for one water cooler in April 19 for 2C branch. It has also purchased water dispenser and cooler for ₹28,800 for JC Branch. One more water cooler was purchased for ₹43,000 in May 2019. In May 19 water dispenser were purchased for 2C branch. These are in addition to previous ones. Many more water coolers were purchased worth ₹1,62,976 mainly in cash. 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 ₹1,37,020/- for CCTV all 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 ₹ 7,01,765 in FY 2019-20 as compared to ₹20,85,448 for "Deepawali Expenses" during this Fin year 2018-19 and as compared to ₹6,51,292 in FY 2015-16. This expenditure was all in cash, whereas the date and schedule invariably must have been decided in meetings and expenses should have been made by cheque and after inviting quotations. Society is not supposed to gift items to anybody during Deepawali.

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 ₹40,000/- out of which ₹20,000 in cash on various dates reportedly against bills to Mr. SP Bhatt for internal audit and debited this sum towards internal audit. I am not aware of urgency involved since half of amount was paid through banking channels also. No reports from the internal auditor were made available.

4. 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.

Society has paid ₹3,30,006 for E- stamping in cash. It is not explained why and for which land such payment was made and no documents of registration of land were provided to explain this expenditure.

5. 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.

6.

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 ₹12,73,546 for student welfare during FY 2018-19 and some of the expenses are explained as under:
 - a) payment has been made to Aryan media Solution and M/s UOLO Technology@ 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. We have reservations about this expenditure as sate elsewhere in this report.*
 - b) Expenses on water tank cleaning and water tankers both were incurred but under different heads in cash for water tank cleaning every month. *We have our reservations about this expenditure as sate elsewhere in this report. This coupled with aforesaid facts, we are very skeptical about this duplicate expenditure incurred.*
9. 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.

10. 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.

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. Ganesh Negi was paid ₹68,200 in cash on many occasions. Details of his reported expenditure are as follows:

- | | |
|-------------------------------------|----------|
| i) Conveyance | ₹ 8,200 |
| iv) Repair and maintenance of Buses | ₹ 60,000 |

b) Mr. Dev Singh Gusain was paid ₹ 19,92,970 in cash in FY 2019-20 in the books of School. He is reported to have made expenditure on following:

- | | |
|-------------------------------------|------------|
| i) Staff Welfare | ₹4,600 |
| ii) Repair and Maintenance Bus | ₹6,04,810 |
| iii) Electricity Exp | ₹92,700 |
| iv) Local Conveyance | ₹ 9,000 |
| v) Examination Expenses | ₹ 1,62,500 |
| vi) Repair & maintenance Furniture | ₹ 2,53,710 |
| vii) Printing and Stationary | ₹ 50,150 |
| viii) Computer | ₹ 25,000 |
| ix) Repair and Maintenance Computer | ₹59,900 |
| x) Cultural Program | ₹10,000 |
| xi) Repair and Main Building | ₹4,85,000 |
| xii) Advertisement | ₹1,94,200 |

- c) Mr. Rajinder Singh Rawat was paid ₹ 1,40,320 in cash in FY 2019-20. He is reported to have made expenditure on following:
- | | | |
|------|---------------------------------|----------|
| i) | Cultural programme exp. | ₹ 15,000 |
| ii) | Repair and maintenance Building | ₹ 32,320 |
| iii) | Cash return to close account | ₹ 33,000 |
| iv) | Advertisement | ₹60,000 |
- a)
- d) Mr. Vinod Nautiyal was paid ₹ 29,81,400 in cash during FY 2019-20 He reported expenditure as follows:
- | | | |
|-------|----------------------------------|-------------|
| i) | Advertisement and publicity | ₹ 25,83,930 |
| ii) | Conveyance Exp. (Local) | ₹ 31,000 |
| iii) | Repair and maintenance building | ₹ 7,47,500 |
| iv) | Repair and maintenance furniture | ₹ 6,66,700 |
| v) | Repair and maintenance Comp | ₹ 1,00,000 |
| vi) | Repair and maintenance buses | ₹ 2,24,900 |
| vii) | 2C Branch | ₹ 22,100 |
| viii) | Furniture and Fixture | ₹ 11,00,800 |
| ix) | Sports Expenses | ₹ 88,400 |

e) Mr. Surender Singh Rawat was paid ₹ 11,51,015 from the books of school. He returned ₹ 8,704 in cash. He reported to have paid expenses as follows:

i)	Advertisement and publicity	₹ 1,55,115
ii)	Garhwal Sabha	₹ 24,000
xiii)	Repair and Maintenance Building	₹ 7,92,500
xiv)	Repair and maintenance (dabua)	₹ 1,79,400

f) Mr. Yogesh Budakoti was paid ₹17,64,947 in cash on various occasions by society and his expenditure was as follows:

i)	Printing and Stationary	₹2,91,508
ii)	Diwali Expenses	₹3,32,899
iii)	Uniform Expenses	₹98,625
iv)	Repair and Maint. Building	₹ 1,32,500
v)	Cultural Program	₹ 5,300
vi)	Examination Expenses	₹ 35,000
vii)	Repair and Maint Buses	₹ 1,55,139
viii)	Repair and Maint Furniture	₹ 7,12,400
x)	Other Repairs	₹ 10,000
xi)	Furniture	₹ 4,23,100

g) Mr. B S Negi was paid ₹ 2,58,000 in cash during FY 2019-20 He reported expenditure as follows:

i.	Garhwal Sabha	₹ 12,025
ii.	Culture Program	₹ 62,475
iii.	Repair and maintenance Building	₹ 1,42,500
iv.	Repair and maintenance Comp	₹ 20,000
v.	Telephone Expenses	₹ 21,000
	Being ₹7,000 p.m., which are very high and are of salary in nature	
vi.	2C Branch	₹ 22,100
vii.	Furniture and Fixture	₹ 11,00,800
viii.	Sports Expenses	₹ 88,400

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 2019-20	FY 2015-16	% Increase
1	Deepawali Expenses	7,01,765.00	6,51,292.00	7.75%
2	Repair and maintenance	1,12,23,590.00	41,67,710.00	169.30%
3	Furniture and Fixtures	25,96,441.00	16,76,039.00	54.92%
4	Uniform to Staff	1,11,948.00	3,18,956.00	-64.90%
5	Cultural Program exp	1,39,461.00	5,03,367.00	-72.29%
6	Advertisement	8,81,287.00	6,20,654.00	41.99%
7	Meeting and Conference	2,10,974.00	2,60,779.00	-19.10%
8	Computer	1,53,500.00	11,51,711.00	-86.67%
9	Library Books	-	1,995.00	-100.00%
10	Printing and Stationary	10,50,517.00	2,98,805.00	251.57%
11	Examination Expenses	8,71,664.00	7,67,335.00	13.60%
11	Sports Expenses	4,23,125.00	2,33,010.00	81.59%

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) ₹2,01,42,336 (2015-16-1,20,17,336) have been spent in cash in Main School
- b) ₹ 17,86,260 (2015-16-13,80,216) in books of Sabha.
- c) ₹ 2,83,950 (2015-16-2,60,000) in books of SGM branch
- d) ₹ 5,77,020(Prv yr.4,00,000) in books of JC branch
- e) ₹2,92,649(2015-16-4,25,131) books of Mujeri Branch
- f) ₹4,85,000 (2015-16 - ₹5,01,900) in the books of Dabua Branch
- g) ₹9,92,375 (2015-16 - ₹7,80,000) in the books of sehatpur Branch
- h) ₹13,83,850 in the books of 2C branch.

13. The society has paid ₹ 2,10,974 in FY 2019-20 as compared to ₹7,23,029/- on 49 occasions as compared to 154 occasions FY 2018-19 in one year all in cash including but not limited to lunch and dinners outside the premises for many persons. *No quotations and no comparison and reasoning of choosing vendors for payment. of more than 1 lac. ₹3,01,600 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.*

14. The society has paid ₹ 96,000 to some of the MC members from school as telephone allowance (and MC members have charges and collected ₹2,89,400 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 by-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 expenses 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: 03.12.2021
Place: New Delhi.

-sd- with Round Stamp

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