

GOVT. OF NATIONAL CAPITAL TERRITORY DELHI
IN THE COURT OF THE REGISTRAR COOPERATIVE SOCIETIES
OLD COURT BUILDING, PARLIAMENT STREET, NEW DELHI-

110001

No. F. C.D. 107338097/RCS/H-Sec-4/2022/6131-6133

Dated: 22/9/2023

In the matter of:-

MAHARISHI DAYANAND CGHS LTD.

(Ex-Managing Committee for period 2012-2018

.....RESPONDENTS

ORDER

This Order shall dispose of the proceedings initiated under section 66(2) of the DCS Act, 2003 vide Show Cause Notice dated 02.01.2023.

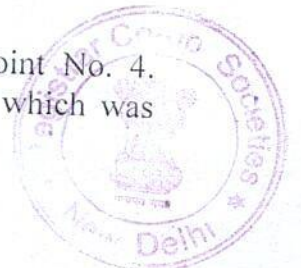
Whereas, on complaint of Sh. Devender Kumar, Special Audit of the society for the period 2012-13 to 2017-18 was ordered and M/s K.S. Choudhary & Co. Chartered Accountants was appointed as Auditor vide this office order dated 21.05.2018 as per rule 80 of the DCS Rules, 2007 to conduct the special audit of Maharishi Dayanand CGHS for the period of 2012-13 to 2017-18.

Whereas, the Special Auditor submitted its report in this office on 29.03.2019 wherein, the special auditor had pointed out many findings/observations in its special audit report. Thereafter, Sh. Ajay Arora, SDM(Delhi Cantt.) was appointed as an Inquiry Officer u/s 66(1) of DCS Act, 2003 vide this office order dated 06.06.2022 to conduct the detailed investigation in respect of the findings/observations of the Special Auditor.

Whereas, the Inquiry Office submitted his detailed report on 05.09.2022, the conclusion of the report is as follows:

"The Special Audit Report mainly pointed out irregularities in payments to the Contractor and the Architect. After the Special Audit Report being conveyed to the present Management Committee, the Committee has renegotiated with the Contractor and entered into a Supplementary Agreement with the approval of the General Body of the Society. This Supplementary Agreement takes care of all the past omissions/commissions of the successive management committees and saves the Society from the financial loss to be suffered because of such omissions/commissions. However, the irregularity raised in Point No. 12 is still not taken care of and the payments of Rs. Rs.2,53,10,250/- in the year 2017 are found to be irregular/ without authority as these are for the work which was not in the scope of work of the contractor and there is no rate justification for this payment. Lt. Col. R.S. Rathee was the President of the Society, Dr. Gyanendra Kumar was the Secretary and Smt. Raj Rani Goel was the Treasurer of the Society at the relevant time.

As regards irregularities in payments to the Architects, as raised in Point No. 4. strangely a clause was included in the Contract with the Architect firm which was



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never there in the quotation given by the firm and which was never approved by the General Body. The matter regarding payment of fees to the Architects is sub-judice. Even if the Society somehow succeeds in the litigation, it will suffer financial loss on account of litigation expenses. Sh. Lekh Raj Suman, Smt. Aruna Singh, and Sh. M.S. Yadav were the President, Secretary and Treasurer of the Society at the relevant time." The conclusion of the Auditor as well as of the observations of the I.O. are as under:

Auditor Conclusion No. 2:The year 2009, the society planned to undertake construction of two bedroom flats, as per development control norms of Master Plan Delhi, 2001, with estimated cost of value of works of approximately 71 crores. Subsequently the scheme of the construction was changed to construction of "Four Bedroom Flats" as permitted by MPD, 2021, which was implemented by that time. The total actual cost incurred till 31.03.2018 is amounting to Rs. 127.97 Crores (as per audited accounts). Further, project is not completed yet, even after 10 years.

Auditor Conclusion No. 3:In further, in MPD 2021 FAR has been increased from 133 to 200 and permissible height increased from 26 meters to 33.5 meters. Due to above mentioned changes the area of construction has also been increased considerably i.e. Basement from 35,508 Sq. ft. to 1,77,987 Sq. ft. Stilt from 35,508 Sq. ft. to 45,040 Sq. ft. and flats 1 to 10 floors 3,44,080 Sq. ft. to 4,50,400 Sq. ft.

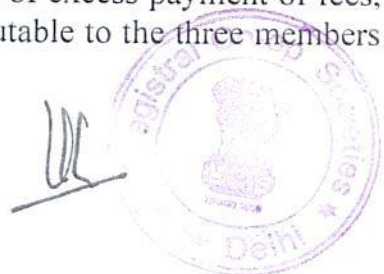
Auditor Conclusion No. 4:If the society had properly considered the terms and conditions of the agreement at the time of awarding contract to architect, the incremental charges of 0.5% every year on total cost of the project beyond 3 year by the Architect could have been saved, which is an extra cost burden for the society due to lack of prudence exercised by the Office Bearers at the time of awarding of contract to the architect.

I.O. Conclusion:The Architects, M/s. Khurmi Associates Pvt. Ltd. in their quotation dated 2.9.2009 had mentioned their charges as 1.75% with no mention of any incremental charge. Even as per the Minutes of Management Committee meeting dated 4.9.2009 the approval of the Management Committee was for appointment of M/s Khurmi Associates Pvt. Ltd. as Architects for a fee of 1.75%. However, while signing the agreement, the following condition was added vide clause 8:

"....if the work is extended beyond 36 months for any cause whatsoever an additional fees of 0.5% for every extension period of 12 months shall be charged on the total cost of works."

Sh. Lekh Raj Suman, Smt. Aruna Singh, and Sh. M.S. Yadav were the President, Secretary and Treasurer of the Society at that time, who had signed the agreement causing undue loss to the Society.

The matter is now under litigation as M/s. Khurmi Associates Pvt. Ltd. has filed a suite for recovery of outstanding fees and the Society is defending the matter in the Hon'ble High Court of Delhi. Not only the loss on account of excess payment of fees, but the loss on account of litigation expenses is also attributable to the three members of the Society



Auditor Conclusion No. 5: In the initial Stage of the project, the area under construction increased from 35508 sq ft (as per contract) to 175000 sq. ft. (i.e. as per RA bill no. 1). Due to massive increase in the area, change in all the parameters of the project was bound to occur. The then management committee did not visualize the changed scenario and took no steps to renegotiate the terms and conditions of the contract with the contractor and architect in view of enormously increased area.

I.O. Conclusion: As rightly observed by the Auditors, there has been a massive increase in the construction area. A larger area gives economies of scale and therefore, had the then management committee taken steps to renegotiate the terms and conditions of the contract with the contractor and architect in view of enormously increased area, there could have been possibility of settlement at a lower rate. However, there are a few things which need to be kept in mind with regard to this observation. One, the contract had already been executed with the contractor on per sq. ft. basis. So if the scope of work increases after execution of the contract, what are the options available to the Society if it is of the view that larger construction area should lead to reduced rates per sq. ft. Since the contract has already been executed, renegotiation cannot be forced upon the contractor-it can only be requested and in case of failure, at best the contract can be terminated and fresh quotations called, but that too would lead to litigation. Anyhow, in the case in hand, there is no record to suggest that the then Management Committee had even tried to request the contractor for a renegotiation on the rates. This is failure on the part of the then management committee. At the same time, however, it has to be noted that while initial contract was for construction of two bedroom flats based on Master Plan 2001 and the construction work had started based on those plans-the Society had plans to approach the concerned authorities including the Hon'ble Supreme Court of India to get approval for construction of larger flats based on Master Plan 2021. There could be no guarantee that the Society would get these approvals, especially from the Hon'ble Supreme Court. The records show that the construction was going on in such a way that if the approvals are denied, the flats will remain based on Master Plan 2001 and if the approval is received, further constructions will be done to avail the benefits of Master Plan 2021. Thus, increase in the construction area was largely dependent upon the approval of the Hon'ble Supreme Court of India which the Society got in 2016. Not only the increase in the construction area was dependent upon approval of the Hon'ble Supreme Court, there were a number of defaulter members and the minutes of several General Body Meetings during that period show that there were requests to the members that the contractor may stop the work in case of non-payment of dues; the members were requesting the management to not stop the work as this may lead to cost escalation. So, even though the Society had in its mind the plans to have construction of flats based on Master Plan 2021, it appears that its position was not quite strong to force the contractor to renegotiate the rates. Anyhow, the present Management Committee has, after the observations of the Auditors are referred to it by the office of the Registrar of Cooperative Societies, has renegotiated the terms and entered into a supplementary agreement with the contractor...



Auditor Conclusion No. 6: It is our view that, in view of substantial increase in the construction area, the managements could have re-negotiated with contractor to bring economy in project.

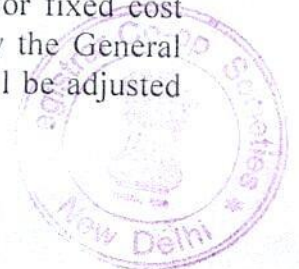
Auditor Conclusion No.7: When agreement was entered into with the Architect it was clearly defined in agreement that any types of taxes and duties levied by the government from time to time, mainly, the service tax (including surcharge, if any) of 10% on the total fees of the Architect shall be borne by the society. The Architect charged service tax/GST on bills as prevailing from time to time (ranging between 12% to 18%). The rate of service tax/GST is not as per the rate decided in the agreement and society has paid total service tax/GST instead of 10% as mentioned in the agreement. Thus the total extra cost borne by the society amounted to Rs. 19,36,427.51) till bill no. KAPL-07 dated 07- 02-2018. However, the total excess tax component amount is Rs. 29, 68,427.51 as on 11.12.2018.

I.O. Conclusion: Here, with due respect to the professional expertise of the Auditors, I fail to agree with their observation. If the agreement clearly says that "any types of taxes and duties levied by the government from time to time" on the total fees of the Architect shall be borne by the society, all the taxes by whatever name and at whatever rate the government imposes have to be borne by the Society. No other interpretation can be given to the clause. The words "mainly service tax of 10%" give only indication / example of the taxes and cannot be treated to restrict the rate of tax to 10% even if the government changes the rate of tax. The GST, or DVAT before GST reign, has to be treated as included in the term "any types of taxes and duties levied by the government from time to time". Any other interpretation would lead to futile litigation and won't stand judicial scrutiny.

Auditor Conclusion No. 8: As per agreement with contractor the running bills and measurement book had to be submitted to the society every month. We have been provided with copies of some measurement books, however from the records of approval of the contractor's bill by the architect; we could not find any basis/linkage of approval of the quantities of the work done with reference to the measurement books. Under the circumstances, there may be excess payments to contractor.

I.O. Conclusion: This was a failure on the part of the successive management committees. Payment of running bills without reference to the measurement books can lead to excess payments to the contractor. Of course, the excess payments can be interim only and will automatically be adjusted at the time of final bill, but this has been a wrong practice on the part of the successive management committees and could lead to excess payments to the contractor.

Anyhow, as per the Action Taken Report submitted by the Society to the Registrar, Cooperative Societies vide letter dated 24.11.2020, a supplementary agreement has been executed between the society and the contractor on.... providing for fixed cost per flat instead of per sq. ft. cost. The execution has been approved by the General Body of the Society. All previous payments made to the contractor shall be adjusted



against the said fixed cost. Thus, the possibility of any loss on account of this point has been ruled out.

Auditor Conclusion No. 9: Due to the absence of theoretical consumption of material and wastage, we cannot properly analyze about usage of material and amount of wastage in the construction work. Further we also found that all the material purchased by the society was handed over to contractor directly. There is no internal control in the society for the same which might result in losses to the society as we have not been provided any material consumptions reports obtained by the society from the contractor.

I.O. Conclusion: Again, this was a failure on the part of the successive management committees. However, as already mentioned earlier, the Society has renegotiated the terms with the Contractor with the approval of the General Body and entered into a supplementary agreement which provides for fixed cost per flat instead of per sq. ft., cost and all previous expenditure incurred towards the materials supplied by the Society (cement, steel and bricks) over and above the cost recovered from the contractor, shall be now recovered from the contractor's due payment calculated in accordance with the fixed cost of Rs. 1.18 crore per flat.

Auditor Conclusion No. 10: An amount of Rs. 3,31,56,930.00 has been borne by the society related to all running and Incidental charges expenses (payable to police and health dept, labour dept, DESU, MCS, DDA) which, as per the contract are payable by the contractor.

Auditor Conclusion No. 11: A payment of tax (all taxes levied by the central or any state government or local authority) amounting to Rs. 12, 74, 28,329.85 (up to running bill 01 to 15) was made by the society. There were two conditions mentioned in the contract i.e., special & general. As per the general rule, wherever there is a contradiction between these two conditions, the special condition will prevail over general. But society followed general condition and paid all taxes accordingly.

I.O. Conclusion: As mentioned earlier, the Society has renegotiated the terms with the contractor and entered into a Supplementary Agreement with him after approval from the General Body of the Society. As per this Supplementary Agreement, all the applicable taxes levied by the local / State / Central Govt. on the subject work, either already paid [like Service Tax/VAT/GST etc.] or to be paid in future (GST etc.) shall be deemed to have been included in the fixed cost of Rs. 1.18 crore per share (cost to member). While the rates are inclusive of taxes, the amount of applicable taxes like GST etc. shall be reflected separately in the bills raised by the Contractor. Since the present management has already renegotiated with the contractor with the approval of the General Body and rectified any wrong committed by the previous management on this account, this aspect need not be looked into now.

Auditor Conclusion No. 12: In the contract it was clearly mentioned that window shuttering is not in the scope of contract. However, the contractor has claimed on extra



amount of Rs. 2,53,10,250.00 on window shuttering and the same is approved by the management committee of the society without any justification of approval of rates.

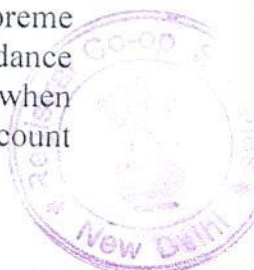
I.O. Conclusion: While the present Management Committee has entered into a fresh Supplementary Agreement with the contractor after approval of the General Body of the Society, even this Supplementary Agreement provides that the window shutters and glass won't be part of the scope of work. Thus, the window shuttering was neither part of scope of work of the contractor as per original contract, nor it is now as per the Supplementary Agreement. The payment of Rs.2,53,10,250 on this count made to the contractor is without any rate justification and without any approval of the Society's General Body. As per the Special Audit Report, these payments were made in the year 2017. At the time of this irregular / unauthorised payment in 2017, Lt. Col. R.S. Rathee was the President of the Society, Dr. Gyanendra Kumar was the Secretary and Smt. Raj Rani Goel was the Treasurer of the Society.

Auditor Conclusion No. 13: As per the agreement all the materials (i.e. bricks, cement, steel) was purchased from FY. 2009-10 to 2017-18 by the office bearer of the society and the total cost of the material is Rs. 2, 96,416,080.00. Such materials were purchased directly from vendor without any tender quotation.

I.O. Conclusion: This was plain lack of prudence on the part of the then management committees. Materials of such huge value were purchased without any tender quotations directly from the vendors. While it cannot be assessed how much loss Society would have suffered because of this lapse, the present management has taken corrective steps to cover up this omission of the past committees. In the Supplementary Agreement entered into with the contractor after approval from the General Body and based on negotiations with the contractor, the expenditure incurred by the society on purchase of these items over and above the cost recovered from the contractor, shall now be recovered from him out of his due payment calculated in accordance with the fixed cost of Rs. 1. 18 crore per flat.

Auditor Conclusion No. 14: At the time when construction was started, MPD Plan 2001 was applicable to the society for construction. However, during the course of time, MPD 2021 was announced by the govt. however, the same was not automatically applicable to the society. The society was required to get fresh drawing approved and obtain consent of Supreme Court for carrying out construction in accordance with MPD 2021. It is significant to observe that the society continued its construction in accordance with MPD 2021 without getting its drawings approved from concern authorities as well as without taking consent from Honourable Supreme Court and without permission of other authorities.

I.O. Conclusion: No doubt it was an irregularity on the part of the Management of the Society and had it been noticed by the authorities, especially the Hon'ble Supreme Court of India while according its approval in 2016 to the building plan in accordance with MPD 2021, a huge loss would have occurred to the Society. However, now when that has not happened the Society has not suffered any financial loss on this account



and also, presently the constructions are as per the approved plans. Therefore, responsibility need not be fixed on this count.

Auditor Conclusion No. 15:As per agreement as well as another consent document obtained from the contractor, two covered area rates for superstructures (i.e. Rs. 1750/- Sq. Ft. and Rs. 1450/- Per Sq. Ft.) for construction of 181 flats are there. The difference in rates is on account of variation in the quality of finishing items. During our special audit period, the contractor charged @ Rs. 1750/- per Sq. ft., in the running bills. In the opinion expressed by subcommittee in its report, as well as in our opinion, the average of the two rate i.e. Rs. 1600/ should have been allowed to the contractor pending finalization of number of flats of both type. But the same is not considered by the MC of the society. Due to this there has been an extra payment of Rs. 53,467,126.97 to contractor up to 14th RA.

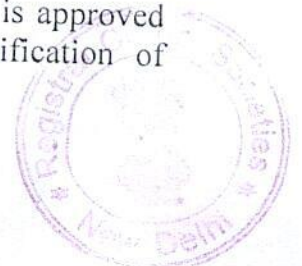
I.O. Conclusion:Originally, rates quoted by the contractor and contract executed was @ Rs.1750 per sq. ft. However, later the contractor agreed to construct some flats with inferior specifications @ Rs.1450 per sq. ft. It was to be informed by the Society as to how many flats would be @ Rs. 1450 per sq. ft. Sub Committee constituted by the Society had also recommended that the running payments should be made to the contractor not @ Rs.1750 per sq. ft. but at a lesser rate. This was not done by the management committees leading to excess payment as assessed by the Special Auditors.However, the present Management Committee after renegotiations with the contractor based on the points raised by the Auditors, has entered into a Supplementary Agreement with the Contractor after getting approval from the General Body of the Society. This Supplementary Agreement does not speak of two specifications and now there is provision for only one type of specifications for all flats with fixed cost to members.

Thus, the omissions of the previous Committees have been taken care of by the present Management Committee and saved the Society from any loss on this count.

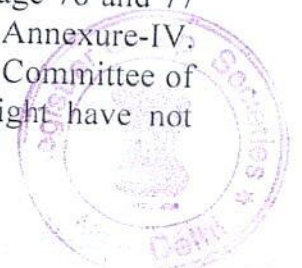
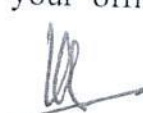
Accordingly, Show Cause Notice dated 02.01.2023 under section 66(2) of DCS Act, 2003 was issued to the Managing Committee members of the society for the period of 2012-2018 for filing a reply and also afforded an opportunity of personal hearing.

Whereas, Sh. Manish Tanwar, Sh. Mehtab Singh Saini, Sh. Kishan Goel, Sh. Azad Singh Rathi, Dr. Gyanendra Kumar, Lt. Col.(Retd.) R.S. Rathee and Sh. Amar Singh filed reply the Show Cause Notice wherein they submitted that:

1. The Special Auditor vide para 12 of his Audit Report dated 29.03.2019 had stated that "In the contract it was clearly mentioned that window shutters are not in the scope of contract. However, the contractor has claimed an extra amount of Rs 2,53,10,250.00 on window shuttering and the same is approved by the Managing Committee of the Society without any justification of approval of rates".



2. The Society vide para 12 of its Action Taken Report had given its reply of the above- mentioned observation of the Special Auditor. The Action Taken Report stated that "It is agreed that P/F of window Shutters is excluded from the Contractor's scope and all windows (UPVC, with double glazing) will be provided by the Society at its cost (through another agency), keeping in view of the Noise Pollution due to existence of Air Funnel (in the approach of the airport runway). On the other side, under the "Schedule of Payment" at page 76 and 77 of the Contract Agreement dated 23.09.2009, various stages of payment as percentage of the agreed covered area rate for superstructure have been provided at s.no. 17 of this "Schedule of Payment", 3% payment against Window Shutters including fittings" is mentioned. This error, again committed by the Earlier Architect.
3. However, the aforesaid error does not reduce the Covered Area rate quoted by the Contractor or the overall eligible payment to the Contractor under the contract. The payment claimed against this item and recommended by the Architect is very much included in the overall payment. As such the payment claimed by the Contractor is not extra over and above his entitlement under the contract. Notwithstanding the above, the correct time of payment to the contractor against this stage would have been when the window shutters were got fixed by the Society, because there could be a possibility of any correction/repair in the window openings constructed in the masonry by the Contractor, at the time of fixing the window shutters. Hence, this issue is not of extra/overpayment but payment at incorrect stage. It will be suitably addressed in the future payments of the Contractor.
4. The Inquiry Officer has mentioned in his report submitted to you on 05.09.2022 that "However, the irregularity raised in para 12 is still not taken care of and the payments of s 2,53,10.250.00 in the year 2017 are found to be irregular/without authority as these are for the work which was not in the scope of work of the contractor and there is no rate justification of this payment. Lt Col RS Rathee was the President of the Society Dr. Gyanendra Kumar was the Secretary and Smt. Raj Rani Goyal was the Treasurer of the Society at that relevant time"
5. That it is pertinent to mention that by now the work of fixing of the window shutters is almost over. Whatever correction/repair in the window openings were there have been repaired by the contractor. Hence, the point of time of fixing the window shutters in no more. Therefore, the point mention in the Action Taken Report of the society regarding correction/repair in the window shutter opening is no more.
6. It is submitted that the learned Special Auditor might have given his observation based on clause 12 (f) on page 49 of the contract agreement dated 23.09.2009. The extract of page 49 is enclosed herewith as Annexure-III. Whereas he might have not considered the fact given at s.no. 17 on page 77 of the same contract while giving this observation The extract of page 76 and 77 of contract agreement dated 23.09.2009 are enclosed herewith as Annexure-IV. He never clarified from any member of the concerned Managing Committee of the Society. Similarly, the Inquiry Officer and your office might have not



considered this fact and the explanation given in the Action Taken Report by the Society.

7. Therefore, there has been an error in the payment of the Window Shuttering in the contract dated 23.09.2009. When these two conflicting requirements were noted then, the same point has been raised in the meeting of Managing Committee dated 15.09.2018 by proposing that the bill should be sent to the Architect for his clarification and then only decision should be taken.
8. Thereafter, Lt Col R S Rathee, Retd then President of the Society along with Dr Gyanendra Kumar then Secretary of the Society went to the Architect where this point was clarified that the Contractor is also doing POP and other such items in each flat which is again as per the scope of what work of the Contractor in the agreement but not mentioned in the Schedule of Payments, therefore, the agreement be looked in totality and not viewed partly in the interest of the Project. After this clarification clause 04 on page 22 of the contract agreement dated 23.09.2009 was also considered. The clause 4.2 provides that if there is varying of conflicting sources provisions made in any of the aforesaid documents forming part of the contract, the Architect and the Owner shall be sole deciding authority in regard to intention and interpretation of the document and their decision in this regard shall be final and binding.

Thereafter, Sh. Kishan Goel, Sh. Gyanandra Kumar, Sh. Amar Singh, Sh. Rajender Beniwal, (Vide-President of Society), Lt.Col(Retd.) R.S. Rathee filed another reply to the Show Cause Notice wherein they submitted that:

The Society's contract agreement dated 23.09.2009 (the original contract) with the contractor (M/s Chinar Promoters) provides that the contractor shall be paid @ Rs 1750/- per sft for the entire work under their scope of work. In effect it is a lump sum contract, wherein the payment is made for the entire work and not for each item of work.

As mentioned in clause 12 (f) on page 49 of the Contact Agreement date 23/09/2009, certain items are excluded from the contractor's scope of work, which means that while the contractor gets the payment of Rs 1750/-sft, he is not required to execute those items. One such item is Providing UPVC windows.

For ease of payment to the contractor, the total payment of Rs 1750/- sft is divided into 27 stages, as given on page 76 and 77 as per the contract. One such stage of payment as given at serial no-17 of the contractor is 3% of total payment of 1750/sft is mentioned against UPVC windows, which is an inadvertent mistake by the architect. However, this does not reduce the total payment of Rs 1750/- sft. Similarly, for certain items of work included in the contractor's scope, like POP on internal surfaces, there is no stage of payment.

The said payment of Rs. 2,53,10,250/- against UPVC windows was released to the contractor, after he made the openings for windows in the walls and completed POP on walls. This payment was released after having clarification on interpretations of the contract from the architect.

The above payment is in no way an over/irregular payment because it is very much part of the total rate of Rs 1750/- sft. The Supplementary agreement made

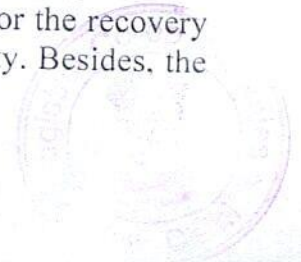


between the Society and the Contractor on 09.08.2020 fixed the cost of each flat as Rs. 1.18 crore for the entire work with the contractor, M/S Chinar Promoters. All the payments made to the contractor on any account till that time under the original contract dated 23.09.2009 (including the aforesaid payment of Rs 2,53,10,250/-) were have been included in the fixed cost of Rs 1.18 crore and only the balance part (out of 1.18 crore) is to be paid to the contractor till completion of work under their scope. As such, the supplementary agreement has already addressed the inadvertent mistake in the original contract.

The clause 4.2 on page 22 of the contract provides- That if there are baring of conflicting provision made in any of the aforesaid documents forming part of the contract, the Architect and the owner shall be sole deciding authority in regards to intension and interpretation of the document and their decision in this regard shall be final and binding. The Managing Committee of the Society is the owner of this project.

I have gone through the report of the special audit conducted by the Special Auditor M/s K.S.Choudhary & Co., finding of Inquiry report of Sh Ajay Arora who conducted inquiry u/s 66(1) of DCS Act 2003 as well as the reply filed by the concerned members of the Managing Committee of the society. It is observed that the then members of the Managing Committee of the society the payment of Rs 2,53,10,250 /- made by the Managing Committee in the year 2017. However, the society has entered into a supplementary agreement with the contractor and fixed the cost of each flat Rs 1.18 Crore for entire work. All the payment made to the contract on any account till that time have been included in the fixed cost of Rs 1.18 Crore in only the balance and thus the supplementary agreement ruled out any over payment on this account. Besides, it is worth mentioning that section 66 (2) of DCS Act 2003 mandates to require or repay the money or compensation to the society from the persons responsible for such loss to the society. However, in the instant case the issue of overpayment (if any) has already been settled by the way of supplementary agreement thus, no case is made out against the persons. Besides, the Inquiry Officer has observed that the matter of overpayment to the Architects, M/s Khurmi Associates Pvt Ltd is under litigation and the society defending the matter in the Hon'ble High Court of Delhi.

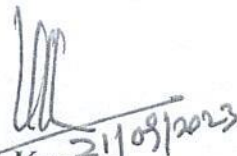
In view of what has been discussed herein above, it is noticed that though the society has justified the payments on account of window shuttering without any rate justification and without the approval of General Body of society stating that the said payment is very much a part of the Rs 1750 per square feet. Besides, the society signed a supplementary agreement with the contractor on 09.08.2020 fixed the fixed the cost of each flat as Rs. 1.18 crore for the entire work with the contractor, M/S Chinar Promoters. All the payments made to the contractor on any account till that time under the original contract dated 23.09.2009 (including the aforesaid payment of Rs 2,53,10,250/-) were have been included in the fixed cost of Rs 1,18 crore and only the balance part (out of 1.18 crore) is to be paid to the contractor till completion of work under their scope. Thus, there is no scope for any over payment or the recovery of said over payment from the then Managing Committee of the society. Besides, the



matter regarding over payment to Architect M/s Khurmi Associates Pvt Ltd is presently sub-judice before the Hon'ble High Court of Delhi. Thus, in the given circumstances no case is made out for restoration of the money to the society u/s 66 of DCS Act 2003.

Ordered Accordingly.




21/09/2023
Krishan Kumar
Registrar Cooperative Societies

Sent To:-

1. President/ Secretary of Maharishi Dayanand CGHS, B-4, Vasant Kunj, New Delhi-110070 with the direction to serve Orders to the Ex-Managing Committee members for the period of 2012-2018 and provide acknowledgment of the same.
2. ARCS, Housing Section-4, O/o RCS
3. Incharge Computer Cell with the direction to upload it on the website of the Department.