

# Tentative Draft Forensic Audit Report of Delhi & District Cricket Association

October 03, 2020

**ASA & ASSOCIATES** LLP

CHARTERED ACCOUNTANTS

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**DRAFT**

## 1. BACKGROUND

### 1.1. Introduction

ASA was appointed by the Honourable Ombudsman of DDCA, Justice Deepak Verma vide mail dated August 17, 2020<sup>1</sup> to carry out a forensic audit of specific transaction between DDCA and a contractor (MSL) and DDCA's accounts for two-year period (FY 2018-19 and 2019-20), in two phases.

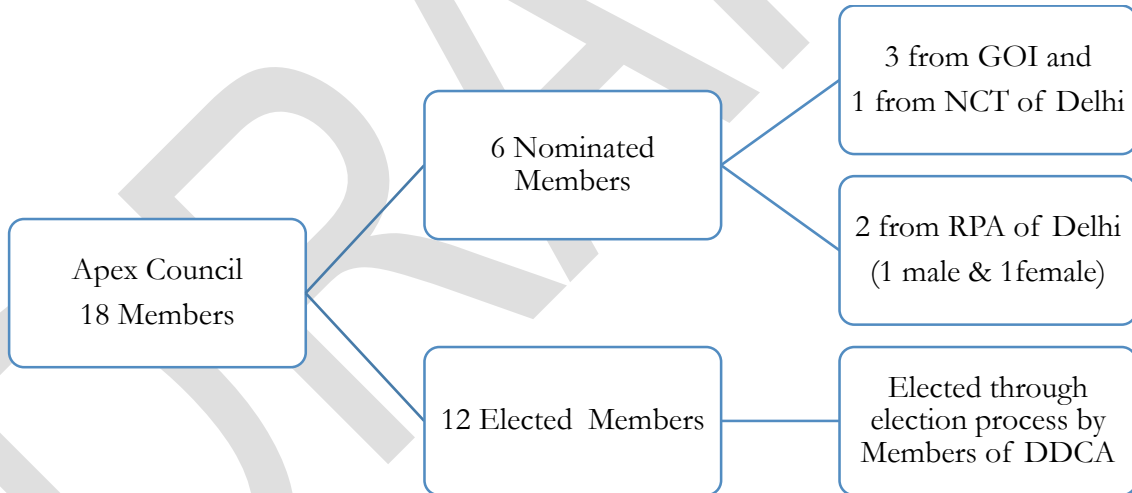
This draft report is prepared to convey our findings in Phase I. These findings may be refined if any further information comes to the light during our assignment.

### 1.2. Company Overview

DDCA is a Company incorporated under the Companies Act with an object to control and improve quality and standards of the game of cricket in Delhi, as set forth in its MOA<sup>2</sup> (Screenshot of MCA master data is given in Annexure 1).

### 1.3. Organisation structure of DDCA

1.3.1. As per AOA dated<sup>3</sup> of DDCA, organisation structure is as under :



<sup>1</sup> Appointment mail dated August 17, 2020 received from office of ombudsman DDCA, Justice Deepak Verma

<sup>2</sup> MOA of DDCA

<sup>3</sup> AOA of DDCA

1.3.2. As per MOM of Apex Council dated December 5, 2019<sup>4</sup>, composition of committees of DDCA is given hereunder:

Committee	Name	Post
Infrastructure Committee	Nitin Gupta	Chairman
	Alok Mittal	Member
	Apurv Jain	Member
	Sanjay Bhardwaj	Member
	Renu Khanna	Member
	Gautam Dutta	Legal Advisor
Finance Committee	O.P.Sharma	Chairman
	Vinod Tihara	Member
	Rajan Manchanda	Member
	Apurv Jain	Member
	Alok Mittal	Member
	S.N.Sharma	Member
Member Facility Committee	Alok Mittal	Chairman
	Nitin Gupta	Member
	Renu Khanna	Member
	Rajan Manchanda	Member
	Sanjay Bhardwaj	Member
	S.N.Sharma	Member
Disciplinary Committee	S.N.Sharma	Chairman
	Apurv Jain	Member
	Alok Mittal	Member
	Sudhir Kumar Agarwal	Member
Media Committee	Apurv Jain	Chairman
	Sanjay Bhardwaj	Member
	Renu Khanna	Member
	S.N.Sharma	Member
	Nitin Gupta	Member
Cricketing Affairs Committee	Sanjay Bhardwaj	Chairman
	Rajan Manchanda	Member
	Vinod Tihara	Member
	Alok Mittal	Member
Legal Committee	Rajan Manchanda	Chairman
	Vinod Tihara	Member
	Apurv Jain	Member
	S.N.Sharma	Member
	Gautam Dutta	Legal Advisor

<sup>4</sup> MOM of Apex Council dated December 5, 2019

## 1.4. Summary of Financials

As per audited financial statements of FY 2018-19<sup>5</sup> of DDCA, summary of key financial information is provided below:

<i>Amount INR Crores</i>	
Particulars	FY 2018-19
Total Income	36.93
Total Expenses	38.66
Profit/Loss before Tax	(1.72)
Payables to vendors	0.12
Other Payables (Statutory Liabilities and Accrued Expense & Payables)	22.97
Fixed Assets (Property, Plant & Equipment)	97.71
Inventory	0.23
Short Term Loans & Advances	0.28
Other Current Assets	16.04
Long-term Loans & Advances	8.36

## 2. SCOPE OF WORK

Overall scope of work as directed by the Honourable Ombudsman is given below:

**Phase I** – Review of specific transaction with MSL

**Phase II** – Review of previous 2 years' transactions of DDCA (FY 2018-19 and 2019-20)

## 3. PROCEDURES PERFORMED

Following procedures were performed to execute the work assigned:

S No.	Activity	Procedures Performed
<b>Phase I – Review of specific transaction with MSL</b>		
1.	Analysis of ledger of MSL in accounting system and supporting documents	<ul style="list-style-type: none"> <li>Review of ledger of MSL in accounting software – tally to identify invoices entered and payments made.</li> <li>Review of supporting documents for the transactions recorded in the books of account of DDCA.</li> </ul>
2	Review of bank statement of DDCA	<ul style="list-style-type: none"> <li>Review of payment transactions of MSL from bank statement of DDCA</li> <li>Review of payment transaction which was stopped as per orders of the ombudsman</li> </ul>

<sup>5</sup> Audited financial statements of FY 2018-19

3	Analysis of tender documents related to the work assigned to MSL	<ul style="list-style-type: none"><li>• Review of bid documents submitted by MSL and other bidders for details of incorporation, experience, financial information and promoters.</li></ul>
4.	Desktop searches	<ul style="list-style-type: none"><li>• Conducting desktop search for MSL, its related entities, and other bidders related to address, GST number and its promoters.</li></ul>
5.	Field visits of MSL, its partners and other qualified bidder	<ul style="list-style-type: none"><li>• Conducting field visits at office and registered addresses of MSL, its partners and other qualified bidder in order to verify the existence of these entities and their offices.</li></ul>

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## 4. OBSERVATIONS

### 4.1. Transaction with MSL

#### 4.1.1. Whether signed agreement is in place with respect to work allotted to MSL?

Scan copy of agreement between DDCA and MSL dated December 10, 2019<sup>6</sup>, received over e-mail. Original agreement was available on records.

#### 4.1.2. Whether tender documents (RFP, Financial Bid, Technical Bid and Comparative Chart) are in place with respect to work allotted to MSL?

- a. As per agreement<sup>7</sup>, DDCA appointed ACPL as consultant for the 'Designing of the restaurant, bar, member's lounge, dedicated cricket library, and other facilities (including relocation of office space) at the Willingdon pavilion of DDCA'.

Scope of work of ACPL included:

- i. Preparation of tender and contract documents in coordination with DDCA
  - ii. Providing technical assistance in selection of contractor
  - iii. Final inspection to certify completion of job
- b. As per the evaluation documents<sup>8</sup> submitted by ACPL to the CEO of DDCA dated 12.10.2019, Bids from 4 different bidders were received by DDCA; which were:
- i. Saifi Enterprises
  - ii. DFI
  - iii. MSL
  - iv. The Design Consortium.

Two bidders, Saifi Enterprises and The Design Consortium were disqualified on the grounds of technical/eligibility criteria.

*No documents were available in file stating communication regarding reasons of disqualification of Saifi Enterprise and Design Consortium.*

Out of the remaining two bidders, MSL was the lowest bidder with financial quote of INR 6.64 crores, whereas DFI had quoted INR 7.33 crores. ACPL recommended to award the contract to MSL.

<sup>6</sup> Copy of agreement between DDCA and MSL dated December 10, 2019

<sup>7</sup> Agreement between DDCA and ACPL dated September 05, 2019

<sup>8</sup> Evaluation documents submitted by ACPL to the CEO of DDCA dated October 12, 2019

**Observations:****i. Potential relationship between ACPL, MSL and DFI****➤ ACPL and DFI:**

- The bid document of DFI, mentioned two addresses:
  - a. PVH0011802 in Pavilion Heights, Tower 1, Jaypee Greens Wish Town, Sector 128, Noida<sup>9</sup>
  - b. C28c, Sector 8, Noida<sup>10</sup>
- As per letter head, GST website and CA certificate<sup>11</sup> available in tender documents, DFI's address is PVH0011802 in Pavilion Heights, Tower 1, Jaypee Greens Wish Town, Sector 128, Noida (**Refer screenshot of GST website in Annexure 2**).
- DFI had submitted to DDCA five purchase orders/completion certificate/letter of intent to qualify for the bid. Address of DFI given on these documents is C28c, Sector 8, Noida.
- As per the agreement between DDCA and ACPL, ACPL also has same address i.e. C28c, Sector 8, Noida.
- Google search also highlighted the address of ACPL as C28c, Sector 8, Noida (**Refer screenshot in Annexure-3**).
- On field visit of C28c, sector 8, Noida, no sign board of any company was found at this address (**Refer picture in Annexure-4**). Field visit of PVH0011802 in Pavilion Heights, Tower 1, Jaypee Greens Wish Town, Sector 128, Noida demonstrated that it is a residential building (**Refer picture in Annexure-5**). No sign board was available outside the building.
- ACPL's website mentions DFI as its initiative (**Refer screenshot in Annexure-6**).
- Public domain information also mentions DFI as part of ACPL's ecosystem (**Refer screenshot in Annexure-7**).
- The Authorised signatory of DFI tender documents<sup>12</sup> was Vimal Rautella. ACPL finance and admin list of people also mentions Vimal Rautella as a team member (**Refer screenshot in Annexure 8**).

<sup>9</sup> Letter head of DFI

<sup>10</sup> Work order dated 13.09.2017 issued by Maha Online Limited to Design Factory India

<sup>11</sup> CA certificate of DFI

<sup>12</sup> DFI Tender Documents

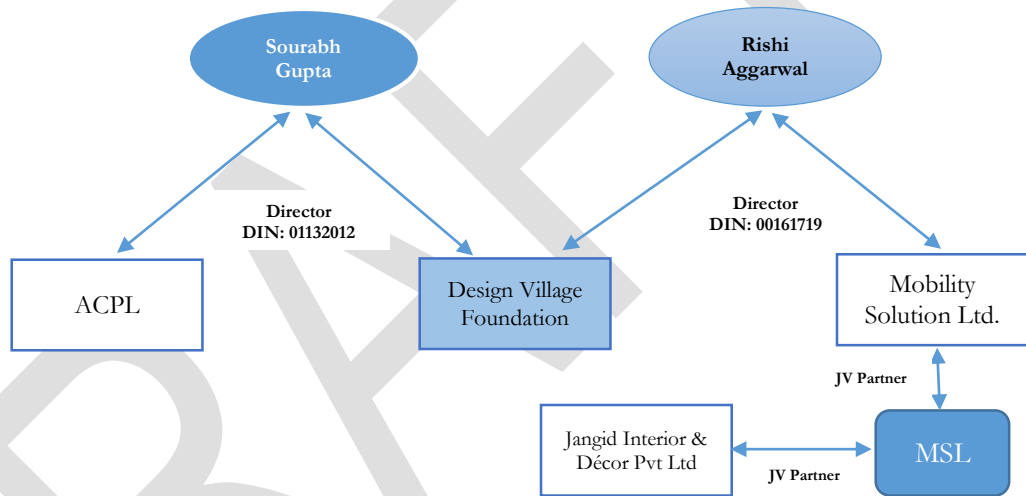


- As per information available in public domain, Mr. Sourabh Gupta is the managing director of both ACPL and DFI (**Refer screenshots in Annexure 9**).

➤ **ACPL and MSL:**

- As per the partnership deed of MSL<sup>13</sup>, it is a joint venture between 'Mobility Solutions Limited' and 'Jangid Interior Decor Pvt. Ltd.'
- Mr. Sourabh Gupta, one of the directors in ACPL, is also a director in The Design Village Foundation along with Mr. Rishi Aggarwal, who is a director of Mobility Solution Limited (JV partner of MSL).

The relationship can be understood from below picture:



(Refer Annexure 10 for screenshots of MCA database).

- Rajinder Kumar Aggarwal is father of Rishi Aggarwal. Also, Rishi Aggarwal and Rajinder Aggarwal share a common address (**Refer screenshot of MCA data in Annexure 11**). Rajinder Kumar Aggarwal is also signing director in financial statement of Mobility Solution Limited (**Refer screenshots in Annexure 12**).
- The signature of Rishi Aggarwal on form INC - 9 of The Design Village Foundation in MCA records seems to be similar as signatures on behalf of Mobility Solutions Ltd. on the financial statements of MSL (**Refer screenshot in Annexure 13**).
- ACPL and MSL have common statutory auditor 'K. M. Agarwal & Co., 36, Netaji Subhash Marg, Daryaganj, New Delhi'. Financial statements of ACPL and MSL signed by D. K. Agarwal (**Refer Annexure 14 for screenshot**).

<sup>13</sup> Partnership deed of MSL dated January 01, 2016

➤ **MSL and DFI:**

- As per Tender Notice<sup>14</sup>, one of the essential condition to bid for the contract was as under:

“The bidders must have undertaken the interior/execution work of a public/community space costing not less than INR 5 crores”.

On review of bid documents of DFI in tender file, it was observed that two experience letters<sup>15</sup> submitted by DFI were issued by MSL only.

*Considering above facts, one may conclude that ACPL, DFI and MSL are potentially related entities.*

#### **4.1.3. Whether MSL complied with tender conditions?**

As per the tender requirements, following were some of the pre-qualification criteria:

- i. The bidder must have undertaken the interior/execution works of a public/community space costing not less than Rs. 5 Crores.
- ii. The Bidder must have undertaken at least one redevelopment / modernization project in a heritage / historical precinct costing not less than Rs. 5 Crores.

On review of experience letter dated January 23, 2018<sup>16</sup> submitted by MSL, it was observed that the work started on December 30, 2015 and completed on January 04, 2017. *As per the partnership deed<sup>17</sup>, MSL came into existence on January 01, 2016.*

#### **4.1.4. Whether offices of MSL were traceable?**

- a. As per the letter head used for invoice no. MSL 003/19-20 dated March 2, 2020<sup>18</sup>, Addresses of registered office and workshop of MSL were given as :
  - Registered Office: H. No 540, Street No. 10, Sadarpur Colony, Sector 45, Noida – 201301
  - Work Address: H.No A-357E, Near Sangam Lodge, Mangal Bazaar Road, Sangam Vihar, New Delhi – 110062

Audit team conducted field visit of registered office of MSL located at H. No 540, Street No. 10, Sadarpur Colony, Sector 45, Noida – 201301 on September 22, 2020 at around 16:00 hrs. Our observations in this regard have been given hereunder:

<sup>14</sup> Tender Notice

<sup>15</sup> Two experience letters submitted by Design Factory India

<sup>16</sup> Experience letter submitted by MSL Jangid JV

<sup>17</sup> Partnership deed of MSL

<sup>18</sup> Invoice no. MSL 003/19-20 dated March 2, 2020

- i. The locality mentioned in the address was a residential area.
- ii. House no. 540 was not traceable in street no. 10. Most of the houses had no number plates outside. First house in street no. 10 had a number plate engraved outside with house number bearing 421/10 **(Refer photograph in Annexure 15)**. The last house at the street had no number plate outside, and, on enquiry from the residents of the house, it was found that it was House No 480.
- iii. Audit team tried to locate H. No 540 in subsequent streets of Sadarpur Colony and noted following:
  - Street no 11. had no house with H. No mentioned outside.
  - One house in street no. 12 had a number plate hanged mentioning H. No. 510/12. **(Refer Annexure 16 for site photograph)**.
  - Street no. 13 had no house with H. No mentioned outside.
  - The house number series were changed in street no. 14 as the first house no. was **C139**.
- iv. On enquiry from several residents of the street, it was informed to us that there is no office being operational/running from street no. 10 as it was a Residential Area.

*Considering above facts, registered address mentioned in the invoice was not traceable.*

- b. Audit team conducted field visit of work office of MSL located at H.No A-357E, Near Sangam Lodge, Mangal Bazaar Road, Sangam Vihar, New Delhi – 110062 on September 23, 2020 at around 10:00 hrs. The observations in this regard have been given hereunder:
  - i. This was a residential area.
  - ii. No number plate was placed outside of the houses in locality. On enquiry with nearby inhabitant, house no. A-357E was confirmed.
  - iii. The address gate was closed at the time of visit **(Refer picture in Annexure 17)**.

*Considering above facts, address mentioned in the invoice was traceable.*

#### 4.1.5. Appointment of MSL

- a. As per MOM of finance and purchase committee meeting dated October 18, 2019<sup>19</sup>, the committee decided to recommend to award the work to MSL at a value of INR 6.25 Crore plus GST.
- b. As per MOM of Apex Council's meeting dated October 19, 2019<sup>20</sup>, the contract for work related to interior/execution/modernization work of restaurant, bar, member's lounge, a dedicated cricket library and other facilities at the willingdon pavilion and in new club house building was awarded to MSL

As per MOM, the letter of award was required to be prepared by consultants ACPL and vetted by Sourabh Chadda, legal advisor and was to be signed by CFO.

- c. As per MOM of Apex Council's meeting dated December 5, 2019<sup>21</sup>, it is was decided that legal contract papers shall be signed by Neeraj Sharma (Manager, Admin and Infra) once the same vetted by Gautam Dutta (Advocate).

The following officials of DDCA were present in the meeting as per minutes:

- Rakesh Bansal – Vice President (Chairman)
- Vinod Tihara – Secretary
- Rajan Manchanda – Joint Secretary
- Alok Mittal – Member
- Apurv Jain – Member
- Nitin Gupta – Member
- Renu Khanna – Member
- Sanjay Bhardwaj – Member
- S. N. Sharma – Member
- Gautam Dutta – Advocate
- Kamal Sachdev – Company Secretary

The Agreement dated December 10, 2019, entered between DDCA and MSL was signed by Neeraj Sharma.

*Documents related to vetting of agreement by Gautam Dutta, not available.*

*Minutes of infrastructure committee meeting held, if any for finalising tender document for the said contract and for appointment of MSL, not available.*

<sup>19</sup> MOM of finance and purchase committee dated October 18, 2020

<sup>20</sup> MOM of Apex Council dated October 19, 2019

<sup>21</sup> MOM of Apex Council's meeting dated December 5, 2019

#### 4.1.6. Payments made to MSL

- a. As per books of account, DDCA has recorded following invoices<sup>22</sup> of MSL during FY 19-20:

Invoice Number	Amount (In INR)
MSL/DDCA/DEL/Inv #001/19-20	14,753,068
MSL/DDCA/DEL/Inv #002/19-20	2,735,716
MSL/DDCA/DEL/Inv #003/19-20	3,449,635
<b>Total</b>	<b>20,938,419</b>

- b. Following officials of DDCA have approved aforementioned invoices:

- Apurv Jain
- Nitin Gupta
- Alok Mittal
- Sanjay Bhardwaj
- Rakesh Bansal
- Vinod Kumar Tihara
- Renu Khanna

- c. As per bank statement of DDCA<sup>23</sup>, MSL was paid INR 1.65 crores from DDCA on various dates, details are as under:

Date	Cheque No.	Amount INR
24-Feb-20	98344	5,803,016
3-Feb-20	98316	5,400,000
30-Jan-20	98315	2,700,000
27-Feb-20	98501	2,689,349
<b>Total</b>		<b>16,592,365</b>

As per copy of cheques<sup>24</sup>, the aforementioned cheques were signed by Alok Mittal and Sanjay Bhardwaj.

- d. As per books of accounts, on January 13, 2020, payment of INR 33.81 Lakhs was recorded in the ledger of MSL vide cheque no. 098547<sup>25</sup>, which was subsequently reversed on the same date. As per bank statement, there is no payment amounting INR 33.81 Lakhs.

<sup>22</sup> Copy of invoice no. MSL/DDCA/DEL/Inv #001/19-20, 002/19-20, 003/19-20

<sup>23</sup> Bank statement of DDCA

<sup>24</sup> Copy of cheque no. 098316 dated January 30, 2020, 098344 dated February 11, 2020, 098315 dated January 30, 2020, 98501 dated February 25, 2020

<sup>25</sup> Copy of cheque no. 098547 dated March 09, 2020

Stop payment instruction<sup>26</sup> was issued to bank pursuant to compliant filed by Sanjay Bhardwaj before honourable ombudsman.

#### 4.1.7. Whether budget for construction of Restaurant and Bar at stadium was revised?

As per agenda no. 10 of MOM of Apex Council dated January 31, 2019<sup>27</sup>, budget provision of INR 30 Lakhs had been approved towards renovation of bar. Further, approximate cost of construction of member's lounge was estimated at INR 40 Lakhs, and cost of furnishing and air conditioning in the range of INR 15-20 Lakhs.

As per MOM of finance and purchase committee meeting dated October 18, 2019<sup>28</sup>, the committee decided to recommend to award the work to MSL for 'Interior / Execution / Modernization work of restaurant, bar, members lounge, a dedicated cricket library and other facilities at the Willingdon Pavilion of DDCA' at a value of INR 6.25 Crore plus GST. Dedicated cricket library and other facilities were additional scope.

*Following data not available to verify whether the cost escalation was authorised:*

- Copies of Initial Budget estimates along with approval for escalated cost.
- MOM of finance and purchase/administration/infrastructure committee where the cost escalation was approved, if any.

#### 4.1.8. Whether Sourabh Gupta (MD & Promoter of ACPL) and Sourabh Gupta (DDCA Membership No. LM 001546) are the same person?

Details of Sourabh Gupta (Director of ACPL), as per MCA is as under:

Father's Name: Satya Prakash Gupta

Present Address: House no. 13, August Kranti Marg, Anand Lok, Andrewsang, Delhi 110049

Year of Birth: 1975

**Refer MCA screenshot in Annexure-18**

Details of Sourabh Gupta, as per DDCA membership form<sup>29</sup> is as under:

Father's Name: Vipin Gupta

Membership No: LM 001546

Present Address: F-177BB, Mangal Bazar, Laxmi Nagar, New Delhi 110092

Year of Birth: 1990

*Considering the above, Sourabh Gupta (MD & Promoter of ACPL) and Sourabh Gupta (DDCA Membership No. LM 001546) are not the same person.*

<sup>26</sup>Stop payment instruction to bank by Sanjay Bhardwaj

<sup>27</sup>MOM of Apex Council dated January 31, 2019

<sup>28</sup> MOM of finance and purchase committee dated October 18, 2020

<sup>29</sup> DDCA Membership form of Sourabh Gupta

**4.1.9. Whether ASI approval was obtained before allotting construction work to MSL?**

*ASI Approval not made available.*

**4.1.10. Whether EMD of INR one lakh was received from MSL as per tender conditions?**

As per tender notice, Bidder was required to submit earnest money of INR one lakh along with Tender. As per books of account, INR one lakh has been recorded under account head 'EMD Constructions'<sup>30</sup> on October 29, 2019.

*As per bank statement<sup>31</sup>, INR one lakh is received on October 30, 2019, payee detail is not available in narration as per bank statement.*

**4.1.11. Whether the work has been completed by MSL?**

On field visit, audit team observed some construction has taken place, but the work has not been completed. **(Refer pictures of site in Annexure 19)**

<sup>30</sup> Ledger of EMD – Constructions in books of accounts of DDCA

<sup>31</sup> Bank Statement of DDCA

## 4.2. Other Observations - Transaction with Tejas Investis (Vendor for High Mast Electric Light)

### 4.2.1. Who was awarded the tender?

As per MOM of SCAT dated February 11, 2019<sup>32</sup>, the tender for high mast lights was floated and opened on 04.02.2019. Only two bids were received. The tenders submitted by Tejas Investis was found to be incomplete as it did not contain requisite EMD. The committee decided to retender. The next day of opening of tender was fixed as February 09, 2019, on which date the tenders were opened. Following two parties submitted tender:

1. Tejas Investis
2. FTEC

Tejas Investis enclosed EMD in the form of DD amounting INR 2 lakhs while FTEC submitted photocopy of the draft already submitted by them along with earlier bid.

After negotiation, Tejas Investis reduced INR 23.60 Lakhs and FTEC reduced INR 3.27 Lakhs in their respective financial quotes submitted.

As per MOM of SCAT dated February 11, 2019, the committee decided to place the order on FTEC considering their experience.

As per MOM of SCAT dated February 12, 2019<sup>33</sup>, FTEC expressed their inability to execute the entire quantity of 400 sets within the stipulated period. After that committee decided to award work order for supply of 40 sets to FTEC.

At this stage, the committee advised to place order of 100 bulbs to Tejas Investis. Tejas Investis also assured that bank guarantee of required amount shall be submitted as soon as possible.

As per MOM of SCAT dated February 20, 2020<sup>34</sup> held at 4 PM, Tejas Investis informed that 50 lights fittings have been found broken and need to be replaced. Tejas requested to release repeat order for following items:

Description	Qty
2KW Double ended Metal Halide Lamps should fit in the existing fixtures without disturbing the photometry of fixture, have minimum lumen output of 23000 and life of 4500 hrs	100
2060 K MH 380/400/415 12.2A ballast compatible with above mentioned 2kw lamp	50
Igniter with 6kv peak, SIP Igniter with current of 12 amp, compatible with above mentioned 2kw Lamp	10

<sup>32</sup> MOM of SCAT dated February 11, 2019

<sup>33</sup> MOM of SCAT dated February 12, 2019

<sup>34</sup> As per MOM of SCAT dated February 20, 2020 held at 4 PM



Capacitors 65mfd 440V, 105Deg C, Aluminium can body with mounting stud, compatible with above mentioned 2kw lamp	50
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As per MOM of SCAT dated February 20, 2020<sup>35</sup> held at 7 PM, Tejas investis submitted that 50 broken light fittings also need to be replaced. The committee decided that a letter of intent may also be issued for replacement of 50 lights fittings as per details given below:

Item	Quantity	Price
SITC of Flood Light on existing high masts suitable for 2KW metal halide double ended lamp, Die cast aluminium corrosion resistant and toughened glass cover along with heat resistant silicon rubber gasket and M S mounting cradle for safety. Re Lamping should be from backside. IP 65 fitting details GE EF2000 Plus/EF2000	50	INR 72,000 per unit + GST  Total Value: INR 36 Lakhs + GST

Summary of above matters is given below:

S.No.	Date and Time	Summary of SCAT Meeting
1	11-Feb-19, 16:00 Hrs	Work awarded to FTEC considering their experience.
2	12-Feb-19	Committee decided to award work order for supply of 40 sets to FTEC and 100 bulbs to Tejas Investis.
3	20-Feb-19, 16:00 Hrs	Repeat order was requested by Tejas Investis
4	20-Feb-19, 19:00 Hrs	Committee decided to issue LOI for replacement of 50 lights fittings

*Letter reference no. FT/18-19/17 dated February 12, 2019 by FTEC expressing inability to execute entire quantity of 400 sets, not made available.*

*As per books of accounts of DDCA, there is no transaction with FTEC. As per MOM of SCAT dated February 12, 2019, it was decided to award work order to FTEC for supply of 40 nos. flood light set.*

*Document for Bank Guarantee submitted by Tejas, not made available.*

*Additional orders provided to Tejas, without negotiation with other contractor.*

<sup>35</sup> MOM of SCAT dated February 20, 2020 held at 7 PM

### **Two different entities with similar names**

As per bid document dated February 04, 2019<sup>36</sup> submitted by Tejas Investis, legal status of entity is mentioned as proprietorship firm however the PAN no. (AAHFT7646L), indicates it is a partnership firm. (**Refer Annexure 20 for copy of PAN card**).

As per licence<sup>37</sup> to electrical contractors from government of NCT of Delhi, Tejinder Pal Singh is one its partner.

As per bid documents of Tejas Investis, GST no. is 07AAHFT7646L1ZJ, whereas on Invoice<sup>38</sup> GST no. is 07AATPS4511R1ZT. As per GST website, this GST No. is of a proprietorship firm of Tejinder Pal Singh and this entity was registered on February 01, 2019 (**Refer Annexure 21**).

*Considering above, experience and PAN details are given for partnership firm (Tejas Investis). However, invoices are raised from proprietorship firm of Tejinder Pal Singh (Tejas Investis).*

#### **4.2.2. Agreement with Tejas Investis**

- a. As per letter of award cum agreement for upgradation of high mast/flood light<sup>39</sup>. The agreement is made on February 22, 2019.

*Date of signing of agreement was mentioned as February 15, 2019 (**Refer Annexure 22 for copy of agreement**).*

- b. As per letter of award cum agreement for upgradation of high mast/flood light, the value of contract awarded is INR 44 Lakhs. As per MOM of SCAT dated February 20, 2020 held at 4 PM, the committee directed that supplementary agreement to be signed with Tejas Investis.

*Supplementary agreement for additional work awarded to Tejas, were not available.*

- c. As per books of account of DDCA<sup>40</sup>, Tejas was paid INR 1.31 Crores from April 01, 2018 to March 31, 2020. This amount is reconciled with the bank statement<sup>41</sup> of DDCA.
- d. As per copy of invoices<sup>42</sup> of Tejas Investis provided to us, DDCA has recorded 6 invoices amounting to INR 1.41 Crores. Out of 6 invoices recorded in the accounting system (Tally), in 4 cases, variation has been noted between amount recorded in books and amount as per invoice.

<sup>36</sup> Bid document dated February 04, 2019

<sup>37</sup> Licence to electrical contractors from government of NCT of Delhi

<sup>38</sup> Invoice submitted by Tejas Investis

<sup>39</sup> Letter of award cum agreement for upgradation of high mast/flood light

<sup>40</sup> Ledger of Tejas Investis

<sup>41</sup> Bank Statement of DDCA

<sup>42</sup> 6 invoices ref. no. TI-001, 002, 003, 004, 007, 008 of Tejas Investis

S.No.	Invoice Date	Invoice No.	Amount as per Invoice (INR)	Amount as per Books of Account (INR)	Difference (INR)
1	26-Feb-19	TI-002	275,380	237,112	38,268
2	26-Feb-19	TI-003	2,639,313	2,542,315	96,998
3	4-Mar-19	TI-007	2,055,625	1,812,650	242,975
4	4-Mar-19	TI-008	1,209,600	1,034,847	174,753
<b>Total</b>			<b>6,179,918</b>	<b>5,626,924</b>	<b>552,994</b>

#### 4.2.3. Address of Tejas Investis

- As per vendor master in books of account of DDCA<sup>43</sup>, address of Tejas Investis is mentioned as '257, Vardhman Plaza-II, Community Centre, Rajouri Garden, New Delhi'
- As per invoice and GST website, address of Tejas Investis is mentioned as 'K-18, Basement, Rajouri Garden, New Delhi' **(Refer screenshot in Annexure 23 & 24)**
- On field visit, existence of 257, Vardhman Plaza-II, Community Centre, Rajouri Garden, New Delhi-110027 was confirmed but was found closed. **(Refer picture in Annexure 25 & 26)**
- K18, Basement, Rajouri Garden is in residential area. The name plate outside the house mentioned the house no. K-18 'Bedi's Surjit Niwas' however, there was no mention of "Tejas Investis" on the building. **(Refer picture in Annexure 27)**

#### 4.2.4. Promoter of Tejas Investis

- As per the GST website, Tejas Investis is a proprietorship firm of 'Tejinder Pal Singh' **(Refer screenshot in Annexure 28)**
- As per MCA, Tejinder Pal Singh is also a director in 'Sweka Power Tech Engineers Pvt. Ltd.' **(Refer screenshot in Annexure 29)**
- As per MCA, Registered office of Sweka Power Tech Engineers Private Limited is K-18, Basement, Rajouri Garden, New Delhi. **(Refer screenshot in Annexure 30)**

*As per GST website and copy of invoice, Tejas Investis is registered on same address as of Sweka Power Tech Engineers Private Limited.*

*As per news items available on public domain, Tejinder Pal Singh and Jasminder Pal Singh, directors of Sweka Power Tech Engineers Pvt. Ltd. were accused of criminal conspiracy for upgrading street lights in view of common wealth games. The CBI registered a case for cheating, criminal conspiracy and other related charges under the Prevention of Corruption Act. **(Refer screenshot in Annexure – 31)***

<sup>43</sup> Vendor master in accounting system of DDCA

#### 4.2.5. Whether the goods and services has actually been delivered by Tejas Investis in line with contract term?

- a. As per mail dated February 22, 2019 and report dated February 28, 2019 from SP Meena, Electric Engineer of DDCA<sup>44</sup>, following remarks were given on material received from Tejas Investis:
- 100 quantities of material-Ballast 2KW were looking painted & manufacturing year is 2015.
  - Capacitators are not burst proof and with plastic cap
  - Tejas Investis had taken back all the materials, but they have not deposited details of material changed & removed.
  - Ballast are looking painted, repaired as connector of chowk not looking like as per GE quality (Compare to old install) & MFG. 2015
  - As compared to GE Ignitor in stainless steel body, material delivered is in aluminium Body and plastic body
- b. Difference in material description as per LOI<sup>45</sup> and as per invoice<sup>46</sup>, instances as under:

Description as per LOI	Description as per Invoice	Qty as per LOI	Qty as per invoice
2KW Double ended Metal Halide Lamps should fit in the existing fixtures without disturbing the photometry of fixture, <b>have minimum lumen output of 23000 and life of 4500 hrs</b>	Gen, 2KW, Double ended metal halide lamps, <b>Max Lumen output</b>	200	211
2060 K MH 380/400/415 <b>12.2A</b> ballast compatible with above mentioned 2kw lamp	Gen, HID 99, Ballast for 2000 watt, 400v, 50hz, COD681049, <b>10.3 AMP</b> , COS\$ 0.50 TO 130 BT75 ALIM PER MERCURY LAMP	150	150
Igniter with <b>6kv peak</b> , SIP Igniter with current of 12 amp, compatible with above mentioned 2kw Lamp	Gen, ob olp on msi/20000 ignitor for hid lamps, 1000-2000 watt voltage vbr, 380-420v, frequency- <b>4.0~5v</b> , load capacity 100pf, max current 12 amp	110	100
Capacitors <b>65mfd</b> __440V, 105Deg C, Aluminium can body with mounting stud, compatible with above mentioned 2kw lamp	Gen, <b>60 mfd</b> capacitoir	150	137

<sup>44</sup> Mail dated February 22, 2019 and report dated February 28, 2019 from SP Meena

<sup>45</sup> Material description as per LOI

<sup>46</sup> Invoice description as per LOI

Considering above, it appears that there was difference in material type and quantity received and the one mentioned in LOI.

c. Review of 8 delivery challans<sup>47</sup> for material delivered by Tejas Investis highlighted following:

- Vehicle registration no. was mentioned on only 5 out of 8 delivery challans.
- In 3 out of above 5 instances, vehicle nos. were not found on official website of Ministry of Road & Highway-VAHAN NR E-Service ([www.vahan.nic.in](http://www.vahan.nic.in)) Refer Annexure 32 :

Dated	Challan Number	Vehicle Number	Vehicle details available on official website
20-Feb-19	4	DL10CK7584	Yes
23-Feb-19	7	HR26DE5880	Yes
<b>26-Feb-19</b>	<b>8</b>	<b>DLACZ7895</b>	<b>No</b>
<b>26-Feb-19</b>	<b>9</b>	<b>HR63CA6920</b>	<b>No</b>
<b>26-Feb-19</b>	<b>10</b>	<b>HR63CA6920</b>	<b>No</b>

d. As per books of accounts, invoices of INR 1.41 crores recorded as received from Tejas Investis. Further, differences noted in quantity as per invoice and LOI issued to Tejas Investis:

Description	As per Invoice			As per LOI			Excess Quantity Billed than LOI		
	Qty	Rate (incl of Taxes)	Price	Qty	Rate (incl of Taxes)	Price	Qty	Rate (incl of Taxes)	Price
Gen, 2KW, Double ended metal halide lamps, Max Lumen output	211	15,872	3,348,992	200	15,872	3,174,400	11	15,872	174,592
Gen, HID 99, Ballast for 2000 watt, 400v, 50hz, COD681049, 10.3 AMP, COSS 0.50 TO 130 BT75 ALIM PER MERCURY LAMP	150	14,240	2,136,000	150	14,240	2,136,000	-	14,240	-
GEN, OB OLP ON MSI/20000 IGNITOR FOR HID LAMPS, 1000-2000 WATT VOLTAGE VBR, 380-420V, FREQUENCY-4.0~5V, LOAD CAPACITY 100PF, MAX CURRENT 12 AMP	93	5,467	508,431	110	5,467	601,370	(17)		
GEN, 60 MFD CAPACITOIR	137	1,852	253,724	150	1,852	277,800	(13)		
Removal and storage of old fixtures ballast and capacitors			575,625			330,661			244,964
Light design as per item no 6 of LOI			1,480,000			326,253			1,153,747
SITC of Flood Light on existing high masts suitable for 2KW metal halide double ended lamp, Die cast aluminium corrosion resistant and toughened glass cover along with heat resistant silicon rubber gasket and M S mounting cradle for safety. Re Lamping should be from backside. IP 65 fitting details GE EF2000 Plus/EF2000	59	84,960	5,012,640	50	84,960	4,248,000	9	84,960	764,640
Additional Activity of deaning of each fitting	384	3,150	1,209,600				384	3,150	1,209,600
<b>Total</b>			<b>14,525,012</b>			<b>11,094,484</b>			<b>3,547,543</b>

<sup>47</sup> 8 delivery challans for material delivered

*Considering above, quantity mentioned in invoices of Tejas Investis exceeds the LOI.*

- e. Differences noted in quantity as per invoice and LOI issued to Tejas Investis:

#### **4.2.6. Who authorised appointment of Tejas Investis?**

As per MOM of SCAT, the work was awarded to Tejas Investis<sup>48</sup> by the committee.

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<sup>48</sup> Minutes of the meeting of SCAT

## 5. LIMITATIONS

- i. This report is addressed to the Ombudsman of DDCA, based on the input provided and the scope of work understood by us.
- ii. This report shall not under any circumstances be copied, disclosed, referred to or quoted to any party, or be used for any other purpose without our written consent.
- iii. The procedures performed and observations in this Report are based on the information received from the DDCA officials and independent source(s).
- iv. Review of bank statement has been carried out, based on narration/description available in bank statement. Since complete payee/payer details for all the transaction were not available in bank account statement, we relied on information to the extent available in the books of account of DDCA.
- v. Bank statement for the review period has been provided on email by DDCA. Certified copies from bank were not provided. Further, Bank statement of inoperative accounts not provided.
- vi. Should additional information or documentation become available, which may impact upon conclusion reached in the report, ASA reserves the right to amend its findings and reporting, accordingly. Further, comments in the report are not intended, nor should they be interpreted to be, legal advice or opinion.
- vii. We have gathered information from publicly available online sources which is generally accepted to be true, however, we cannot guarantee its veracity; nor can we monitor the speed with which these public record sources update their records. In undertaking the public record research and information gathering on this engagement, we identified information currently available; we have not, therefore, identified information previously filed on, but subsequently removed from, the public record prior to the date of issuing this report nor will we have identified information subsequently filed on those data sources after this period in which our work has been completed. In undertaking the public domain research and information gathering, efforts have been made to identify information currently available.
- viii. It may be noted that in no circumstances shall the liability of our firm, its partners or its employees, related to the services provided in connection with this assignment, exceed the amount paid to us for this assignment.
- ix. Any advice, statement of expectation, forecast or recommendation supplied by us as part of the services shall not amount to any form of guarantee that we have determined or predicted future events or circumstances.
- x. Ombudsman and DDCA shall indemnify and hold ASA, its employees and partners harmless from time to time and at all times hereafter, from and against (i) all loss, damage, harm or injury suffered or incurred by us or any of them and (ii) all notices, claims, demands, action, suits or proceedings given, made or initiated against us on account of or arising out of (a) the performance, by us or

any of us, of all or any of our obligations hereunder, (b) any transaction covered by this engagement or (c) any default committed by DDCA or their management or their employees in the performance of all or any of its obligations hereunder, as also against all costs, charges and expenses suffered or incurred by us on account of the aforesaid.

- xi.** We are not responsible for any losses, damages, costs or other consequences, if information material to the work is withheld or is in concealed from or misrepresented to us.
- xii.** The engagement covered by this report shall be subject to and governed by Indian law and all disputes arising from or under this report shall be subject to the exclusive jurisdiction of the New Delhi courts.
- xiii.** Neither ASA nor any of its partners, directors or employees undertake responsibility in any way whatsoever to any user in respect of errors or omissions in this Report (including, without limitation, where they arise from incorrect or incomplete information/documentation/explanation provided by the client including their representatives).
- xiv.** ASA makes no warranties or representations with respect to this Report to any user (other than to the limited extent expressly set out in the Contract in favour of Client), including without limitation, those of accuracy, completeness, timeliness, adequacy, correctness, fitness for purpose. This Report is neither a recommendation nor a professional advice.
- xv.** The findings of this report are not binding on any person, entity, authority or Court, and hence, no assurance is given that a position contrary to that expressed herein will not be asserted by any person, entity, authority and/or sustained by and appellate authority or a court of law. The results of the work with respect to review of information provided should be considered only as a guide. The Report and comments should not be considered a definitive pronouncement on an individual, entity or Client and Corporate Debtor including its personal/representatives.



## Glossary

Acronym	Description
ACPL	Archohm Consults Pvt. Ltd.
AOA	Article of Association
ASA	ASA & Associates LLP
ASI	Archaeological Survey of India
CA	Chartered Accountant
CBI	Central Bureau of Investigation
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DDCA	The Delhi & District Cricket Association
DFI	Design Factory India
EOI	Expression of interest
FTEC	Fast Track Engineers Company
FY	Financial Year
GOI	Government of India
INR	Indian Rupees
JV	Joint Venture
LOI	Letter of Intent
MCA	Ministry of Corporate Affairs
MOA	Memorandum of Association
MOM	Minutes of Meeting
MSL	MSL Jangid JV
NCT	National Capital of Territory
RFP	Request for Proposal
RPA	Registered player's association of Delhi
SCAT	Standing Committee for Approval of Tenders