

GAUR ATULYAM APARTMENT OWNERS ASSOCIATION
Audit Observation Report for FY 2024-25

Auditor: PHMG and Associates, Chartered Accountants

1. Builder Flat Invoices Not Issued

Observation: Invoices for builder-owned flats have not been issued. An amount of ₹24, 16,785/- is outstanding from the flats owned by the builder, Gaursons. However, a detailed reconciliation is pending, including the number of flats held, the duration of outstanding dues, and a flat-wise breakup of the outstanding amounts.

2. Unrecorded Income – Canopy, Commercial, and Tender

Observation: A sum of Rs. 39,356 and Rs. 12,712 were recorded as unidentified receipts. On scrutiny, such receipts are for towards Canopy and Tender fee. Income from Canopy and Tenders has been recorded of Rs.39, 356/- & Rs.12, 712/- respectively now and GST on such income is also recorded. Same is required to be paid of Rs.9,372/- with Interest.

3. Debtors – Outstanding Receivables

As per the books of accounts of **Gaur Atulyam Apartment Owners Association** for the period ending **31st March 2025**, significant outstanding balances exist under **“Receipt from Members”** and **“Receipt from Commercial Shops,”** amounting to:

- **Receipt from Members:** ₹53,76,075.70 (Debit)
- **Receipt from Commercial Shops:** ₹13,64,365.00 (Debit)
- **Total Outstanding Debtors:** ₹ 68,65,732

During the course of our audit, we observed that:

- Balance confirmation from individual members and commercial occupants has not been obtained.
- No alternative audit evidence has been provided to verify the recoverability of these outstanding dues.
- The management has also not provided sufficient explanation or evidence to support the validity of the amounts shown as receivable.

This raises a concern regarding the **reliability and accuracy of receivables**, which are material to the financial statements. Accordingly, **in the absence of confirmations and supporting documents**, these balances may be **subject to qualification** in the audit report, unless verified satisfactorily.

Auditor's Note: We recommend that management initiate balance confirmation procedures and provide supporting reconciliation for these receivables. In the absence of such confirmations, we may be constrained to modify our audit opinion.



4. Cash Expenses Exceeding Limit of ₹2500

Observation: As per the bylaws of the society, individual cash payments should not exceed ₹2,500. However, during the audit, it was observed that the following cash payments exceeded the prescribed limit:

Date	Particulars	Expense Head	Amount (₹)
01-Aug-2024	Green Grass & Foot Mat for Temple	Repair and Maintenance	4,400.00
30-Oct-2024	Wages of Painter for 15 Days	Repair and Maintenance	9,000.00
17-Nov-2024	Stationery Purchase for NDS Security	Printing & Stationery	2,830.00
13-Jan-2025	Wood Purchase for Lohri Festival & Peanuts	Cultural Expenses	2,750.00
20-Jan-2025	Wages for Fixing Bricks Lock in Outgate	Repair and Maintenance	3,200.00
28-Jan-2025	Wages for Fixing Tiles in Library	Repair and Maintenance	5,600.00
26-Mar-2025	Wages for Road Repair (Backside)	Repair and Maintenance	4,200.00

5. Unidentified Receipts in bank of ₹1,57,466.83

The suspense account reflects an unexplained credit balance of ₹1,57,466.83 as on 31st March 2025. Despite repeated follow-ups with the management, the nature and source of this balance remain unidentified.

Upon further review, it was noted that this amount comprises approximately 200 small receipt entries, primarily received via UPI transfers from individual society members. However, due to the lack of accompanying information or payment references from the members at the time of remittance, the society is unable to trace and appropriately credit these receipts to the respective member accounts.

As the said balance remains unreconciled and unallocated to any specific ledger head or individual, the same has been qualified in the audit report. It is essential that the management takes necessary steps to identify and match these receipts with the concerned members and allocate them accurately to maintain the integrity of the accounting records.

6. Report on Issues Related to Previous Facility Vendor

From the correspondence and supporting documents reviewed, it has been noted that:

- **Pending Salaries:** Salaries for over **21 employees**, including housekeeping, technical, and horticulture staff, remain unpaid for the period July to mid-September 2024.
- **Financial Commitments:** An outstanding amount of ₹8.63 lakhs (including GST) was agreed to be paid by AOA to CB, with no further deductions. It is informed to us that the vendor balance shall be paid once all pending action on the part of vendor are completed.
- **NOC & Employee Undertaking:** The previous vendor was required to issue No Objection Certificates (NOC) and obtain undertakings from employees confirming that all dues had been cleared. As of the last update, such compliance is still pending.



7. **Audit Observation: Suspected Misappropriation of Funds by Previous Facility Management Vendor and Associated Personnel**

During the course of our audit, we observed significant financial irregularities pertaining to the period under the management of the previous facility management vendor, **Care Blend Facility Management Pvt. Ltd.**, represented by **Mr. Indrakant Jha**, with operational and accounting functions handled by **Mr. Ashish Kumar Singh** (Accountant) and **Mr. Santosh Sharma** (Facility Manager).

Based on the review of available records and communications from the current committee, it appears that funds collected from members of the society were not fully utilized for society-related purposes. Instead, a portion of the funds may have been diverted towards personal or unauthorized expenditures by the aforementioned individuals. The estimated amount in this account of Rs.17,25,922/-

These lapses have adversely impacted the transparency and completeness of financial reporting for the relevant periods.

We are unable to verify the completeness and accuracy of certain transactions due to these limitations. Accordingly, we have qualified our audit report and recommend that the society take appropriate legal and remedial action to investigate the matter further and initiate recovery proceedings if required.

This report will not only support audit qualification justification but also act as a formal internal record for future governance and regulatory inquiries.

8. As per the books of accounts for the financial year 2024-25, we observed that certain sundry creditors' balances have been carried forward from the opening of the year. These outstanding balances pertain to vendors engaged with the society during the previous periods.

S. No.	Vendor Name	Opening Balance	Debit	Credit	Closing Balance
1	PARAMETRIQUE Electronic Solutions	₹1,61,700 Cr	-	-	₹1,61,700 Cr
2	CBRE South Asia Pvt Ltd	₹12,38,990 Cr	₹11,43,990	-	₹95,000 Cr
3	A K Services	₹82,248 Cr	-	-	₹82,248 Cr
4	District Sports	₹15,000 Dr	-	-	₹15,000 Dr
5	Lighthouse IoT Solutions Private Limited	₹12,903.40 Dr	-	-	₹12,903.40 Dr
6	First Fitness	₹10,030 Cr	-	-	₹10,030 Cr
7	Aggarwal Sanitory	₹9,969 Cr	-	-	₹9,969 Cr
8	Sanjay Kumar Jha	₹8,300 Cr	-	-	₹8,300 Cr
9	Mohit Nagar	₹8,280 Dr	-	-	₹8,280 Dr
10	Shri Jagannath Steel	₹6,352.50 Cr	-	-	₹6,352.50 Cr
11	Ranjeeta Soni	₹5,400 Dr	-	-	₹5,400 Dr
12	A.N. Generator & Spare	₹1,133.88 Dr	-	-	₹1,133.88 Dr

