

MOST URGENT

OFFICE OF ADMINISTRATOR,
ASHA DEEP COOP GH SOCIETY.
PLOT NO.- 3B, SECTOR-2, DWARKA, NEW DELHI-110075

F.No.- DOE/ASHADEEP/RCS/2023/

Dated: 22.02.2024

NO.-22

To,

Sh. K. K. Chopra, M. No.- 234 (Ex- President)
Sh. Govind Khattar, M.No.-203 (Ex Vice President)
Sh. R. K. Prabhakar, M.No.-190 (Secretary)
Sh. Sayaji Alapati, M.No.-194 (Treasurer)
Sh. Bijender Singh, M. No.- 239 (Co-opted Member)
Sh. M. S. N. Prasad, M.No.- 202 (Co-opted Member)
All R/o Asha Deep Apartment, Asha Deep CGHD Ltd
Plot No.- 3B, Sector-2, Dwarka, New Delhi-110075

Sub: **Clarification on representation/complaint regarding financial irregularities committed deliberately by you while serving as the President of the society**

Ref:- **Please refer to my letter F. No.- DOE/ASHADEEP/RCS/2023/37-43 on the subject noted above.**

You were requested to reply to the complaints received against you but instead of giving a reply to the specific complaints, you responded by sending a reply cum legal notice from Mr. Amit Minocha, Advocate, full of derogatory utterances without touching even the periphery of the complaints raised. Having gone through the relevant records available in the society office vis-a-vis the complaints raised, Prima facie, I have found the following irregularities:

1. Unapproved and irregular payments of ₹50,92,112 made to the contractor:

It is found that the allegations made by the complainants about the payment of ₹50,92,112 is true. The payment was made by the erstwhile Managing Committee to the contractor without verification of bills by the Architect. I did not find any approval of the Special GBM/AGM for this payment.

2. Irregular escalation of 8-10 % of the project cost

The undersigned also found that the payment to the contractor was made with an escalation of 8-10% without the approval of the AGM/ Special GBM in violation of Section 92(4) of DCS Act, 2003. The agreement of the society signed with the contractor does not have any provision for escalation in the project cost.

3. Two separate payments for a single work of railings on the terrace.

I have also found that the contractor was made payment of ₹16,82,000 (Sixteen lacs eighty-two thousand) to meet the contractual commitment of 10% of the cost of phase-III for the brickwork and M.S. railings as per the agreement. I have verified that this work was not done. Payments were also made separately for the balcony railings of Stainless Steel fitted with toughened glass. Thus, you made two separate payments to the contractor for a single work of grilling of the balconies putting the society in a heavy monetary loss.

4. The final demand of ₹63,000 was raised without calculation of the total project cost.

After going through the minutes of the GBM/Special GBM, I found that in the Special GBM held on 27.01.2019, the cost of construction under FAR was decided to be ₹2,25,000 plus GST per member. Thereafter, no decision on an increase in the project cost is noticed as having been approved by any GBM or Special GBM. However, based on the demand raised by the past Managing Committees, all the members of the society, except some defaulters, have made payment of ₹5,50,000 towards the construction cost.

The last demand of Rs. 63,000/- was raised by you on 13.08.2023 out of the uncalculated project cost, which was fixed as ₹6,13,000 (Six lacks thirteen thousand) without the approval of the AGM/Special GBM.

5. Excess payments made without execution of work of slab casting

I also found from the bills raised by the contractor and payments made accordingly by you that excess payment was made to the tune of ₹19,00,000 (Rs. Nineteen lakhs) approx. on account of the wrong calculation of the area of terrace slabs deliberately as there were only 8 terrace slab castings in the Community Hall side of the B block (wings 2 & 3) but the bill was claimed for 11 slabs instead of 8 slabs (both sides) of the B Block. Thus, the calculation of approx. 1100 Sq. ft. extra area was claimed/paid without due verification of bills by the Architect and excess payment was made for 1100 Sq. ft. @ Rs. 1350 per Sq. ft.=Rs. 14,85,000+ 8% Enhancement + 18% GST=Total Rs. 18,92,484 in favour of the contractor, causing heavy monetary loss to the society.

6. Defect liability period of one year in violation of the DCS Act.

The complaint regarding illegal defect liability period of one year is also true in the agreement signed with the contractor which violates Section 92(2) of DCS Act, 2003. The defect liability period should have been five years in the contract/agreement in compliance with the extant provision. Reducing the defect liability period from a statutory five years to one year in the agreement/contract signed with the contractor is a serious violation of DCS Act and Rules.

7. The cost of scrap/dismantled material not deducted from the bills raised by the contractor


The allegation of the complainant was found to be true that while making payment to the contractor you did not deduct the cost of scrap/dismantled material from the bills raised by the contractor. your action has caused monetary loss to the society.

8. Change in design of railings without the approval of the AGM/Special GBM

The allegation of the complainant was found to be true about the change in the design of the railings in the terraces for which no approval from the DDA was applied/sought. An arbitrary change in the design of railings also violates the terms and conditions of the construction under the FAR approved by the DDA. The violation may cause a hurdle to society at the time of completion certificate (CC) on completion of the project. Such an act was in violation of Section 92 of DCS Act as the change was not approved by the ABM/Special GBM.

9. The minutes of the meeting are not as per the actual discussion and decision and decisions in the GBMs

The allegation of the complainants was verified with video recordings of the discussions held and found that the minutes of the meetings were not drawn as per the



discussion held and decisions taken in the Special GBM held on 25.06.2023 and the AGM held on 24.09.2023 respectively. You have thus falsified the minutes of the above-said meetings.

10. Action against the defaulters not taken

The society is having a large number of defaulters basically for two reasons, first, because of the demand of ₹63,000 was raised as the last instalment of construction cost without calculation of the final cost of the project with the approval of the AGM/Special GBM and the second, because the erstwhile MCs have not put efforts in collecting dues from the major defaulters under Sections 86 and 89(2) of DCS Act, 2003 read with Rule 102(5) of DCS Rules, 2007. It appears that preferential treatment has been given to the chronic defaulters.

11. Memberships are given to the ineligible buyers of flats

At least 15 flats have been sold out and the transfer of membership was done accordingly and in some of the cases membership has been transferred in violation of DCS Act/Rules and bye-laws of the society. It has been noticed that one of the newly enrolled members, namely, Shri Bijender Singh, was co-opted in the erstwhile MC. It has been found from the records that Shri Bijender Singh became a member of the society after purchasing flat No. A-501 from Smt. Mamta Gupta. It is on record that his spouse is already a member of this society and hence, the membership should not have been transferred to him. However, the erstwhile MC gave him membership in violation of clause 5(iv) of the bye-laws of the society. A buyer of a flat cannot be given membership without submitting the duly filled-in required forms (Form 18 to Form 21) under DCS Act, 2007 but the same are not available on the records of the society.

12. Collection of money in the name of Development Fund of the society in cheque and cash

The complaint about the collection of money from the buyers and sellers of flats in the name of development funds has been found to be true. It is available on record that the money collected in a cheque in the name of development fund from the buyers/sellers was encashed and the same figures in the accounts statement of the society at the relevant point in time. But the allegation of collection of money in cash totalling Rs. 10,00,000/- (Ten lacs) does not figure in the account of the society. However, it is noticed that there is no collection of any amount from the first 8 buyers/sellers (4 buyers and 4 sellers) but suddenly after the first 8 buyers/sellers from Sr.Nos. 9 to 13 collection of ₹2,00,000 from sellers and ₹ 50,000 from buyers were made in cheque towards development fund. The erstwhile Managing Committee, thus, violated the provisions under Rule 92 of DCS Rules, 2007 in general Rule 92 (6) (d) in particular in the transfer of membership to the new entrants in the society.

It is observed that no collection from the buyers and sellers mentioned at Sr.No.s 1 to 8 has been shown which gives ample strength to the allegation that the cash collection had been made to the tune of ₹2,00,000 from the sellers and ₹50,000 from the buyers but deposit of cash collection does not figure in the balance sheet of the society. This complaint needs to be enquired into as it is a serious matter of embezzlement of society funds. It was informed by the Manager of the society from Sr. No. 21 to 30 no collection was made either from the buyers or the sellers.

13. No penalty was imposed against the contractor for delay in the completion of the project



On the one hand, you gave unapproved and irregular enhanced payments to the contractor as mentioned in preceding paragraphs, but you failed to impose a penalty on the contractor for abnormal delay in construction work as per clause 11 of the agreement (page 8) which shows undue favour to the contractor against the interest of the society.

The above findings are based on the available records.

If you wish to contradict the above noted findings or want to submit any documentary proof in your favour clarifying your position, please do so within seven days failing which it would be presumed that the allegations levelled in the complaint made by Mr. DPS Rajesh and Ms. Bhardwaj and the findings as elaborated above are true, and action would be taken accordingly.

NOTE:- in case any of the member/person require any documents to counter the allegations levelled by the complainant, he is required to submit an application with list of information/ documents as required from the society office. Thereafter required documents will be given.


(V. S. Malik)

Administrator cum R.O.
Asha Deep CGHS Ltd.

Copy for information to:-

1. Asstt. Registrar (Sec.-VII/GH) Co-operative Societies, Old Court Building, Parliament Street, New Delhi.
2. Shri D. P. S. Rajesh, M. No- 205, Asha Deep Apartment, Plot No.- 3B, Sector-2, Dwarka, New Delhi-110075
3. Smt. Kamla Bhardwaj, M. No.- 209, Asha Deep Apartment, Plot No.- 3B, Sector-2, Dwarka, New Delhi-110075
- ✓ 4. Notice Board of the society – for information to all.
5. All committee members- (Through Manager of the society with list of the then managing committee members)