

**AUDIT REPORT
OF
LUCKNOW GOLF CLUB
1, KALIDAS MARG,
GULISTAN COLONY,
LUCKNOW,
UTTAR PRADESH 226001**



**LUCKNOW
GOLF CLUB**

AUDITOR -
RAM RATAN GUPTA & CO.
CHARTERED ACCOUNTANTS
Flat No.1, 3rd Floor, 102/45, Shivaji Marg
Near Go-Go Ice Cream Factory Gate
Husainganj, Lucknow-226018
Mobile No.-9839327858

18289

कायालय हिन्दो रजिस्ट्रार
फर्म, सोसायटी एवं निवृत्त
सम्बन्धित सहायक का नाम
22 MAR 2024
हिन्दी रजिस्ट्रार
प्रधान सहायक
लखनऊ

To,

The Deputy Registrar
Office of Deputy Registrar Firms
Societies and Chits Lucknow Circle
Lucknow.

Dear Sir,

We have conducted the Audit/Investigation of records and financial and administrative decisions taken by the Lucknow Golf Club, (Hereinafter called LCG) Kalidas Marg, Lucknow during the last 2 Financial Years 2021-22 and 2022-23 as per your letter No. 1545(I)69854 dated 29.08.2023 under section 24(1) of the Societies Registration Act, 1860.

We are submitting herewith Audit Report.

For RAM RATAN GUPTA & CO.
Chartered Accountant



(CA Ram Ratan Gupta)
Proprietor
M. No. 401006

Date: 21/03/2024
Place: Lucknow

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(Audit Report of Lucknow Golf Club)

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**The Deputy Registrar
Office of Deputy Registrar Firms
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Dear Sir,

We have conducted the Audit/Investigation of records and financial and administrative decisions taken by the Lucknow Golf Club, (Hereinafter called LGC) Kalidas Marg, Lucknow during the last two Financial Years 2021-22 and 2022-23 as per your letter No. 1545(I)69854 dated 29.08.2023 under section 24(1) of the Societies Registration Act, 1860.

The audit/investigation has been completed on the basis of record produced and information supplies (oral and written) by the office bearers of the LGC during the course of our audit/investigation. The statement of accounts viz. income and expenditure A/c & the balance Sheet and other records (i.e. minute book, fixed assets register, bye-laws, vouchers, purchase bills, etc.) for the aforementioned period have been duly examined and the observations and discrepancies so notices on the transaction and affairs of the LGC have been mentioned in audit objection and general remarks.

We have divided our report in three parts for more convenience:-

- Part-A** - **Observations on Financial Decisions**
Part-B - **Observations on Administrative Decisions**
Part-C - **General Remark**

Auditor's Responsibility

Our responsibility is to express an opinion on these financial and administrative decisions based on our audit. We conducted our audit in accordance with the applicable Standards by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's Judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the LGC's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and administrative decisions.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

For RAM RATAN GUPTA & CO.

Chartered Accountant



(CA Ram Ratan Gupta)

Proprietor

M. No. 401006

VD/N - 24401006BKEJNJ9287

DATE: 21-03-2024

Place: Lucknow

PART – A

OBSERVATION ON FINANCIAL DECISIONS

1. Expenses without agreement/tender/ proper supporting documents and without following purchase policy:-

During the course of audit we have observed that the LGC Lucknow Golf Club has not followed the purchase policy. As informed by the LGC the purchase policy of the LGC is:-

“The Managing Committee takes care of all the purchases and sub-committees are formed for day to day functioning of the club. The Purchase Policy revolves around obtaining 3 Quotations from 3 different vendors & the concerned convener / Managing Committee Member approves the quotation matching the requirement. The Managing Committee approves the Capital goods purchased or major construction activities. However the daily consumables or petty maintenance items are purchased directly by the committee members without waiting for the approval. The Hony. Secretary approval is required for all the purchases and all responsibilities are vested with the Hony. Secretary as per the bye laws of the club.”

“Bill amounts below Rs. 5,000/- are being paid in cash and more than that are being transferred to the Bank Account of the party / vendor after due approval from the convener of the respective Sub-Committee. The Bank Accounts are operated jointly by Hony. Secy. and Jt. Secretary However at any instance the Hony. Secretary can take a decision in this regard subject to the by-laws and compliance of all legal frameworks governed.”

Due to non-following the purchase policy the LGC has not get benefitted the competitive and prevailing market rate of the goods purchased or the services received. In case of no agreement with the vendor and service provider scope of work and liability of the supplier cannot be fixed. In the following cases the LGC has not followed the purchase policy:-

Part – A

- Purchase of Goods and Services from Vendors during the F.Y. 2021-22 and 2022-23 without agreement and Tender:-

<u>S.NO</u>	<u>Party Name</u>	<u>Purchase Value</u> <u>F.Y. 2021-22</u> <u>(Rs)</u>	<u>Purchase Value</u> <u>F.Y. 2022-23</u> <u>(Rs)</u>	<u>Remarks</u>
1	M/s Ingenious Creation India	25,18,965.00	-	Building and Golf Course Expenses
2	M/s Irrigation Product International	12,90,450.00	-	Golf Cart Expenses



3	M/s M.K. Electrical	15,11,178.00	13,50,065.00	Electrical goods and Equipment's Expenses
4	M/s Sai Hospitality	10,21,250.00	-	Catering and food Expenses
5	M/s Swastika House	6,58,040.00	-	Furniture and Fixture Expenses
6	M/s Raja Non-Veg Supplier	23,92,915.00	12,58,566.00	Non Veg Supplier (Mutton and Chicken)
7	Zoom Sports	-	7,52,455.00	Tournament Expenses
8	M/s V.K.B Engineering Services	-	6,33,653.00	Course Maintenance and Club House Maintenance
9	M/s Tathastu Entertainment Pvt. Ltd.	-	10,30,966.00	Club Party Expenses (Sound System and wall LED)
10	M/s Pragati Traders	-	15,81,851.00	Club House Expenses (Umbrella, Gazibo Tent, CTV Camera, Computer, Laptop, Printer etc.)
11	M/s Krishna Metal	-	19,06,209.00	Kitchen Equipment Expenses (Chimney Ducting, Baffle Filter, Air Washer, Tandoor, Dishwasher etc.)



Part – B

S.No	Date	Voucher Number	Party Name	Amount	Head of Account	Remark
1	10/02/2023	2248	Nikita Naroha	300000/-	League Expenses	Paid to Nikita Naronha for “Social Media Marketing” services provided is not clear and amount paid without agreement.
3	07-04-2022	059	Krishna Industries	4,35,000.00	Kitchen Expenses	Bill of Krishna Industries was not available with the voucher
4	22-04-2022	114	Krishna Industries	2,65,000.00	Kitchen Expenses	Bill of Krishna Industries was not available with the voucher.
5	10-07-2022	Paid without Voucher	Shashank Singh Advocate	36,000.00	Legal/Wr it Expenses	Amount paid without voucher
6	26/07/2022	636	Krishna Metal Industries	2,26,000.00	Payment	No approval nor any bill attached along with voucher

Some Major Payments:-

Payment to Ms. Nikita Naroha Rs. 3,00,000/- debited under golf league expense for **“Social Media Marketing”** services provided is not clear and amount paid without agreement.

(Annexure_01_Copy of Bill)

Payment to Advocate Kuldeep Narain Mishra Rs. 1,00,000/- debited under Golf League Expenses on the basis of unsigned bills.

(Annexure_02_Copy of Bills)



2. Expenses without supporting documents/bills:-

Some payments have been done without proper supporting documents such as Original Copy of Bills, Signed Bills, etc.

S.No	Date	Voucher Number	Party Name	Amount	Head of Account	Remark
1	31/03/2023	2537	Mr. Ojas Sharad Jain	25857.00		Amount paid without any supporting bills against team expenses
2	31/03/2023	2536	M/s Amrit	66670/- & 68880/-		Amount paid on the basis of photocopy of bill, Original bill are not available in the file
3	31/03/2023	2536	Mahindra bahadur Advocate	27000/-		Amount paid to Mahendra Bahadur Singh Advocate without any bill
5	31/03/2023	1659,1660,1661,1662	Kuldeep Narain Mishra	1,00,000/-		Advocate Fees paid without signed bill of advocate and agreement
6	23/02/2023	2341	Shahzad	40000/-		Paid on the basis of unsigned bill
12	15-05-2022	257	M.M Consultant	1,25,440.00	Course Equipment	Original Bill of the party was not available with the voucher.
14	15-06-2022	446	Finkoteh Inc	56,315.00	Electrical Equipment	Amount paid on requirement latter no original bill attached
17	07-07-2022	539	Krishna Metal Industries	2,00,000.00	Payment	No approval nor any bill attached along with voucher



3. New FDR made on Low Interest Rate:-

We have observed that FDR of Rs. 2,00,00,000/- has been made with Kotak Mahindra Bank FDR No. 8047004029 dated 30.03.2022 @ interest rate of 4.50% . However other banks were offering higher interest rate at the same time.

(Annexure_3_Copy of FDR with Kotak Mahindra Bank)

(Annexure_4_Interest chart on FDRs of Other Bank)

4. Items purchased on higher rate:-

On confirmation from parties and online Confirmation of rate of items of same specification we have found that some items was purchased on higher rate.

Date	Bill No	Party Name	Amount With GST	Item Description	Market rate	Remark
02-04-22	13/22-23	Garga Associates	87,360	10000 Water Tank	75,000	Same item are available from same trader confirm from same party
24-01-23	SH/22-23-352	Shizen Energy India Pvt Ltd	1,17,350	Li-Ion Battery	78,425	Same Item are available locally on low rate but purchase high rate from state.
02-01-22	BR/Tax/6	MK Electricals	5,800	200 Watt Flood Light (Polycab)	3,800	Same Polycab 200 watt flood light available online @3800 per piece.

5. Fees paid to Advocates on Legal Matters:-

Total Rs. 17,81,300/- has been paid to different advocates.

Rs. 9,05,500/- paid to Advocate Jaipriya Swapnil, Advocate Radhika Singh, Advocate Sudheep Kumar, Advocate Ravi Verma and Advocate Mahendra Bahadur Singh in legal Case filed against Dy. Registrar of Societies and Chit Funds. These expenses can be avoidable and this is direct financial burden and loss to LGC.

Rs. 1,76,000/- paid to Advocate Jaipriya Swapnil, Advocate Kuldeep Narayan Mishra, Advocate Ravi Verma in Legal case Lucknow Golf Club vs Halwasia LLP due to dispute in sponsorship related matter arisen due to decision of LGC. These expenses can be avoidable and this is direct financial burden and loss to LGC.

Rs. 3,43,400/- paid to Advocate Nandita Bharti, Advocate Shashank Singh, Advocate HGS Parihar, Advocate Ashish Kumar and Advocate Gulam Waris. These expenses are not identified and reason for payment of fees not provided. These expenses can be avoidable and this is direct financial burden and loss to LGC.



However the Lucknow Golf club had its own Legal Affair Sub Committee consisting members Mr. Labir Singh Bisht, Mr. D.C. Mishra IPS (Retd) and Mr. Jaideep Narain Mathur and thereafter on 16/10/2022 new Legal Affair/Disciplinary Sub-committee was formed consisting members Mr. Adesh Seth, Mr. Vivek Raj Singh, Mr. Awadhesh Pratap Singh, Mr. Rai Swareshwar Bali and Mr. Labir Singh Bisht. The legal matters were never put up before the Legal Affair Sub-Committee and Fees was never approved in the Managing Committee Meeting.

The same point has also been raised by Mr. J.P.S. Sial (Ex-Captain) and Mr. Mukul Singhal (President) by their Dissent note to the minutes of the Managing Committee meeting held on 19.04.2022.

"The wisdom and reason for taking legal opinion from High Court Advocate Ms. Nandita Bharti was also not explained at the meeting especially when the club has a Legal Affairs Sub Committee and is fortunate to have access to the advice of one of the most prominent lawyers of Lucknow, Mr Jaideep Mathur, who is on the Legal Affairs Sub-Committee. In fact, the Joint Secretary had told the meeting that opinion of Mr. Mathur shall be taken. Such opinion has not been brought to my notice despite passing of a sufficiently long time since the meeting. The President had also made the point that apart from the opinion of Mr. Mathur, advise should also be sought from the Registrar of Societies since that office is the regulator of all societies. It was agreed that draft references to Mr. Mathur and the Registrar will be shown to the President before they are sent. I am not aware if this has been done. Some differences pointed out between the original and present Bye Laws are not very clear.

As such, I am not in agreement with the decision to not follow the current Bye Laws so long as they are not amended by the competent level".

(Annexure_5_Statement of advocate fees paid)

(Annexure_6_Detail of Legal Sub-committee)

(Annexure_7_Copy of Dissent Note)

6. Recovery from M/s Devlok Distributors (Proprietor Mr. Devesh Rastogi):-

Rs. 77,13,052/- was pending to recover from M/s Devlok Distributors and Rs. 5,00,000/- is pending to recover from Mr. Devesh Rastogi in the books of accounts of the LGC. A Legal case was filed against M/s Devlok Distributors to recover the money. Due to non-appearance in Hon'ble Court by the LGC the ex-party case has been decided in favor of M/s Devlok Distributors.

Due to Decision of the Hon'ble Court the LGC has suffered financial loss of Rs. 82,13,052/-. The Managing Committee has not taken appropriate action to recover this amount from the party.



7. Purchase of Fixed Assets:-

UPS Purchased from M/s Pragati Traders of Rs. 63354/- debited in Club House Maintenance Expenses instead of capitalization of assets voucher no. 2056, date 01-02-2023.

Gezer purchased from M/s M.K. Electricals of Rs. 16500/- debited in Club House Maintenance Expenses instead of capitalization of assets voucher no. 2068, date 15/01/2023.

8. Fixed Assets purchased were not entered in Fixed Assets Register:-

<u>S.NO</u>	<u>Date</u>	<u>Bill No</u>	<u>Party Name</u>	<u>Item</u>	<u>Amount</u>
1	09-07-21	203	Krishna Ply & Hardware	CUB VIBRANCE SERENE	1,43,665.00
2	01-05-21	CH/20-21/3588	Cable House	Flood Light, Street Light, Electric Equipment's	163071.26
3	21-10-22	SN/22-23/220	Shizen Energy India Pvt Ltd	Electric Equipment	97,000.00
4	22-12-22	34	LUCKNOW CONSTRUCTIONS	Tower Heater	55,800.00
5	24-01-23	SH/2-23/352	Shizen Energy India Pvt Ltd	Li-Ion Battery	95,000.00
6	16-03-23	919	Laxmi Enterprises	Sand Filter and 3HP Pump	1,57,500.00
7	07-04-22	BR/TAX/31	M K Electricals	Kent Water Softener	1,08,474.88
8	02-04-22	13/22-23	Garga Associates & Engineers	10,000 Liter Water Tank	74,033.00
9	27-06-22	438/22-23	Garga Associates & Engineers	Casing Pipes Borewell	66,735.00
10	29-06-22	BT/TAX/0606	M K Electricals	Kent Water Softener	1,08,474.58



9. In the following cases e-way bill of the purchases of fixed assets were not available in the records as per CGST rule number 138 in case of supply is interstate and the value of goods is more than 50,000.00 and goods are being transported by a motorized conveyance then GST E-Way bill is mandatory to generate:-

S.No	Date	Bill No	Party Name	Amount	Remark
1	11-12-2021	21-22/DEC/04	Pragati Traders	66355.92	No E-way Bill Attached Purchase of Laptop Nos1, Printer Nos 1
2	01-05-2021	CH/20-21/3588	Cable House	144629.72	No E-way Bill Attached Purchase of Lights, Equipment's and more than 10 items
3	25-10-2021	21-22/OCT/08	Pragati Traders	57004.00	No E way Bill Attached Purchase of Hard drive, Printer, One Plus TV, UPS and Equipment's
4	17-11-2021	405	True Solutions	52475.50	No E-way Bill Attached Purchase of DIS Machine< Buffing Pad and Disc Pad
5	09-12-2021	BR/TAX/02177	M K Electricals	330649.16	No E-way Bill Attached Purchase of Aluminium Cable and electrical equipment's
6	09-12-2021	BR/TAX/02179	M K Electricals	412500.00	No E-way Bill Attached Purchase of Aluminium Cable 1250 metre
7	03-01-2022	BR/TAX/02428	M K Electricals	106647.78	No E way Bill Attached purchase of 350 Watt LED Light 10 Nos, Equipment's and more than 20 Items
8	27-01-2022	BR/TAX/02716	M K Electricals	78772.04	No Record Found
9	13-02-2022	21-22/FEB/06	Pragati Traders	59745.76	No E way Bill Available Purchase of Cable, Camera and Equipment's



10	02-04-2021	294	Suri Weather Makers	122464.08	No E-way Bill Attached purchase of Air Conditioners
11	16-03-2022	999	HSN Hotel Products Pvt Ltd	80535.00	No E-way Bill Attached Purchase of Double Door Glass Deep Freezer
12	29-09-2021	GK/21-22/0188	Golf king Corporation	167857.14	No E-way Bill Attached purchase of Golf Course Artificial Matt
13	06-06-2022	GE/22-23/GST/19	Gabriel Enterprises	53750.00	No E-way Bill Attached back blower purchase
14	20-06-2022	RE/2022-23/029	REGO ENTERPRISES	141642.86	NO E-way Bill Attached Purchase of E-Loader Vehicle
15	01-04-2022	65	New Rajiv Crockeries	186697.00	No E-way Bill Are Attached
17	20-05-2022	233	New Rajiv Crockeries	53461.00	No E-way Bill Are Attached
18	19-12-2022	1137	Maruti Decorators	54752.00	No E-way Bill Are Attached
19	22-12-2022	34	LUCKNOW CONSTRUCTIONS	55800.00	No E-way Bill Attached Purchase of Tower Heater 6 NOS
20	25-06-2022	FTI/BT/22-23/8	FINKOTECH INC	91000.00	No E-way Bill Attached but e invoice are attached
21	13-06-2022	297	HSN Hotel Products Pvt Ltd	51920.00	Original Bill and E Way Bill both are missing Kitchen Equipment Purchase
22	14-06-2022	307	Krishna Metal Industries	87733.00	No E-way Bill Attached on Double Door Fridge Purchase
23	02-04-2022	13/22-23	Garga Associates & Engineers	74033.90	No E-way Bill Attached RO Water Tank 10000 Litre
24	01-06-2022	038/CSS/22-23	Cogent Sales And Service	74600.00	Purchase Commissioning of 1000 LTR tank NO E-Way Bill Attached



25	27-06-2022	438/22-23	Garga Associates & Engineers	66735.00	No E-way Bill Attached Boring pipes and equipment's
26	13-09-2022	729	HSN Hotel Products Pvt Ltd	140800.00	Original Bill and E Way Bill both are missing Kitchen Equipment Purchase

Physical verification of the fixed assets held by the LGC was not done since 2012. Due to no physical verification of assets we cannot comment on physical availability of fixed assets in the possession of LGC.

Fixed assets were purchased without any approval in the Managing Committee Meeting.

10. Opening of New Bank Accounts with Kotak Mahindra Bank:-

The LGC has opened two new Bank Accounts with Kotak Mahindra Bank on 08/02/2022 Account No. 8046084718 and 11/02/2022 Account No. 8046084763 without approval in Managing Committee Meeting.

11. Payment more than Rs. 5000/- in Cash:-

As per cash payment policy-

"Bill amounts below Rs. 5,000/- are being paid in cash and more than that are being transferred to the Bank Account of the party / vendor after due approval from the convener of the respective Sub-Committee".

(Annexure_8_Copy of Cash Payment Policy)

In many case LGC has made cash payment of expenses more than Rs. 5000/-. In case of payment to Advocate Ravi Verma Rs. 54000/- paid in cash which is against the purchase and payment policy of the LGC:-

(Annexure_9_Details of Expenses more than Rs. 5,000/-)

12. Transfer of Membership:-

There is no provision of mutual transferability of membership in the Lucknow Golf Club bye-laws. However in the managing committee held on Tuesday 14.6.22 at Lucknow Golf Club the managing committee had approved transfer of membership.



As per Item No.4 to discuss the charges for Transferability/Membership:-
Transferability – Since new membership will be virtually closed, we additionally proposed transfer of membership as follows:-

- ❖ **Minimum 10 Years of membership.**
- ❖ **7.5 Lacs + GST (50% of normal Fees) to be paid to the club.**
- ❖ **Subject to approval by the Managing Committee.**
- ❖ **Maximum 20 Transfer in a year.**

However Mr. Mukul Singhal (President) had different opinion to the proposal in Item No- 4. As per his view:-

Item No. 4: “The proposal to substantially increase membership fees, introduce major changes in its structure, denying membership to a large category of society and creating a system to virtually close new memberships etc. will cause major changes in the club and almost convert it into a private body of few individuals which will change the basic spirit of club. This entire proposal should be first cleared by the General Body. Till such approval, it shall not be implemented”.

This rate has been revised in Managing Committee Meeting held on Wednesday 20.07.2022 at Lucknow Golf Club:-

As per Item No.7

Transferability - Rate & Conditions for transfer of membership shall be as follows:-

- ❖ **Minimum 10 Years of membership.**
- ❖ **Rs 6.25 Lacs + GST (50% of normal Fees) to be paid to the club.**
- ❖ **Subject to approval by the Managing Committee**
- ❖ **Maximum 20 Transfer in a year.**
- ❖ **Dues to be cleared beforehand.**

In the Managing Committee Meeting held on Wednesday 29.3.23 at 3PM at Lucknow Golf Club in absence of Shri Mukul Singhal, IAS (President), Shri J.P.S Sial (Ex-Captain) and Shri Ankit Agarwal (Member), Managing Committee had approved 6 cases of transferability of membership. Committee also approved Permanent Membership to 6 Dependent Member. The list of Members is as follows:-

Transferability of Members List

S.No	Name of Member's
1	Mr. Yawer Ali Shah
2	Dr. Vishal Agarwal
3	Mr. Ajay Singh
4	Mr. Anuj Agarwal
5	Mr. Kaushlendra Pratap Singh
6	Mr. Devesh Gupta
7	Mr. Nayyar Siddiqui
8	Mr. Jai Kumar Agarwal



However letters were issued to the members for transferability on 27-03-2023 before the date of Managing Committee Meeting held on 29.03.23. It appears that CA Sandeep Das, Hony. Secretary has issued transferability letters on 27.03.23 without approval of Managing Committee Meeting.

(Annexure_10_Copy of letters issued to Members for Transferability of Membership)

In the Following 7 Cases the membership has been transferred by the CA Sandeep Das Hony. Secretary without approval of Managing Committee. No records of approval of transferability of following members were produced to us for verification:-

Transferability of Members List without Approval of Managing Committee

S.No	Name of Members
1	Mr. Schin Agarwal
2	Mr. Bhushan Rastogi
3	Mr. Harsh Mohan
4	Mr. Pratul Tandon
5	Mr. Devanshu Jain
6	Mr. Himanshu Pal
7	Mrs. Neha Prasada

These memberships have been transferred on concessional membership fees of Rs. 625000/- (i.e. 50% of Rs 12,50,000/-) which is direct financial loss of the LGC.

(Annexure_11_Copy of letters issued to Members for Transferability of Membership)

13. Income tax Demand of Rs. 3,66,44,110/- (excluding interest Rs. 1,04,47,910) against Lucknow Golf Club:-

Income Tax Demand of Rs. 1,61,58,892/- and Interest Rs. 43,62,876/- is pending pertaining to A.Y. 2020-21 as per Income Tax Order U/s 154 dated 05.08.2022 against the club. However an appeal against the order has been filed to CIT (Appeal) on dated 18.08.2022.

(Annexure_12_Copy of Assessment Order)

Income tax demand of Rs. 38,25,074/- and Interest Rs. 5,72,625/- is pending pertaining to A.Y. 2021-22 as per assessment order passed by the Income Tax Assessment authorities under section 143(3) read with section 144B of the Income-tax Act on dated 23.12.2022. However an appeal against the order has been filed to Commissioner of Income-tax (Appeals) on dated 21.01.2023.

(Annexure_13_Copy of Assessment Order)



Income tax demand of Rs. 1,62,23,030/- and Interest Rs. 3,731,290/- pertaining to A.Y. 2019-20 is pending however an appeal against the order has been file Commissioner of Income-tax (Appeals) on dated 27.05.2021.

(Annexure_14_Copy of Outstanding Demand Details)

Income tax demand of Rs. 4,43,590/- and Interest Rs. 17,81,119/- pertaining to A.Y. 2013-14 is pending however no appeal against the order has been filed.

(Annexure_15_Copy of Outstanding Demand Detail)

We also want to bring to your notice that an appeal was filed against the Income-tax demand of Rs. 13,80,590/- pertaining to A.Y. 2015-16 was filed on 10.06.2017. This appeal has been dismissed by the Commissioner of Income Tax (Appeals) in his order dated 08.03.2018.

(Annexure_16_Copy of Order of Commissioner of Income Tax Appeals)

We have observed that all these demands have been raised due to some deficiency in Income Tax Return. Income Tax Return should be filed with due care and with expert opinion.

14. Reduction in bill of Origin Advertising Pvt. Ltd. without approval of managing committee:-

Rent receivable of Rs. 3,75,000/- has been reversed in the accounts without approval of the Managing Committee mere on the basis of instruction note given to accountant by Jt. Secretary Mr. Labir Singh Bisht.

(Annexure_16-A_Copy Origins Advertising Pvt. Ltd. Letter)



PART – B

OBSERVATIONS ON ADMINISTRATIVE DECISIONS

1. Cancellation of Temporary Memberships:-

Ex-Hony. Secretary CA Sandeep Das had cancelled the temporary membership of 86 members without approval in Managing Committee Meeting. Mr. J.P.S. Sial (Ex-Captain) and Mr. Mukul Singhal, IAS (President) had raised this point in Dissent Note to the minutes of the Managing Committee Meeting held on 19.04.2022-

"In my view, the Managing Committee of the club and not the Secretary is the authorized body to take all decisions regarding club affairs according to the Bye Laws. A major decision like terminating the memberships of Temporary members cannot be taken at the level of the Secretary who does not enjoy any delegated powers of this nature. The present decision has been taken arbitrarily and without any effort to give such members an opportunity to correct any deficiency or of being heard. The Covid 19 factor has also been disregarded.

The legality of how binding the decisions of the Managing Committee are on the Managing Committee itself has to be properly examined. This matter should also be referred to Mr. Jaideep Mathur for his opinion. The above text does not show the position of implementation of decisions of the Managing Committees taken on 2.9.2005, 11.12.2012 and 16.2.13 since respective dates as was to be done according to discussions. I am of the view that the termination of membership of 86 temporary members should be withdrawn immediately and proper opportunity to rectify any deficiency be given to them. Final termination should be decided upon by the Managing Committee after giving them an opportunity to be heard."

(Annexure_17_Copy of Dissent Note)

Ex-Hony. Secretary CA Sandeep Das had cancelled the temporary membership of 86 members without giving any opportunity of being heard from the members. The Hony. Secretary has cancelled the membership on the ground that the members has failed to use the golf course. In case of Member Mr. Arun Goel has raised the objection on decision of Hony. Secretary CA Sandeep Das in his letter Mr. Arin Goel has mentioned the fact:-

"This letter represents a reply to your letter no. -01/Temp-Member -Cancel/2021-23, Dated: 16.03.2022, which was received on 19.03.2022.

I would request you to re-examine my membership status. In the letter, you had mentioned that I had failed to use the golf course. Please note that there has been a discrepancy in your attendance records, which understates my presence. I have 3 witnesses who can account for my usage of the golf course and practice range; their names - Sahaj Sial (Member ID - 1734), Chandra Kumar Yadav (Caddie), and Rishi Rawat (Coach cum caddie).



I previously have had a conversation with the caddie master - Yadav (the attendance keeper), who stated that it is not required for me to come to the office to mark my attendance every single time, and that he always has a note of the players who are at the practice range or at the course. Therefore, this might be a cause of inaccurate records maintained across my name, despite using the range regularly.

Kindly revoke the cancellation of my membership, and re-examine the status. Please take this letter as an expression of my interest in the sport and in your prestigious LGC."

In another case of Mr. Peeyush Khanna the Ex-Hony Secretary CA Sandeep Das has cancelled the temporary membership on same ground that member was not using golf course without hearing the member and giving opportunity of being heard which is against the principal of natural justice. In his letter written to Mr. Mukul Singhal, IAS President Mr. Peeyush Khanna had informed that he along with his whole family was infected from Covid, in his letter he clarified the fact:-

"This is in reference to Club Secretary (Mr.Sandeep Dass) letter No.01/Temp-Member -Cancel/2021-23 Dated. 16-3-22, cancelling my Temporary membership of golf club (copy attached). I am surprised & pained to receive this letter.

To refresh, I was enrolled as a temporary member of the club in response to my application for grant of permanent membership on 16 February. 2021 Initially for three months till I become proficient in golf playing & my conduct in club. Thereafter Covid pandemic struck and all activities of club stalled. Further I got infected with covid & was under treatment for long period. After recovering from this serious illness, due to sudden hospitalization of my late mother (me being only son) due to critical illness, I was again unable to focus & start on my golf practice activity as conditioned. Afterwards you are aware that we were to follow the Covid protocols/ maintain social distancing etc. to protect ourselves from pandemic infection. Hence I could not focus on golf play due to the above reasons which were beyond my control.

As such this sudden ex-parte termination of my temporary membership without any notice is wholly unjustified & against principles of natural justice/procedure. I am a retired senior civil service officer & command responsible & respectable status in society. Thus at least the club management should have given me sufficient notice/opportunity before deciding about the termination of my membership. This arbitrary decision without knowing my reasons & taking into consideration terrible covid pandemic circumstances has hurt me most and is wholly unjustified.

Under the circumstances & for the reasons stated above, I humbly request you to recall/cancel immediately this letter of termination of my membership & grant



reasonably sufficient time & opportunity to attain golf playing proficiency if it is urgently essential for granting me permanent membership of club.”

On perusal of above cases we have observed that Hony Secretary CA Sandeep Das has taken suo-moto decision to cancel the 86 temporary members without bringing the fact to the knowledge of Management Committee Members and approval in Managing Committee Meeting without giving any opportunity of being heard to members.

2. Transferability of Membership:-

In eight cases of transferability of membership Hony Secretary CA Sandeep Das had issued letter to members without approval of Managing Committee. Date of issue of letter to member is 27.03.2023 however approval was taken in the Managing Committee Meeting held on 29.03.2023.

Transferability of Members List

S.No	Name of Member
1	Mr. Yawer Ali Shah
2	Dr. Vishal Agarwal
3	Mr. Ajay Singh
4	Mr. Anuj Agarwal
5	Mr. Kaushlendra Pratap Singh
6	Mr. Devesh Gupta
7	Mr. Nayyar Siddiqui
8	Mr. Jai Kumar Agarwal

In seven cases the Hony Secretary CA Sandeep Das had transferred the membership without approval of Managing Committee on reduced rates.

Without Approval of Managing Committee

S.No	Name of Members
1	Mr. Schin Agarwal
2	Mr. Bhushan Rastogi
3	Mr. Harsh Mohan
4	Mr. Pratul Tandon
5	Mr. Devanshu Jain
6	Mr. Himanshu Pal
7	Mrs. Neha Prasada



3. Monthly Income and Expenditure in Managing Committee Meeting:-

The monthly income and expenditure was never produced in some managing committee meeting on perusal of Minutes of the LGC we have observed some members including President had demanded the details of Income and Expenditure but not produced by the Hony Secretary CA Sandeep Das. As per Descent note to the minutes of Managing Committee Meeting on 31.08.2023 of, Mr. Mukul Singhal, IAS, (President) and Mr. J.P.S. Sial (Ex-Captain) and Mr. Ankil Agarwal, Member:-

“The minutes of the previous meeting held on 25.05.2023 cannot be confirmed as they were issued without the signatures of Member, Shri Ankit Agarwal, Ex-Captain, Shri J.P.S. Sialy and the President, Shri Mukul Singhal who were all present at the meeting. There is a very sustained act of not sharing financial status of the club by the Hony, Secretary with the MC as this was not done on 25.05.23 as well as at the meeting held on 31.08.23. MC meetings are also not being held regularly for a very long time. All actions taken so far, based on purported decisions taken at the MC meeting held on 25.05.23 are void as those decisions are improper.”

In the decent note on the minutes of managing Committee held on 06-10-2023 Mr. mukul Singhal, IAS (President), Mr. J.P.S Sial (Ex-Captain) and Mr. Ankit Agarwal (Member) has raised the point:-

“Accounts were once again not placed before the Committee. There is a continued attempt to hide finances of the club from the MC members which raises suspicion.”

4. Filing of Legal Cases:-

Many legal cases have been filed by the Hony. Secretary CA Sandeep Das against Deputy Registrar which were not necessary to safeguard the interest and properties of the club. The cases in the courts have repeatedly been filed by the Hony. Secretary to protect himself and some other members of the MC in the name of defending club.

All legal proceedings in courts related to the current situation have been filed by the Hony. Secretary so far. It is also not a fact that the proceedings were necessary to safeguard the interest and properties of the club. The matter has entirely arisen from the resistance of the Hony. Secretary and the Joint Secretary cum Treasurer to work transparently and their scuttling of demand by members, President and even the Deputy Registrar to show documents related to their financial decisions.

The cases in courts have repeatedly been filed by the Hony. Secretary to protect himself and some other members of the MC in the name of defending the club. There was no basis to go to court since it is detrimental to club interest entailing financial burden on the club and tarnishes of its image.

While the Hony. Secretary was signing authority in legal matters against the club; he had not blanket permission to decide what issues are to be raised before a court and



in what manner. The pleadings, if at all necessary, must be approved by the MC before they were filed in any court.

Internal disputes within the MC, lack of transparent functioning of the Hony. Secretary and the Joint Secretary cum Treasurer should be discussed at an EGM to be called specially so that matters could be resolved in-house rather than taken to courts. Some members including President were not in favor of legal battles in court.

The legal status of case and the fees paid to the advocates for these legal matters were not put up in the managing Committee Meeting by the Hony. Secretary CA Sandeep Das.

5. Accounts and Balance Sheet was not adopted in AGM

The account of the financial year 2022-23 is still not adopted in AGM. As per Bye-laws of the LGC:-

“(a) The Accounts shall be dealt by the Hony. Secretary who shall cause true accounts to be maintained of all sums of money received and expended by the Club and of all matters in respect of such receipts and expenditure and of the assets and liabilities of the Club.

“(b) The Hony. Secretary shall render a monthly account to the Managing Committee of all moneys received and paid by him on behalf of the Club. The Accounts shall be audited at the end of each calendar year by the Auditor appointed by members in the Annual General Meeting. The audited accounts shall be verified by the President and horny Secretary and shall be submitted in the Annual General Meeting.”

6. Not Holding Managing Committee Meeting on Regular Basis

As per Bye-Laws of the Lucknow Golf Club:-

“Minimum Meeting of the Managing Committee shall be once a month”

The Managing Committee Meeting was held on 16-10-2022 and thereafter next Managing Committee meeting was held on 29-03-2023 after five months gap. The Managing Committee Meeting was not regularly called as per bye-laws such as meeting was called on 29-03-2023, 25-05-2023, 31-08-2023 and 06-10-2023.



PART – C

GENERAL OBSERVATIONS

1. Fixed Assets Register and identification of fixed assets:-

LGC has not updated Fixed Assets Register; fixed assets are not numbered and identified by the LGC. Physical verification of the assets is not done by the LGC.

2. Stock Register:-

The LGC maintains only liquor stock, stocks of consumables item should also be maintained to control the consumption of the consumables. Incoming of all the consumables items should be checked and verified by the responsible person. Goods issued and consumed should be entered in stock register. Physical verification of consumable items should be done periodically by the prescribed authority. Stock may be checked at the time of entry on the gate. A register may be kept on the entry gate and bill details can be entered along with vehicle number in the register.

3. Maintenance of Sub-Ledgers:-

There is no concept of making sub ledgers exists in the accounting system of LGC.

Following sub-ledgers should be maintained:-

- a. Party-wise ledgers of Retention/Security deposit from vendors.
- b. Member wise Security Deposit ledger account.

4. Journal Vouchers:-

The LGC does not prepare the journal vouchers such as Journal voucher for depreciation, transfer entries, bank charges, bank Interest and voucher of cash withdrawal.

The LGC should prepare the journal vouchers and should do verified by the authorized person before passing the entries.

5. Serial Number of Vouchers:-

Serial number of the vouchers as available in the voucher file is different from the voucher number in busy accounting software. Vouchers number as per voucher and accounting software should be same.



6. Verification of Goods Purchased:-

The quantity and quality of goods purchased by the LGC should be checked and verified by authorized person.

