

Dated: 16th July 2022

To The Secretary BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Security Code No.: 523716	To The Secretary National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 NSE Symbol: ASHIANA
--	--

Re: Our intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement), 2015 dated 30th December 2021 of intimation of Forensic Audit

Subject: Submission of Forensic Audit Report of the accounts of the Company

Dear Sir,

In accordance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement), 2018 read with SEBI notification No. SEBI/LAD-NRO/GN/2020/33 dated 8th October 2020 and in reference to the intimation dated 30th December 2021 under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement), 2015, please find attached herewith the Forensic Audit report issued by Grant Thornton Bharat LLP (Chartered Accountants).

Please take this information on your record.

Thanking you,
For Ashiana Housing Ltd.

For **ASHIANA HOUSING LTD.**


Nitin Sharma
(Company Secretary)
Mem No. ACS 21191

NITIN SHARMA
Company Secretary

Ashiana Housing Limited

304, Southern Park, Saket District Centre,
Saket, New Delhi 110 017 T: 011 4265 4265, F: 011 4265 4200
E: sales@ashianahousing.com, W: ashianahousing.com
Regd. Office: 5F Everest, 46/C Chowringhee Road, Kolkata, West Bengal - 700 071

CIN: L70109WB1986PLC040864

Ashiana Housing Limited

Fact Finding Review

Report

15 July 2022

Strictly Private & Confidential

Not for further distribution without express written permission of Grant Thornton Bharat LLP



Table of Contents

#	Particulars	Slide number
1.	Glossary	3
2.	Background and Scope of Wok	5
3.	Procedures performed	7
4.	Key Observations	11
5.	Disclaimers	13



Glossary

#	Term	Meaning
1	AHL or Client or Company	Ashiana Housing Limited
2	AMSL	Ashiana Maintenance Services LLP
3	FY	Financial Year
4	GRN	Goods Receipt Note
5	GT or we or us	Grant Thornton Bharat LLP
6	IT	Information Technology
7	NEFT	National Electronic Fund Transfer
8	PO	Purchase Order
9	Review Period	1 April 2019 to 30 June 2021
10	RTGS	Real Time Gross Settlement



Cover Letter

To,
The Chief Financial Officer
Ashiana Housing Limited
Southern Park, Unit 304,
Saket District Centre, Saket,
New Delhi - 110017

15 July 2022

Subject: Report – Fact Finding Review for Ashiana Housing Limited

Dear Sir,

We are pleased to submit our report for the Fact Finding Review for Ashiana Housing Limited as per the agreed scope of work.

For and on behalf of

Grant Thornton Bharat LLP

Background and Scope of work

Background and Scope of Work

Background

During August 2021, the management of Ashiana Housing Limited (“AHL” or “Company”) discovered that an employee (“Suspect Employee”) at one of the Company’s branch had potentially siphoned off money from the Company’s bank accounts through modification in the bank account numbers of vendors/customers while sending the NEFT / RTGS instructions to the bank at the time of making the payment.

The management approached Grant Thornton Bharat LLP (“GT” or “we” or “us”) to conduct a fact-finding review to ascertain the veracity of suspicions of the management and identify the potential loss to the Company.

**Period of Review is 1 April 2019 to 30 June 2021
 (“Review Period”)**

Brief Scope of Work

Meetings and discussions



Review of electronic documents



Public domain and field enquiries



Document review



Procedures performed

Procedures performed

The work procedures performed are listed below:

1. Meetings and discussions

- a) Conducted discussions with the following representatives of the Company to obtain an understanding of the processes, roles & responsibilities and instances of siphoning of funds by the Suspected Employee:

#	Particulars
1	Chief Financial Officer (Company)
2	Vice President (Branch)
3	Assistant Vice President (Branch)
4	Senior Manager – Purchase (Branch)
5	Manager – Finance (Branch)
6	Executive – Finance (Branch)

2. Computer forensic procedures and review of electronic data of the Suspected Employee:

- a) Conducted forensic technology procedures to create forensic image of one electronic device (desktop) used by the Suspected Employee.
- b) Obtained and reviewed the email data backup of the Suspected Employee provided by the management.
- c) Processed the data from the images by way of indexing, de-duplication and culling of the imaged data.
- d) Conducted focused searches and reviewed the processed data by using keywords relevant to the review.

Procedures performed

3. Review and analysis of bank account data of AHL and Ashiana Maintenance Services LLP (“AMSL”):

- a) Obtained and reviewed the bank statements and bank books of the following four disbursement bank accounts of the Branch of AHL and one bank account of the Branch of AMSL:
- b) Obtained and reviewed the NEFT and RTGS sheets containing details of beneficiaries of funds transferred from the above mentioned three bank accounts (out of five bank accounts) of the Branch

4. Review and analysis of available data and documents

- a) Obtained and reviewed the Internal Audit reports for Quarter 3 and Quarter 4 of FY 2019-20 and for FY 2020-21 of the Branch.
- b) Obtained and reviewed the Standard Operating Procedures for payments.
- c) Obtained and reviewed the HR records of the Suspected Employee.
- d) Obtained and reviewed the vendor master.
- e) Obtained and reviewed supporting documentation for sample customer refunds amounting to INR 46.14 lacs.

5. Forensic data analytics and review

- a) Conducted forensic data analytics on the bank book and bank statements to identify red flags.
- b) Obtained and reviewed the balance confirmations of top 14 vendors of the Branch.
- c) Obtained and reviewed the bank account detail confirmations **for payments aggregating to ~98% of total funds transferred (through NEFT and RTGS) for AHL and 100% of total funds (transferred through NEFT and RTGS) for AMSL.**

Procedures performed

6. Additional Sample transaction testing

a) **Vendor Invoices:** Conducted sample transaction testing of purchases and direct expenses as per details below:

Particulars	AHL	AMSL
Number of Vouchers	139	46
Amount (INR in crores)	7.23	2.04
%age of coverage	7%	29%

b) **Cheques and fund transfers:** Conducted sample transaction testing of payments made through cheques and NEFT/RTGS payments to beneficiaries having bank account numbers within the bank, to identify anomalies.

7. Public domain searches and site visits

- a) Conducted public domain searches on the identified suspects used for siphoning of funds to identify their business details or details of relationship with any other employee of Branch.
- b) Conducted public domain searches on the Suspected Employee and his family members to ascertain their relationship with the above identified suspects involved in siphoning of funds.
- c) Conducted site visits on the identified suspects to ascertain their existence and nature of business.

Key Observations

Key Observations

Based on our work procedures, discussions, and information, we noted that the Suspected Employee had siphoned off the funds aggregating to **INR 4.26 crores** from AHL (**i.e. INR 4.08 crores**) and AMSL (**i.e. INR 0.18 crores**) by modifying / manipulating the bank account numbers of the vendors in the NEFT / RTGS sheets. These manipulated sheets were shared in both hard copy and soft copy format with the bank officials for transferring the funds (vendor payments). Refer details below for the summary of our observations:

- 1) We reviewed the Company's payment process and observed that the finance team primarily uses two modes to make payments. These modes are NEFT/RTGS sheets shared with the Company's Bank and the Cheques issued by the Company in the name of beneficiaries.
- 2) It was noted that the Suspected Employee manipulated the NEFT/RTGS sheets prepared by him and replaced the account numbers of identified suspects with the account numbers of the Company's vendors.
- 3) Noted multiple instances wherein the Suspected Employee had siphoned off funds aggregating to INR 4.26 crores from the bank accounts of AHL (i.e. INR 4.08 crores) and AMSL (i.e. INR 0.18 crores). It may be noted that the Company does not have any business relationship with the identified suspects.
- 4) Funds were siphoned off by the Suspected Employee through collusion with the identified suspects.

Disclaimers

Disclaimers

1. While Grant Thornton Bharat LLP (“GT” or “we” or “us”) has taken reasonable steps to corroborate the information obtained, we cannot guarantee its reliability or completeness. For these reasons, this report should be used for guidance purposes only. It should not form the sole basis for any decision as to a potential course of action without independent confirmation of its findings; nor should it be relied upon as preferred advice.
2. We have relied upon representations of employees of the Company, all data and information they provided are correct to the best of their knowledge and that no fact or information that would have had a material bearing on our findings has been intentionally withheld or otherwise omitted.
3. We have relied upon the information supplied in connection with this engagement including management information, supporting documentation and electronic documentation. We did not audit or otherwise verify the information supplied in connection with this engagement, from whatever source obtained, except as may be specified in this report.
4. The scope of our services does not constitute an audit conducted in accordance with generally accepted auditing standards, or an examination of internal controls/procedures or other attestation or review services or services to perform agreed-upon procedures in accordance with standards established by the Institute of Chartered Accountants of India. The services also do not involve the expression of any opinion or any other form of assurance, concerning any matters as a result of the performance of our services.
5. No representation or warranty, whether express or implied, is given by us with regard to our review or scope of work. Where this report is provided to someone not allowed as per the EL, we accept no liability (including negligence) to anyone in connection with it.
6. Our work does not make any representation regarding questions of legal interpretation and cannot render legal advice. The Company should consult with its attorneys with respect to any legal matters or items that require legal interpretation including laws, rules or regulations as may be applicable in India.
7. Our services and our report are not intended to be, and shall not be construed to be investment advice or legal, tax or accounting advice.
8. The report is for the exclusive use of the Company and is not to be shared or published in part or as a whole without written permission of GT.
9. We must indicate that our duty of care is to the Company and we do not accept a duty of care to any other party.

Thank you