



IJR & CO.

Chartered Accountants

SCO 323, Second Floor, Sector 9, Panchkula-134109 Haryana

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AUDITOR'S REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of M/S SANDEEP VIHAR (AWHO) WELFARE & MAINTENANCE SOCIETY, GHS-79, SECTOR 20 PANCHKULA as at 31st March, 2018 and also the Income & Expenditure Account for the year ended on the date annexed thereto. These financial statements are the responsibility of the Society's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We certify that the Balance Sheet and the Income & Expenditure account are in agreement with the books of account maintained at the Office of President, GHS – 79, Sector 20, Panchkula (HR).
2. We report that:-
 - a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
 - b) In our opinion proper books of accounts as required by the law, have been kept by the society so far it appears from the examination of these books.
 - c) The Balance Sheet and the Income & Expenditure Account dealt with by this report are in agreement with the Books of Accounts.
3. In our opinion and the best of our knowledge and according to the explanations given to us, the accounts give the information required by the Society Regulation Act, 1860 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, subject to our comments and observations given under Annexure 'A' attached to our report:
 - In the case of the Balance Sheet of the state of affairs of the society as at 31st March 2018;
 - In the case of Income & Expenditure Account of the society of the surplus of the society for the year ended on that date and;
 - In the case of the Receipts and Payments Account of the Society for the year ended on that date.

For IJR & CO.
Chartered Accountants
FRN : 0032881N


CA Ravi Mehan
(A.C.A. Partner)
M. No. 0032881N

Date : 03/10/2018
Place : Panchkula

SCO 323, Second Floor, Sector 9, Panchkula-134109 Haryana

Reporting Points:-

1. We have noticed that society doesn't maintain the Fixed Assets Register; therefore we were unable to physically verify the Fixed Assets with the actual assets purchased. The Depreciation on Assets have been charged based on the Values of the last year's audited Balance Sheet and the purchase/sale/disposal have been verified with the appropriate cash book and bank book.
2. We examined the case of installation of CCTV Camera System. The total expenditure incurred on the project was Rs 5,73,500 which was already paid in excess of Rs 6500. A Total payment of Rs. 5,80,000 was paid in between 13th Dec, 2016 and 12th Feb, 2017. Quotations from only three dealers were called for. Large expenditures must call for open quotations preferably through newspaper ads or publication on Tender Websites as per the policies & procedures of the society. None of the bills submitted have been certified by any official of the Society. No verification has been done of the goods used by any official of the Society. It seems to be based on the slip submitted by the vendor's mechanic. This could have resulted in over billing for stores and installation of items of lower specifications than quoted. Additional items have been used for which there was no quotation like Junction Box, HDMI Cable, USB Cables, for which the rates seem to be excessive. TV Monitor of larger capacity has been installed for which the selected vendor had not given any quotation initially. The recommendation of the Screening Committee that the "Agreeable Response Time" and "Assurance towards monthly visits by the Vendor" as part of **periodic maintenance** also do not seem to have been complied with. No warranty or understanding regarding maintenance could be produced.
3. Rest of the Fixed Assets of the Society are subject to verification.
4. The major portion of the society's income after the Charges from Members are the Interest Received from the Bank Balances and the FD's.
5. Society took money from the members on account of 3rd LEC which they have invested in FD and which is to be transferred to the credit of government account in the Financial Year – FY 2018-19 or refunded to the members as decided by the general body.

Details of the FD's are as follows:

FD A/C Number	Date of Formation	Date of Maturity	Amount Invested
671541110000378	20-12-2017	-	99,00,000
671541110000379	20-12-2017	-	99,00,000
671541110000380	20-12-2017	-	99,00,000
671541110000381	20-12-2017	-	99,00,000
671541110000382	20-12-2017	-	99,00,000
671541110000383	20-12-2017	-	99,00,000

The management invested Rs 6,00,00,000 (out of which Rs. 6,00,000 was refunded by the bank on 22-12-2017) on 20-12-2017 in 6 FD's of Rs. 99,00,000 each totalling 5,94,00,000 in Bank of India. On 1st January, 2018 the management redeemed the FD's in Bank of India to invest the amount redeemed from the above FD's in Kotak Mahindra Bank. An amount of Rs. 6,69,30,000 was transferred from Bank of India to Kotak Mahindra Bank (5511999317) on 2nd January 2018 and 6 Account's of Rs. 99,00,000 each was created and remaining balance of Rs. 75,30,000 (6,69,30,000-5,94,00,000) are in the account on which interest income of Rs. 1,99,766 was earned in the FY 2017-18. The details of them are as follows:



A/C Number	Date of Formation	Date of Maturity	Amount Invested
8129943831	12-01-2018	-	99,00,000
8129943453	12-01-2018	-	99,00,000
8129943607	12-01-2018	-	99,00,000
8129943277	12-01-2018	-	99,00,000
8129943052	12-01-2018	-	99,00,000
8129980975	12-01-2018	-	99,00,000

6.

FY	Society charges to be received from 556 members	Society charges actually received
2017-18	1,16,76,000 (556*21000)	1,15,04,619

There is a shortfall of 1,71,381 (1,16,76,000-1,15,04,619) in the Society's collection from Members.

7. Interest accrued on FDRs & Recoverable from AWHO are opening balances whose adjustment have not been made in the Financial Year 2017-18 by the management.
8. Major portion of the expenses comprise of Salaries, Electricity Expenses & AMC of Lifts.

