

NAV NIRMAN COOPERATIVE GROUP HOUSING SOCIETY LTD.

PLOT NO.7, I.P. EXT. DELHI -110092.

Hony. Treasurer's Report for the G.B.M. held on 15.01.2023

Dear Members;

It is my privilege to greet you all in this General Body Meeting and present before you the Financial Report of the Society.

1 Balance sheet & Income and Expenditure 2020-21, as proposed in the Resolution No.2

(Accounts pertaining to the above period for Previous Management Committee)

Audit Reports for the FY 2020-21 have been circulated. I am sure that the same has been perused by all of you by now. The Objection and Suggestion made by the auditors are being attended to.

Some clarification/observation needs to be clarified before approval of the Audit Report 20-21 during completion of accounts & audit of 2021-22, related to F.Y.2020-21 as under:

A. As per Bank Reconciliation statement attached in the audited balance-sheet of FY 20- 21, an amount of Rs. 36300/- is pending as shown under reconciliation due to the cheque issued. It has not cleared in bank till 31.03.2021 and the society management has signed the balance-sheet on date 28.10.21 (till Oct.21 cheque is not cleared in bank) under the head of labor charges payable & Electricity payable. Due to the unnecessary claim of expenses of Rs. 36300/- in FY20-21, the same amount is treated as income or adjustment against expenses of FY 2021-22.

B. As per bank Reconciliation statement attached balance-sheet of Fy.20-21, an amount of Rs.20000/- is received in the FY 2020-21 from members but this amount is pending under reconciliation statement of FY 2020-21 (cheque received but not cleared in bank). The under mentioned details of members are found incorrect in the reconciliation statement:

<u>Name</u>	<u>Flat No.</u>	<u>Dt.&Ch/BT No.</u>	<u>R.No.</u>	<u>Amount</u>	<u>Clearing in Bank</u>
Mr. Rajiv Garg	108	26.12.20	555491	5092 10000	31.12.2020
Mr.H.R.Tyagi	25	6.12.20, 0366	12345951	5200 10000	31.12.2020

Most important, if above two member's payment have been received in the FY 20-21, then which members are outstanding? Who is then benefitted from Rs.20,000 in FY 2020-21?

C. During finalizing of accounts of FY 21-22

As per GBM held on 14.03.2021, the defaulter list attached is of Rs. 20, 01,227/- but as seen in Financial Accounts of FY.2020-21 the defaulter/outstanding amount of members shown in

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the head of Member Account Other are of Rs.25, 01,646/- according to the tally software. Both the amount are different and there is a shortage of Rs. 5,00,419/- booked in the defaulter list and put up in the GBM 14.03.21.

Most importantly the outstanding amount is not shown/reflected in the Audited Balance sheet 2020-21 as head of Member Recoverable Account. How is it possible? On what basis will the previous MC (2018-21) justify the authenticity of Rs. 20,01,227/- The question arises whether the defaulter list produced in the GBM of Rs.20,01,227/- is correct or not. There is total violation of Law in the accounts. FY 20-21 is not shown as a correct picture to the members in the GBM.

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Question arises where the amount is, if not reflected in the Balance sheet 20-21?

GBM questions the previous MC (2018-21) office bearer (President, Secretary & Treasurer) as to who is responsible for this action?

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After finalizing the accounts of 21-22, as per tally software shown the opening balance is of Rs.25,01,646/- in the Member Account Other (software copy enclosed). Amount in opening balance and closing balance in the Tally data almost may be correct but balance sheet is not true & correct.

The previous MC reduced the Income (Maintenance Charges) during F.Y. 19-20 & 20-21 in the balance sheet has not shown the correct picture to the auditors.

The amount of FY 2020-21 of Rs.12,31,850 is shown in dummy ledger Member Account Other opening balance. The amount of FY 2020-21 of Rs.12,69,796 to more addition in dummy ledger account of Member Account Other, the amount transfer from Maintenance Charges account so balance increased accordingly and total of Rs.25,01,646 as closing balance on 31.03.2021.

The amount of Rs. 25,01,646/- is totally income portion and less tax deposit to the GOVT. In these reasons not shown the Members Recoverable account in the Balancesheet and did not produce the correct data to the auditors. In future, society can face the problem from Income Tax department if at all scrutiny of accounts is done.

Financial Year 2019-20

Maintenance amount charged to the Members was of Rs. 20000/- in a year. The total of maintenance Charges of 264 members is of Rs. 52,80,000/- in a year. But, the maintenance amount shown in the Income & Expenditure Account is Rs.50,80,633/-

Financial Year 2020-21

Maintenance amount charged to the Members was of Rs. 20000/- in a year. The total of maintenance Charges of 264 members is of Rs. 52,80,000/- in a year. But, the sum shown in the Income & Expenditure Account is Rs.40,35,204/-. There is a reduce in the income of Rs. 12,44,796/- in the Income & Expenditure account, thus leading to less TAX

deposit to the GOVT. Previous MC has not followed the Mercantile accounting system as per accounting law and followed the accounting rule both way receipt and mercantile.

Question arises that why manipulated the society data and submit to the auditors and why not correct picture is not shown in the GBM?

GBM questions the previous MC (2018-21) office bearer (President, Secretary & Treasurer) as to who is responsible for this action, even after signing the balance sheet of 19-20 & 20-21. Why is there use of wrong way in the society accounts?

In all reason auditor point out regarding the Members balance reconciliation.

We were also facing a lot of problems for reconciliation of Members account in the FY 21-22 due to above mentioned reasons.

3. Annual Maintenance charges for FY 22-23, as proposed in the Resolution No. 3

The ex-facto approval of Maintenance Charges of Rs. 10000/- as taken on 31.05.2022, being the first instalment of FY 2022-23. Further proposed that the second instalment of Rs. 9000/- is payable by 31.01.2023. After the due date, interest @12% p.a. shall be charged for the delayed period

4. Annual Maintenance charges for FY 23-24, as proposed in the Resolution No. 4

The Maintenance Charges approval of Rs. 10000/- is the first installment of FY 2023-24 shall be payable up to 31.05.2023. Further proposed that the second installment of Rs. 10000/- will be payable by 31.10.2023. After the due date, interest @12% p.a. shall be charged for the delayed period.

5. Draft Balance sheet & Income and Expenditure 2021-22 to discussion & solution in the GBM, as proposed in the Resolution No. 5

(Accounts pertaining to the above period for previous Management Committee & administrator)

During the Audit discussion, some observation point were made by the auditors for the FY 2021-22 and need clarification on this issue, So balance sheet and Income & Expenditure account of FY 2021-22 is pending, before clarification and solution made in the GBM by the members.

A. Rs. 25,01,646 shown in opening balance in the accounts of Member Account Other (Debit side) needs clarification, whether this amount is income from last year's? The amount transfers from Income & Expenditure account-Maintenance fund (Income) in the FY 2019-20 & 2020-21 to the entry transfer to **dummy ledger created in the name of Member Accounts Other** is under scrutinized the accounts.

B. Clarification regarding the opening balance of Building of Rs. 7,34,49,257 (Debit side) side and Member Deposits of Rs.7,51,51,516 (Credit side) in the balance

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sheet 2021-22. They pointed out if the Building construction is complete in the year 1991-92 and flat have been handed over to the Resident/Owner then how is it possible that the balance shown in the books of account of NNCGHS Ltd is the same as Member Deposit almost all the owners are free holders of the flats then the society has no standing balance in the books of account. Auditors need clarification of difference. The society has only shown Land value in the balance sheet and not the building amount.

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- C. The Share Capital shown in the balance sheet is of Rs. 6,66,700/- as on 31.03.21. The attached schedule shows some other figure of Rs. 6,74,500/-. The Total Members of the Society are 264 and 25 shares are allotted by the society to each member @ 10/- per share. Correct amount of share capital is $264 \times 2500 = 6,60,000/-$ as shown in the balance sheet, but the amount in the actual vs shown differs in the balance sheet. This issue needs clarification from the society and required reconciliation in this regard.

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- D. As auditor observation of Rs. 25,01,646/- is treated as Income and to incorporate in the Income & Expenditure of FY 21-22 and TAX and INTEREST to be paid accordingly. Due to LESS INCOME account for/booked in the balance sheet for previous two years (FY 19-20 & 20-21) and the Heavy Tax burden arise to the members hard earn money by the wrong decision taken by the previous MC (2018-21).

GBM ask to previous MC office bearer President, Secretary and Treasurer, why bear the heavy tax burden of members of society of wrong decision taken by you.

- E. The auditors observed that during audit that the Society accepted non-interest deposit in account of One Time Parking deposit for the Covered Car Parking/Open Car Parking and Scooter Parking from the Members time to time. During the audit discussion auditor observation need reconciled the difference between audited B/S 20-21 vs schedule of Member Deposit Account (List attached with the B/S 20-21). The total amount of schedule of Rs. 7,06,76,363 includes of Share Money Rs. 6,74,500/-, Land Fund Rs. 26,40,157/-, Building Fund Rs. 628,66,10/-, Parking Fund Rs. 44,95,600/- and balance sheet shown Member Deposits (schedule) of Rs. 7,51,51,516 and Share Money of Rs. 6,66,700/- The detailed name & Flat No wise schedule for the same is required to be prepared at the earliest before finalizing the balance sheet.

The society wrongly account for the amount of One Time Parking Deposit taken from Members in the Income & Expenditure Account as income booked in FY 2020-21 of Rs. 2,20,000/- to be reversed in Member Deposit Account- Parking. During the Year 21-22 Rs. 10,000 received from Member.

- F. Auditors comments on Suspense Account of Rs. 32,501 need to be reconciled first, if nobody claimed of this amount then the treated as Income in FY 21-22, the details are as under:

Bank Date	Particular in Suspense Account	Ch./Ref. No.	Debit Amount in Bank	Credit Amount recd.in Bank	Remarks
20-21	Name still checking, & searching in the accounts.			10000	As per Bank Reconciliation the amount Received shown of Mr. Rajiv Garg Flat No. 108 account instead of correct name.
20-21	Name still checking, & searching in the accounts.			10000	As per Bank Reconciliation the amount Received shown of Mr. H.R.Tyagi Flat No. 25 account instead of correct name.
25.05.21	Name still under checking, & searching in the accounts.	076641		15000	
28.05.21	Name still under checking, & searching in the accounts.	052844		12500	
13.09.21	Name still under checking, & searching in the accounts.	Dharmesh		25,000	Amount come through NEFT directly transfer our society account & Receipt not prepared
26.10.21	Name still under checking, & searching in the accounts.	Dharmesh		1	Amount come through NEFT directly transfer our society account & Receipt not prepared

- G. Draft balance sheet of FY 2021-22 for your discussion/ comments and solution of above observation has been discussed with our statutory auditors before finalizing and signing the balance sheet of FY 2021-22.

- H. During audit discussion and observation made by the auditors, the society has not prepared the Fixed Asset Register and same is required to be prepared at the earliest before finalizing the balance sheet.
- I. During the audit discussion the Society is not prepared the voucher for the expenses for the audited period 2021-22. The society is advised to maintain the expenses voucher.
- J. Earnest Money Deposit of Rs. 25000 long outstanding shown in the balance sheet need identified and treatment accordingly.
- K. During the audit discussion auditor observation need reconciled the difference in the schedule of Member deposit account (List attached with the B/S 20-21) The total amount of shown in the schedule of Rs.7,06,76,363 include of Share Money Rs.6,74,500/-, Land Fund Rs.26,40,157/-, Building Fund Rs.628,66,106/- Parking Fund Rs.44,95,600/-. The detailed name & Flat No. wise schedule for the same is required to be prepared at the earliest before finalizing the balance sheet.
- L. Also need required Building Reconstruction Fund, Transfer fee of Membership & Security Deposit from Members schedule with name & Flat No. wise.

6. Receipt & Payment account of FY 2021-22

The prepared the Receipt & Payment account by the auditors as on ending of 31.03.2022 as under:

Receipt Maintenance & Other	-	59,97,285.27
Receipt Development Fund	-	36,40,500.00
Receipt Against Lift advance	-	<u>9,36,000.00</u>
Total Receipt	-	1,05,73,785.27
Less: Payments Exp.	-	72,95,621.88

Excess Receipt against Payments	Rs.	32,78,163.39
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7. Budget 2022-23, as proposed in the Resolution no. 6

The draft of proposed budget for the financial year 2022-23, was approved by the Management Committee, amounting to Rs. 1,34,02,000/- in its MC meeting held on 28.12.2022. This has been divided in two parts i.e. i) maintenance heads = Rs.67.52 lakhs and ii) Capital/Misc/Development works = Rs.66.50 lakhs. The proposed Income budget for the FY 2022-23 is of Rs.1,16,21,000/- Details of the same is also circulated earlier with the GBM notice.

8. Budget 2023-24, as proposed in the Resolution no. 7

The draft of proposed budget for the financial year 2023-24, was approved by the Management Committee, amounting to Rs. 1,19,32,000/- in its MC meeting held on 28.12.2022. This has been divided in two parts i.e. i) maintenance heads = Rs.67.92 lakhs and ii) Capital/Misc/Development

works = Rs.51.40 lakhs. The proposed Income budget for the FY 2023-24 of Rs.1,05,90,000/- Details of the same is also circulated earlier with the GBM notice.

9. Approval from Reserve Fund of Rs. 30 lakhs for Development Work, as proposed in the Resolution no. 8

The amount of Rs. 30 lakhs to proposed for utilization of amount from the Reserve Fund for development work for the FY. 22-23 & 23-24 and M.C. to authorized to encashment of FDR as when required.

10. Approval from Refund the Lift Advance taken from members of Rs. 9.36 lakhs, as proposed in the Resolution no. 12

The advance lift money of Rs. 9.36 lakhs collected from members may be refunded after addressing the issues being faced by Management Committee in this regard.

- The lift money was deposited by the ex-members/owner as per Receipt and money being claimed by other owner/residents.
- Receipt issued by the society to one person/member but money being asked by another person/member from the society.
- The decision of Advance Lift Money taken in the previous GBM, as the policy matter, so the rectification and refund decision taken only right of GBM not MC.
- The detail of Lift Money taken in the Society Account as under :

Flat No.	Owner Name	Receipt issue to the Old Owner/Member	Diff. in Name	Receipt No. & date	Ch.No./bank Transfer	Amount
8	Mr. Rohit Sharma	Mr. Rohit Sharma	Same	5481 dt.30/04/21	000002	144000
111	Mr. Dharmesh Chand Goel/Mrs. MadhulikaGoel	Mr. J.L.Khushoo	Diff in Name	5529 dt.18/06/2021	468339	72000
115	Mrs. Viniitalal	Mrs. Viniitalal	Same	5512 dt.30/04/2021	914340	144000
136	Mr. A.K.Pathak	Mr. A.K.Pathak	Same	5826 dt. 02/11/2021	788997	144000
138	Ms. Shalini Shukla	Mr.D.D.Karna	Diff. in Name	5548 dt.24/06/2021	BT	144000
139	Mr.Adesh Kumar	Mr.Adesh Kumar	Same	5478 dt.07/05/2021	BT	144000
217	Mr. Washim Ahmad	Mr. Nagesh Kumar	Diff.in Name	5994 dt.17.02.2022	440800	144000
					Total	936000

11. Approval for adjustment of 2nd installment of Development charges of Rs. 15000/- and interest paid to the Members, as proposed in the Resolution no. 14

The members who have paid 2nd installment of Rs. 15000/- as development charges demanded in the year of 21-22, their interest part shall be adjusted against the demand for the development fund to be raised in GBM 15.01.2023 with interest from 01.12.2021 at the interest rate of Saving Bank account applicable since 01.12.2021.

Due to non-confirmation of the minutes of previous GBM held on 14.03.2021 point no. 12 & 1 (Resolutions) based on inspection report by inspecting officer appointed by RCS.

12. The Member Outstanding dues as per accounts of FY 21-22 & 31st Dec.22 as under:

As per draft accounts of FY 2021-22 of Member Outstanding Dues as on 31.03.2022 of Rs. 53,27,066(and ending of 31.12.2022 of Rs.40,50,389 (List enclosed) to be recovered after adjustment of 2nd instalment of Development Charges paid by some members of the society during the period of 21-22 & 22-23, the Interest adjustment (proposed Resolution No. 14) against outstanding of your dues 31.12.2022 to be done after GBM.

I request the members to kindly pay against your outstanding dues before 31.12.2022, for smooth functioning of society affairs.

13. Request to Members/Owner of the Flats

- General Problems – Some Members/Owners money was transferred to our Bank Account through Net banking/UPI against demand of maintenance & others by the third person/party as mentioned in the our bank statement not by flat owner/residents. Please avoid such type of transfers and try to pay to our bank from your own bank account.
- Secondly at the time of amount transfer to our bank account, please mention your Flat No., owner name and mobile number, so our problem of searching the name of owner sorts out at the earliest.
- Third problem is the most important problem faced by the society Flat owner, that is Payment Receipt is issued by the name of ex-members/owner (already sold the flat earlier to new owner). This is anomaly found in the accounts, if ex-owner sold the flat once then how is it possible that payment receipt is issued to ex-owner for so many years?
- Sometimes members/owners transfer the money in our bank and do not provide the transfer detail or proof to our manager of the society, then society becomes helpless to issuing the receipt against your payments.

All members are requested to frame policy in the coming GBM held on 15.01.2023 on these issues.

14. Bank Balance in Saving Account, Auto Sweep Account & FDRs

The Following amount has been kept in the shape of Fixed Deposit, Auto Sweep Account & Saving Account in Punjab National Bank, Pandav Nagar Branch, East Delhi-92. The bank balance as on dated 10.01.2023 as under:

Sl. No.	FDR NO.	Amount (Rs.)
1	151800PU00033129	45,08,420
2	151800PU00033156	20,92,817

3	151800PU00033138	49,950
4	151800PU00058100	5,61,395
	TOTAL	72,12,582

Auto Sweep Account balance in Punjab National Bank Rs.34,00,000

PNB Saving Account Balance of Rs.50,197.67

Delhi State Cooperative Bank balance of Rs.3,928/-. (Not operative)

Total Bank Balance including FDR & Auto Sweep - Rs.1,06,66,707.67

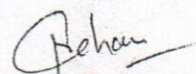
This year Management Committee took the initiative of Online Banking in the Savings Bank account of society from Punjab National Bank, Pandav Nagar branch, East Delhi-92 and Management Committee to authorized to treasurer of the society NNCGHS Ltd. to operate the online banking facility (Only View Right) for smooth functioning of accounts and solving the day to day problem.

I now take this opportunity to thank on behalf of the management committee our sincere thanks to all the residents of Ankur Apartments for their continued support to the Management Committee. I had tried my best to prepare the report on the basis of available records in the society, if any discrepancies are found in the report, the same will be changed accordingly.

In the end I, once again, request the members to clear their outstanding dues as early as possible to enable the management to function smoothly.

This is my first experience of working in the Management Committee of the NNCGHS Ltd, if any errors are found please inform. I, in advance apologize for if any shortcomings from my side.

Thanks to all members and Management Committee.


Hony. Treasure



