CENTURY CLUB
No. 1, Sheshadri Road, Bangalore - 560 001

PART A

Dear Esteemed members of Century Club: A Pre-read to the Rejoinder to SAC report

1. Traditionally and as per Globally accepted Principles of Audit, it is the prerogative of the Audit Committee to only accurately record and point out the deviations from the rules existing at that point of time.

2. The report should be only factual to the specified topic.

   The audit team should not step in to the shoes of a Prosecutor and a Judge, that role is the specific prerogative of the Stake holders of the club.

3. The Audit report fall's short of this established principle.

4. The Pungent language used in the SAC report in spite of repeated reminders by EC, is unbecoming of a member of Century Club established by Sir M Visvesvaraya with Learned Leasure in mind and to establish a place for intellectual discourse and camaraderie amongst members.

5. The fact that SAC declined the offer of EC to discuss the findings and clarify the issues involved was declined by SAC many times, hence displaying a mindset which is contrary to the spirit with which the club was established.

6. While SAC is an audit committee appointed by SGM, the process of audit is incomplete as they did not put an effort to connect to the Monitoring Committee – (Projects)members who were also appointed by the SGM. SAC failed to validate their report with the Monitoring Committee before it was submitted to the club, which could have resulted in a better focused report to the members without confusing them by repeating & twisting the same observations at multiple times.

7. It may be noted that the SCE (Sai Consultant Engineers) seems to be working for the Builder's Group of Mr. Suresh Lakshmikanth, Chairman of SAC on various projects including projects in Goa and Sri Lanka. Hence not an independent & unrelated agency. This is a conflict of interest at SAC. This aspect in evident in the observations made by SCE on the IISC report, SCE have mixed-up the finding of structural consultant Nagesh recommendations with IISC recommendations which came in the month of December 2025, SCE it appears have not even read the IISc report. It is evident that the SCE just wrote the report dictated by someone else. Hence SCE observation are tainted and

unreliable. SCE did not even clarify with Architects/Structural Engineer appointed by the Club, leading to making unfactual & unsustainable observations. Further all values indicated by SCE is arbitrary without any specific workings in terms of BOQ and other aspects of the tenders under audit.

Hence SCE findings are unsubstantiate and arbitrary and here by invalid.

8. Within the SAC they have members who have been on Finance Sub Committee, Rules, Revision & Legal Affairs Sub Committee and an OB member. It is surprising that in spite of which, SAC's report talks about the following:

- Misinterpretation of Capital & Revenue Expenditure, under rule 19.9 & 19.10. Rules related to 18.5, 19.1, 19.12 etc.
- Misinterpretation of application of club Regulations. Regulations are to be applied only when there is no specific reference of Rules. Further Rule 19.1 gives power to the EC to frame regulations in the absence of specific Rule for smooth functioning of the Club.
- Further SAC report repeatedly states the violation of Rules. The Past OB member in SAC did not guide the rest of the SAC members in interpreting the Rules of the club in line with the Past Precedents which was followed for many years by the elected OB & EC members.
- SAC had the potential to provide a very precise and factual data to the esteemed members of the club. However, SAC's final report has created confusions in the minds of members. As they have repeated & twisted the same observations multiple times in their report. Further they have accused the Statutory Auditor approved by AGM, Architect's appointed by the Club (the same architect's 3D designs, Budget & BOQ was approved by the SGM) and respective Chairmen of the sections, the OB & EC.

Conclusion:

The whole SAC report is Colored, Nonfactual & not considering the practices followed in the club over more than 10 years. As already mentioned, the language used & the contents in the report are not in line with principals of audit. SAC has over stepped its mandate to find factual discrepancies by over stepping into Prosecutor & Judges role.

Many references stated in the rejoinder to SAC report clearly validates the current EC Capital & Revenue expenditures & SGM sanctioned projects are in line with the Rules and the Precedence's followed previously by the club.

As enumerated in detail in the rejoinder document and the suspect nature of observations made by SAC / SCE, hence we are rejecting the entire report.

On behalf of the Offie Bearers and Executive Committee members

C. N. Guruprasanna
President

PART B

<u>General Note for our Members about the process of handling projects, allocations of capital & revenue budgets which is a practice over the years & followed by the Management committee of the club</u>

A) Capital and Revenue Budget spent under Rule 19.9 & 19.10 in the Past years.

- Renovation of Tennis & Badminton Toilet work – (SGM Budget of Rs.25 Lakhs) Incurred AmountRs.24.51 lakhs -SGM Budget & Rs.9.51 Lakhs under Revenue Budget. -….
  - The SGM budget value apportioning equally to both the sections: Rs. 12.5 Lakhs each.
  - The entire SGM sanction of Rs.25 lakhs was utilised only for Tennis Toilets without EC resolution. Which implies there was 100% over run on the sanctioned SGM budget. Further another 9.51 lakhs were utilised under Revenue Budget. The overall cost overrun in this case is to the tune of 180%.
  - The Architects & the Contractor were directly appointed by the Sections even though SGM sanction was for both Tennis & Badminton toilets which is complete violation by Tennis section.
- Construction of Pergola area -Rs.55.43 lakhs under Capital Budget in 2023 in spite of SGM rejecting the original proposal in June 2022 & in Nov 2022 within 4 months the EC has approved the same.
- Tennis Flood light – Rs. 21.43 Lakhs under capital budget in 2024-25
- Billiards Lift work- Rs. 24.19 lakhs under Capital Budget in 2022-23 & 2023-24 (Which currently not in use)

  Was an evaluation made between traction lift and hydraulic lift and the basis for selection and the evaluation of vendor.
- Bamboo Bar – Rs. 33.73 lakhs under Revenue Budget in 2023 without any approval from SGM.

If you go by the SAC Report even the above as Rule 19.10 or Regulation 8.3.2 is violation here.

B) Precedence where construction/project Expenditures are exceeded.

- Extracts from 85th AGM held on 20/06/2004 under then President, page 10 & 13 where excess expenditure of projects have been ratified
- Extracts from the 87th AGM where a ratification was sought for expenditure done on need basis and approved & ratified - page no. 15
- Another important precedent is from 103rd AGM where in the Pergola was rejected & dropped – page no 23 dated: 25/06/2022. In spite of that on 11/11/2022 the then EC approves the same project with design, BOQ & estimation of Rs.24,97,600/- + GST (Point No. 28 page no. 8 of MOM) and the final Expenditure incurred was Rs.53.97 Lakhs. This was not even ratified in the AGM.
- No approvals were taken, just executed with capital & revenue budget. Similarly, the Bamboo Bar was also undertaken with Revenue Budget of that year.

C) Repairs & Renewals

As a practice in the club since many years the accounting practice has been done by recognizing them under Repairs and Renewals. In case in the future if these have to be brought under Capital & Revenue budgets then an amendment in the Rules & Regulation needs to be done. This could be taken up by future Rules Revision Committee & after extensive study could be amended.

On behalf of the Offie Bearers and Executive Committee members

C. N. Guruprasanna
President

PART C

CENTURY CLUB
Bangalore

DEAR CENTURIONS,

STATUS REPORT ON PROJECTS AS ON 31/03/2026 AS PER THE 106TH ANNUAL REPORT & AUDITED ACCOUNTS CERTIFIED BY THE INTERNAL AUDITOR FOR YOUR KIND INFORMATION

C. N. GURUPRASANNA
President

MANN & Co.
Chartered Accountants

INDEPENDENT PRACTITIONER'S CERTIFICATE

To
The Secretary
Century Club
No.1 Seshadri Road,
Bengaluru-560001

Subject: Certificate on Verification of Project Expenditure for the Financial Year 2025-26

Based on our verification of the books of account, ledgers, vouchers, supporting documents, project records, and the Annual Report produced before us by the Management of Century Club, we certify that the expenditure incurred under the various projects and sections during the Financial Year 2025-26 has been reconciled with and is in agreement with the corresponding figures disclosed in the Annual Report of the Club for the said financial year.

Our verification procedures included examination of relevant accounting records, supporting documentation, and comparison of the expenditure details with the amounts reported in the Annual Report. Based on such verification, no material discrepancies were observed between the expenditure records produced before us and the figures disclosed in the Annual Report.

Expenditure Verified

Sl. No.	Section Name
1	Rooms Renovation
2	Bar I Tone Renovation
3	Badminton Renovation
4	Table Tennis Renovation
5	Multipurpose Hall
6	Billiards Renovation
7	Bamboo Bar Renovation
8	Existing Party Hall Renovations
9	General Toilets Renovation
10	Children Park Renovation
11	New Equipment Purchases
12	Snooker Table Purchases
13	Health Centre & Gym Section
14	Cards Section Toilets
15	Pickle Ball Court
16	Tennis Flood Lights

CENTURY CLUB
INWARD MAIL
SL. No. 2134
DATE 19/1/2026
CEO SECRETARY

A summary of the expenditure verified is provided in **Annexure A (Page 03)** attached to this certificate. The detailed section-wise and project-wise breakup of such expenditure, as verified by us from the underlying records and supporting documents, is provided in **Annexure B (Page 04 Onwards)**, which forms an integral part of this certificate.

Office: No. 1836/3 (New No-3), Ground & First Floor, 3rd A Cross, D Block, Dr. Rajkumar Road, Rajaji Nagar, Near Sai College, Bangalore- 560 010 | Website: www.mannca.com | Ph No- 080- 23320004 | Mob No- 98868 87940

Management's Responsibility

The Management of Century Club is responsible for the preparation and presentation of the Annual Report and for maintaining proper books of account, supporting records, and relevant documentation relating to the expenditures incurred. The Management is also responsible for ensuring the accuracy, completeness, and authenticity of the information provided for our verification.

Practitioner's Responsibility

Our responsibility is to verify the expenditure amounts stated below with supporting records, and the Annual Report made available to us and to issue this certificate based on such verification. We have performed our procedures in accordance with generally accepted professional practices applicable to such engagements. Our procedures were limited to reconciliation and verification of the expenditure amounts with the corresponding figures appearing in the Annual Report for FY 2025-26.

Restriction on Use and Distribution

This certificate has been issued solely for the information of the Members of Century Club in connection with the expenditure details reported in the Annual Report for FY 2025-26. This certificate should not be used, referred to, or distributed to any other party or for any other purpose without our prior written consent.

For MANN & CO
Chartered Accountants
FRN 015205S

Ashwin B.U.
Partner
MRN - 233255
UDIN: 26233255YTOEOA9988
Date: 18TH June 2026
Place: Bengaluru

ANNEXURE - A

STATUS REPORT ON PROJECTS AS ON 31/03/2026 AS PER THE 106TH ANNUAL REPORT & AUDITED ACCOUNTS

									(Rs. In Lakhs)
SI. No	Projects	PROJECTS SANCTION, COST INCURRED & UNUTILISED AS AT 31/03/26 AS PER AUDITED BALANCE SHEET							
		SGM SANCTIONS			EC Sanctions				
					Sanction		Incurred		
		Sanc-tion	Incurred	unuti-lised Sanction	Capital	Revenue	Capital	Revenue	
1	Rooms Renovation *	450.00	88.36	361.64	-	-	-	-	
2	Bar I Tone Renovation	125.00	12.86	112.14	-	-	-	-	
3	Badminton Renovation	65.00	42.14	22.86	-	0.81	-	0.81	
4	Table Tennis Renovation (1.1. previous approval of Rs.19.39lakhs)	57.39	19.62	37.77	-	-	-	-	
5	Multi Purpose Hall (Kelideo)	50.00	50.00	-	31.43	3.87	31.43	3.87	
6	Billiards Renovation	30.00	20.35	9.65	-	-	-	-	
7	Renovation of Bamboo Bar	-	-	-	26.27	5.27	22.32	5.27	
8	Existing Party Halls renovation	375.00	0.90	374.10	-	-	-	-	
9	General Toilets Renovation	100.00	3.98	96.02	-	-	-	-	
10	Children's park renovation	25.00	1.23	23.77	-	-	-	-	
11	Purchase of new equipment's (cold storage, exhaust system) Architect fee on civil work	100.00	0.60	99.40	-	-	-	-	
12	Purchase of Snooker Tables	54.00	54.00	-	-	-	-	-	
13	Health centre & Gym Section	15.00		15.00	-	-	-	-	
14	Cards Section toilets	20.00		20.00	-	-	-	-	
15	Pickle Ball Court	-	-	-	5.36	6.66	5.36	6.66	
16	Tennis Flood light	-	-	-	23.42	-	18.16	-	
	Grand Total	**1,466.39**	**294.04**	**1,172.35**	**86.48**	**16.61**	**77.27**	**16.61**	

a. **SGM sanction Projects of Rs. 14.66 Crores, Amount spent is Rs 2.94 Crores only & unutilised sanctioned Amt Rs.11.72Cr**

b. EC Sanction - Capital expenditure for projects **Rs. 86.48 lakhs** against incurred **Rs.77.27 lakhs**

c. EC Sanction - Revenue expenditure for projects **Rs. 16.61 lakhs** against incurred **Rs.16.61 lakhs**

Note: * Rooms Renovation :- An advance Amount of **Rs. 28.61 Lakhs** has been paid towards Renovation of Room Section and the same will be adjusted against Contractor's running bills @ 10%

ANNEXURE - B

RENOVATION OF BADMINTON SECTION

Parameter	Detail
Total SGM Budget (29.06.2024)	₹65 Lakhs + taxes
Tender Contractor	M/s Vivechana Constructions
Total WOs Issued (incl. add-ons and non- tender items)	₹58.38 Lakhs + taxes (₹34.73 + ₹23.65 = ₹58.38 in lakhs)
Amount Executed / Paid as per the 106th Annual report & audited accounts	≈ ₹43.19 Lakhs *
Balance to be paid as per 106th Annual report & audited accounts	₹23.65 Lakhs

- * Rs.42.13 lakhs + GST Rs.6.58 lakhs = Rs.48.71 lakhs, less sponsorship of Rs.3.72 lakhs & Rs.0.81 lakhs from revenue budget = Rs.43.19 lakhs

Amount Paid- Rs. 34.73 lakhs (Excl. GST) – Amount paid towards Tendered works – Civil work for extension of shower area, Renovation of existing changing rooms, Toilets, Remodeling of stage. Professional fees- Architect, Third party architect Structural consultant, PHE Consultant .and for Bought out items- Plumbing materials, Sanitary items, Tiles, Grill work, Force exhaust system, Doors & Windows, Glass partitions, Light fixtures, PVC drain Chambers & Electrical items. Strengthening of the roof in changing area by providing additional ISMB. Plastering work of roof area in veranda & changing area which were Non tendered items.

Amount paid & accounted under Revenue budget Rs. 81,000/- only (Revenue budget for Vinyl flooring work, Supply of painting material and Core cutting work).

Reasons for Delay –

The delay was due to drainage issue connected with Tennis, Billiards and office.

Further, it was necessary to coordinate and wait till the completion of the new drainage line from Tennis section to STP plant. Only after obtaining these Clearances the work was started for new shower area.

The existing building is very old and as there was lot of challenges we started the project which needed lot of structural strengthening. Time was required to get the clearance from Architect, Structural & PHE consultants.

MULTIPURPOSE HALL - KALEIDO

Parameter	Detail
SGM 01.03.2025 Sanction	₹50.00 Lakhs – Tender (work order issued for ₹49.81 Lakhs)
Tender Contractor	M/s Lotus Energy Systems
Tendered Amount to the Contractor after discount	₹49.81 Lakhs
EC sanction Amount spent out of Capital Budget as per rule – 19.9	₹31.43 Lakhs
EC sanction Amount spent out of Revenue Budget as per rule – 19.10	₹3.87 Lakhs
Work Executed & paid as per page 73 of 106th annual report & audited accounts	₹85.11 Lakhs + GST

- Work Order of Rs, 49.81 Lakhs issued for – Soundproofing & Acoustic treatment, Interiors, HVAC Systems, Electrical Work, Auxiliary Equipment, Copper tube piping and Third-Party Architect Fee
- Work Order for Rs.31.43 Lakhs issued for – Audio Party lights, Air Conditioner, Indoor LED wall, LED trolly, Electrical Items, Stabilizer, Century Club Logo, Interior lights, Star lights, Neon signage & CCTV.
- Work Order for Rs.3.87 Lakhs issued for – Minor Civil Works, Supply & Installation of Dutch Cap and Texture paints.
- This facility "Kaleido" has generated as per the 106th Annual report & Audited Accounts a revenue of Rs. 4,82,500/- within the span of 5 months (Nov 2025 to Mar 2026) and Rs.3,82,500/- (Apr 2026 & May 2026)

BAMBOO BAR

EC-approved 'project value'	**₹31.54 Lakhs**
Amount executed & paid (₹26.26 lakhs works + ₹1.34 lakhs professional fee)	**₹27.60 Lakhs**
Capitalized under 'Building – Main' (30.09.2025)	**₹22.32 Lakhs**
Charged to Repairs & Maintenance / Revenue (30.09.2025)	**₹5.28 Lakhs**

Renovation of the bamboo bar was initiated due to damage to the roof by a falling tree branch. Further, EC with the intent of creating a permanent performance stage for the club, decided to extend the stage & the roof extended to avoid splashing of rain fall on the stage, increase floor level & construction of greenroom, ramp & ladies' toilets. Hence the work involved is a combination of revenue expenditure like repair & capital expenditure like renovation work, which also includes Architect fee. This is apportionment recommended by internal auditor in the EC meeting 11 Oct 2025 based on quantum of work done.

The project was not outsourced and the same has been taken up & completed till date with the in house resources available. The items have been procured from the open market after obtaining the necessary comparative quotations. Items still not used like granite for flooring & unused iron materials (TMT bars) are in the stock as per the physically verified certification of Internal Auditor.

Members should further note that this effort of EC has resulted in savings on account of hiring the stage from external agency. Further, the damage to the lawn during installation & dismantling of the same for every cultural program. When there was no cultural programs the area used to be used as a Bar & Restaurant, the area has increased by additional 10 tables and 40 members can be accommodate as compared to earlier.

The committee decided to urgent repair of the damage of the roof & extend the area with additional facilities to the members and the future committee will take care of the Interiors.

BAR I TONE

EC apportionment out of Rs.500 Lakhs of the SGM Sanctioned	**₹ 125 Lakhs**
Tendered Amount to Max Muller	**₹ 88.12 Lakhs**
Work executed by Max Muller till date	**₹6.53 Lakhs**
TOTAL professional fees paid	**₹6.33 Lakhs**
Amount Spent as per the 106th Annual report & audited accounts	**₹12.86 Lakhs + GST**

Work executed by Max Muller till date is Rs. 6.60 Lakhs which includes the civil & Structural foundation work.

Reason for Delay –

While carrying out the work, the tree roots obstructing had to be avoided in order to place the column structures & drainage system, there was a delay in laying the new drainage system which was connecting from Tennis, Billiards, office, Badminton, Bar I tone & Chambers leading to STP. Further, it was necessary to coordinate and wait till the completion of the new drainage line from Tennis section to STP plant. Only after obtaining these Clearances the work could be started.

GUEST ROOM

Parameter	Detail
Total SGM Budget (29.06.2024)	₹4.50 Crores + taxes
Tender Contractor	M/s Sahaaya Builders and Developers Pvt. Ltd.
EC-Approved Project Value (incl. professional fees)	₹408.97 Lakhs
Amount Executed / Paid as on 31.03.2026	₹88.36 Lakhs + GST
Original Construction Period	03.04.2025 to 31.08.2025 (180 days)

When the project work started, it was noticed that there are certain observations about the Columns & beams having developed cracks, insufficient covering of the steel rods, out of plumb columns & honey combing of columns & beams. It has to be noted that during the renovation work apart from planned retrofitting work, which was the part of the tender a large amount of additional but essential retrofitting work had to be carried out as advised by the structural consultant. Since this is an old building the structural drawings and construction details were not available, hence, Columns which were embedded in the walls got exposed once the demolition was done. It is also noted that in the additional quantity of uncertain work carried out, the ground floor columns which were embedded in the walls were missed out earlier also had to be strengthened.

The Structural consultants who were consulted by the club have indicated the following:-

a. The foundation area & the depth provided is adequate and there was no settlement hence no treatment was suggested for the foundation.

b. The cross section of the existing column was inadequate hence suggested column jacketing increasing the cross section.

c. The tension reinforcement in the beam was inadequate, hence beam treatment was recommended.

During site inspection it was found that the beams & the sunken slabs had no cover to the reinforcement the columns in the GF & in the Upper floor was showing wide vertical cracks propagating from the pedestal to the roof level in the GF. In SF the electrical conduit and junction boxes were embedded in the column. To overcome the above defects the consultant recommended continuation of retrofitting.

- Prof. J. M. Chandra Kishen from IISC was also consulted & visited the site on 21.11.2025. As per his report the retrofitting work that was being carried out is in order & the same should be continued & completed. Cementitious grouting treatment has to be provided to the beams.

Reason for delay -

In the project there were severe defects was observed in the original beams & columns including misalignment of columns, honeycomb in the beams and in view of these defects the structural engineer performed NDT to evaluate the strength of the structure and based on the report he advised retrofitting & strengthening of columns & beams.

PICKLE BALL COURT

A	Pickle ball court WO issued to Net Fusion dt 25.3.2025 approved in **EC 25/3/2025 – Under the Rule- 19.9 under Capital expenditure**	Rs.5.36 Lakhs + Taxes
	Work Executed & Capitalized	Rs.5.36 Lakhs + Taxes
B-1	WO issued to Shivashree Constructions as per **EC approval dated 31.10.2025 –Under the Rule- 19.10 under Revenue Expenditure**	Rs.5.17 Lakhs
	Work Executed as per the Final Bill	Rs. 4.18 Lakhs
B-2	WO Issued to Shivashree Constructions as per **EC approval dated 31.10.2025 –Under the Rule- 19.10 under Revenue Expenditure**	Rs.1.32 Lakhs
	Work Executed as per the Final Bill	Rs. 1.30 Lakhs
B-3	WO issued towards supply & installation of acrylic flooring & electrical items **Under the Rule- 19.10 under Revenue Expenditure**	Rs. 1.18 Lakhs
	GRAND TOTAL OF WORK EXECUTED/ PAID A + B1 + B2 + B3	**Rs. 12.02 Lakhs**

Initial work for Pickle Ball Court commenced in FY 2024-25 which includes Sub Base, ITF certified 8-layer acrylic durabolt standard system, painting, Lighting, Fencing, Pole erection, Pickle ball paddle, Net, Iron Mesh, Shade net fencing & fencing support poles.

First WO A - Pickle ball court WO issued to Net Fusion dt 25.3.2025 approved in **EC 25/3/2025**. - Rs.5.36 Lakhs.

The court were being used by members for a few months. Due to tremendous response from the members of the Pickle Ball section the Ladies & Gents toilets along with change room work started.

There was a tree branch fall which damaged the Court & the fencing due to heavy rains & wind.

The renovation work related to Table tennis section started which also added fine sand dust particles that in spite of cleaning & dust from open air environment that lingered on the court.

Apart from resurfacing the terrace surface EC approval dated 31.10.2025 – Second WO – B-1, B-2 & B-3 which also covered the following:

1. WO issued to Shivashree Construction for Rs.5.17 lakhs - Providing of water proofing – Terrace & Lift lobby, providing water proof screed concrete, Fine finishing Screed concrete with water proof cement motor, Coarse finish of the surrounding area of court, Providing MS Spiral stair case, Providing & fixing UPVC doors

2. WO issued to Shivashree Construction for Rs.1.32 Lakhs - Fixing Anti-skid titles, Providing Epoxy grouting

3. WO issued to Quickhits for Rs.1.18 Lakhs towards supply & installation of acrylic flooring & electrical items.

RENOVATION OF TABLE TENNIS HALL

Parameter	Detail
SGM 25.06.2022 Budget - ₹19.90 Lakhs carried forward after utilization of Rs. 0.51 lakhs for UPVC windows	₹19.39 Lakhs (Available Balance)
SGM 29.06.2024 Additional Budget	₹38 Lakhs + taxes
Total Budget **₹19.39 lakhs + ₹38 lakhs = ₹57.39 lakhs.**	₹57.39 Lakhs + taxes
Tender Contractor	M/s Doors N Doors Deco Build Pvt. Ltd.,
Tendered Amount to the Contractor after discount	₹56.11 Lakhs
Non Tendered Work	₹5.97 Lakhs
Professional Fee	₹3.12 Lakhs
Bought Out Items	₹1.07 Lakhs
Total WO Issued (As per 106th annual report & audited accounts the WO amount (Which includes Tendered, Non tendered, Professional fees & Bought out items)	₹66.27 Lakhs (₹56.11 + ₹5.97 + ₹3.12 + ₹1.07)
Less: Deletion of Tendered items	₹16.16 Lakhs
Total	₹50.11 Lakhs
Work Executed & paid as per 106th annual report & audited accounts	₹19.62 Lakhs + GST
Work executed to be ascertained & bill to be raised by the vendors	₹30.49 Lakhs

For Rs. 19.32 lakhs the following works were executed - Civil work, Tiles work, Fabrication , Ceiling work, Puff Sheet, Architect fee, Third party architect fee, Purchase of electrical items, Purchase of mirrors & Purchase of Bathroom accessories.

Work executed to be ascertained & bill to be raised by the vendors of Rs. 30.79 Lakhs towards Interior Work, Door Frames & shutters, Sanitary Fittings, Lighting, Electrical Works, Plumbing, Architect fee, Third party Architect fee.

Purchase of Furniture & Fixtures

CENTURY CLUB

BANGALORE | ESTABLISHED 1917

PART D

REJOINDER TO

SPECIAL AUDIT COMMITTEE

FINAL REPORT

on Capital Projects and Governance Protocols

2024 – 2026

CONFIDENTIAL | MAY 09, 2026, | SAC FINAL REPORT

Constituted pursuant to Rules 23.3 and 23.4 of the Byelaws following the SGM requisitioned by 208 permanent members on 04.01.2026. The Committee includes externally appointed Class A Auditor (Sai Consulting Engineers) and Senior Civil Professional.

	SAC REPORT	CLUB REJOINDER
1	**PREAMBLE AND MANDATE**	
	On January 4, 2026, an extraordinary Special General Meeting (SGM) of the Century Club was convened under the stipulations of Rules 23.3 and 23.4 of the institution's governing Byelaws, following a formal requisition signed by 208 permanent members. The assembly, presided over by the Club President, was necessitated by widespread, evidence-based apprehensions regarding the fiscal administration of the Club. The requisitioning members articulated severe concerns regarding substantial cost overruns, the unauthorized cross-utilization of Capital and Revenue accounts, opacity in procurement and tender procedures, and the systematic circumvention of the General Body's statutory financial authority across multiple large-scale renovation projects initiated between April 1, 2024, and December 31, 2025. During the proceedings, the members presented a detailed analysis highlighting that major capital expenditures were executed either without proper sanction, significantly beyond the scope of approved budgets, or in direct violation of the Club's rules and regulations, and internal financial regulations. Confronted with compelling preliminary evidence of fiduciary negligence and intense debate regarding the legality of ongoing un-tendered expenditures, the SGM unanimously resolved to constitute an independent Special Audit Committee (SAC) with following members-	The SAC failed in its primary responsibility of unbiased audit. Not seeking "Management Response", Refusing to discuss with members of "Monitoring Committee", not seeking clarification from Hon Secretary & Hon Treasurer of the mandate period about alleged indiscriminate violation of rules of the club clearly harps on "Report First Audit Next." The SAC has furnished a detailed report to the EC comprising 118 pages. On perusal it is noted that at many places in the report they have mentioned the report of SCE-Engineering Consultants for SAC, however a detailed item/bill/measurements & any other documents based on which the discrepancy reports are prepared is not made available to the club. Further the findings in respect of the financial transactions / figures, which are mentioned in the SAC report or referred by the Auditors of the SAC. Page no. 116- point no.7 of SAC report mentions and amount of Rs. 72.70 Lakhs as identified by Sai Consulting Engineers being the overpayment made & to be recovered, however the details with the reason and proof of the same are not provided. The offer of the Office Bearers & the EC to meet the SAC & clarify many points face to face was rejected by SAC multiple times, which has resulted in inaccurate and nonfactual observations by SAC which could have been avoided. This point also reveals the nonfactual observations by the SAC /SCE.

	SAC REPORT	CLUB REJOINDER
	1. Shri. Suresh Laxmikanth (DS11) - Chairman 2. Shri. Aashish Amarlall (SA50) - Member 3. Shri. P. Govindarajulu (PG126) - Member 4. Shri. Harish Appareddy (DO12) - Member 5. Shri. W.M. Sundaramurthy (SS8) - Member 6. Shri. Daulat B. Chhabria (PD19) - Member 7. Shri. E.G. Jaideep (SJ15) - Member The SAC accordingly conducted an exhaustive review of all project allocations, tender procedures, vendor selections, professional fee disbursements, and statutory compliances. This comprehensive report presents the definitive analytical findings of SAC, incorporating independent cost valuations, quantifying the financial irregularities, and identifying the structural procedural lapses that precipitated this institutional crisis.	On the request of SAC, the office of the club has submitted 40 files and also the 100 pages report submitted to the members Dated: 15.12.2025, responses given to SAC on several dates for every query raised by SAC. And also, Live tally access has been given, All EC, OB, Monitoring Committee minutes from 01.04.2024 to 31.12.2025 & all the measurement books/details given to SAC/SCE. This apart staff personally clarified the queries several times.
2	**EXECUTIVE SUMMARY**	
	The Special Audit Committee (SAC) has completed a review of Century Club's capital projects executed between April 2024 and December 2025. The findings reveal a systemic and intentional collapse of internal financial controls, governance protocols, and statutory compliance mechanisms across multiple large-scale renovations.	Transactions are reported to be from an Auditor. A copy of the auditor's report is also have not been submitted The EC is not in agreement with the findings of SAC. There is no systemic collapse of internal financial controls, governance protocols and statutory compliances. Detailed information on the same has been appended in the following sections.

	SAC REPORT	CLUB REJOINDER
2.1	**Jurisdictional Breaches and Governance Subversion** The macro-level findings indicate a deliberate strategy by the Executive Committee (EC) to circumvent the financial sovereignty of the General Body. The EC systematically dismantled statutory procurement thresholds defined under the Rules as mentioned by deploying accounting arbitrage and artificial project fracturing. By splitting single, indivisible structural renovations (such as the Bamboo Bar) into separate capital and revenue components, the management evaded the ₹25 lakh ceiling that triggers mandatory General Body sanction. Furthermore, the administration aggressively issued high-value work orders during the restricted election embargo period (May and June 2025), directly violating Rules 19.12 and 19.15.8 and locking the incoming committee into massive liabilities.	There is no violation of Rules 19.12 and 19.15.8, since the renovation of Bamboo bar sanctioned on 27/03/2025 by EC under the capital & revenue budget. This work was taken due to exigency of damage caused to roof by fall of tree branches. Hence repair & renovation work undertaken to create a shell for immediate purpose with all facilities by increasing the height and area of the stage to accommodate more no. of tables for regular use of Bar & Restaurant (80pax), replacement of roof by puff sheet, extended roof to avoid rain splash, as well as the increased floor area to meet the requirement of major cultural programs & other facilities like green room, ladies toilet, ramp. This work was under taken by club itself by procuring construction material and employing casual labor as well as club staff for the work execution. Hence, the ₹25.00Lakhs ceiling is not applicable. Justification in this regard is provided in the Section detailing Bamboo Bar. Work orders were issued in May and June for the projects already approved by EC and hence election embargo is not applicable.
2.2	**The Procurement Gap and Tendering Theatre** A staggering 37.83% of the primary infrastructure budget — amounting to around ₹3 crores — was strategically withheld from the competitive bidding process and shifted to opaque, direct procurement. Tendering effectively became a theatrical exercise rather than a protective mechanism. The administration weaponized the "Rate Only" classification to bypass open tenders, directing funds to preferred vendors without rigorous comparative evaluations. Furthermore, high-value civil	Club adopts direct purchase of raw material in case of small value works or capital revenue projects to reduce overall costs . This is a prudent way but needing much more effort by office and EC. Lotus Energy Systems is a Bangalore registered company and one of the pioneers in acoustic systems for industrial and non-industrials' application. They also specialize in acoustic enclosure for large generators and modify existing rooms to ensure sound transmission to outside is well within norms. The music blast inside Kaleideo is controlled to less than 60 db as measured on the road adjacent. This is a master class of acoustics of a hall where reverberation was so high that Tambola section refused to conduct

	SAC REPORT	CLUB REJOINDER
	contracts were awarded to entities whose primary GST-registered business lines were entirely unrelated to construction, such as Lotus Energy Systems (electrical) and Max Muller Technologies (Doors N Doors), highlighting a total failure of prequalification standards.	when then President of club 2023-24 insisted. A great dis service and character assassination of Bangalore' best has been done by SAC report. In order to economize on the project costs, the items such as furniture, interior materials, electrical and sanitary fittings were kept under the direct procurement and not included in the tendering process. The Club has been following the method of direct procurement since few decades and it is an established procedure of the club. These purchases are to be made by the club as and when required by following procedure of obtaining competitive alternate quotations etc. As per Section 25 of the CGST Act, 2017, GST registration is granted to a person (legal entity) on a State-wise basis and is not restricted to any specific business activity. Accordingly, a single GST registration may cover multiple activities undertaken by the same entity. Further, as per Schedule II of the CGST Act, works contracts, including construction of buildings and civil structures, are expressly classified as "supply of services." Therefore, an entity previously engaged in manufacturing (supply of goods) is legally permitted to undertake construction (works contract services) under the same GST registration, subject to proper classification and compliance. All vendors had valid GST registrations and the billing was done by the vendors and upon certification paid by the club following all rules pertaining to GST.

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2.3	**Financial Indiscipline and "Spend First" Culture** The EC transitioned from a mechanism of prudent financial oversight into an accelerator for undocumented spending. A systemic "spend first, approve later" culture took root, with invoices raised and advances disbursed well before formal EC approval was obtained. The institutional treasury was utilized to provide interest-free mobilization advances to preferred vendors without securing the requisite Bank Guarantees.	There is no spend without document. Bank Guarantees are always issued unless the EC and Monitoring Committee accept the request of vendor for payment without BG. SAC has listed series of payments towards certified running bills as advances without BG. These are approved payment procedures and observations made are hence not rational. It is unfortunate that the SAC has made observation that the club has provided interest free mobilization advances to preferred vendors which is far from truth. The general practice is to pay against the running bills/ material at site procured by the vendor. The EC meetings are scheduled twice a month in the club. During the execution of the projects due to paucity of time, approvals were taken generally prior to the payment, or it is ratified by the EC subsequently. None of the bills/ payments are rejected by the EC, thereby there is no financial indiscipline.
2.4	**Independent Cost Audit – SCE Financial Exposure Summary** An exhaustive independent cost valuation conducted by Sai Consulting Engineers (SCE) intercepted severe rate padding, duplicate billing, and fraudulent inclusion of unapproved scope in contractor invoices. The aggregate SCE-identified exposure across all projects is:	SCE seems to be ignorant of basic principles of accounting. "Rate Padding" is a figment of imagination. It has to be noted that SCE is commenting on various renovation of civil construction works, based on the documents presented to them at the time of the audit and not considering the ground realities and site conditions during the actual execution of the work, except for visiting the site after major retrofitting & renovation works had been completed. All construction activities were suspended post SGM Dt. 4 Jan 2026.

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				Hence, SCE report / summary cannot be considered sacrosanct. It is also factually incorrect for the above reason. Based on the above, SCE was not able to appreciate the changes in the bill of quantities & Statement of Work.
	Project	**SCE Exposure^**	**Primary Nature of Finding**	
	Guest Rooms	≈ ₹25.94 Lakhs	Architect overpayment, BOQ errors, debris double-count, conflicting structural opinions	1. It is important note that EC & OB has clarified multiple times to SAC in their report related to appointment of Architect, the agreed contract fee & Terms of payment. Hence there is no over payment. 2. SCE findings related to BOQ errors, Debris double count, etc. has also been responded by EC & OB to SAC on multiple counts. Further as SCE has just visited the site without any active involvement during the various stages of the project, they cannot conclude of summarize on the project finances. 3. BOQ errors: *Examples:* *W.r.t guest room civil works:* ▪ There is no error in BOQ. The additional 5,018 Sqft of flooring area in the guest rooms had to be removed due to the retrofitting of columns, which required the flooring all around the columns to be removed. It became imperative to remove the remaining flooring.

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				▪ While in the process of removal of flooring, it was observed that the earlier renovation carried out was by laying of tiles on the existing granite floor, this also resulted in increase in the qty of debris. *Debris double-count:* ▪ Contractor obligation - Clearing the construction debris from respective site levels to a common location on ground manually. This was included in the demolition contractor's tender value. ▪ While, carting it from the club premises to far off outside location is a separate tender item. ▪ Considering this as double -count by SCE is in-correct.
	Mock-up Rooms	**₹16.04 L (rate) + ₹0.89 L (fee)**	Market-rate repricing below tender rates; architect fee overstated on certified value	The Mock up room renovation was taken in 23-24 & was completed before 1/4/2024 which is outside the SGM mandate period given to SAC, however a small portion of the expenditure amounting to Rs3.86 lakhs was incurred towards purchase of certain furniture & equipment's by the Club on its own.
	Multipurpose Hall	≈ ₹7.88 Lakhs	Duplicate AV/lighting install charges; 3rd- party fee doubled 1% → 2%; unvalidated revenue claim	SCE has missed the basic by not reading the contract, and check the work orders, relate the bill & certification essential to pay the bill. SCE assumed bills paid towards multiple work orders to the same vendor as duplicate payment. SCE had no discussion with any of the agencies involved to understand payment process & details.

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				The Third-party fee of 1% was based on certain scope of work. The small value work of smaller projects like Multipurpose, Badminton & Table tennis. due to number of visits and interactions third party architect requested 1% to 2% only for smaller projects which was approved by Monitoring Committee & EC.
	Bar I Tone (Baritone)	≈ ₹4.86 Lakhs	Premature architect fees + duplicate structural/MEP consultants within architect's scope	**Bar I Tone (as per details of 6.5)-** BT-01 Architect Fee Paid in Excess of Current Earned Scope The architect's fee is based on scope of work & as per milestones completed as per the WO CC/PRO03/2024. The payments made to professionals such as architect, consultants, etc, are as per the WO issued which is approved by EC. This is as per the general practise. The architects work on the project starts at the signing of the work order with major deliverables undertaken before execution/ construction stage. As the project proceeds from the idea stage till the start of execution. The work done by the Architect is paid as per the milestone as specified in the WO. However total payment will be made based on the total project completion and again based on further milestones. All the deliverables shared by the architect i.e. site visits during execution, running bill certification, detailed working drawings, walk-in 3D visualizations, etc.. have already been made available to the SAC/SCE in soft copies & hard copies.

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				It is also to be noted that the scope of work for the architect includes the selection, coordination and assistance during procurement of all bought out items. These items procured by club are not included in the contractor's scope of work under the tender value of Rs.305 lakhs. Due to this the architects fee is based on the total project cost OR as per actuals for all packages of the tender. BT-02 Duplicate Structural, PHE and Electrical Consultants — ₹1,20,560 The scope of work undertaken in the Architectural Consultancy Services of CUBE Architects work order includes provision of basic service layouts *"Scope of Work, A.3. Plumbing and 4. Electrical"* **included in the Tender** Drawings (Refer to drawing nos.- CEN/ARC/BRT/04,10,14A,14B) and supervision of Services, as stated under *"Scope of Work, C. Co-ordination with various Building Services Consultant"*. The GFC technical details for the Structural and MEP works can only be provided by Specialised Consultants, and are to be coordinated by the Architect. BT-03 Contractor Profile Concern: GST Registration Under Manufacturing The Maxmuller Tech have furnished the amended GST certificate which includes the construction services as a business activity

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	Table Tennis / Pickleball	≈ ₹11.19 Lakhs	Pickleball bills uncertified — no sanctioned or executed civil works exist for Pickleball scope	**Pickleball:-** The above observation is far from truth, all pickleball bills are certified and payment made as per the terms & conditions of the Work Order. The relevant data in the form of soft copy & hard copy and direct access to the Tally ERP system was provided to SAC as well the relevant explanation was given to SAC. Initial work for Pickle Ball Court commenced in FY 2024-25 which includes Sub Base, ITF certified 8-layer acrylic durabolt standard system, painting, Lighting, Fencing, Pole erection, Pickle ball paddle, Net, Iron Mesh, Shade net fencing & fencing support poles. First WO A - Pickle ball court WO issued to Net Fusion dt 25.3.2025 approved in EC 25/3/2025. - Rs.5.36 Lakhs. The court were being used by members for a few months. Due to tremendous response from the members of the Pickle Ball section the Ladies & Gents toilets along with change room work started. There was a tree branch fall which damaged the Court & the fencing due to heavy rains & wind. The renovation work related to Table tennis section started which also added fine sand dust particles that in spite of cleaning & dust from open air environment that lingered on the court.

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				Apart from resurfacing the terrace surface EC approval dated 31.10.2025 – Second WO – B-1, B-2 & B-3 which also covered the following: 1. WO issued to Shivashree Construction for Rs.5.17 lakhs - Providing of water proofing – Terrace & Lift lobby, providing water proof screed concrete, Fine finishing Screed concrete with water proof cement motor, Coarse finish of the surrounding area of court, Providing MS Spiral stair case, Providing & fixing UPVC doors 2. WO issued to Shivashree Construction for Rs.1.32 Lakhs - Fixing Anti-skid titles, Providing Epoxy grouting 3. WO issued to Quickhits for Rs.1.18 Lakhs towards supply & installation of acrylic flooring & electrical items.
	Badminton	≈ ₹5.33 Lakhs	Plaster dismantling double-billed; electrical rate ₹250/sft vs. market ₹180/sft	Please kindly note there is no double payment, whereas the old plaster was removed & replastering had been done.
	Bamboo Bar	**₹0.57 Lakhs**	Steel tubes billed but missing on-site; granite 14–16 mm vs. specified 18–20 mm	Steel tubes billed are available in the club premises the same are certified by the internal auditor in their report dated 14.05.2026. The standard specification provided in the BOQ is a primary selection of finishes. For a project being executed directly by the club, the final selections can be made in consultation with the Architect based on market availability of finishes. Apart from this, the final thickness of any applied material is subject to final finishing work, source of procurement and market standards for type of material finalized.
	TOTAL SCE-IDENTIFIED EXPOSURE	≈ ₹72.70 Lakhs		
	^Magin of error of 5% is considered.			

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2.5	**The Architect Ecosystem and Conflicts of Interest** The financial architecture of key projects was engineered to heavily front-load professional consultant fees. Architects were awarded flat percentage fees based on inflated "estimated" SGM budgets rather than actual negotiated work orders, structurally incentivizing cost escalation. In projects like Bar I Tone, the professional fees disbursed exceeded the total value of the physical construction work executed on-site. Most alarmingly, a severe conflict of interest was uncovered in the Guest Room mock-ups, where the certifying Architect of Record (Cube Architects) and the executing contractor (SYS Construction) shared the exact same registered corporate address, neutralizing any possibility of independent quality and cost validation. Mr. Sandeep Sudhakar Yadur is the proprietor of M/s. SYS Construction, which executed Mock-up Rooms. He is also a partner in M/s. Cube Architect, which was appointed as **Architect for Mock-up Rooms with7% fees**. This is a classic case of conflict of interest. It is highlighted that final payment for execution of Mock-up rooms is made based on third- party certifier. However, SAC has observed that the third-party certifier Shri. M D Purushottama for Mock-up Rooms is ***not a registered valuer***.	For all projects including Bar I Tone & Mock rooms estimates were based on the defined scope of works. This scope for each project was derived through detailed discussion/deliberations in the committee meetings & also discussions with the management. The Club has made payment to the architect in line with the COA guidelines, which is reproduced below. **Council of architecture guidelines** "5. EFFECTING PAYMENT TO THE ARCHITECT BASED ON THE COA GUIDELINES: 5.1 The fee payable to the Architect shall be computed on the actual cost of works on completion. The payment due to the Architect at different stages be computed on the following basis: 5.1.1 Retainer : On rough estimate of cost. 5.1.2 At Stage 1 : On rough estimate of cost. 5.1.3 At Stages 2 to 4 : On preliminary estimate of cost. 5.1.4 At Stages 5 to 6b : Accepted tender cost. 5.1.5 At Stage 7 : Actual total cost."
2.6	**Collapse of the Audit Framework** The internal oversight mechanisms designed to prevent capital bleed were actively neutralized. The Internal Auditor failed to perform mandated pre-audit functions, remaining entirely silent when millions of rupees were diverted into non-tendered channels and actively legitimizing "bill splitting.".	The internal auditor has a task to look for deviations from rule and bring it to the notice of Finance committee. No deviation observed. The method of issuing work orders for certain work by using labour contract to reduce costs or due to non-availability of contractors for small contracts is a practice followed in the club and no objections to this was ever raised by members. SAC is requested to study historical practices, rules of the club before making the comment. Internal auditor has performed the duties assigned to them. There are no bills splitting.

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3	**STATUTORY FRAMEWORK AND JURISDICTIONAL BREACHES**	
	The operational authority of the Executive Committee is strictly bound by the institution's Byelaws, which dictate specific financial ceilings and procurement methodologies. The data reveals that these statutory limits were systematically dismantled through accounting arbitrage and deliberate misclassification.	The observation of the SAC is unfounded & there is no accounting arbitrage and deliberate misclassification.
3.1	**The Two Governing Rules and Their Precise Legal Effect** Rule 18.5 (verbatim): "Shall award contracts below the value of Rs. 25 lakhs after obtaining the approval of the Executive Committee and shall examine all works above the value of Rs. 10 lakhs (both under capital and revenue expenditure) and ensure proper procedure and transparency and its implementation; shall scrutinize and negotiate on quotations; ensure plans and estimates are drawn by professionals and ensure periodic implementation for projects as approved. Provided work shall not be split."	There is no case of violation . Multiple work orders under capital and revenue budgets are released generally for the work is being carried out under club supervision. This is within the powers of EC and rules of the club.
3.1.1	**Rule 18.5 – The Project-Specific Ceiling (₹25 Lakhs)** Rule 18.5 authorizes Office Bearers to award contracts only for works "below the value of ₹25 lakhs." In governance and administrative law, when a statute expressly grants power up to a limit, that is an express denial of power beyond that limit. • The EC and Office Bearers do not have statutory authority to approve and award any single contract or project of ₹25 lakhs or more.	Strongly recommend that SAC seek opinion of Past Presidents who all have chaired the rules revision committees before making off hand interpretation of rules. Please study application of rules over last five years and objections if any from auditors or members. EC is vested with power under rule 19.9 to take up work above Rs. 25.00 lakhs by obtaining competitive quotations and approved by EC. Hence there is no splitting of work and also no violation of 18.50 rule.

	SAC REPORT	CLUB REJOINDER
	• Jurisdiction for all such projects lies solely with the General Body, which must discuss, approve and sanction them. • So even before you come to Rule 19.9, any single "work" or contract at ₹25 lakhs or above is outside EC competence. • Express provision that work shall be split.	The observation of the SAC is unfounded that EC elected body responsible & respectable persons to run & manage the club effectively and efficiently for the benefit of the club. That EC has no intention of any kind to violate any rule. But practical on day-to-day basis working requires immediate decisions. Which will be taken in a democratic way with an intention to come for ratification where ever necessary OR disclosure of such transactions for the knowledge of the members. The reason for this kind of decisions are only because of the rule s and regulations are framed long time ago and tinkered by various committees for immediate solutions only.
3.1.2	**Rule 19.9 – Three Limbs That Operate as Additional Locks** Rule 19.9 does not expand EC power; it restricts it through three interconnected limbs: • Limb 1 – Annual cap: EC may sanction total capital expenditure up to ₹1 crore per year, with a tolerable margin of +10%, subject to ratification of GB. • Limb 2 – Absolute stop once sanction is breached: If estimated capital expenditure exceeds the sanctioned limit, prior approval of the General Body shall be obtained. Once the aggregate capital outlay crosses ₹1 crore (+10%), EC powers are exhausted. Any further capital projects in that year must go to the GB. • Limb 3 – Procedural lock for large works: If estimated capital expenditure for any single work is ₹25 lakhs or more, competitive quotations/tenders shall be obtained.	Strongly recommend that SAC seek opinion of Past Presidents who all have chaired the rules revision committees before making off hand interpretation of rules. Please study application of rules over last five years and objections if any from auditors or members. EC is vested with power under rule 19.9 to take up work above Rs. 25.00 lakhs by obtaining competitive quotations and approved by EC. Hence there is no splitting of work and also no violation of 18.50 rule. There is no breach of cap in the revenue and capital expenditure heads, during the financial year. Hence the limbs as mentioned above, are in sink. However, if the interpretation is otherwise by SAC, the rules and regulations have to be made to align themselves by amendment to the rule book.

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	This limb sets procedure (tendering) — it does not confer approval power above ₹25 lakhs. Approval power is already blocked by Rule 18.5 (no EC approval ≥ ₹25 lakhs) and by Limb 2 once the annual cap is breached. The EC's legal fallacy is to treat Limb 3 as if it authorizes them to clear any ₹25+ lakh work so long as they obtain quotations. That is incorrect: Limb 3 tells them how to proceed if a ₹25+ lakh work is to be taken up, but who can approve such work remains governed by Rule 18.5 (project limit) and Limb 2 of Rule 19.9 (annual cap). Rule 18.5 blocks EC from approving any single work ≥ ₹25 lakhs. Rule 19.9 blocks EC from exceeding ₹1 crore (+10%) total without GB approval. Rule 19.9 only adds the tendering requirement; it does not override these two red lines. Emphasis is also on the word "Single"	
3.2	**Bamboo Bar – Classic Case of Splitting to Stay Below ₹25 Lakhs** For Bamboo Bar, there is no SGM-specific sanction; yet the EC treated it as a project of around ₹31.54 lakhs plus GST in 2024–25 by mixing capital and revenue budgets.	Renovation of the bamboo bar involved repair of the roof due to falling of tree branch & consequential damage to the roof, as well as extension of the stage, construction of toilets, green room, ramp, increasing the floor area as well as roof for better facilities to the members. Hence the work involved is a combination of repair works coming under revenue expenditure as well as additional works coming under the capital expenditure.

EC-approved 'project value'	**₹37.21 Lakhs**
Amount executed/paid (₹26.26 lakhs works + ₹1.34 lakhs professional fee)	**₹27.60 Lakhs**
Capitalized under 'Building – Main' (30.09.2025)	**₹22,29,123**
Charged to Repairs & Maintenance/Revenue (30.09.2025)	**₹5,27,512**

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	SGM-specific sanction for Bamboo Bar — **NIL** The effect of this split: the capital ledger shows an amount below ₹25 lakhs; the revenue ledger hides the remaining portion, so that on paper it appears that no single capital "work" crossed the ₹25-lakh threshold. In substance, however, all of these works (civil, interiors, bar fixtures) are part of one integrated Bamboo Bar renovation, not separate projects. Members never approved this bar project in SGM, and the EC never placed a consolidated ₹27–37 lakh Bamboo Bar work before the General Body. Surprisingly, an amount of Rs. 22.29 Lakhs were capitalized to Building and an amount of Rs. 5.28 Lakhs were charged off as Repairs and Maintenance. After these spendings, EC approached SGM with Agenda No. 5 for additional 77 Lakhs + 10 % Architect and Structural Consultation Fee. SAC observes that this project was implemented out of EC Capital Budget. Since this project is capitalized, the same cannot be brought to SGM for further development. Any further development to Bamboo Bar should have been brought up as a new project with new estimation, quotation etc. as mentioned to members in Notice to SGM held on 4th Jan-2026. ***Bamboo Bar is a textbook example of the EC splitting a single renovation into artificial capital and revenue fragments so that the capital component appears to stay below ₹25 lakhs, thereby evading mandatory General Body sanction under Rule 18.5 and Rule 19.9.*** Any honest view of the accounts shows one indivisible project well over ₹25 lakhs, taken up without jurisdiction.	It is unfortunate that the SAC commenting on emergency work taken up by the legally elected body of the club. This has been accounted based on the actual measurement by the architect and apportionment by the internal auditor between capital and revenue expenditure heads. The EC 2024-25 had no choice but to attend the exigency of the roof repair work with some additional work creating the shell only. Where as the EC 2025-26 plan to take up the total completion by providing face lift, all other equipments audio visual lighting equipments and others. And hence they approached the SGM for sanction to complete the bamboo bar. And naming the same as " Sir M V ARENA ". This proposal along with others were not at all taken up for business except formation of SAC committee.

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Multipurpose Hall – Breach Even on the Most Generous Interpretation

For the Multipurpose Hall, even if we completely ignore the main work order of 24 April 2025, the three so-called ‘add-on’ work orders to Lotus, Blitzkrieg and Signified between 10 May and 24 June 2025 alone total ₹29.15 lakhs for the same single work.

Add-on WO – Lotus Energy- Civil Work	**₹2,95,000**
Add-on WO – Lotus Energy- Air conditioner	**₹2,59,776**

Add-on WO 3 Blitzkrieg Audio (19.5.2025)	**₹18,46,456**
Add-on WO 4 — Signified (19.5.2025)- LED	**₹5,13,300**
TOTAL add-on WOs (excl. 24.04.2025 main WO)	₹29,14,532 (≈ ₹29.15 Lakhs)
Rule 18.5 ceiling for single EC-approved work	**₹25 Lakhs**
Excess above threshold	≈ ₹4.15 Lakhs
Date range of add-on WOs (all inside election freeze)	**10.05.2025 – 24.06.2025**
Rules violated	**18.5, 19.9, 19.12, 19.15.8**

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Please refer to various EC & OB meetings.

When the project was near completion, a suggestion was made to make all equipment plug & play so as to minimize chances of electrical fire & floor damages.

WO were released after techno commercial discussion with sound and light vendors.

The refurbished A/C unit from billiards was unsuitable. Hence new a/c was order.

All orders were released as extension of the main order carrying the same project order numbering for easy accounting and identification.

These were not accounted under capital & revenue budget as misunderstood by SAC.

The total value of additional project orders released is about 29 lakhs.

The above are in line with rules & with nil deviation of Rules 18.5, 19.9, 19.12, 19.15.8

The SCE to study the Work orders issued and accounting of the same.

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Ref to Rule 18.5: Please note as you are aware the add-on WOs amount totaling to 29.15 Lakhs are not for a single agency. Summarising the same:		
Add-on WO – Lotus Energy- Civil Work	**₹2,95,000**	This add-on work order related to civil work was a minor activity and no contractor were willing to take up a small job. Hence based on our request Lotus Energy extended their support. Further related to add-on WO to air conditioning as we tried to explore utilizing the existing air conditioners. Since it could not be refurbished an add-on work order released for Lotus energy at the same tendered value. Towards purchase of air conditioner from M/s. Lotus energy, tender additional quantity the same quoted rate in the original tender was considered in the WO. For civil works work order was issues to M/s. Lotus energy for Rs.2,95,000/-
Add-on WO – Lotus Energy- Air conditioner	**₹2,59,776**	
Add-on WO 3 Blitzkrieg Audio (19.5.2025)	₹18,46,456	
Add-on WO 4 — Signified (19.5.2025)- LED	₹5,13,300	
TOTAL add-on WOs (excl. 24.04.2025 main WO)	₹29,14,532 (≈ ₹29.15 Lakhs)	
Rule 18.5 ceiling for single EC-approved work	₹25 Lakhs	Answered above.
Excess above threshold	≈ ₹4.15 Lakhs	
Date range of add-on WOs (all inside election freeze)	10.05.2025 – 24.06.2025	
Rules violated	18.5, 19.9, 19.12, 19.15.8	

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		Rule 18.5 EC has taken the comparison for AV system & LED wall, basis which the order has been placed on Blitzkrieg and Signified as they were competitive, hence there is no violation of Rule 18.5. Rule 2 The definitions of financial year as per Rule 2.5 quote 'Year' shall the financial year commencing from the first day of April of the year and ending with the thirty first day of March of the succeeding year. The Capital budget available to the EC for the financial year – 1st April 2024 to 31st March 2025 was Rs.1,00,00,000/-. While the amount spent during the same period is Rs.77,11,321/- as disclosed in the Annual Report 2024-25. Please note the above amount are audited and approved in the AGM. Hence the EC is of the opinion that SAC report highlighting sanction of 1.34 crores is incorrect & should be deleted. Rule 19.9 "Shall Sanction capital expenditure not exceeding Rs.1 crore in a year with a marginal increase of 10% subject to ratification by the General Body. If the estimated expenditure exceeds the sanction, prior approval of the General Body shall be obtained. If the estimated capital expenditure for any single work is Rs.25 lakhs or more, competitive quotations shall be obtained and approved before implementation. As SAC is aware that the group of work orders totaling to Rs.29.15 lakhs was released, the work order of the highest value within this group is Rs.18.46 akhs only for which competitive quotations were obtained.

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		Please also note that the work orders are released to different vendors and different line items, the details of which is already available in the files provided to SAC. Hence there is no violation of the Rule 19.9 referred in the SAC report and the observation of SAC should be deleted. Rule 19.12: Quote "Since the Executive Committee's tenue of office spreads over two calendar year, the outgoing Executive committee shall not incur any expenditure during the overlapping period either under Capital or Revenue expenditures in excess of the proportionate amount relating to such overlapping periods". No Work Orders what so ever were released during the overlapping period under the Capital Budget. The total Capital budget incurred during the overlapping period (1st Quarter of 2025-26) as reported in the 1st finance sub committee & same ratified in the 2nd Finance sub committee is less than Rs. 22 Lakhs which is well within the limits. The SAC has not referred even to the Minutes of the meeting OB meeting Dated: 10.07.2025 & EC meeting Dated: 12.07.2025 wherein the Capital Expenditure upto from 1st April to 30th June 2025 of less than 23 Lakhs was ratified. Hence the observation by SAC & the financial auditor of SAC is totally misplaces and mischievous .The whole comment by SAC has to be removed.
	Rule 19.15.8: Quote "The Executive committee shall not take any major decisions during the period between the posting of Calendar Events for election and the Annual General Meeting".	The definition of "major decisions and initiating new projects" & embargo during calendar of events of election process are clearly defined by election commissioner of India & would be generally be binding on our club & it would not be based on flippant interpretation of rule by SAC.

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	"Even if we generously ignore the main tender WO of 24 April 2025, the three expansion WOs to Lotus, Blitzkrieg and Signified between 10 May and 24 June 2025 add up to ₹29.15 lakhs for the same Multipurpose Hall. That by itself is a single work above the ₹25-lakh ceiling in Rule 18.5 and was committed during the election year, thus violating Rules 19.12 and 19.15.8, without any prior General Body sanction. ***The EC simply had no jurisdiction to approve these add-on works."***	The Additional orders released to enhance the utility of already Executed/ nearly completed projects is not under anu Capital or Revenue budgets of EC. But completing the projects in progress and any excess spent should get ratified in the next meeting of members. This is in line with the practices by the club from decades. SAC may refer to the historical data of the club. Hence there is no violation of the Rule 19.15.8 referred in the SAC report and SAC has to delete the comment. All projects approved by SGM the primary responsibility as per the rules of the club is Monitoring Committee assisted by the Office Bearers & EC. The common discussions & decisions regarding projects were implemented to enhance the utility & safety. The SAC's comment that "The EC simply had no jurisdiction to approve these add-on works". Hence Is totally irrational & misplaced. Hence the observation of SAC is incorrect and the comment by SAC has to be deleted.
3.4	**Violation of Election Embargo – Rules 19.12 and 19.15.8** Rule 19.15.8 strictly prohibits the Executive Committee from taking major decisions or initiating new projects between the publication of the election notification and the conclusion of the Annual General Meeting. Additionally, Rule 19.12 restricts outgoing committees to spending only proportionate amounts of their annual budget during overlapping tenures.	

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Despite these clear statutory embargos, the outgoing administration aggressively issued high-value work orders during the restricted period of May and June 2025:	
• Multipurpose Hall add-on WOs issued between 10.05.2025 and 24.06.2025 — squarely within the freezing period.	Completion of a running project monitored by SGM appointed Monitoring Committee supported by OB & EC has the full authority in the interest of the club to close all Running projects at the earliest and there is no Embargo of such expenditure in the rule book. **Hence the observation of SAC is incorrect and the comment by SAC has to be deleted.**
• Table Tennis renovation project received OB approval on 15.05.2025 and EC approval on 27.05.2025 — both falling entirely within the restricted window between the election notification (10.05.2025) and the election date (28.06.2025).	Following are the sequence of events: • 1st SGM approval held on 25.06.2022 of Rs.19,90,220/- was approved. Less spent Rs.51,000/-, Balance available Rs.19,39,220/-. • 2nd SGM approval held on 29.06.2024 of additional amount Rs.38 lakhs was approved. Total budget is Rs.57,39,220/- • Architect appointed and Work order issued to Architect on 23.12.2024 after approval by EC dt.14.12.2024 • Tender notification in newspaper on 24.04.2025. • Opening of tender documents on 07.05.2025 • Finalization of vendor and award of contract to the L-1 M/s. Doors N Doors in the EC and Monitoring Sub-Committee joint meeting held on 09.07.2025

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		• It has to be noted that the activity related to the renovation of Table Tennis section was initiated on 24th December 2024 with approvals of two SGM Based on the above sequence the work order was issued to M/s. Doors N Doors towards renovation of Table Tennis section on 19.05.2025 and same was ratified in the EC meeting held on 27.05.2025. **Hence there is NO Violation of Election Embargo – Rules 19.12 and 19.15.8 referred in the SAC report.**
	• These violations are not merely procedural — they locked the incoming elected committee into massive, unauthorized liabilities before it could even convene.	**As it is merely SAC's opinion and doesn't warrant any justification.**

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4	**THE PROCUREMENT GAP AND EC DELIBERATIONS — JULY 2025**	
4.1	**Review of EC Minutes — July and August 2025: Formal Transition and Deliberate Overrides** The Special Audit Committee has concluded its review of the Executive Committee (EC) proceedings of July and August 2025. This period is critical as it documents the formal transition between administration and the handling of significant capital project overruns. **Finding 1 — Intentional Dissent by Constitutional Custodians** The minutes reflect a significant governance divide regarding the legality of proceeding with project overruns. Both the Hon. Secretary and the Hon. Treasurer — the primary custodians of the Club's rules and funds — placed on record their insistence on immediate constitutional compliance.	A highly commendable democratic way of decision-taking established over the years must be complimented instead of ridicule. EC minutes must be studied to understand the maturity of our EC. SAC audit was superficial. The EC was deliberating on the OB's unanimous approval and ratification of project work orders issued by EC of 24- 25 & used Capital budget for the same. This is well within the powers of the OB to propose use of Capital budget instead of seeking ratification from SGM. The money's available at the disposal of the present EC was Rs. 77 Lakhs. The EC had two options to account these work orders. As these were project work orders and not capital and revenue orders, which was follows: 1: Get the expenditure of additional items for the project ratified in next members meet. 2: Account it under capital budget for the year as recommended by the Office Bearers. Both are within the purview of EC, rules and past practices of the club.

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	• Treasurer's Position: The Hon. Treasurer explicitly advised that work should be halted immediately. He insisted that a Special General Body Meeting (SGM) be convened before any further funds were committed or work was allowed to proceed. • Secretary's Position: The Hon. Secretary concurred, stating that the project costs had significantly departed from the original SGM mandate and required fresh ratification from the members to provide legal protection to the Club.	However, it is not understandable how the newly elected Treasurer after having decided to use Capital Budget for items ordered under projects by the previous committee now has an objection for utilizing Capital Badget. Both the newly elected Secretary & Treasurer have misread the statements of Accounts generated based on the decision of the OB to account project work orders under Capital Budget. The papers submitted to Finance Sub Committee confirms that there was no overspent in the overlapping period. Both the OB have been new to there positions & have not understood the accounting practice of the club. Hence their comments are incorrect & should be ignored. President quoted many past instances where Capital budget of EC was used to complete SGM approved project. SAC may go study the club's historical data. Hence the inappropriate comments by SAC should be deleted. There is NIL deviations.
	Finding 2 — Non-Adherence to Rule 19.12 and Rule 19.15.8 • Rule 19.12 Violation: This rule restricts spending during the election and transition period to "pro-rata monthly maintenance." The Treasurer formally recorded that the previous committee issued major Work Orders and paid advances even when funds were not available in the quarterly capital/revenue allocations.	There has been nil deviation of the rule. The Hon Treasurer 25-26 has mis read/ mis understood the accounts statement and being new has not understood the accounting practices of the club. VP who had been a Treasurer for multiple terms should have guided the Treasurer. Even SAC auditor has missed this fundamental. Hence the SAC comment should be deleted.

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	• Rule 19.15.8 Violation: By issuing orders beyond the SGM-sanctioned amounts without returning to the General Body, the previous administration acted Ultra Vires (beyond their legal powers). These Work Orders were signed in the final days of the outgoing administration, effectively binding the Club and the incoming committee to un-sanctioned financial liabilities.	No breach, please read rule book. Spend towards a running SGM approved projects is permitted to complete it & seek ratification where required. Hence the SAC comment should be deleted.
	Finding 3 — The Statutory Auditor's Procedural Manoeuvre A pivotal moment in the July 2025 minutes occurs during the interaction with the Statutory Auditor (SA) regarding these violations. • Despite the Hon. Treasurer (Shri. A.M. Raghavendran) reading the violations of Rule 19.12 into the minutes, the Statutory Auditor did not recommend a Stop Work Order. • Instead, the SA suggested a "procedural manoeuvre" — advising the EC that they could utilize the ₹1 Crore annual Capital budget and ₹1 Crore Revenue budget to fund the SGM project overshoots (such as the 50% variance in the Multipurpose Hall).	Mr Raghavendran mis read the accounts and was not guided by VP , leading to total mis representation, SAC too seems to have mis read or did not bother to audit. First every member present including Statutory Auditor did not bother to study in detail or seek clarification from previous Treasurer. It is surprising that the EC has sought guidance from Statutory Auditor & it was given this is not a normal practice. The guidance of such nature is always from a consultant. As there was no deviation of any nature what so ever either by the Previous committee or the Present committee in approving the additional orders under project score or the present committee ratify the same to account it under Capital Budget. Since in view of above all the discussions on July 24th of EC meeting in the present of Internal Auditor was not required. The Treasures of the previous committee has communicated to the present committee to make suitable alterations & correction notes in the minutes. Shocking that experienced auditor of SAC missed the obvious. The SAC to delete all comments on this point.

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	• SAC Analysis: This advice provided a mechanism to circumvent the immediate necessity for an SGM. By "laundering" specific project overruns through the general maintenance budget, the true financial status of these projects was effectively shielded from the General Body's immediate oversight. An Auditor may provide an opinion on how to account for an entry, but an Auditor has no legal authority to grant permission to break a Constitutional Rule (such as the SGM budget cap or Rule 19.12). By adopting a 'procedural manoeuvre' to utilize Capital/Revenue funds to cover a 50% project overshoot, the leadership and the Auditor collaborated to move funds in a way that prevented the General Body from exercising its right to vote on the cost escalation.	The total discussion was based on erroneous statement of Hon Treasurer. These comments are baseless. SAC too missed the obvious. "If you do not know ask"- is very important trait of a good auditor. It must be clearly to be understood by the SAC that the previous EC has released all WO under the heading of same project as approved by SGM. As a continuation of the projects is within the rights of the EC to go for the ratification by the members at the next members meeting. The previous committee very clearly without any ambiguity recorded the above as a guidance to the upcoming committee with an option to decide to spent from Capital & Revenue budget and there is nothing illegal by the previous EC in releasing WO as an extension of the projects. The option to pay for the goods & services delivered was within the purview of the present EC and there is nothing illegal if they were consistent with previous practices mentioned above and spending from Capital & Revenue budget. The statement of the SAC is without proper application of mind and without studying or consulting and refusing to seek opinion from the persons in charge. Hence the SAC to delete this Comment.

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	Finding 4 — Overriding of Constitutional Warnings by Majority Vote The SAC notes that the Executive Committee ultimately chose to follow the Statutory Auditor's "manoeuvre" rather than the Hon. Treasurer's warning. Utilizing a majority vote, the EC proceeded with the work and payouts, relying on the SA's advice to "intimate the General Body later."	Every member of the EC is trusted to maintain the Rules & ethics of the club and it is not restricted by any one person neither in OB or EC & it's a collective responsibility. It must be understood that all sanctioning powers are only with the EC of the club & the OB role is only to implement. The decisions are always a majority decisions based on the Democratic principal of Century Club. Difference & decedents by members are recorded. However, once the majority decision id taken every member of the committee shall support the implementation. The whole discussion becomes irrelevant if the account statements are studied & understood by all concerns. It is obvious that a newly elected team has not understood the accounting practices of the club & the auditors advice was not based on study of all related documents leading to the error. In view of above all observations by SAC to be deleted.
	• **The Principle of Ultra Vires**: In law, a majority vote cannot legalize an act that is explicitly prohibited by the Club's Constitution. If Rule 19.12 restricts spending during a transition period, even a 100% unanimous vote to exceed that limit remains legally void.	The EC exhibited an extraordinary application of mind, democratic principles and very clearly reflected in minutes. Club should be proud of this EC. SAC to delete the comment.
	• **Documentary Confession**: By calling for a vote after the Treasurer and Secretary had read the specific violations into the minutes, the leadership created a documentary record that the Committee was fully informed of the illegality and chose to proceed anyway. This elevates the matter from "administrative error" to a documented breach of fiduciary duty.	It must be clearly to be understood by the SAC that the previous EC has released all WO under the heading of same project as approved by SGM. As a continuation of the projects is within the rights of the EC to go for the ratification by the SGM. The previous committee very clearly without any ambiguity recorded the above as a guidance to the upcoming committee with a option to decide

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		to spent from Capital & Revenue budget and there is nothing illegal by the previous EC in releasing WO as an extension of the projects. The option to pay for the goods & services delivered was within the purview of the present EC and there is nothing illegal if they were consistent with previous practices mentioned above and spending from Capital & Revenue budget. The statement of the SAC is without proper application of mind and without studying or consulting and refusing to seek opinion from the persons in charge. All the records of EC minutes were handed over to the SAC. Hence the SAC has to delete the Comment.
	Extracts from the minutes of EC meeting held on July 29, 2025 "Further, the present EC which was elected on June 28, 2025, observed that the previous EC has not gone for approval before the SGM. The previous EC over shot the capital and revenue expenditures which are not in accordance with Rule 19.12. In other to accommodate and honour the previous EC commitment, the present EC after due deliberation has unanimously resolved and approved to account the expenditure of Rs. 25.33 Lakhs in the present year's Capital and Revenue budget towards renovation of Department Stores to convert into Multi-purpose Hall."- EC minutes extract.	EXTRACTS OF EC DATED: 12.07.2025 President said that it is up to the Executive Committee to convince the General Body about our approach and sincerity and interest of the Club at large. Mr. K. Shivakumar: We have embarked on five to six projects. We are going to overshoot the budget for two to three projects. Let us go with the projects. Hon. Treasurer: It is only the two projects that I told Rooms and Multipurpose Hall. Secretary and I recommend projects should continue, we should not stop.

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		President: They have given 1 crores for each every year to spend on capital and revenue. That can be utilized at the discretion of the Executive Committee with responsibility and accountability. It is our priority to utilize to spend that amount. We have funds and we can use. Vice President: We can use funds for rooms and multipurpose hall and complete. Mr. K. J. Paritosh: Multipurpose hall almost 70% of the work is done. Probably by another 15 days we are going to be functional. President: We can explain the General Body about how the funds are spent. Mr. Anand Govindswamy Naidu: If that is taken care, we can go. Mr. K. Shivakumar: I think we go with all the projects as it will come within 1 crore. Hon. Treasurer: I am not debating to stop the works. I am just going with points on the financial matters of projects. You EC please give your opinion, on that basis as an OB I will go forward. President requested the EC members to express their opinion whether to go ahead with completing the projects using Capital and Revenue budgets and go for ratification to the SGM after completion of projects. Mr. K. Shivakumar: I want the projects to be completed. We have 2 crores. I think we should go ahead with all the projects. Mr. Anand Govindswamy Naidu: We will go ahead sir. We can use the Capital and Revenue. Mr. M. N. Lakshman: I think in the last SGM it has come up and they have enlightened. I think we can go ahead with projects and go for emergency SGM ratification.

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		Mr. K. Srinath: I feel that it should go the SGM and take the sanction. Mr. K. J. Paritosh: According to me let the ongoing project go and spend the amount from the capital and revue budget. Mr. Basavaraju Y. K.: If we stop the projects there will be delay and we are going to lose the money. We should go ahead and complete the projects and use the funds available from capital and revenue budgets. Mr. Sangeetha Srikishen: I second the same thing sir, we should use the revenue and capital and go ahead with projects. Leena Kashinath: If it is in our limitation, we can go with the works from capital and revenue. Hon. Treasurer: I prefer to go with the SGM sanction. Vice President: We can ask the auditors whether capital and revenue can be used for projects and continue with the projects. Hon. Secretary: In the interest of the work to be continuing since we are within the budgets now, I will not stop any of the projects, we will continue all the projects. When I read the Byelaws it doesn’t stop us not using the capital and revenue for Multipurpose Hall. The EC decides we can use 23 lakhs for the Multipurpose Hall and we should go with capital and revenue expenditure. With regard to the rooms, as a team we can finish the project and then go for final ratification to the SGM in conjunction with the Monitoring Committee. Mr. K. Srinath: The project cost may exceed. I am ok up to 25 lakhs from capital and revenue expenditure. President and Hon. Secretary requested the EC members to express their opinion to spend up to 25 lakhs for renovation for Multipurpose Hall from capital and revenue expenditure. EC members agreed and passed the following resolutions:

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		Resolution – 1: "The EC Members unanimously resolved and approved to spend Rs.25 lakhs from the Capital and Revenue funds towards renovation of Department Store to convert into Multi-purpose Hall." · Approved. The discussions of above clearly indicated very high democratic processes following by the EC as always. The decision of the EC are well within their powers & there is no deviation by previous EC. Hence the comments by the SAC are to be deleted.
	Recommendations The SAC recommends that the General Body take note of these instances as unauthorized expenditures. ***The leadership cannot outsource its constitutional responsibility to an Auditor or hide behind a majority vote when a specific Byelaw has been set aside.***	Please refer the reply to members Dated: 22.12.2025. The various points mentioned under the Multipurpose Hall Renovation. Please refer to Page no.8 for clarity and please refer to EC meeting dated: 17.05.2025 refer to OB meeting dated: 10.05.2025. It clearly shows that there is no illegality by the members of the previous EC or present EC. It is only a misconception/ misunderstanding/ Intentional misinterpretation by SAC. The word illegality is totally unacceptable and must be removed from all the records. The same was conveyed to the Chairman of SAC by letter by the President of the Club vide letter. In any democratic setup every member will have an opinion which should be respected. Finally, the majority opinions sustain. Further Lack of correct knowledge or information or studying the earlier EC meetings minutes and also specifically in that meeting The President

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		had informed the committee that Immediate Past President has suggested to go for Ratification in the SGM. Please refer the reply to members Dated: 22.12.2025. The various points mentioned under the Multipurpose Hall Renovation. Please refer to Page no.8 for clarity and please refer to EC meeting dated: 17.05.2025 refer to OB meeting dated: 10.05.2025 then EC meeting dated: 29.07.2025 . It clearly shows that there is no illegality by the members of the previous EC or present EC. It is only a misconception/ misunderstanding/ Intentional misinterpretation by SAC. The word illegality is totally unacceptable and must be removed from all the records. The same was conveyed to the Chairman of SAC by letter by the President of the Club. Hence the Comment of the SAC should be deleted.

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5	**EXHAUSTIVE PROJECT-WISE OBSERVATIONS**		
	Note: All figures are inclusive of GST unless otherwise explicitly stated.		
5.1	**Guest Rooms – The Biggest Spend, The Weakest Control**		SAC's role is to verify facts of club rules & report deviations, if any. Passing of unwanted comments is unethical & unwarranted.
	Parameter	**Detail**	
	Total SGM Budget (29.06.2024)	₹4.50 Crores + taxes	
	Tender Contractor	M/s Sahaaya Builders and Developers Pvt. Ltd.	
	EC-Approved Project Value (incl. professional fees)	₹408.97 Lakhs	This is the SGM approved project. Which also includes bought out items. The above amount of Rs. 408.97 lakhs is the total of work orders issued till 04/01/2026 incl. GST. SAC seems to have misinterpreted this as EC approved project value (Including Professional fees).
	Amount Executed / Paid as on 31.03.2026	₹103.58 Lakhs	An amount of 103.58 lakhs paid till 31.03.2026 is inclusive of GST for the works executed.
	Original Construction Period	03.04.2025 to 31.08.2025 (180 days)	There was no specific mention of the time line in SGM. The WO issued to the contractor Dated: 31.03.2025 & Terms & Conditions were as follow "The work to be completed within 150 days as per the date of commencement (03/04/2025) and the completed work has to be handed over within the said time frame (to be completed by 30/08/2025). If there is delay in the execution of the work, the Club reserves the right to impose penalty". The project was scheduled to be completed in 150 days as per WO issued. Severe defects were observed in the original beams & columns including misalignment of columns, honeycomb in the beams and in view

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			of these defects the structural engineer performed NDT to evaluate the strength of the structure and based on the report he advised retrofitting & strengthening of columns & beams(Photos Enclosed). In view of very high cost of retrofitting the EC took additional opinion from M/s Ashok Associates and finally decided to go ahead with the method suggested by M/s Nagesh Consultants. This activity which was additional & was not envisaged in the 150 days originally indicated in the WO. The column retrofitting activity itself consumed 10 weeks and was completed on OCT 2025. Subsequently for treating Beams multiple opinions from structural engineers like Nagesh Consultants, Mr. Nagendra, Mr. Umesh B Rao was sought. Finally, a decision was taken to invite IISC (Premier Scientific Institution) to provide a final recommendation. This took almost 2 months. Subsequently on 04/01/2026 all the works were stopped by the SGM.
	Revised Project Cost (SGM 04.01.2026 — Agenda 7)	≈ ₹7.50 Crores	A. The above indicated value of 7.5 crores is confusing, as it doesn't indicate if GST is included in this or not. However, we note that from the documents submitted for 04/01/2026 SGM refer Page 21 including the additional budget sought in that SGM which was not approved comes to 4.5 crores + 1.18 crores (Retro fitment + Re doing of Mock up rooms) = 5.68 crores and with GST comes to 6.7 crores. Please refer Page no.21 of the 100pages documents provided to members for 04/01/2026 SGM. So, the figure of 7.5 crores is arbitrary. B. It has to be noted that the original cost for Rooms renovation was Rs.4.5 crores (4.2 crores towards renovation & interiors while Rs. 30 lakhs towards initial effort of retrofitting)

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			C. Based on the advice of Mr. Nagesh & IISC inputs the additional estimated cost of retrofitting amounts to Rs. 53 lakhs. D. The redoing of 2 Mock up Rooms that were broken down due to retrofitting work as 3 columns which were inside the Mock up room had also to be retrofitted leading to redoing the Mock up rooms with an estimated cost is Rs. 20 lakhs. E. However it has to be noted, that the work has been stopped from last 6 months (Jan to June 2026) + due to the uncertainties of war there will be an escalation which can be estimated only after the start of the project. ALSO PLEASE NOTE THAT THE STOPPAGE OF WORK COULD LEAD TO DAMAGE IN THE EXPOSED AREAS OF THE BUILDING INCLUDING THE FOUNDATION DUE TO VAGARIES OF MONSOON LEADING TO DETERIORATION OF THE HEALTH OF THE BUILDING UNLESS IMMEDIATE MEASURES ARE TAKEN TO PREVENT THIS. ALL THE ABOVE IS LEADING TO ESCALATION IN TOTAL COST & ALSO THE COMPLETION TIME LINE.
	Non-tender + Additional Work (% of main tender)	20.46% (87% if calculated on payment basis)	It has to be noted that during the renovation work apart from planned retrofitting work which was the part of the tender a large amount of additional but essential retrofitting work had to be carried out as advised by the structural consultant. Since this is an old building the structural drawings and construction details are not available, hence Columns which were embedded in the walls got exposed once the demolition was done. It is also noted that in the additional quantity

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			of work carried out, the ground floor columns which were embedded in the walls were missed out earlier these also had to be strengthened. The large amount of additional activity resulted in escalation in cost of raw materials and other cost far beyond the tender estimation of work.
	Unsecured Mobilisation Advance Paid	₹28.61 Lakhs	• The Bank Guarantee expired on 31.12.2025 however it is important to note that the claim period is valid up to 31.12.2026. The SAC has been given the copy of the bank guarantee. The vendor has been recently intimated by letter to extend the bank guarantee. The Club is not at any risk. • The comments made by SAC with respect to selective compliance is incorrect and also all mobilization advance paid to the vendor are secured advances and not unsecured as stated in the SAC report. • Club will ensure that the vendor extends the BG as soon as the work is resumed. • Bank guarantee BG NO: 8492IPEBG50054 BG AMOUNT: Rs.30,64,362/- BG Issue Date: 01.09.2025 BG Valid Up to: 31.12.2025 Claim Period up to: 31.12.2026 As seen from above the claim period is valid upto 31/12/2026

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	Potential Revenue Loss	₹150 Lakhs (Annually), approximately	Revenue loss from the Room rent was factored in when the Room renovation project was started. Further due to the part of Retro fitment work which took 10 weeks +2 months caused additional revenue loss, unfortunately the decisions taken in the SGM for stopping the work has added to the revenue loss by 6 months, further delays in restarting the work will cause further revenue loss.
	Opening Observations		
	• Retrofitting and additional non-tender work equal to 20.46% of the original tender was given to the same party without competitive bidding, directly violating Regulations 8.3.1 and 8.3.2.		Please note that rules of the Club overrides the regulations. • Most of the retro fitting work elements & costing were specified in the tender & accepted by the vendor and planned work was carried out. The additional quantities of unplanned work were carried out by the vendor at the same rate after the matter was discussed in depth with all parties concerned including EC. Hence there is no need to get additional quotes or competitive bids. There has been no violation of any rule. It may be noted the vendor carrying out the work had bid the lowest & additional discount was received. The SAC may note that in any ongoing tender it is not right to seek quotations/ bidding, etc… during the course of progress.
	• Advances were pushed out without proper bank guarantees also, on pre-dated or loosely supported bills.		• SAC is requested to study the resolution of the EC and the terms of the WO which clearly states that the Adhoc amount of approximately 50 % of the running bill is released after physical verification of the work done & the bill. The balance is payable only after the certification of the bill by the authorized agency. This is an established practice in the Club since many years. So, the observation by the SAC is misplaced.

SAC REPORT		CLUB REJOINDER
Finding GR-01 — Work Order (WO) and Payment Summary 'WO executed' reflects value of work completed as per available certification. Mobilisation advance of ₹28.61 lakhs is shown separately as it is not a separate WO but an advance on the main tender.		The statement is not at all clear & SAC may kindly clarify what they wish to covey with clarity. It seems to be that SAC report has a mix up error of mobilization advance with bank guarantee. The offer of the Office Bearers & the EC to meet the SAC & clarify many points face to face was rejected by SAC multiple times, which has resulted in inaccurate and nonfactual observations by SAC which could have been avoided.
Main Tender WO value (Sahaaya Builders, 31.03.2025)	**₹2,58,47,458 + GST**	
Retrofitting Additional WO (26.06.2025)	**₹43,56,873**	
Retrofitting Additional WO (03.11.2025)	**₹18,85,181**	
Professional Fees WO (Cube Architects – 6% on ₹4.50 Cr)	**₹28,15 ,000**	
Total Billing by Sahaaya Builders as on 31.03.2026	**₹76.22 Lakhs**	
Out of total billing – Tender items Up to 31.3.2026	**₹40.73 Lakhs**	The tender items physically verified & certified upto 31/3/2026 is Rs.58.94 lakhs (inclusive of GST) & not Rs.40.73 Lakhs.
Out of total billing – Non-tender / Additional items	**₹35.49 Lakhs**	There are no nontendered items in this work at all. However, there is an additional work of Rs.18.85 lakhs (77.78 lakhs – 58.94 lakhs)
Mobilisation advance paid and pending as on 31.3.2026(without adequate BG)	**₹28.61 Lakhs**	• The Bank Guarantee expired on 31.12.2025 however it is important to note that the claim period is valid up to 31.12.2026. The SAC

SAC REPORT			CLUB REJOINDER
			has been given the copy of the bank guarantee. The vendor has been recently intimated by letter to extend the bank guarantee. The Club is not at any risk. • The comments made by SAC with respect to selective compliance is incorrect and also all mobilization advance paid to the vendor are secured advances and not unsecured as stated in the SAC report. • Club will ensure that the vendor extends the BG as soon as the work is resumed. • Bank guarantee BG NO: 8492IPEBG50054 BG AMOUNT: Rs.30,64,362/- BG Issue Date: 01.09.2025 BG Valid Up to: 31.12.2025 Claim Period up to: 31.12.2026 As seen from above the claim period is valid upto 31/12/2026
	Total retrofitting payments (incl. GST)	**₹69.38 Lakhs**	Total retrofitting payments including GST made to M/s Sahaya Builders till date after physical verification & certification by Architect & third-party Architect is Rs.65.48 lakhs. Please note additional expenditure would be involved based on work enumerated in the IISC report.

SAC REPORT	CLUB REJOINDER
Finding GR-02 — Professional Fees: 37% of Work Executed — Before Work Was Done Professional fees paid so far are approximately 37% of the value of work executed — very high even after considering GST. Payments from 03.09.2024 to 18.06.2025 consist only of professional fees, totalling ₹24.96 lakhs. Percentage of work executed on the main tender value of ₹305 lakhs is only 13.35%, yet almost half the total fee has already been disbursed.	The architect's fee is based on scope of work & as per milestones completed as per the WO CC/PRO03/2024. A tabulation containing the guidelines of council of architecture (GOI), WO to Cube Architect, Payments made by the club in respect of professional fee of Architects is given below.

Council Of Architecture(GOI)		WO to CUBE Architects		Payment made by Century Club			
Stages of Payment	**Percen-tage of Fee**	Stages of Payment	Percen-tage of Fee	Guest Rooms	Bar-I-Tone	Bad-minton	Bamboo Bar
		Architectural Consultancy fee 6% of final project cost upon execution		6% on project cost Rs. 4,18,55,268= 25,11,316.08	6% on project cost Rs. 1,23,00,805= 7,38,048.30	6% on project cost Rs. 51,54,054.26= 3,09,243	6% on project cost Rs. 37,84,967= 2,27,098.02
Retainer On appointment/ Signing of Agreement/ acceptance of offer.	**Rs. 20,000 or 5% of the total fees payable, whichever is higher, adjustable at the last stage.**	Signing of Work Order	10% on Consultancy Fee Advance	270000.00	45000.00	39000.00	

SAC REPORT	CLUB REJOINDER

<table>
<tr><td>Stage 1
On submitting conceptual designs and rough estimate of cost.</td><td>10% of the total fees payable.</td><td rowspan="2">Submission and Acceptance of Part-1: Concept & Schematic including Specialised Services Consultant fees</td><td rowspan="2">25% of the total Professional Fee</td><td rowspan="2">675000.00</td><td rowspan="2">112500.00</td><td rowspan="2">77310.81</td><td></td></tr>
<tr><td>Stage 2
On submitting the required preliminary scheme for the Client’s approval along with the preliminary estimate of cost.</td><td>20% of the total fees payable less payment already made at Stage 1.</td><td rowspan="2">113549.01</td></tr>
<tr><td>Stage 3
On incorporating Client’s suggestions and submitting drawings for approval from the Client/ statutory authorities, if required.</td><td>30% of the total fees payable less payment already made at Stages 1 and 2.</td><td rowspan="3">Submission and Acceptance of Part-2: Detail Design & Drawings Develo-pment</td><td rowspan="3">25% of the total Professional Fee</td><td rowspan="3">675000.00</td><td rowspan="3">112500.00</td><td rowspan="3">77310.81</td></tr>
<tr><td>Upon Client’s / statutory approval necessary for commencement of cons-truction, wherever applicable.</td><td>35% of the total fees payable less payment already made at Stages1 to 3a.</td><td></td></tr>
<tr><td>Stage 4
Upon preparation of working drawings, specifications and schedule of quantities sufficient to prepare estimate of cost and preparation of tender documents.</td><td>45% of the total fees payable less payment already made at Stages1 to 3a.</td><td></td></tr>
</table>

SAC REPORT		CLUB REJOINDER

Council Of Architecture(GOI)		WO to CUBE Architects		Payment made by Century Club			
Stages of Payment	**Percen-tage of Fee**	Stages of Payment	Percen-tage of Fee	Guest Rooms	Bar-I-Tone	Bad-minton	Bamboo Bar
Stage 5 On inviting, receiving and analysing tenders; advising Client on appointment of contractors.	**55% of the total fees payable less payment already made at Stages 1 to 4.**	Submission and Acceptance of Part-3: Tender Documen-tation & Negoti-ation	10% of the total Professional Fee	270000.00	45000.00	No payment made	No payment made
Stage 6 On submitting working drawings and details required for commencement of work at site.	**65% of the total fees payable less payment already made at Stages 1 to 5.**	Part-4: During Construction, Inspection & Supervision stage, which will include Periodic site visits, Quality checks, Checks on adherence to design drawings. (Progressive payments shall be made at this stage on mutually agreed upon milestones)	20% of the total Professional Fee	No payment made	No payment made	No payment made	No payment made
On completion of 20% of the work	**70% of the total fees payable less payment already made at Stages 1 to 6a.**						

SAC REPORT	CLUB REJOINDER

		On completion of 40% of the work	75% of the total fees payable less payment already made at Stages 1 to 6b(i).						
		On completion of 60% of the work	80% of the total fees payable less payment already made at Stages 1 to 6b(ii).						
		On completion of 80% of the work	85% of the total fees payable less payment already made at Stages 1 to 6b(iii).						
		On Virtual Completion	90% of the total fees payable less payment already made at Stages 1 to 6b(iv).						

SAC REPORT	CLUB REJOINDER

Stage 7 On submitting Completion Report and drawings for issuance of completion/ occupancy certificate by statutory authorities, wherever required and on issue of as built drawings	**100% of the fees payable less payment already made at**	Part 5 - Post Construction	10% of the total Professional Fee	Stage yet to be reached	Stage yet to be reached	Stage yet to be reached	Stage yet to be reached
			total amounts	**18,90,000.00**	**3,15,000.00**	**1,93,621.63**	**1,13,549.01**
		As per revision , Architects have yet to be paid,		17,57,921.26	5,16,633.81		

As clearly visible above the architects work on the project starts at the signing of the work order with major deliverables undertaken before execution/ construction stage.

As the project proceeds from the idea stage till the start of execution. The work done by the Architect is paid as per the milestone as specified in the WO. This amounts to almost 70% of total payment as on date as the milestone stage achieved by the Architect. However total payment will be made based on the total project completion and again based on further milestones.

All the deliverables shared by the architect i.e. site visits during execution, running bill certification, detailed working drawings, walk-in 3D visualizations, etc.. have already been made available to the SAC/SCE in soft copies & hard copies.

<table>
<tr><th></th><th>SAC REPORT</th><th>CLUB REJOINDER</th></tr>
<tr><td></td><td></td><td>It is also to be noted that the scope of work for the architect includes the selection, coordination and assistance during procurement of all bought out items. These items procured by club are not included in the contractors scope of work under the tender value of Rs.305 lakhs. Due to this the architects fee is based on the total project cost OR as per actuals for all packages of the tender.

Hence, the amount referred by SCE / SAC of ₹12,06,787 (excluding GST) as overpaid is not correct. It actually refers to the effort related to preconstruction stage. However, the overall fee that will be paid on this account will not exceed 6% on the actual project cost.

The offer of the Office Bearers & the EC to meet the SAC & clarify many points face to face was rejected by SAC multiple times, which has resulted in inaccurate and nonfactual observations by SAC which could have been avoided.</td></tr>
<tr><td></td><td><table>
<tr><td>Architect fees already paid (Cube Architects)</td><td>₹22.30 Lakhs</td></tr>
<tr><td>Third-party architect (B.P. Sridhar Murthy)</td><td>₹2.09 Lakhs</td></tr>
<tr><td>Electrical consultant fees</td><td>₹0.65 Lakhs</td></tr>
<tr><td>Structural consultant – Ashok Associates</td><td>₹0.38 Lakhs</td></tr>
<tr><td>Structural consultant – Nagesh Consultants (Taken to professional charges instead of project account)</td><td>₹0.59 Lakhs</td></tr>
<tr><td>Expert – Indian Institute of Science (IISc)</td><td>₹1.99 Lakhs</td></tr>
<tr><td>PHE consultant</td><td>₹0.15 Lakhs</td></tr>
<tr><td>Total Professional Fees</td><td>₹28.15 Lakhs</td></tr>
</table></td><td>All the above data as presented by SAC for various consultants have been made as per the WO agreements. Example IISC quoted 1.99 lakhs for them to study and give their opinion with a precondition that site visit will be done only after payment. Similarly to secure the services of consultants payments had to be made by the Club which is also an industry practice. This aspect could have been explained and clarified to SAC had they agreed for a clarification meeting that was sought by EC.</td></tr>
</table>

<table>
<tr><th colspan="2">SAC REPORT</th><th>CLUB REJOINDER</th></tr>
<tr><td></td><td><table><tr><td>Main contractor WO (Sahaaya Builders) issued</td><td>31.03.2025 — 3.5 months after architect fee advance</td></tr></table></td><td>SAC has made the observation in spite of the fact & data presented to them wherein the architect was involved in conceptualizing & preparing tender drawings, BOQ, preparing tender document, preparation of comparative statements, participation in techno commercial assessment, the payment's to the architect were made as part of the milestone achievement's of preconstruction stage activities as per the WO.</td></tr>
<tr><td></td><td>The Committee notes that WOs for professional fees have consistently been issued on estimated or sanctioned values, instead of actual tendered WO values. The architect advance was paid on 18.12.2024 — the main contractor WO was not issued until 31.03.2025. This again shows that professional fees were being advanced well ahead of main tender and contract finalisation.</td><td>The above point has been dealt in detail in previous paragraph,

5. EFFECTING PAYMENT TO THE ARCHITECT :

Below is the excerpt from Council of Architecture guide lines (Govt. of India)

5.1 The fee payable to the Architect shall be computed on the actual cost of works on completion. The payment due to the Architect at different stages be computed on the following basis:

5.1.1 Retainer : On rough estimate of cost.

5.1.2 At Stage 1 : On rough estimate of cost.

5.1.3 At Stages 2 to 4 : On preliminary estimate of cost.

5.1.4 At Stages 5 to 6b : Accepted tender cost.

5.1.5 At Stage 7 : Actual total cost.

Hence the payments made to the architect is in line with industry practice.</td></tr>
</table>

SAC REPORT	CLUB REJOINDER

SAC REPORT

Finding GR-03 — Third-Party Architect: Unregistered Professional, Undocumented Basis

- WO dated 07.01.2025 issued to Mr. B.P. Sridhar Murthy specifies a fee of 1% on “Room Value” of ₹4,35,88,903 (on total estimated value as against the WO value of ₹305 Lakhs).

CLUB REJOINDER

TEAM - 2

ARCHITECTS & CONSULTING ENGINEERS
302, Embassy Chambers, 5, Vittal Mallya Road, Bangalore - 1
Phone : 22214562
: 22219784
65683780
Fax : 22102685
E-mail : team2@vsnl.com

TO WHOMSOEVER IT MAY CONCERN

This is to certify that **Sri B P Sridhara Murthy** was working in our firm for a period of fourteen years (1984 to 1998). In these fourteen years, he has handled variety of projects and was given independent charge right from preparation of Tenders, Estimates, Site co-ordination and Physical Verification and Security of Contractor's Bill and he has been instrumental in the developmental process of the firm.

During the formative years, he showed keenness and urge to learn the intricacies involved and was ready to take independent decisions in the interest of the Project.

His upright and never say die attitude has been his prime strength. He can jell well into the team and get the best out of everybody.

It is infact a pleasant rarity to get a blend of academic exposure with the practical realities. He has managed it quite effectively.

Without any hesitation, I strongly recommend him for higher responsibilities and **WISH ALL SUCCESS** in his future endeavour. His character and conduct are exemplary.

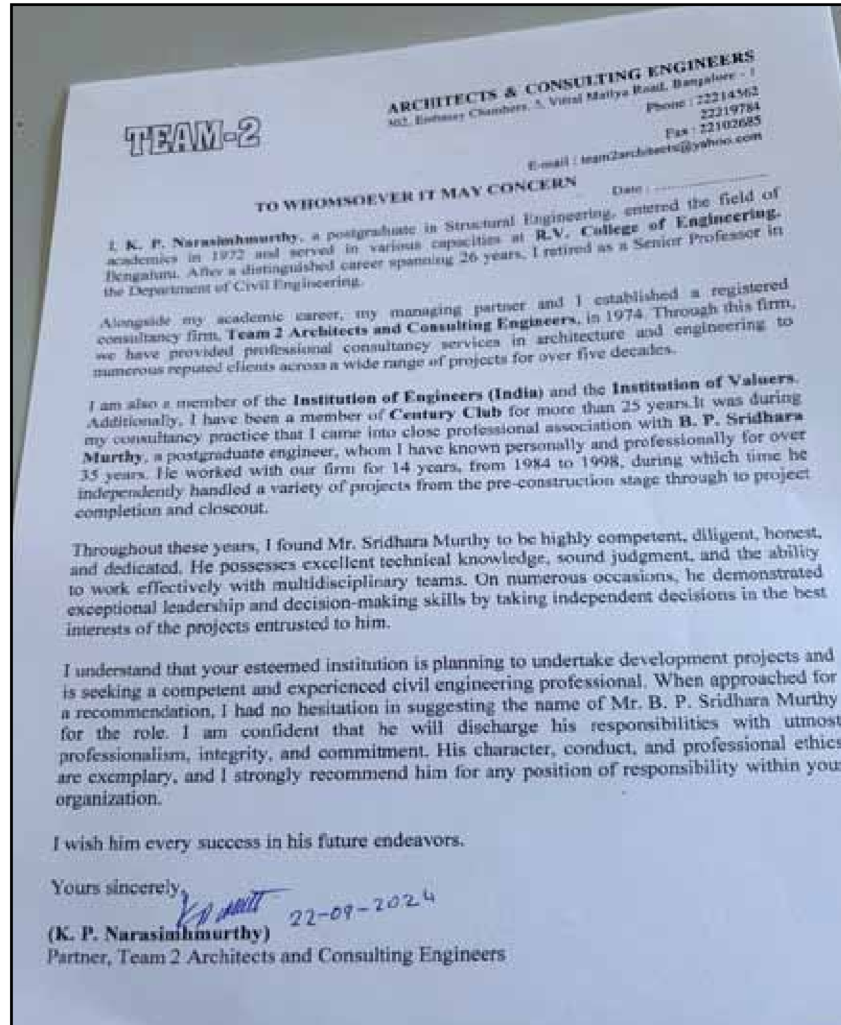
For **T E A M - 2.**

Partner.

K.P. NARASIMHA MURTHY
M.E. (STRUCT) MIS.

Date : 13.08.2007
Place: Bangalore

SAC REPORT	CLUB REJOINDER



TEAM-2

ARCHITECTS & CONSULTING ENGINEERS
502, Embassy Chambers, 5, Vittal Mallya Road, Bangalore - 1
Phone : 22214562
22219784
Fax : 22102685
E-mail : team2architects@yahoo.com

Date : ....

TO WHOMSOEVER IT MAY CONCERN

I, **K. P. Narasimhmurthy**, a postgraduate in Structural Engineering, entered the field of academics in 1972 and served in various capacities at **R.V. College of Engineering**, Bengaluru. After a distinguished career spanning 26 years, I retired as a Senior Professor in the Department of Civil Engineering.

Alongside my academic career, my managing partner and I established a registered consultancy firm, **Team 2 Architects and Consulting Engineers**, in 1974. Through this firm, we have provided professional consultancy services in architecture and engineering to numerous reputed clients across a wide range of projects for over five decades.

I am also a member of the **Institution of Engineers (India)** and the **Institution of Valuers**. Additionally, I have been a member of **Century Club** for more than 25 years.It was during my consultancy practice that I came into close professional association with **B. P. Sridhara Murthy**, a postgraduate engineer, whom I have known personally and professionally for over 35 years. He worked with our firm for 14 years, from 1984 to 1998, during which time he independently handled a variety of projects from the pre-construction stage through to project completion and closeout.

Throughout these years, I found Mr. Sridhara Murthy to be highly competent, diligent, honest, and dedicated. He possesses excellent technical knowledge, sound judgment, and the ability to work effectively with multidisciplinary teams. On numerous occasions, he demonstrated exceptional leadership and decision-making skills by taking independent decisions in the best interests of the projects entrusted to him.

I understand that your esteemed institution is planning to undertake development projects and is seeking a competent and experienced civil engineering professional. When approached for a recommendation, I had no hesitation in suggesting the name of Mr. B. P. Sridhara Murthy for the role. I am confident that he will discharge his responsibilities with utmost professionalism, integrity, and commitment. His character, conduct, and professional ethics are exemplary, and I strongly recommend him for any position of responsibility within your organization.

I wish him every success in his future endeavors.

Yours sincerely,

22-09-2024

(K. P. Narasimhmurthy)
Partner, Team 2 Architects and Consulting Engineers

SAC REPORT		CLUB REJOINDER
		It is to be noted that the scope of work for the Third Party architect includes the work carried out during the pre-construction stage of checking of BOQ's and vetting of tender documents preparation of comparative statements, participating in techno commercial assessment with the tenders and attending different meetings with EC & MC. And after the award of the tender the work involving pre measurement at site and physical verification of the work executed at different stages of the project and certification for procurement of all bought out items. These items procured by club are not included in the contractors scope of work under the tender value of Rs.305 lakhs. Due to this the third-party architects fee is based on the total project cost (Rs. 4.35 Crores) OR as per actuals for all packages of the tender.

	SAC REPORT	CLUB REJOINDER
	• No specific terms and conditions have been defined in writing regarding invoice raising and payment release for B.P. Sridhar Murthy.	As per the WO issued to B.P. Sridhar Murthy bearing # CC/PRO26/2025 it may be noted that in page 1 point#1 till point #25 in page 2 are the various scope of work defined, in page 3 it is mentioned that the payment will be made only after the receipts of original invoice having completed the scope of work as applicable.
	• An invoice equivalent to 55% of his work value has been raised and accounted without referenced milestone definitions in the WO.	It has to be noted that the activities related to Mr. Sridhara Murthy as per the WO Ref: CC/PRO26/2025 dt 7/1/2025 Actually starts even before the contract is awarded to the contractors for example finalizing the BOQ with the architect, MEP and structural consultants & compilation of the tender & valuating the Tender output. Preparing comparative statements & participating in techno commercial assessment, interacting with each vendor along with the rate analysis. The payment made to Mr Sridhara Murthy is as per invoices raised by him for the work carried out by him in accordance with the WO.
	• B.P. Sridhar Murthy (qualifications: BE (Civil), ME (Environmental Engineering)) is not registered under any professional Act not GST Act nor regulatory body yet has been appointed as "Third-Party Architect" for the project.	B.P. Sridhar Murthy is a qualified civil engineer with a M Tech qualification with a lot of professional experience. He has worked with a reputed Architect & consulting engineering firm namely M/s Team 2, for 14 years in these specific areas of work. Based on his resume and references he was appointed as third-party architect of the project.

SAC REPORT	CLUB REJOINDER

Finding GR-04 — Additional WOs and Retrofitting: Sequence of Events

SAC REPORT

- The original tender amount already included ₹47,62,470 towards structural work. The Committee has been unable to reconcile how much retrofitting load was covered originally and how much was added later via non-tender WOs.

CLUB REJOINDER

Please note that the tendered & additional work with tendered items and non-tendered work data is enclosed below:-

SUMMARY OF RETROFITTING WORK- GUESTROOM BLOCK

Retrofitting work cost as per estimates and WOs

As per estimates and WOs	Final Estimate/ Tender BOQ	Sahaaya Builders Main WO PRO-36	Sahaaya Builders Tendered Quantities in Additional WO PRO-24	Sahaaya Builders Non-Tendered Quantities in Additional WO PRO-24	Sahaaya Builders Additional Quantities in WO PRO-46, Consisting only tendered items
Amount	₹ 23,11,696.00	₹ 30,15,492.00	₹ 20,47,880.00	₹ 16,44,386.00	₹ 17,42,215.18
GST @ 18%	*₹ 4,16,105.28*	*₹ 5,42,788.56*	*₹ 3,68,618.40*	*₹ 2,95,989.48*	*₹ 3,13,598.73*
Total Amount	₹ 27,27,801.28	₹ 35,58,280.56	₹ 24,16,498.40	₹ 19,40,375.48	₹ 20,55,813.91

The above Non-tendered work is inclusive of-
1. 9” Brick Work , 2. Plastering of Exposed Surfaces, 3. Painting of Exposed Surfaces, 4. Resin Grouting for Beams, 5. Nozzel fixing for resin grouting

For resin grouting item quantity is taken on a thumb rule basis, will be paid as per actuals (based on extent of honeycombing inside the beams)

Retrofitting work cost as per billing to date

As per certified billing to date	Total Billing To Date	Tendered/WO Quantities Billed	Additional Tendered/WO Quantities Billed	Non-Tendered Quantities Billed	Remarks
Amount	₹ 60,51,396.68	₹ 43,09,181.50	₹ 17,42,215.18	No non tendered work has been executed on site to date.	Tendered Quantity as per WO PRO-36 & PRO-24 Additional Quantity Billed as per PRO-46
GST @ 18%	*₹ 10,89,251.40*	*₹ 7,75,652.67*	*₹ 3,13,598.73*		
Total Amount	₹ 71,40,648.08	₹ 50,84,834.17	₹ 20,55,813.91		

SAC REPORT	CLUB REJOINDER
• In the EC meeting dated 26.06.2025 (immediately before the AGM on 28.06.2025), additional work of ₹62.41 lakhs for structural retrofitting was approved without tender, to the same contractor, "subject to approval of the General Body." This was later reduced to ₹43.56 lakhs after negotiation; an additional WO of ₹18.85 lakhs was also issued.	The additional WO to an extent of Rs.43.56lakhs & Rs18.85 lakhs were issued to the same vendors, as this was an ongoing project & it was an additional work only, which was covered and the rates were as per the tender document. And whatever non tender items were there are adjacencies to the main work, getting a New & separate contractor to execute these works separately would be non practical to the club. Hence WO was given for these as well and these have not yet been executed.
• The President is understood to have informed the AGM about an additional requirement of ₹50 lakhs for retrofitting (which "may go up by another ₹50 lakhs") but did not disclose that WOs had already been issued on 26.06.2025.	The President has informed in the AGM for 50 lakhs additional expenditure for retrofitting which was concurred by the AGM, as not a single person raised any objection. President was extremely transparent on the project during the AGM dated: 28/06/2025. The President had the meeting with Vice President, Hon. Secretary, Hon. Treasurer & Sri. Narasimhamurthy – member of Monitoring Committee, Sridhara Murthy- Third Party Architect with an intention to ascertain whether the retrofitting work is absolute necessity, and also the need to issue WO as per the draft. The all those present in the meeting suggested that the cost may go up or less based on the actuals as per the bills & it is only an estimation (Apprx.) and also suggested that retrofitting work should be continued as it is an ongoing project work. Hence the President has only indicated the approximate figures may be Rs.50 Lakhs or more and did not mention by oversight about the WO issued a day earlier. Thus, the President was transparent in bringing out the facts of the projects before the AGM.

	SAC REPORT	CLUB REJOINDER
	• Page 29 records that M/s Nagesh Consultants submitted a revised report on 13.10.2025 estimating retrofitting cost at ₹1.23 crores as against ₹0.92 crores based on recommendation of Indian Institute of Science. As per the Architect certificate, the balance work to be done is ₹0.26 crores as per Indian Institute of Science and ₹0.52 crores as per the recommendations of M/s. Nagesh Consultants.	• The observations made by SAC/SCE are contrary to the facts and sequence of events, the Club undertook the column jacketing work based on Mr. Nagesh Structural Consultants report (a second opinion from structural consultants Mr. Ashok was also secured). Towards the completion of the Column jacketing, when the topic of taking up the work of beam retrofitment it was felt by the Club to engage IISC for their opinion& suggestions, subsequently after inspection IISC submitted a report where in page 7 “Columns- the ongoing encasement of the columns with micro concrete is to continued and completed” is the recommendation given by IISC. It is evident from the sequence of events that the statement made above by the SAC are contrary to facts. Please note IISC have never mentioned any commercial aspects in their report like ₹0.26 crores as indicated in SAC report. The offer of the Office Bearers & the EC to meet the SAC & clarify many points face to face was rejected by SAC multiple times, which has resulted in inaccurate and nonfactual observations by SAC which could have been avoided. This point also reveals the nonfactual observations by the SAC /SCE. • It is important for the Hon. Members of the Club to note that the Indian Institute of science report an authority on the subject matter who have approved the action taken by the Club in respect with column strengthening & they have also recommended to complete the task. However, regarding the beam treatment as the beam examined had honey combing, IISC have suggested epoxy

SAC REPORT	CLUB REJOINDER
	or polymer mortor cementitious grouting to counter honey coming in the beams. (page 7 of IISC report dated 11th Dec 2025). The club decided in the Joint meeting of Project Monitoring & EC dated 16/12/2025 to accept the IISC report & proceed according to the IISC recommendations as per page #7, 8 & 9 of IISC report). The statement in page # 5 on columns should be read as a certification of the columns strengthening work which had already been done before the IISC report. • It is important to note the sequence of events which is summarized as follows for the Hon. members of the Club: • Due to the renovation work of guest rooms which involved extension of the existing bathrooms, which required cantilever extensions and relocation of the lift well. This initiated the requirement for structural consultant & hence Mr. Nagesh was invited to study & provide feasibility report. • Based on Mr. Nagesh site inspection he suggested to conduct NDT to get complete picture of the structural elements. • The retrofitting of columns was undertaken & completed as per the Mr. Nagesh, Structural Consultant's report (dated October 14, 2025) much before the consultation with IISC. Execution for which commenced in August, 2025 and was completed by October 2025. As per the IISC report (dated December 10, 2025), no comments have been made on the invalidity of Column Jacketing,

	SAC REPORT	CLUB REJOINDER
		the recommendations of IISC were reviewed and revised estimation was done for the beam and slab treatment items were jointly done by M/s Cube Architects with the Third-Party Architect (Estimation shared by mail on January 03, 2026). Two reputed practicing consulting engineers Mr Nagendra & Mr Umesh B Rao visited the site. A few days before final inspection by IISC and suggested honey combing could be treated with cementitious grout for the beams. • Consequently the revised budget including the work as suggested by IISC has been worked out & an enhancement of budget request was placed in SGM dt 4/1/2026. • Hence the observations of Conflicting Structural Opinions, Unjustified Scope as mentioned in point # 02 of SAC report as above is unfounded and malicious.
	No formal additional approval was sought from the AGM on 28.06.2025 for these commitments. Mere "information" cannot be construed as budget approval.	Please note AGM dated 28/6/2025 the president transparently indicated additional expenditure of Rs. 50.00 lakhs will be incurred for retro fitment work for strengthen columns beams. There was a concurrence by the AGM through claps & not a single objection was raised.

SAC REPORT	CLUB REJOINDER
Finding GR-05 — Conflicting Structural Opinions (IISc vs. Nagesh) Sai Consulting Engineers (SCE) summarise the structural history as follows:	
• First consultant — Nagesh report (11.12.2024): Non-destructive tests (NDT) showed satisfactory results. However, a structural design check flagged some columns as unsafe, and retrofitting was recommended.	Based on the NDT and the subsequent structural analysis (using E tabs) the Nagesh structural consultants have very clearly indicated the following: - a. The foundation area & the depth provided is adequate and there was no settlement hence no treatment was suggested for the foundation. b. The cross section of the existing column was inadequate hence suggested column jacketing increasing the cross section. c. The tension reinforcement in the beam was inadequate hence beam treatment was recommended.
• Second Nagesh report (13.10.2025): During early retrofitting, cracks and exposed reinforcement were reported. The consultant again recommended continuation of retrofitting.	During site inspection it was found that the beams & the sunken slabs had no cover to the reinforcement the columns in the GF & in the Upper floor was showing wide vertical cracks propagating from the pedestal to the roof level in the GF. In SF the electrical conduit and junction boxes were embedded in the column. To overcome the above defects the consultant recommended continuation of retrofitting.
• Independent expert — Prof. J. M. Chandra Kishen, IISc (site visit 21.11.2025): No beam deflections observed. No cracks in beams or columns. No foundation settlement detected. Concluded there was no structural distress in the load-bearing elements.	Please note that the cracks in columns were observed when the initial renovation work of rooms started at that time with the inspection of Nagesh consultants' actions were initiated to retro fit the columns based on the NDT & rooms started at that time with the inspection retro fit the columns based on the NDT the analysis conducted subsequently. Professor Chandra Kishen of IISC visited site on 21/11/2025, by this

SAC REPORT	CLUB REJOINDER
SCE point to contradictory assessments: initial consultants recommended extensive retrofitting while the independent IISc expert — a higher, neutral authority — confirmed structural integrity. Despite this, the Club proceeded with costly retrofitting works (WOs PRO18 and PRO46) whose necessity is now open to question. SCE's position implies a portion of retrofitting costs may not have been required at all, and at the very least should have been re-evaluated after the IISc report on the basis of finding in GR-04.	time the retro fitment of columns were in final stages and in his report on page # 7 he has stated that the column jacketing work should be continued & completed & also recommended various works to be completed as per page # 8 & 9 of his report. So SAC statement that no cracks in beams or columns is not factual. Picture indicating cracks in the column's have been submitted to SAC. Here the SCE is attempting to confuse the members of the Club saying that extensive retrofitting work has been carried out unnecessarily. This has not been stated in the IISC report, as a matter of fact IISC has clearly approved regarding column jacketing and has emphatically said that the activity should be completed, for the beams & the sunken slabs , they have given their recommendation keeping the structural safety & integrity. No where IISC has commented or disapproved about the methodology and details provided by the consultant appointed by the club. SAC/SCE should read the reports of Nagesh consultants at various points of time and subsequently the report submitted by IISC, any assistance to read the report could be offered by OB/EC.



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SAC REPORT	CLUB REJOINDER
Finding GR-06 — Tender vs. Non-Tender Components in Contractor Billing	
• Total billing by Sahaaya Builders as on date is ₹76.22 lakhs. • Out of this, tender items account for only ₹40.73 lakhs, while non-tender/additional items account for ₹35.49 lakhs.	• Most of the retro fitting work elements & costing were specified in the tender & accepted by the vendor and planned work was carried out. The additional work items regarding retro fitment were as per tendered items only a few items which were of the nature of adjacencies to the main work were not in the tender, these have not yet being executed, only WO have been given to the contractor. This is as discussed with the concerned including MC/EC. Hence there is no need to get additional quotes or competitive bids. There has been no violation of any rule. It may be noted the vendor carrying out the work had bid the lowest & additional discount was received. Since the completed work is related majorly to retrofitting work.
• This means nearly half (47%) of the work billed so far is outside the original competitive tender and has been awarded without a fresh competitive process.	• The renovation of the rooms are yet to be taken up and amount is yet to be spent. Currently work undertaken has been retrofitment of columns & demolition works. Hence the percentage indicated in the report (47%) appears as an anomaly in terms of percentage of work billed.

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SAC REPORT:

- Additional and non-tendered works have been awarded to M/s Sahaaya Builders without obtaining competitive quotations, in violation of Regulations 8.3.1 and 8.3.2.

CLUB REJOINDER:

SUMMARY OF RETROFITTING WORK- GUESTROOM BLOCK

Retrofitting work cost as per estimates and WOs

As per estimates and WOs	Final Estimate/ Tender BOQ	Sahaaya Builders Main WO PRO-36	Sahaaya Builders Tendered Quantities in Additional WO PRO-24	Sahaaya Builders Non- Tendered Quantities in Additional WO PRO-24	Sahaaya Builders Additional Quantities in WO PRO-46, Consisting only tendered items
Amount	**₹ 23,11,696.00**	**₹ 30,15,492.00**	**₹ 20,47,880.00**	**₹ 16,44,386.00**	**₹ 17,42,215.18**
GST @ 18%	*₹ 4,16,105.28*	*₹ 5,42,788.56*	*₹ 3,68,618.40*	*₹ 2,95,989.48*	*₹ 3,13,598.73*
Total Amount	**₹ 27,27,801.28**	**₹ 35,58,280.56**	**₹ 24,16,498.40**	**₹ 19,40,375.48**	**₹ 20,55,813.91**

The above Non-tendered work is inclusive of-

1. 9” Brick Work , 2. Plastering of Exposed Surfaces, 3. Painting of Exposed Surfaces, 4. Resin Grouting for Beams, 5. Nozzel fixing for resin grouting

For resin grouting item quantity is taken on a thumb rule basis, will be paid as per actuals (based on extent of honeycombing inside the beams)

Retrofitting work cost as per billing to date

As per certified billing to date	Total Billing To Date	Tendered/WO Quantities Billed	Additional Tendered/WO Quantities Billed	Non-Tendered Quantities Billed	Remarks
Amount	**₹ 60,51,396.68**	**₹ 43,09,181.50**	**₹ 17,42,215.18**	No non tendered work has been executed on site to date.	Tendered Quantity as per WO PRO-36 & PRO-24 Additional Quantity Billed as per PRO-46
GST @ 18%	*₹ 10,89,251.40*	*₹ 7,75,652.67*	*₹ 3,13,598.73*		
Total Amount	**₹ 71,40,648.08**	**₹ 50,84,834.17**	**₹ 20,55,813.91**		

SAC REPORT:

Finding GR-07 — Mock-up Rooms: Cost, Timing and Disclosure Issues

CLUB REJOINDER:

SAC may please note that the mandate given by SGM is for audit from 1st of April 2024 to 31st December 2025. An Amount of Rs.3.80 lakhs which includes Third Party Architect Fee, Purchase of Chair, Curtain, Wardrobe, Charcoal Panel, Wallpaper, Additional Lighting fixtures etc. was spent during the mandate period.

Though there is no binding on the part of EC to furnish the data pertaining to Mock Up rooms prior to the mandate period. To maintain transparency the observations of the SAC are addressed below.

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• The cost of two mock-up rooms is stated to be ₹20 lakhs, said to have been spent from the EC's capital budget in FY 2023-24 and 2024-25. However, actual spent is exceeded the stated amount, which is ₹46.90 lakhs	The cost of the Mock up room # 106 as per the decision of EC dated: 10/11/2023 was approved of Rs.10.03 lakhs (incl. GST) subsequently the cost of another Mock room # 107 as per the decision of EC dated: 20/03/2024 Was also approved at Rs.10.03 lakhs (Incl. GST) the total cost of Mock room renovation was to be funded out of Capital Budget of the club for the year 2023-24 & 2024-25. The WO for Mock up room # 106 was issued on 17/11/2023 to M/s SYS Constructions and for room no 107 it was issued on 20/03/2024 for Rs.10.03 lakhs (Incl. GST) each. When the renovation work started, it was noticed that the steel for reinforcement bars of the roof slab of the toilets was completely corroded and It was decided to extend the roof slab of both the toilets of Room # 106 & 107 based on the input given by the Architect increase in the available area for the usage. This extension resulted in bigger functional room and also the rooms were insulated from the bird droppings and the consequential maintenance issue.
• This appears to have been started even before the SGM budget approval and is reported to have been written off in FY 2023–24 and 2024-25.	This Mockup renovation project is taken up out of capital budget for the FY 2023-24 & 2024-25. The majority work was completed before the mandate period, only minor interior works / furnishing works completed in the mandate period & the necessary expenditure were incurred to an extension of Rs. 3.80 lakhs Only.
• Expenditure of ₹43.16 lakhs in FY 2023–24 and ₹3.74 lakhs in FY 2024–25 had already been incurred as of 15.12.2025. Management was aware of these overruns prior to SGM.	The above said expenditure were incurred in the FY 2023-24 & 2024-25 out of the capital budget is prior to the mandated period. Hence, it cannot be categorized as cost overrun. SAC is wrongly assumed that these are cost overruns, these costs have already accounted & audited in the Books of accounts in the earlier Years. The observations of SAC is misplaced.

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• Further, EC has approached SGM on 04/01/2026 with additional sanction of ₹118 Lakhs. This additional sanction includes ₹20 Lakhs for previously renovated two mock up rooms as stated above. SAC observes that EC has hidden the actual cost of mock up rooms in the Notice to SGM. EC has sought budget of ₹20 Lakhs (i.e., stated amount) instead of actual amount spent of ~₹47 Lakhs. This clearly shows that the facts were hidden for the best reasons known to EC. The above work was completed in April-2025 itself, and EC has not informed this to members even in the SGM held in March-2025 AGM held on June-2025, as it relates to SGM budget proposal (This act violates Rule 18.5 and 19.9).	The proposal for additional sanction for Rs. 1.18 cr was presented in SGM dated: 04/01/2026. However no discussion took place in this matter. While renovation of the Guest rooms undertaken, the columns of the Mock rooms were also in a bad state. Hence retrofitting of the same were taken up which resulted in dismantling of all the interior works.
Finding GR-08 — Vendor Participation and Bidding Concentration	
• Six vendors participated in the tender for Renovation of Guest Rooms; four vendors for Renovation of Bar I Tone.	
• Out of these, three vendors submitted bids for both projects, resulting in three exclusive/unique bidders for Guest Rooms and only one exclusive bidder for Bar I Tone.	
• The Committee notes this to show concentration of bidding and potential issues in vendor selection — the same small pool of bidders across multiple projects raises questions about the integrity of the competitive process.	Tender notification was released in leading newspapers calling for bids in respect of the Renovation of Guestrooms dt on 20/01/2025. Six bids were received in response to this tender notification. After technical discussion and competitive negotiation process *(Project Monitoring Committee Meetings dated: 19/02/2025)* Bidder L1 M/S Sahaaya builders was issued

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		the WO CC/PRO-36/2025. After negotiations and site visits at the projects M/S Sahaaya builders had completed by the MC/EC members and their approval. Same process was also adopted for Bar I Tone in selecting bidder L1 M/s Max Muller Technologies. Sufficient time was given from the date of advertisement of Tender notifications (dt: 20/01/2025) for the prospective tenderers to submit the bid. And also, the entire process of negotiation was completed on dt: 25/02/2025. In view of this the integrity & the competitive process of the bidding is ensured & hence the observation of SAC is not factual. The club management neither in the past present or future have any influence in the way people submit tenders to the Club on projects.

	SAC REPORT		CLUB REJOINDER
5.2	**Bar I Tone – Fees First, Work Later**		SAC to realize that fees are paid as per the WO for the architects as per the general guidelines of Council of Architecture (Govt. of India)
	Parameter	**Detail**	
	Total Budget (out of ₹5 Cr + tax SGM 29.06.2024)	₹1.25 Crores	
	Tender Contractor	M/s Max Muller Technologies, Tirupur, Tamil Nadu	
	EC-Approved Project Value (incl. professional fees)	₹116.32 Lakhs	
	Amount Executed / Paid as on 31.03.2026	₹15.08 Lakhs	
	Balance Work Pending	₹101.24 Lakhs (on WO values)	
	Specified Completion Period	55 days from 03.04.2025 (i.e., by 30.05.2025)	
	Delay Status	Work stalled — attributed to 'drainage shifting'; details not documented	The existing old Sewerage System ran through the Bar I Tone area with a collection pit situated in the proposed seating area which was emitting foul smell as was felt during the construction process. The overall Sewerage system of the club starts from Tennis section, Badminton, Billiards, Office, Bar I tone, Guest Rooms and proposed Keleido bathrooms, leading to the parking lot and gets connected to the BWSSB lines. Now in order to make it more efficient & free from maintenance it was advised by the PHE consultant to take the sewerage system diagonally through the Bar-I-Tone site . The decision not to lay

SAC REPORT		CLUB REJOINDER
		the sewerage system behind the Guestrooms building and to take it from the front portion was suggested by the Structural consultant taking into account the safety of the foundation system of Guestroom. PHE Consultants in discussion with the MC members proposed to redesign the Sewerage system taking the above factors into account. This system relies on gravity rather than pumping for lower maintenance & longevity. All these deliberations and discussions with experts, decision making with a vision to ensure that integrated system works for atleast 20-30 years resulted in time overrun.
Professional Fees Paid vs. Work Executed	Fees (₹7.38 L) exceed contractor work (₹6.60 L) — over 100%	The fees paid amounting to Rs.7.38 lakhs (Incl. GST) include the payments made to all the consultants considering the services rendered during the pre-construction stage. This is as per the general guidelines of Council of Architecture (Govt. of India). It is not based on the total value of the work executed and as per agreed WO's
Finding BT-01 — Fixing of Project Cost Within the ₹5 Crore SGM Sanction		
• The SGM sanctioned ₹5 crores + tax for "Party Halls", of which ₹1.25 crores has been notionally allocated to Bar I Tone.		The SGM had sanctioned Rs. 5 Cr for all the party halls out of which an amount of Rs. 1.25 Cr was allocated to Bar I Tone based on the detailed BOQ furnished by the architect after the scope of the renovation required was defined. WO has been issued with the approval of OB dt 4/3/25 & EC dt 8/3/2025.

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• There is no clear documentation or EC resolution in the available records explaining how this ₹1.25-crore allocation was derived, or how the balance ₹3.75 crores is split among other halls.	• Please refer the Minutes of EC meeting Dated:11/01/2025 where the Budget of 1.25 cr has been approved and also the reasoning for the same including the detailed BOQ is part of the EC meeting minutes. • The SGM had sanctioned Rs. 5 Cr for all the party halls out of which an amount of Rs. 1.25 Cr was allocated to Bar I Tone based on the detailed BOQ. The balance amount of Rs.3.75 crores was reserved for the subsequent OB & EC to allocate among other party halls as they deem fit.
• On 05.09.2024, a WO was issued to Cube Architects for all projects sanctioned by the SGM. For Bar I Tone, the architect's WO appears for ₹75 lakhs as the project value for fee purposes, as against which now the budget is increased to ₹1.25 crores plus GST.	• An Amount of Rs. 75 Lakh mentioned is the value provided by the club to the Architect to workout a proposal. In the meantime, with the intent/objective of having a Modern Café that is trendy to attract younger generation, with relaxed Dress code and also to provide coffee & short eats for chambers. The scope of work was enhanced. Once the architect worked out the BOQ estimated cost of Rs.1.25 cr the same was debated and approved in the MC Dated: 07/01/2025 and EC Dated: 11/01/2025.
Finding BT-02 — Professional Fees Exceeding 100% of Work Executed	

Work executed by Max Muller under tender	**₹6.60 Lakhs**
Architect fee (Cube Architects)	**₹6.10 Lakhs**
Third-party architect (B.P. Sridhar Murthy)	**₹0.49 Lakhs**
Structural consultant fee	**₹0.38 Lakhs**

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PHE consultant	**₹0.15 Lakhs**
Electrical design consultant	**₹0.26 Lakhs**
TOTAL professional fees paid	**₹7.38 Lakhs**
WO for professional fees (total contracted)	**₹11.24 Lakhs**
Professional fees as % of contractor work value	**111.8% — FEES EXCEEDS WORK DONE**
First architect fee payment to Cube (before contractor WO)	**05.09.2024**
First contractor WO (Max Muller) issued	**31.03.2025 — 6.5 months later**

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The architect's fee is based on scope of work & as per milestones completed as per the WO CC/PRO03/2024.

<table>
<tr><th colspan="2">Council Of Architecture</th><th colspan="2">WO to CUBE Architects</th><th colspan="4">Payment made by Century Club</th></tr>
<tr><th>Stages of Payment</th><th>Percentage of Fee</th><th>Stages of Payment</th><th>Percentage of Fee</th><th>Guest Rooms</th><th>Bar-I-Tone</th><th>Badminton</th><th>Bamboo Bar</th></tr>
<tr><td></td><td></td><td colspan="2">Architectural Consultancy fee 6% of final project cost upon execution</td><td>6% on project cost Rs. 4,18,55,268= 25,11,316.08</td><td>6% on project cost Rs. 1,23,00,805= 7,38,048.30</td><td>6% on project cost Rs. 51,54,054.26= 3,09,243</td><td>6% on project cost Rs. 37,84,967= 2,27,098.02</td></tr>
<tr><td>Retainer
On appointment/ Signing of Agreement/ acceptance of offer.</td><td>Rs. 20,000 or 5% of the total fees payable, whichever is higher, adjustable at the last stage.</td><td>Signing of Work Order</td><td>10% on Consultancy Fee Advance</td><td>270000.00</td><td>45000.00</td><td>39000.00</td><td></td></tr>
<tr><td>Stage 1
On submitting conceptual designs and rough estimate of cost.</td><td>10% of the total fees payable.</td><td rowspan="2">Submission and Acceptance of Part-1: Concept & Schematic including Specialised Services Consultant fees</td><td rowspan="2">25% of the total Professional Fee</td><td rowspan="2">675000.00</td><td rowspan="2">112500.00</td><td rowspan="2">77310.81</td><td></td></tr>
<tr><td>Stage 2
On submitting the required preliminary scheme for the Client's approval along with the preliminary estimate of cost.</td><td>20% of the total fees payable less payment already made at Stage 1.</td><td>113549.01</td></tr>
</table>

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Stage 3 On incorporating Client's suggestions and submitting drawings for approval from the Client/ statutory authorities, if required.	**30% of the total fees payable less payment already made at Stages 1 and 2.**							
Upon Client's / statutory approval necessary for commencement of construction, wherever applicable.	**35% of the total fees payable less payment already made at Stages1 to 3a.**	Submission and Acceptance of Part-2: Detail Design & Drawings Development	25% of the total Professional Fee	675000.00	112500.00	77310.81		
Stage 4 Upon preparation of working drawings, specifications and schedule of quantities sufficient to prepare estimate of cost and preparation of tender documents.	**45% of the total fees payable less payment already made at Stages1 to 3a.**							
Stage 5 On inviting, receiving and analysing tenders; advising Client on appointment of contractors.	**55% of the total fees payable less payment already made at Stages 1 to 4.**	Submission and Acceptance of Part-3: Tender Documentation & Negotiation	10% of the total Professional Fee	270000.00	45000.00	No payment made	No payment made	

SAC REPORT	CLUB REJOINDER

<table>
<tr><td>Stage 6
On submitting working drawings and details required for commencement of work at site.</td><td>65% of the total fees payable less payment already made at Stages 1 to 5.</td><td rowspan="6">Part-4: During Construction, Inspection & Supervision stage, which will include Periodic site visits, Quality checks, Checks on adherence to design drawings. (Progressive payments shall be made at this stage on mutually agreed upon milestones)</td><td rowspan="6">20% of the total Professional Fee</td><td rowspan="6">No payment made</td><td rowspan="6">No payment made</td><td rowspan="6">No payment made</td><td rowspan="6">No payment made</td></tr>
<tr><td>On completion of 20% of the work</td><td>70% of the total fees payable less payment already made at Stages 1 to 6a.</td></tr>
<tr><td>On completion of 40% of the work</td><td>75% of the total fees payable less payment already made at Stages 1 to 6b(i).</td></tr>
<tr><td>On completion of 60% of the work</td><td>80% of the total fees payable less payment already made at Stages 1 to 6b(ii).</td></tr>
<tr><td>On completion of 80% of the work</td><td>85% of the total fees payable less payment already made at Stages 1 to 6b(iii).</td></tr>
<tr><td>On Virtual Completion</td><td>90% of the total fees payable less payment already made at Stages 1 to 6b(iv).</td></tr>
</table>

SAC REPORT		CLUB REJOINDER

Stage 7 On submitting Completion Report and drawings for issuance of completion/ occupancy certificate by statutory authorities, wherever required and on issue of as built drawings	**100% of the fees payable less payment already made at**	Part 5 - Post Construction	10% of the total Professional Fee	Stage yet to be reached	Stage yet to be reached	Stage yet to be reached	Stage yet to be reached
			total amounts	**18,90,000.00**	**3,15,000.00**	**1,93,621.63**	**1,13,549.01**
		As per revised project cost, architects have yet to be paid		17,57,921.26	5,16,633.81		

As clearly visible above the architects work on the project starts at the signing of the work order with major deliverables undertaken before execution/ construction stage.

As the project proceeds from the idea stage till the start of execution. The work done by the Architect is paid as per the milestone as specified in the WO. However, final total payment will be made based on the total project completion and again based on further milestones.

All the deliverables shared by the architect i.e. site visits during execution, running bill certification, detailed working drawings, walk-in 3D visualizations, etc.. have already been made available to the SAC/SCE in soft copies & hard copies.

	SAC REPORT	CLUB REJOINDER
		It is also to be noted that the scope of work for the architect includes the selection, coordination and assistance during procurement of all bought out items. These items procured by club are not included in the contractors scope of work under the tender value of Rs.305 lakhs. Due to this the architects fee is based on the total project cost OR as per actuals for all packages of the tender.
	Payments to professional consultants were made between 03.09.2024 and 11.08.2025, during which period no contractor bills were accounted, and effectively no significant civil work had progressed. ***The Club has paid more for supervision than for the actual renovation*** itself.	In light of these factors, the comments made by the SCE comparing the executed value of work with the professional fee payment is not correct.
	Finding BT-03 — Third-Party Architect Fee: Undocumented Basis	
	• WO issued to B.P. Sridhar Murthy on 07.01.2025 specifies a work value of ₹1,25,29,850, with a fee of 1% on this amount.	It is to be noted that the scope of work for the Third Party architect includes the work carried out during the pre-construction stage of checking of BOQ's and vetting of tender documents preparation of comparative statements, participating in techno commercial negotiation with the tenders and attending different meetings with EC & MC. And after the award of the tender the work involving pre measurement at site and physical verification of the work executed at different stages of the project and certification for procurement of all bought out items. These items procured by club are not included in the contractor's scope of work under the tender value of Rs.103 lakhs. Due to this the third-party architects fee is based on the total project cost (₹1,25,29,850) OR as per actuals on completion.

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	• The basis for the figure of ₹1,25,29,850 is not documented and requires clarification, especially since the tender WO for Max Muller is only ₹103.98 lakhs including tax.	The tender for Renovation of Bar I Tone was awarded to M/s Max Muller & WO was issued for Rs.103.98lakhs inclusive of GST however the bought out items of value of Rs.38.30lakhs is not included on the contractors scope of work.
	Finding BT-04 — Contractor Profile: GST Business Classification Mismatch	
	• Max Muller Technologies is based in Tirupur, Tamil Nadu. As per GST records, their business activities are shown as manufacturing (non-specific), retail, wholesale and warehousing — clearly not construction services.	Max Muller Technologies is one of the Tenderer. Originally Max muller technologies were having manufacturing of furniture's activity and the relevant GST HSN Code was included. The renovation of Bar I Tone is mainly a fabrication & interior work & not a civil construction activity. Therefore, max muller technologies is into manufacturing activity & competent to undertake the contract in question. Monitoring Committee & EC visited the case completed by Max Muller Technologies in Bangalore and was selected based on this experience.
	• The WO does not carry the contractor's bank account details, unlike other WOs, and there is no signature of the proprietor on file. The website indicates the proprietor as Mr. Ilangovian. Further, it is verified that The Bank account of the party is with Kotak Mahindra Bank, Tirupur Avinashi Road Branch, Tirupur, Tamil Nadu.	It is noticed that the bank a/c details of the contractors are not mentioned in any of the WO, as it is not mandatory, however the details are made available to the office of the club subsequently. The copy of the letter is enclosed as an annexure. (To check the signature of the promoter is available on the file & Mr. Ilangovian is the proprietor, Kotak Mahindra Bank Tirupur is the Banker).
	• A contractor awarded a ₹1.04 crore renovation project whose GST profile does not show construction raises serious concerns about qualification and capability.	The Bar I Tone renovation work involves mainly fabrication of the metal structure and interior works. And only as small portion of the work is civil construction work. Moreover, the contractor has taken a revised GST certificate mentioning civil construction work also.

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Finding BT-05 — Unaccounted Running Bill and difference Tally Entries	
• A work executed summary is received from Max Muller for ₹12,33,900 on 03/09/2025. However, the summary was considered as a running bill and placed before OB and EC and approved for ₹13,33,900 (i.e., ₹1 Lakhs higher than the summary submitted by Max Muller). This is accounted in books of account and reversed subsequently.	• We have not received any bill for Rs.13,33,900/- • However Max Muller has submitted the work execution summary for Rs.12,33,900/- but in the EC meeting Dated: 14.09.2025 it was a Typographical error as Running Bill. This was a typo graphical error only EC in its meeting dt 13/9/25 has approved Rs.12,33,900 so there is no error. This higher amount was not accounted in the books & not reversed subsequently.
• **Max Muller has submitted a bill for** ₹19.68 Lakhs which was accounted on 11/07/2025 and the same has been reversed on 01/12/2025 stating that Max Muller has not submitted a bill as per WO. SAC observes that the office took around 5 months to identify that bill was not in accordance with WO. The reason for such a long time is unknown. However, the same is appearing in Form GSTR-2B and not reversed until March-2026.	Max Muller has submitted the bill for Rs.19.68 lakhs based on the WO & not based on the executed works hence they were asked to re submit the bill as per the works executed by them the contractor took 5 months to reconcile the same and has filled the GST returns based on the wrong billing as explained above.
• Later, three final entries totalling ₹7,70,268 were passed on 01.12.2025 without attaching bills. The contractor claims that the tax invoice for ₹19,68,202.71 should be adjusted against these entries, but no final decision has been documented.	GST filed for the bill of Rs.19.68 lakhs by M/s Max Muller Technologies and we have requested them to provide the Credit Note for the difference amount of Rs.11.98 lakhs (Rs.19.68- Rs.7.70). The final entries for ₹7,70,268 passed on 01.12.2025 are as per the bills submitted & verified & certified by Mr. Shridhara Murthy which included WO items, additional works & non tender items and payment made towards tendered item only.

	SAC REPORT	CLUB REJOINDER
	• The Sridhar Murthy certificate dated 10.10.2025 carries no inward seal to establish date of receipt; the adjusting entry was passed only on 06.03.2026, though the mail was received on 08.10.2025 and the party's letter and bills are undated. This entry appears to have been used to close an earlier advance of ₹6,09,059 paid to the contractor after SAC questioning.	As the query raised by Mr. Govindarajulu regarding the inward seal has been personally clarified by the Office staff and handed over the Inward sealed documents.

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5.3	**Renovation of Badminton Hall**	

Parameter	Detail
Total SGM Budget (29.06.2024)	₹65 Lakhs + taxes (original); ₹76.70 Lakhs (restated)
Tender Contractor	M/s Vivechana Constructions
Total WOs Issued (incl. add-ons and non- tender items)	₹66.84 Lakhs
Amount Executed / Paid	≈ ₹49.38 Lakhs (₹48.57 Lakhs after transfer of 0.81 lakhs to revenue)
Completion Target	45 days from 24.05.2025 (i.e., by 08.06.2025)
Delay attributed to	Sewerage line works — no documented timeline or revised schedule
Non-tender + bought-out items (% of main tender WO executed other than Professional Fee)	≈ 32% of total payment (₹22.59 Lakhs outside main tender)

Finding BD-01 — Work Order and Payment Summary with Deductions

Main Tender WO to Vivechana (24.04.2025)	**₹39.29 Lakhs**	
Additional tender quantity Wos	**₹4.24 Lakhs**	

SAC REPORT		CLUB REJOINDER
Bought-out items	**₹16.13Lakhs**	The bought-out items value is incorrect the correct value is Rs.13.6 lakhs
Non-tender work to tender party	**₹1.27 Lakhs**	
Revenue items	**₹0.95 Lakhs**	
TOTAL OUTSIDE MAIN TENDER	**₹22.59 Lakhs (≈32% of Total Payment**	
Total Amount Spent	**49.38 Lakhs**	
Transferred to Golf Sponsorship (EC 28.04.2025)	**– ₹3.72 Lakhs**	
Transferred to Revenue (post-SAC observation)	**– ₹0.81 Lakhs**	
Transferred to Input Credit	**– ₹1.65 Lakhs**	
Net appearing in Tally (after all deductions)	**₹43.19 Lakhs**	

SAC REPORT	CLUB REJOINDER
Finding BD-02 — Golf Sponsorship Credit Mis linked to Badminton	
• An amount of ₹3.72 lakhs of Golf Sponsorship has been credited in this project as per EC 28.04.2025.	
• The basis for using Golf Sponsorship receipts for badminton-related non-tender work and the related accounting entries needs to be explained. This represents cross- contamination of project budgets and sponsorship accounts.	▪ It has to be noted that this remark is unwarranted & untenable. Also, this is not in the orbit of SAC. ▪ Clarifying for the esteemed members of Century club: The Golf tournament was a unique effort put forth by the president and EC exclusively for members of Century club. Further they have worked to generate the required revenue by entrance fee & external sponsorship. The balance amount after covering all the expenses was decided by EC to utilize it for renovation of Badminton section.

SAC REPORT		CLUB REJOINDER
Finding BD-03 — Unaccounted Claims Per Vivechana 's Letter (20.03.2026)		
RA06 tender work — claimed by Vivechana dated 20.1.2026	**₹2,50,904.40**	
Approved by the Third-Party Architect	**₹2,26,388**	
Of which approved and then reversed on 30.03.2026 (It was deleted after our verification and added when questioned about the deletion)	**₹2,26,388 (no documented reason for reversal)**	
		By oversight the RA06 bill was accounted as per the certification received by 3rd party architect in Mar 26. However, the invoice by Vivechana was dt. 7 April 26. Hence the entry has been reversed.
Bill against additional work not accounted— no WO Issued	**₹6.16 Lakhs**	
Non-tender item bills — no WO Issued	**₹2.98 Lakhs**	
		Value of 6.16 Lakhs: Due to unforeseen reason while renovating a 100-year-old building. We encountered certain variation to tender qty due site and structural stability requirements the qty related to additional Bill 02 & 03 had to be incurred. Pls also Note: The amount billed by the vendor is 6.16 lakhs. However, based on the physical verification and scrutiny the 3rd party architect has certified Rs. 3.43 Lakhs only. Value of 2.98 Lakhs: same as above renovation of 100-years-old building in terms of strengthening the roof of change room area, slab cutting, ceiling treatment, etc.

SAC REPORT		CLUB REJOINDER
		The contractor in good faith continued the work to complete the project, however, as SGM stopped issuing new work orders for all the projects on 4 Jan 2026. WO was not issued and therefore not accounted.
TOTAL bills not accounted as per contractor- Unable to verify in the absence of bills.	**₹11.65 Lakhs**	The reasoning is similar to the above. WO will be released after SGM and accounted on completion.
Running Bill 5- Bill dated 19.3.2026, received on 31.3.2026 and accounted on 6.3.2026. No Certification by the Third-Party Auditor. This entry was passed to close the advance of ₹6,09,059 in the tally, which was question by SAC.	**₹ 7,42,750/-**	SAC has missed scrutinizing the 3rd Party architect certification of this RA 5 bill. Which is already available with them.
Finding BD-04 — Running Bill-6 Reversal and Date Inconsistency		
• On 30.03.2026, Running Bill-6 of Vivechana for ₹2,26,388 was accounted and then reversed.		Repeated by SAC, which is not warranted. However, clarification once again for the reference of Century Club members. By oversight the RA06 bill was accounted as per the certification received by 3rd party architect in Mar 26. However, the invoice by Vivechana was dt. 7 April 26. Hence the entry has been reversed.
Finding BD-05 — Professional Fee Analysis		
Architect fee WO (Cube, 08.04.2025) — 6% on ₹51,54,054 (basis unclear)	**₹3.09 Lakhs (WO)**	This has been negotiated by EC & MC with the Architect who has a long-standing association with Century Club right from Y 2008. The WO is based on the initial estimate for the project from the architect amounting to Rs.51.54 Lakhs. Final payment will however be made as per the actuals on the total cost of the project.

SAC REPORT	CLUB REJOINDER

Architect fee paid	**₹2.28 Lakhs**
Third-party architect WO (B.P. Sridhar Murthy, 28.08.2025) — revised 2% on ₹50 L	**₹1.00 Lakh (WO)**
Third-party architect paid	**₹0.80 Lakhs**
Structural consultant + PHE consultant paid	**₹0.59 Lakhs**
TOTAL professional fees paid	**₹4.03 Lakhs**
Total professional fee WO (contracted)	**₹5.86 Lakhs**
Professional fees as % of work executed	**≈ 12% of total; 25% of main tender only**
Main contractor WO to Vivechana (24.04.2025)	**₹33,29,524 + GST**
Basis for ₹51,54,054 as Cube's fee base	**Informed including bought out and non-tender items**

Finding BD-06 — Single Effective Bidder and GST Profile Concern

- Only one bidder — Vivechana Constructions — effectively participated in the tender, though two applications were initially received. Single-bidder award is a weak basis for a significant project.
- Vivechana 's GST turnover range is ₹40 lakhs to ₹1.5 crores. GST registration details show earlier business in TV cameras, digital cameras and video cameras.

SAC REPORT	CLUB REJOINDER
• The renovation was awarded on the ground that Vivechana quoted lower than the budget and were the only bidding party.	
• SAC observes that EC has awarded a contract to a single tender on the ground that the tender value is less than the estimated value. ***SAC rejects this justification on the ground that estimated value is significantly higher than the actual work***.	
• ***Further, any single tender should not be awarded a contract. In such a case, re- tender must be called for.***	Only 2 tenders collected the tender forms. When we opened the tender box only one tenderer had participated. As the only tenderers price on opening was found to be below our tender estimate. Further we negotiated with tenderer to bring down the cost by 5%, before entering into the contract. Along with tender document he has submitted his GST certificate along with references to his past completed construction work. It was a decision of EC & Monitoring Committee dt. 22 April 2025 to proceed with the single tenderer.
Finding BD-07 — Governance Lapse: No OB Meeting Discussion	
• The Badminton renovation project was not discussed or approved in any Office- Bearers' meeting, indicating absence of formal project initiation and governance oversight at that level.	

SAC REPORT	CLUB REJOINDER
• The Badminton renovation project was not discussed or approved in any Office- Bearers' meeting, indicating absence of formal project initiation and governance oversight at that level.	
• This bypasses a critical layer of the Club's governance structure and means there is no OB-level documentation of the project's sanction.	
• It is informed by the club to the query from SAC, that OB are part of EC, and hence no formal discussion or approval in OB meeting. SAC rejects this justification stating that OB and EC are not substitute to each other. OB, EC roles and responsibilities are different from each other.	
• The club justifications, questions the very nature of existence of OB. And their response is inconsistent to other approvals for projects which has first OB level and EC level clearance. These are projects of high value; the proper formal process of clearance has to be maintained not considered as routine agenda's.	▪ SAC to note, Badminton project was approved in SGM dt. 29 June 2024, as per the club procedure the project was discussed exclusively within OB & EC before presenting it to SGM. ▪ Further it should be noted that SGM approved Badminton project was approved in EC meeting which includes OB members. supporting minutes of the same is available with SAC.

SAC REPORT			CLUB REJOINDER
5.4	**Renovation of Bamboo Bar – An Idea Without SGM Sanction**		
	Parameter	**Detail**	
	SGM Sanction	NIL — No specific Bamboo Bar line item approved by SGM	This project was taken up under the capital & revenue budget of the club. The project involved repair & maintenance as well as additional civil works. (Details as per Annexure attached)
	EC-Approved Project Value	₹37.21 Lakhs	
	Amount Executed / Paid (as on 31.03.2026)	₹27.60 Lakhs (₹26.26 Lakhs works + ₹1.34 Lakhs fee)	
	Formal Tender / Quotations	NONE — direct selection of multiple vendors	It was decided by the EC to procure cement & steel from reputed vendors & carry out work with specialized laborer under the supervision of the appointed architect & site engineer. This methodology was adopted to keep the cost at bare minimum. Hence the difficulty in getting reputed contractors for small value work. The competitive quotations for bought out items such as steel & puff sheets were collected and available at annexure – Since it was not a project for which a tender was quoted, only the required construction materials were purchased by the club directly and the rules of the club were followed in the process.
	Vendors Used (direct selection)	Tech Interior, Apex Demolishing Co., Star Iron Traders, MMR Fabrication, others	Please refer to the above statement for clarification
	Capitalised under 'Building – Main'	₹22,29,123 (on 30.09.2025)	
	Charged to Repairs & Maintenance (Revenue)	₹5,27,512 (on 30.09.2025)	
	Balance Work Pending	Architect is not certified	The standard accounting practice of the club & certified by the auditors. The balance work is certified by M/s Cube Architect dated 25/3/2026 by way of email sent to SCE.

SAC REPORT	CLUB REJOINDER
Finding BB-01 — Work Started Before EC Approval	
• The project was formally approved by EC on 27.03.2025. The work order was subsequently approved by OB on 05.04.2025 and EC on 12.04.2025.	It has been the practice of the club for minor works the OB take immediate action to get the work done after approval in the OB meeting & later ratified by the EC. This methodology is an established practice in the club.
• However, invoices indicate work commenced before these approvals: First invoice from M/s Tech Interior was accounted on 22.03.2025 (5 days before EC approval); Invoice from M/s Apex Demolishing Company was accounted on 27.03.2025 (same day as EC approval of project but before WO issued).	A branch of the massive tree adjacent to the Bamboo Bar had fallen down on the roof of the existing roof of Bamboo Bar which necessitated the removal of the debris and also damaged portion of the roof. This task was carried out by Tech interior and accounted on 22.03.25. Also, M/S Apex Demolishing was given the task of removing the fallen branch and resulting debris using JCB and Crane, Trucks. In view of the unforeseen circumstances, the matter was brought in front of the OB/EC on 05.04.25 and 12.04.25 respectively.
• Physical work and financial commitments started before the EC and OB had formally cleared the project and before a proper WO was issued.	Physical work & financial commitments were made as an exigency due to a tree branch falling on the roof of the bamboo bar. Which necessitated the said immediate expenditure. Thus, the actual work was not started prior to the approval of EC/OB. Only with approval, the WO was issued. This methodology is an established practice in the club.

SAC REPORT	CLUB REJOINDER
Finding BB-02 — Capitalisation and Revenue Treatment: Inconsistent Split	
• The total project cost of ₹27,56,635 was split on 30.09.2025 as follows: ₹22,29,123 capitalised under "Building – Main"; ₹5,27,512 charged to Repairs and Maintenance (revenue).	This project was taken up under the capital & revenue budget of the club. The accounting under capital or revenue follows certain established norms of the club, the accounting is based on whether the work is an addition to, or modification of existing structure or facilities. The internal auditor & statutory auditor study these & repair, modification was carried out as advised.
• Only about 81% of the cost has been treated as capital, while the remaining 19% has been treated as revenue expenditure without a clear policy-based justification.	Please refer to the above explanation.
• The entire expenditure relates to renovation of a single bar facility — a long-term structural improvement. Charging 19% to revenue artificially reduces the capital amount and keeps it below ₹25 lakhs, avoiding mandatory GB sanction.	Please refer to the above explanation.
• The Committee has noted this as inconsistent capitalisation and recommends that the entire project be reviewed to determine the correct capital/revenue split in line with accounting standards.	Please refer to the above explanation.

SAC REPORT	CLUB REJOINDER
Finding BB-03 — Complete Absence of Tender or Quotation Process	
• No tenders were floated and no competitive quotations were obtained, despite the overall project value exceeding the thresholds in Regulations 8.3.1 and 8.3.2.	Rule overrides a regulation. Hence there is no violation.
• Work was fragmented and awarded directly to multiple vendors without a documented comparative evaluation or EC approval of vendor selection.	Purchase of TMT bars, Puff Sheet and granite are the major items for which competitive quotations have been already submitted to SAC. Further this is in house project executed by the club itself hiring daily labors and the club staff.
• For projects between ₹50,000 and ₹10,00,000: three competitive quotations required. For projects exceeding ₹10,00,000: newspaper tenders required. Neither was done. The entire Bamboo Bar renovation has been carried out in complete deviation from the Club's own procurement rules.	As per the applicable rules of the Club, tendering is required for values greater than Rs.25lakhs & competitive quotations for values up to Rs.10lakhs. It may be noted for all the major materials competitive quotations were obtained & negotiated in line with the applicable rules. Sundry labor contracts is not with in this preview. Hence there is no deviations from rules of the club. This project started with repair of damages due to tree fall then based on members feedback about in ability to use facility due to rain in consultation with the architect & structural consultant roof extension was imitated. In view of reputative cost incurred due to stage requirements of the club and consequent damage damages to the lawn the EC decide to extend the stage dimensions so that the requirement of the stage could be a rarity. It was also influenced by the possibility of accommodation addition above 20 tables during large events as new year, etc…generating additional revenues for the club. The Club has saved on revenue from stage vendors.

	SAC REPORT	CLUB REJOINDER
	Finding BB-04 — Summary of Control Failures Specific to Bamboo Bar	
	• No SGM-specific sanction, yet the project has been treated as capital and revenue budget work aggregating over ₹30 lakhs. • No tender or quotation process despite value thresholds being crossed. • Work started before EC approval and WO issuance, with invoices and advances predating formal approvals. • Inconsistent capitalisation — ₹22,29,123 capitalised and ₹5,27,512 charged to revenue — despite the entire spend relating to a long-term renovation. • The split between capital and revenue appears designed to keep the capital component below ₹25 lakhs and avoid mandatory GB sanction under Rule 18.5.	Please refer to the various explanation given to the SAC report as per above.

SAC REPORT		CLUB REJOINDER
5.5	Renovation of Table Tennis Hall	

Parameter	Detail
SGM 25.06.2022 Budget	₹19.90 Lakhs (₹19.39 L carried forward as per Management)
SGM 29.06.2024 Additional Budget	₹38 Lakhs + taxes
Total Budget (Management's combined basis)	₹57.39 Lakhs + taxes
Tender Contractor	M/s Doors N Doors Deco Build Pvt. Ltd., Udaipur
Amount Executed as on 31.03.2026	₹23.06 Lakhs
Specified Completion Period	35 days from 19.05.2025
OB Approval Date (inside election embargo)	15.05.2025
EC Approval Date (inside election embargo)	27.05.2025
Election Notification Date	10.05.2025
Election Date	28.06.2025

SAC REPORT	CLUB REJOINDER
Finding TT-01 — Election Code Violation	
• As per Club regulations, no new project shall be initiated after publication of the election notification until completion of elections. • The Table Tennis project was approved by OB on 15.05.2025 (5 days after election notification) and by EC on 27.05.2025 (17 days after notification). This falls squarely within the restricted period. • This is a direct violation of the agreed election code of conduct and of Rules 19.12 and 19.15.8.	Following are the sequence of events: • 1st SGM approval held on 25.06.2022 of Rs.19,90,220/- was approved. Less spent Rs.51,000/-, Balance available Rs.19,39,220/-. • 2nd SGM approval held on 29.06.2024 of additional amount Rs.38 lakhs was approved. Total budget is Rs.57,39,220/- • Architect appointed and Work order issued to Architect on 23.12.2024 after approval by EC dt.14.12.2024 • Tender notification in newspaper on 24.04.2025. • Opening of tender documents on 07.05.2025 • Finalization of vendor and award of contract to the L-1 M/s. Doors N Doors in the EC and Monitoring Sub-Committee joint meeting held on 09.07.2025 • It has to be noted that the activity related to the renovation of Table Tennis section was initiated on 24th December 2024 with approvals of two SGM Based on the above sequence the work order was issued to M/s. Doors N Doors towards renovation of Table Tennis section on 19.05.2025 and same was ratified in the EC meeting held on 27.05.2025. Hence there is no Election Code Violation.

SAC REPORT	CLUB REJOINDER
Finding TT-02 — EMD Violation: Award to Non-Compliant Bidder	
• As per the tender terms, bidders were required to submit an interest-free EMD of ₹50,000 by DD along with the form. • Only M/s Vivechana Constructions paid the EMD; M/s Doors N Doors did not pay EMD. • Despite this, the tender was awarded to Doors N Doors, and this award was approved by OB and EC. Vivechana 's EMD was not encashed, and the contract was given to a party that did not comply with EMD conditions, making the allotment procedurally irregular and arguably illegal under the tender terms. • ***This raises a concern about potential bias or connection influencing the award — explanation is required on why tender conditions on EMD were overridden.***	The experience of MC, OB & EC is that attracting contractors for small value projects / works in the club environment is very difficult. We were able to attract 3 tenders – Doors N Doors Deco-built (P) Ltd, Print impact and Vivechana constructions. Only Vivechana provided EMD. Out of the three tenders that participated, The two tender namely Doors N Doors Deco Built Pvt Ltd quoted for Rs.56,96,520/- and he has given 1,00,828/- of discount and Print Impact quoted for Rs. 63,73,285/- has not offered any discount. Vivechana Constructions had quoted 85,65,389/- and has not offered any discount, his quote was higher than the Doors N Doors Deco Pvt Ltd. The process followed: Vivechana was called and negotiated, but they after discussing internally, they expressed their inability to extend any discount. As they were off the target price, we extended the same offer to other two vendors, Print Impact was rigid and did not extend any discount. Hence the lowest tenderer Doors N Doors, were discussed by MC, OB & EC without EMD. Though EMD was required, vendor selection was based on technical and financial evaluation. Deviation approved by Monitoring Committee and EC (Annexure TT-4).

	SAC REPORT		CLUB REJOINDER
			The monitoring sub-committee meeting along with the EC members was held on 7/5/2025 ,it has mentioned that the Doors N Doors & Print Impact had not submitted the EMD along with the Tender. The work order issued to Doors N Doors there is no mention of EMD in the terms & conditions. WO Approved in EC dt 27/5/2025. As the retender process would take more than a month in order to save time & cost the OB EC & the MC decided to award the WO to the lowest tenderer Doors to Doors without EMD.
	Finding TT-03 — Ariyan Design: GST Irregularities and Unsigned Documents		
	Architect for Table Tennis	Ariyan Design (Proprietor: Chandna Mahavir Doshi)	
	First WO to Ariyan Design issued	23.12.2024 for ₹2,00,000 + GST	
	First advance payment to Ariyan Design	30.03.2025	
	Ariyan Design GST registration date	15.05.2025 — AFTER both the WO and first payment	It may be noted that the Govt of India has notified that MSME's / professionals up to a value of turnover under Rs20,00,000/- need not have GST registration hence it is imperative they would have reached this target subsequently.
	Total paid to Ariyan Design	₹1,88,800	
	Proprietor's signature on documents/bills	ABSENT — no signatures found	As all the invoices were sent by mail hence no signature

	SAC REPORT		CLUB REJOINDER
	Bank account given (Surat — Bank of Baroda)	Inconsistent with GST registration in Bengaluru	Please note the Club is concerned with the legal GST registration as GST amount will be reflected once paid in the GST portal. However as reported in SAC's report any inconsistency doesn't affect the Club.
	GST registered address	'Sales Office – Address: Bangalore Bike Works, Magadi Road' — not an architect firm Main place of business is Surat	As per the HSN code the GST paid is reflected in the GST portal which is of prime importance to our Club.
	The Committee has requested: copy of the full design and deliverables; GST registration certificate along with modification details; ***explanation of the qualification and role of Ariyan Design in this project, which were not furnished.*** ***<u>There is no record that Ariyan Design is an architectural firm.</u>***		All pertaining documents has been furnished to SAC on 16/04/2026.
	Finding TT-04 — Doors N Doors: Documentation Issues		
	• First WO issued on 19.05.2025 to Doors N Doors (Udaipur) for ₹56,11,072 + GST. The signatory on the WO is not clearly identifiable.		It has to be noted that the acknowledgement of the work order has been sealed & signed by Doors N Doors representative a copy of which is available with SAC team. EC has further reviewed the same & found to be correct.
	• The WO documents are not on standard company letterheads and do not carry the CIN number, despite the entity being a company. How were E-way bills raised for labour-only components by this entity?		We requested & got the CIN number from the vendor dated 21/05/2026 CIN Number – U45201RJ1993PTC007641. However it has to be noted that the Club is no way concerned with e way bill as it is the responsibility of the vendor.

SAC REPORT	CLUB REJOINDER
• Additional WOs were issued to Doors N Doors without completing the main WO: WO2 ₹3,29,050 + GST on 30.08.2025; WO3 ₹2,67,978 + GST on 30.08.2025.	Details of non-tender works including bought-out items with approvals are submitted earlier. Details of non-tender works including bought-out items approved in EC dt 29/8/2025 for Rs.3,88,279/- including GST & Rs.3,16,214/- including GST. It has to be noted the above details were furnished against the queries of SAC dated1/5/2026. It is imperative that SAC has not referred to these clarification hence the points are repeated.
• In the statement circulated among members, it is seen that an amount of ₹19,06,992 (including GST) were deleted from the WO after discussion or approval from EC. This statement was dated in December 22,2025. However, SAC observes that EC has approved for deletion on January 10, 2026 (i.e., much after the statement circulated among the members and after constitution of SAC at the SGM held on January 04, 2026).	Email dt.25.11.2025 received from M/s. Doors N Doors Deco build Private Limited regarding submission of documents as per the current work status for the renovation work of Table Tennis Section has been approved in EC meeting dt 13/12/2025 & referred to Third Party Architect Mr. B. P. Sridhara Murthy for certification. In EC dt 10/1/2026 updated deletion list certified by Mr. B. P. Sridhara Murthy has been approved.
Finding TT-05 — Professional Fees and Bought-Out Items	

Professional Fee WO (total contracted)	**₹3.48 Lakhs**	
Ariyan Design — paid	**₹1,88,800**	The amount indicated Rs.1,88,800 is incorrect. The Actual amount paid is Rs.1,53,400/- only. This has been submitted to SAC.
B.P. Sridhar Murthy — WO (28.08.2025, revised 2% on ₹11,22,211)	**₹54,000 (paid)**	It is the EC decision dated 29/8/2025, this has been clarified to SAC on 1st May 2026.
Total professional fees paid	**₹3.41 Lakhs**	It has to be noted the amount of Rs3.41 lakhs as paid by SAC is incorrect the correct amount paid is Rs2.07 lakhs (1.53+0.54).

SAC REPORT			CLUB REJOINDER
	Work executed (civil) by contractor	**₹15.77 Lakhs**	The concerned chairman has obtained competitive quote from Sil Mirrors & others which was much lower than the approved price. Hence the remarks by SAC against this point is not valid.
	Bought-out items (Sil Glass, Uma Industries, others)	**₹1,27,280**	
	No competitive quotations for bought-out items	**CONFIRMED — none on record**	
	Finding TT-06 — SGM 2022 Budget Carry forward: Validity Questionable		
	• SGM 25.06.2022 approved ₹19,90,220 for: Sit out extension ₹9,60,720; Lawnside works ₹3,36,000; Insulation system ₹40,000; Ventilation ₹5,80,000; Electrical works ₹73,500.		SAC to note that Century Club has no policy where in the SGM sanctioned budget for any department would lapse after a particular tenure. Further it has to be noted that the Annual report of our Club: 2024-2025 page #81 clearly indicates the unutilized balance of Rs.19.39lakhs for the renovation of table tennis.
	• Only ₹51,000 of this is traceably spent as on 30.06.2024 (for removing PU sheet and UPVC windows). The remaining ₹19.39 lakhs has been aggregated with new SGM 2024 approval without a fresh specific resolution by the General Body explicitly reconfirming use for Table Tennis.		
	• ***The Committee considers that "information" alone cannot be treated as full budget approval for a multi-year carry forward.*** In the absence of full Tally data, the Committee cannot confirm whether old approvals may have lapsed.		

<table>
<tr><th colspan="3">SAC REPORT</th><th>CLUB REJOINDER</th></tr>
<tr><td>5.6</td><td colspan="2">Renovation of Pickleball Court</td><td></td></tr>
<tr><td></td><td>Parameter</td><td>Detail</td><td></td></tr>
<tr><td></td><td>EC Budget (29.06.2024)</td><td>₹30 Lakhs + GST</td><td>It has to be noted that the EC budget & date expressed by SAC above is infactual.

Kindly note that the amount incurred/paid as per the actual measurements of the area executed by the vendor for Pickle Ball is only Rs.12.02 Lakhs + Taxes as against the Total Work orders issued of Rs.15,37,067/- (Incl. GST). Total amount spent in 2024-25 & 2025-26 out of Revenue & Capital budget under rule 19.9 & 19.10</td></tr>
<tr><td></td><td>Formal Tender / Quotations</td><td>NONE</td><td></td></tr>
<tr><td></td><td>EC-Approved Specific Budget (31.10.2025 — work already started)</td><td>₹7.66 Lakhs for water proofing and tiles, which is taken as revenue as given below.</td><td>SAC to note that we are reproducing our response to SAC's query dt 4/4/2026 that was submitted to SAC on 1/5/2026.
<table>
<tr><td>Pickle ball court WO issued to Net Fusion dt 25.3.2025 approved in EC 25/3/2025 – Under the Rule- 19.9 under Capital expenditure- Capitalised in the year 2025</td><td>Rs.5.36 Lakhs + 0.96 Lakhs = 6.32 Lakhs</td><td>Rs.5.36 Lakhs + 0.96 Lakhs = 6.32 Lakhs</td></tr>
<tr><td>WO issued to Shivashree Constructions as per EC approval dated 31.10.2025 –Under the Rule-19.10 under Revenue Expenditure</td><td>Rs.5.17 Lakhs</td><td>Rs. 4.18 Lakhs</td></tr>
<tr><td>WO Issued to Shivashree Constructions as per EC approval dated 31.10.2025 –Under the Rule-19.10 under Revenue Expenditure</td><td>Rs.1.32 Lakhs</td><td>Rs. 1.30 Lakhs</td></tr>
</table></td></tr>
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SAC REPORT		CLUB REJOINDER
		(see below)

WO issued towards supply & installation of acrylic flooring & electrical items Under the Rule- 19.10 under Revenue Expenditure	Rs. 1.18 Lakhs	Rs. 1.18 Lakhs
Grand Total	Rs.13.03 Lakhs	Rs. 12.02 Lakhs

Note: Amount spent under Revenue as per rule 19.10 , GST input credit claimed. Hence GST has not been considered.

There are three WOs that is being referred.

Initial work commenced in FY 2024-25 the work was capitalised in the month of July -25.

First WO A - Pickle ball court WO issued to Net Fusion dt 25.3.2025 approved in EC 25/3/2025. - Rs.5,35,539/- +GST = Rs 6,31,936

The court were being used by members for a few months.

Further due to the renovation work related to Table tennis section, fine sand dust particles that in spite of cleaning & dust from open air environment that lingered on the court. Which while playing has damaged the pickle ball court surface.

Apart from resurfacing the terrace surface EC approval dated 31.10.2025 – Second WO – B which also covered the following:

1. Providing of water proofing – Terrace & Lift lobby – 1,21,072.
2. Providing M20 water proof screed concrete – Avg 2 mm thickness to get proper slope – 1,84,240.

SAC REPORT			CLUB REJOINDER
			3. Fine finishing Screed concrete with water proof cement motor 1:4, 15 mm thickness – 33,088. **4.** Coarse finish of the surrounding area of court – 28,200. **5.** Providing MS Spiral stair case – 59,220. **6.** Providing & fixing UPVC doors – 91,180. **7.** Plus GST – 93,060. Totaling B - to 6,10,060. Third WO - C dt. 17 Nov 2025: Fixing Anti-skid titles – 1,02,300. Providing Epoxy grouting – 29,760. GST – 23,771 Totaling to 1,55,831 Third WO – D- Supply & installation of acrylic flooring & purchase of electrical items – Rs. 1,18,000/- + GST Rs.21,240/- = 1,39,240/- Grand Total : A + B + C + D = 15,37,067 (Including GST)
	Work Commencement Date	28.03.2025 — 7 months before specific EC approval	The dates & the expression of 7 months before EC is incorrect the sequence of events has been explained above
	Amount Capitalised (Net Fusion Sports, 31.07.2025)	₹5,35,539 (net of GST input)	EXPLAINED Above
	Amount Misclassified to Repairs & Maintenance (Shiva Shree)	₹6,46,524	EXPLAINED Above
	Total Actual Project Expenditure	≈ ₹12,78,215	Incorrect by SAC – Pls refer above
	Disclosed to SGM (15.12.2025)	Only ₹2,50,000 advance — INCORRECT	Incorrectly represented by SAC. SAC to refer Pg 96 of detailed reply to the queries raised by SGM on 4 / 01 / 2026.

SAC REPORT	CLUB REJOINDER
Finding PB-01 — Serious Misreporting to SGM	
• In the reply furnished to the SGM (15/12/2025), Management disclosed only an advance payment of ₹2,50,000 towards Pickleball Court as on that date.	SAC to refer Pg 96 of detailed reply to the queries raised by SGM on 4/01/2026. This only an advance payment paid to Shiva Shree constructions against the WO RO22 Dt. 3 Nov 2025 and against bill Dt. 31 Dec 2025.
• In reality, the entire amount of ₹6,31,690 relating to Net Fusion Sports had already been capitalised on 31.07.2025 — more than 4 months earlier, which should have been reported in reply to Members dated 22/12/2025.	▪ SAC to note that the request from them was only for on-going projects. The reference of Net Fusion above had already been completed, put to use and capatilised after the section was run for a period 2 months. ▪ Further due to the renovation work related to Table tennis section, fine sand dust particles that in spite of cleaning & dust from open air environment that lingered on the court. Which while playing has damaged the pickle ball court surface.
Finding PB-02 — Shiva Shree WOs: No EC Approval, Misclassified	
• WO 17.11.2025 — ₹1,55,831 to Shiva Shree: corresponding bill not accounted under the Pickleball Court capital block.	Work accounted under Repairs & Maintenance as it relates to repair works under revenue budget. Same has been accounted. EC meeting held on 31/10/2025 approved to Shivashree Constructions. Recording in the minutes has Mr. Mahadevkumar, he represents Shivashree Constructions. This has been explained many times to SAC along with relevant documents. However, reproducing the same once again for SACs reference. Hence requested to take note of the same.
• WO to Shiva Shree of ₹6,10,060 represents water proofing charges wrongly charged to Repairs & Maintenance.	
• The Committee has recommended reclassification of genuine court-construction expenditure from Repairs & Maintenance into the Pickleball capital project, and EC ratification of WOs issued without clear prior approval.	

SAC REPORT	CLUB REJOINDER
Finding PB-03 — Procurement Documentation: Serious Gaps	
• No tender, no formal WOs (for key early stages), no quotations and no comparative statements have been produced, despite repeated requests. • A "consolidated statement" was given to the SAC but party-wise details with GST numbers, nature of purchase/ work, and proper accounting heads are missing. • Many purchasing parties appear to be unregistered under GST, or their GST details have not been attached to the project file.	As this is a general statement, EC believes that SAC is referring to Shivashree constructions. The WO issued is amounting to ~ 7.65 Lakhs. As per rule 19.10. As it is below 25 Lakhs and hence does not require competitive quotes.
Finding PB-04 Governance Summary — Pickleball Court	
• No tender despite ₹30 lakh EC budget and subsequent specific EC approval of ₹7.66 lakhs. • Misclassification of significant court-related work (Shiva Shree) to Repairs & Maintenance. • SGM reply misstated — showed only ₹2.50 lakhs advance while ₹6.31 lakhs had already been capitalised. • Partial or absent competitive process, especially for work given to Shiva Shree.	*Summary:* SAC note: Time and again SAC team are highlighting aspects that are executed within the rules laid down by the supreme body of our club by the *General Body.* Intentionally repeating the same points by twisting them amounts to misleading the honorable members of Century club.

SAC REPORT		CLUB REJOINDER
5.7	**Billiards Section Renovation**	

Parameter	Detail
SGM Budget (29.06.2024)	₹30 Lakhs + GST
EC-Approved Project Value (09.11.2024)	₹30 Lakhs + GST
Amount Executed / Incurred	₹25.17 Lakhs (approx.)
FY 2024–25 Spend and capitalised under different assets and Rs. 81,019 under revenue.	₹8,67,859
FY 2025–26 Spend (Capital WIP)	₹16,49,096

SAC REPORT	CLUB REJOINDER
Finding BL-01 —Capitalisation across Multiple Asset Heads in 2024-25	
• During the FY 2024–25 spend of ₹8,67,860 (Inclusive of GST) and the was capitalised to the tune of ₹7,86,841/- on 28.02.2025 under different asset heads (Furniture, Building etc) and balance sum of ₹ 81,019/- to revenue, rather than accounting as a single 'Billiards Renovation' project.	These are all a multiple works & multiple Vendors. An amount of Rs.81,019/- is the installation of Light fixture is taken as revenue.
• In addition to this a sum of Rs. 619481/- (inclusive of GST) spent in Oct 2024 for Installation of Air-conditioners were taken to Fixed Asset directly and Rs. 713074/- (inclusive of GST) Spent in Oct 2024 for the civil work of above was taken to Revenue. Both should have been taken to 'Billiards Renovation' project.	This is not a part of the Project.
• Total amount spent including the above comes to Rs. 38.50 Lakhs which is within the total budget.	

SAC REPORT	CLUB REJOINDER
Finding BL-02 —Absence of Tender or Quotation	
• No competitive quotations were obtained (except for ₹13.32 Lakhs), and no tender publication was carried out, despite the value exceeding both ₹50,000 and ₹10,00,000 thresholds.	
• It was informed to us that the procedure followed for the above payments are as per the procedure followed for other payments by Club for years.	

SAC REPORT			CLUB REJOINDER
5.8	Multipurpose Hall – The Clearest Case of Will Against		
	Parameter	**Detail**	
	SGM Sanction	Not Approved (Void ab initio). ₹ 50 Lakhs plus GST. This project sanction was approved on the floor of the house without Agenda while discussing By-law amendment in March 2025 Therefore, the same cannot be treated as approved.	Please note the Agenda of SGM Dated: 29.06.2024 , Page no.4 point no.8- where request for approval of Rs.50 lakhs for Multipurpose hall is placed. Extract from SGM Agenda : Renovation of Departmental store to convert as party hall by fixing the sound proof acoustics to organize events so as to attract young members/guests and for hosting parties other than the evenings of Thursday's and Sunday's to conduct Tambola sessions – Estimated Cost Rs. 50 lakhs + taxes. During the discussion it was suggested to try again to get a Departmental store failing which to bring it up in the next SGM. Now in the SGM Dated: 01.03.2025 Extract from page 29- : "Renovation of Departmental store to convert as party hall by fixing the sound proof acoustics to organize events so as to attract young members/guests and for hosting parties other than the evenings of Thursday's and Sunday's to conduct Tambola sessions – Estimated Cost Rs. 50 lakhs + taxes." The Resolution is passed as under: " It is resolved that the proposal for renovation of Departmental Store place to convert as Multi-Purpose Hall by fixing sound proof acoustic to organize events so as to attract young members/guests and for hosting parties other than the evenings of Thursday's and Sunday's to conduct Tambola sessions – Estimated Cost Rs. 50 lakhs + taxes., has been approved"

SAC REPORT		CLUB REJOINDER
Main Tender Contractor	M/s Lotus Energy Systems (GST: electrical — not civil construction)	As SAC has repeatedly refused the offer for discussion with the independent Monitoring Committee & Finance Committee and OB, which consists of Very senior officers, builders, past president and very senior members who are corporate leaders and such. This lack of discussion has lead the total misunderstanding of work done or the process is followed. SAC has clearly shown its biased / pre determine opinions about the various decisions taken by the EC. Hence it is again recommended that the SAC to have discussion point by point with members of the Monitoring Committee & Finance Committee and OB.
Add-on Contractors (election embargo period)	Blitzkrieg; Signified; and others	
Main Tender WO Date	24.04.2025 (16 days before election notification)	
Total WOs / Contracts (tender + additions + capital + revenue)	₹1,01,04,993	
Work Executed (all heads)	₹1,00,25,331	
Amount Spent / Paid	₹1,00,25,331	1,00,25,331/- is the total of work executed amount ,not the paid amount. Total Paid Amount is Rs.1,00,02,694/-
Amount Certified by Third-Party Architect (As per SCE)	₹65,80,146	Certified by B P Sridhara Murthy- PRO-09/24.04.2025(Lotus) – 48,80,946/- PRO-08/19.05.2025(Audio System & party lights) – 15,64,893/- PRO-12/24.06.2025(AC)- 2,09,250/-

SAC REPORT		CLUB REJOINDER
		CO-53/28.11.2025(Addtl. Interior light) – 14,507/- CO-48/29.09.2025(Star Light– 1,55,323/- CO-54/28.11.2025 (Additional Star light) – 23,042/- CO-49/29.09.2025(Signage) – 34,136/- PRO-04/10.05.2025(Civil) – 2,50,000/- Total Certified amount – Rs.79,34,747/- excluding bought out items
Amount Certified by SCE 'as per tender'	₹91,62,177	
Gap: Amount Paid vs. SCE Certified	₹7,74,121 (paid but not supported by SCE)	No details from SCE for the arrival of this difference.
Gap: SCE Certified vs. Third-Party Architect Certified	₹25,82,031 (unexplained)	
Add-on WOs Issued During Election Embargo	₹29.15 Lakhs (10.05.2025 – 24.06.2025)	
Escalation over Notional SGM Allocation	Over 100% — ₹1.01 Cr vs. ₹50 Lakhs	N/A
SCE-Identified Non-Certifiable Exposure (excl. GST)	≈ ₹6,67,949	
GST on SCE-Identified Exposure	₹1,20,231	

	SAC REPORT		CLUB REJOINDER
	TOTAL SCE Exposure (incl. GST)	≈ ₹7.88 Lakhs	
	Rules Violated	18.5, 19.9, 19.12, 19.15.8	**N/A**
			As SAC has repeatedly refused the offer for discussion with the independent Monitoring Committee & Finance Committee and OB, which consists of Very senior officers, builders, past president and very senior members who are corporate leaders and such. This lack of discussion has lead the total misunderstanding of work done or the process is followed. SAC has clearly shown its biased / pre determine opinions about the various decisions taken by the EC. Hence it is again recommended that the SAC to have discussion point by point with members of the Monitoring Committee & Finance Committee and OB. The SGM sanctioned Project & Capital and Revenue budgets are all Exclusive of GST , SAC to note. Hence the comment of SAC should be deleted.
	Opening Observations		
	• Any financial sanctions require clear and frank notice with an agenda of 15 days prior SGM. A sanction without an agenda is taking away the right of informed choice to the members of the general body. Especially the members must be informed about the financial implications of a particular agenda. The multipurpose hall had no such agenda in Marc SGM 2025. A sanction within notice is invalid from start.		The OB meeting Dated: 10.07.2025 participated by all the OB members, discussed with the vendors, recommended for the additional equipment for the Multipurpose Hall which were approved for release of the WO of Value RS. 23 lakhs by the previous EC as project orders was decided to account it under Capital & Revenue Budget of the year 2025-26. Please refer to the EC meeting Dated: 12/07/2025 wherein every member expressed very freely their opinion other than the Hon. Treasurer all other

SAC REPORT	CLUB REJOINDER
	members decided to go ahead and account this expenses under Capital & Revenue to put the multipurpose hall to use at the earliest and seek ratification if so required at the next SGM. The free & fair discussion shows the exemplary values that shows of our great institution. The comment by SAC "Is totally misplaced" for immediate reference extract of the EC discussion is appended below. Hence the comment of SAC should be deleted.
• Overspends were hidden by draining EC Capital and Revenue budgets rather than returning to the General Body for fresh sanction. Large non-tender add-on purchases went to vendors with questionable prequalification. Election-period safeguards were openly breached on every single add-on WO date.	EXTRACTS OF EC DATED: 12.07.2025 President said that it is up to the Executive Committee to convince the General Body about our approach and sincerity and interest of the Club at large. Mr. K. Shivakumar: We have embarked on five to six projects. We are going to overshoot the budget for two to three projects. Let us go with the projects. Hon. Treasurer: It is only the two projects that I told Rooms and Multipurpose Hall. Secretary and I recommend projects should continue, we should not stop. President: They have given 1 crores for each every year to spend on capital and revenue. That can be utilized at the discretion of the Executive Committee with responsibility and accountability. It is our priority to utilize to spend that amount. We have funds and we can use. Vice President: We can use funds for rooms and multipurpose hall and complete.

	SAC REPORT	CLUB REJOINDER
		Mr. K. J. Paritosh: Multipurpose hall almost 70% of the work is done. Probably by another 15 days we are going to be functional. President: We can explain the General Body about how the funds are spent. Mr. Anand Govindswamy Naidu: If that is taken care, we can go. Mr. K. Shivakumar: I think we go with all the projects as it will come within 1 crore. Hon. Treasurer: I am not debating to stop the works. I am just going with points on the financial matters of projects. You EC please give your opinion, on that basis as an OB I will go forward. President requested the EC members to express their opinion whether to go ahead with completing the projects using Capital and Revenue budgets and go for ratification to the SGM after completion of projects. Mr. K. Shivakumar: I want the projects to be completed. We have 2 crores. I think we should go ahead with all the projects. Mr. Anand Govindswamy Naidu: We will go ahead sir. We can use the Capital and Revenue. Mr. M. N. Lakshman: I think in the last SGM it has come up and they have enlightened. I think we can go ahead with projects and go for emergency SGM ratification. Mr. K. Srinath: I feel that it should go the SGM and take the sanction.

	SAC REPORT	CLUB REJOINDER
		Mr. K. J. Paritosh: According to me let the ongoing project go and spend the amount from the capital and revue budget. Mr. Basavaraju Y. K.: If we stop the projects there will be delay and we are going to lose the money. We should go ahead and complete the projects and use the funds available from capital and revenue budgets. Mr. Sangeetha Srikishen: I second the same thing sir, we should use the revenue and capital and go ahead with projects. Leena Kashinath: If it is in our limitation, we can go with the works from capital and revenue. Hon. Treasurer: I prefer to go with the SGM sanction. Vice President: We can ask the auditors whether capital and revenue can be used for projects and continue with the projects. Hon. Secretary: In the interest of the work to be continuing since we are within the budgets now, I will not stop any of the projects, we will continue all the projects. When I read the Byelaws it doesn't stop us not using the capital and revenue for Multipurpose Hall. The EC decides we can use 23 lakhs for the Multipurpose Hall and we should go with capital and revenue expenditure. With regard to the rooms, as a team we can finish the project and then go for final ratification to the SGM in conjunction with the Monitoring Committee. Mr. K. Srinath: The project cost may exceed. I am ok up to 25 lakhs from capital and revenue expenditure.

SAC REPORT	CLUB REJOINDER
	President and Hon. Secretary requested the EC members to express their opinion to spend up to 25 lakhs for renovation for Multipurpose Hall from capital and revenue expenditure. EC members agreed and passed the following resolutions: Resolution – 1: "The EC Members unanimously resolved and approved to spend Rs.25 lakhs from the Capital and Revenue funds towards renovation of Department Store to convert into Multi-purpose Hall." · Approved. Hence the comment of SAC should be deleted.
• The Treasurer formally warned in writing. The Secretary concurred. The President called a vote and overrode both. This is the project which most clearly tells members: your constitutional financial controls can be turned into a rubber stamp.	During the meeting of the EC Dated: 29/07/2025 called for ratification of the above, for the benefit of the EC members both the Treasurer & Secretary shared their opinion informed the members that the orders committed by the previous EC under the same project if released under capital & Revenue budget would mean that the previous committee has committed for expenses into the next term. However if it is consider for ratification by the next SGM as recommended by the previous EC it would be the correct way. The opinions of the Internal Auditors & Statutory Auditors taken and the president explained the past practices of the club wherein the projects exceeding the project values were supported from Capital & Revenue budget , he quoted the example of Tennis section toilets, Pergola & Billiards. Based on the discussion EC took a decision to support the additional items of the Multipurpose Hall from Capital & Revenue budget of the year. Hence the comment about the financial controls becoming rubber stamp is totally misplaced and unwarranted.

	SAC REPORT		CLUB REJOINDER
	Finding MPH-01 — Jurisdictional Breach: EC Had No Authority for Add-On WOs		
	Even if we completely ignore the main work order of 24 April 2025, the three so-called 'add- on' work orders to Lotus, Blitzkrieg and Signified between 10 May and 24 June 2025 alone total ₹29.15 lakhs for the same single work. That figure is above the ₹25-lakh ceiling in Rule 18.5 — where the Executive Committee has no power and only the General Body can sanction. Under Rule 19.9, any single work ≥ ₹25 lakhs must go through competitive quotations/tenders; Blitzkrieg and Signified are non-tender or weak-tender cases, yet the combined value still crosses the threshold.		Please refer to the rule book it clearly states that no major work can be initiated after the Calendar of events announced. The EC took a decision to add this items to the existing projects so it is not a new project. With a clear guidance to the incoming committee to either get it ratified in the next meeting of members or accounted under Capital & Revenue budgets for the year 2025-26. The advantage of seeking ratification in SGM would mean that the EC for the year would have the full values of 1cr each for Capital & Revenue. Please refer to various work orders which carries "P" to represents project orders under the same project numbers. So the statement of SAC is misplaced and not relevant. Hence the comment of SAC should be deleted.
	Add-on WO 1 — Lotus Energy- hall-related civil (10.05.2025 — Day 1 of embargo)	₹2,95,000	
	Add-on WO 2 — Lotus Energy- 2 Air Conditioners	₹2,59,776	
	Add-on WO 3 Blitzkrieg Audio (19.5.2025)	₹18,46,456	
	Add-on WO 4 — Signified (19.5.2025)- LED	₹5,13,300	
	TOTAL add-on WOs (excl. 24.04.2025 main WO)	₹29,14,532 (≈ ₹29.15 Lakhs)	

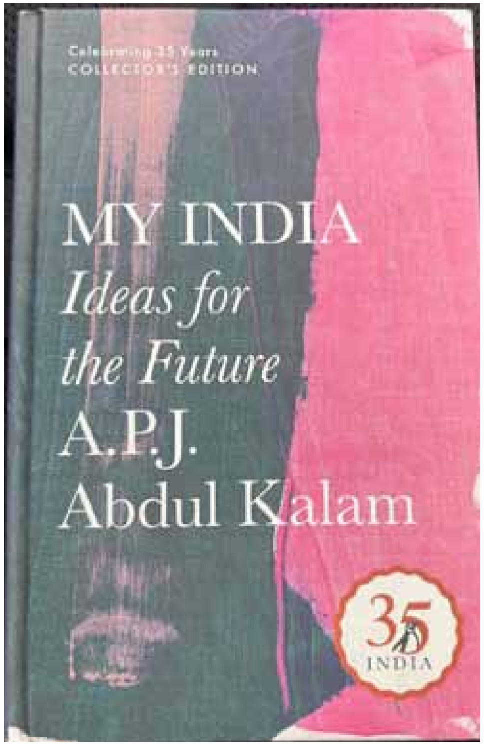
SAC REPORT	CLUB REJOINDER

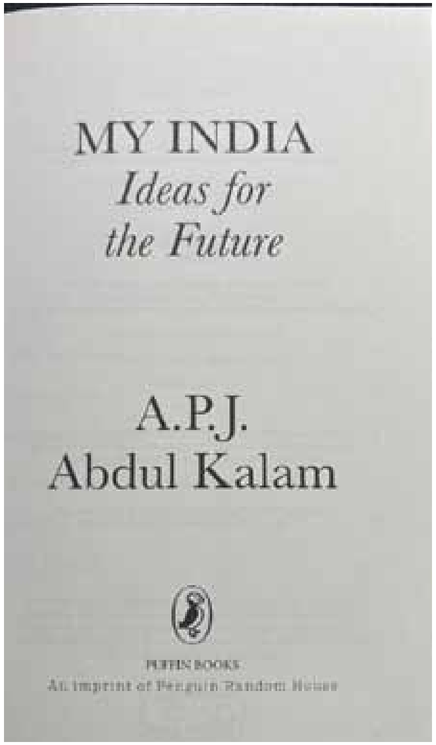
Rule 18.5 ceiling — EC has no authority above this	₹25 Lakhs
Breach amount above Rule 18.5 threshold	≈ ₹4.15 Lakhs
Election notification date	10.05.2025
Election date	28.06.2025
Were ALL add-on WOs issued inside the election embargo?	YES — every single one
Tender / competitive quotations for Blitzkrieg and Signified	NON-TENDER & WEAK-QUOTATIONS

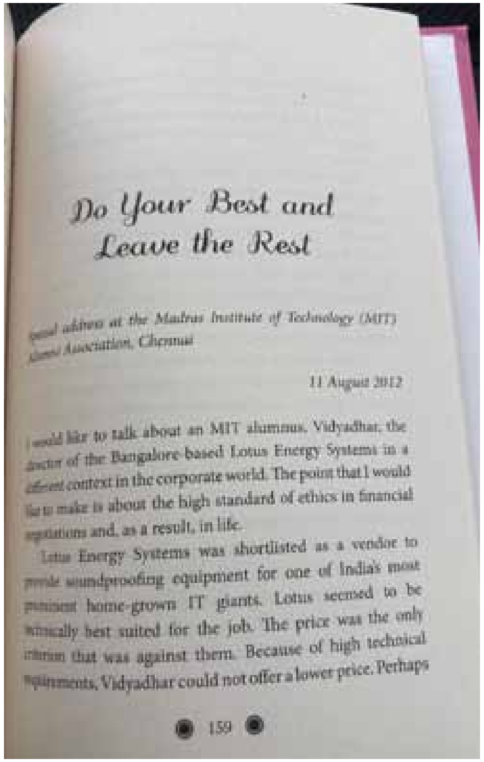
SAC REPORT	CLUB REJOINDER
"Even if we generously ignore the main tender WO of 24 April 2025, the three expansion WOs to Lotus, Blitzkrieg and Signified between 10 May and 24 June 2025 add up to ₹29.15 lakhs for the same Multipurpose Hall. That by itself is a single work above the ₹25-lakh ceiling in Rule 18.5 and was committed during the election bar under Rules 19.12 and 19.15.8, without any prior General Body sanction. The EC simply had no jurisdiction to approve these add-on works."	The SAC's comment that "The EC simply had no jurisdiction to approve these add-on works." Is totally irrational, the EC has all the powers and trust of members as per the rules of the club to take appropriate decisions with in the general frame work for enhancing the facilities of our club for benefit of our members. The statement of SAC is totally misplaced and not relevant as per the rules of the club. Hence the comment of SAC should be deleted. Reference to SAC's above conclusion, it has to be noted that the EC has elaborated each of the Rules: 18.5, 19.12 and 19.15.8. there is no deviation in any rules. Hence the comment of SAC should be deleted.

SAC REPORT	CLUB REJOINDER
Finding MPH-02 — Main Contractor: Lotus Energy Systems	
• M/s Lotus Energy Systems is registered under GST primarily as an electrical contractor. The Multipurpose Hall civil and interior renovation work — structural alterations, interior fit-out, flooring, ceiling, AV installation — is outside their core GST-declared business activity.	Lotus Energy Systems, the primary contractor, is a specialist of acoustic systems, sound, sound proofing, noise regulation etc., They have carried out major works for auditoriums in industries etc., One of their main segments of business is acoustic systems for generators. As generators forms under the category of electrical equipment the Louts Energy had to register under electrical equipment. Lotus Energy has received many accolades which have been published, and their excellent business ethics & technical knowledge related to Acoustics has been mentioned by our beloved late president Dr. APJ Abdul Kalam. The SAC should avoid defaming vendors of high repute. SAC to delete all the comments made against this Vendor.
• This mirrors the pattern seen across all projects: Lotus Energy (electrical) for civil hall work; Max Muller Technologies (manufacturing) for Bar I Tone civil renovation; Vivechana Constructions (cameras/electronics) for Badminton renovation. In every case, the primary GST business has no evident nexus with the structural civil and interior work awarded.	
• No independence declaration was obtained confirming that Lotus Energy Systems, its principals or partners, are unrelated to any Club member or EC member. The Lotus Energy case is specifically flagged under Section 10.2 of this report — No Declaration of Member/Relative Interest.	

SAC REPORT	CLUB REJOINDER







Do Your Best and Leave the Rest

...ial address at the Madras Institute of Technology (MIT) ...ni Association, Chennai

11 August 2012

I would like to talk about an MIT alumnus, Vidyadhar, the ...ector of the Bangalore-based Lotus Energy Systems in a ...ferent context in the corporate world. The point that I would ...e to make is about the high standard of ethics in financial ...otiations and, as a result, in life.

Lotus Energy Systems was shortlisted as a vendor to ...vide soundproofing equipment for one of India's most ...minent home-grown IT giants. Lotus seemed to be ...hnically best suited for the job. The price was the only ...iterion that was against them. Because of high technical ...quirements, Vidyadhar could not offer a lower price. Perhaps

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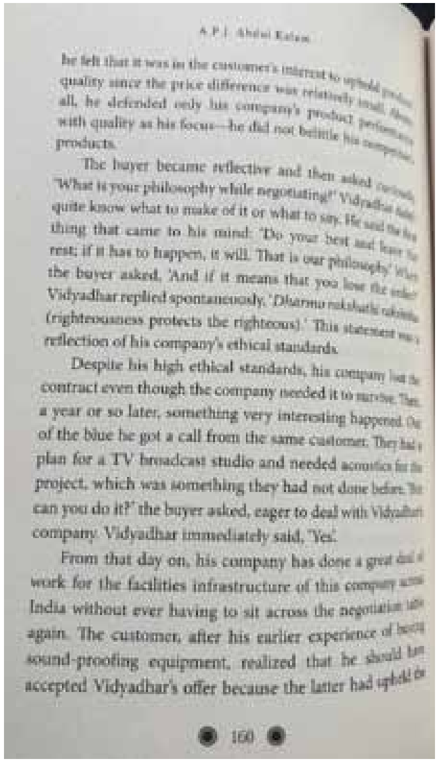

A.P.J. Abdul Kalam

he felt that it was in the customer's interest to uphold ... quality since the price difference was relatively small. ... all, he defended only his company's product perform... with quality as his focus—he did not belittle his compe... products.

The buyer became reflective and then asked ... 'What is your philosophy while negotiating?' Vidyadhar ... quite know what to make of it or what to say. He said the ... thing that came to his mind: 'Do your best and leave the rest; if it has to happen, it will. That is our philosophy.' When the buyer asked, 'And if it means that you lose the order?' Vidyadhar replied spontaneously, '*Dharmo rakshati rakshita...* (righteousness protects the righteous).' This statement was ... reflection of his company's ethical standards.

Despite his high ethical standards, his company lost the contract even though the company needed it to survive. Then, a year or so later, something very interesting happened. Out of the blue he got a call from the same customer. They had a plan for a TV broadcast studio and needed acoustics for the project, which was something they had not done before. '... can you do it?' the buyer asked, eager to deal with Vidyadhar's company. Vidyadhar immediately said, 'Yes.'

From that day on, his company has done a great deal of work for the facilities infrastructure of this company across India without ever having to sit across the negotiation table again. The customer, after his earlier experience of buying sound-proofing equipment, realized that he should have accepted Vidyadhar's offer because the latter had upheld the

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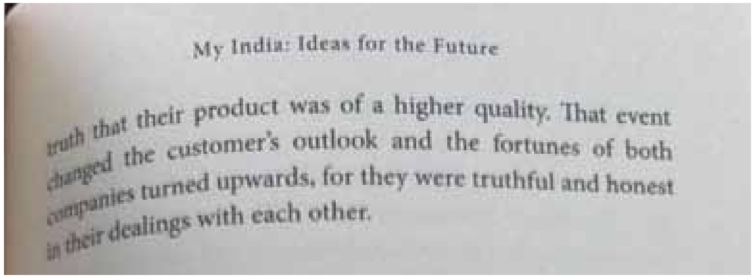

My India: Ideas for the Future

truth that their product was of a higher quality. That event changed the customer's outlook and the fortunes of both companies turned upwards, for they were truthful and honest in their dealings with each other.

	SAC REPORT	CLUB REJOINDER
	• SCE have also noted that awarding high value works to entities whose credentials have not been independently verified increases the risk of quality deficiencies, delays, cost overruns and disputes on certification and variation claims. These risks are now materializing.	
	Finding MPH-03 — AV and Lighting: Non-Tender Procurement and Double-Billing Confirmed by SCE	
	• Large purchases for AV equipment, LED lighting systems, audio systems and control gear were procured without following Regulations 8.3.1 and 8.3.2.	Please refer to the various statements made above all the WO are continuation to the approved projects. The regulations referred in the SAC report are to be read along with the applicable rules of the club and it is repeated all the orders are continuation to the projects. Please note Conversion of Departmental store does not come under any section. The Approved project was monitored by the Project Monitoring team. It may also be noted that Lotus Energy Systems is a reputed company for setting up of Acoustic systems and with an experience of setting up multiple such facilities in Bangalore. This company is also specialized in large acoustic enclosures for generators. Hence the GST No. 29AAACL2895H1ZL is registered under Electrical items. Hence the comments of the SAC invalid should be deleted.
	• AV installation was billed as a separate line item even though installation and commissioning were already included within the quoted supply rates — SCE- confirmed double-count: ₹1,10,000. This means the Club paid for AV installation twice: once within the supply rate, and once as a standalone line item.	This part concerns Installation & commissioning of AV systems listed in the section 3 including audio cabling for speakers, mixer, wifi access point etc. and system integration with bought out audiovisual supplies envisaged for the hall. Hence the comments of the SAC invalid should be deleted.

	SAC REPORT	CLUB REJOINDER
	• Lighting installation is likewise billed separately despite being included in main supply rates — SCE-confirmed double-count: ₹63,000. Again, the installation cost appears to have been charged twice..	These lights are for ambient lighting provided as per Seminar hall setting including specific LED drivers colour changing program settings for the LED strip lights and making the light fixture configuration suitable for various scenarios envisaged requirements for the Multipurpose Hall. Not concerning DMX lights. Hence the comments of the SAC invalid should be deleted.
	• AV and lighting rate/quantity overstated — SCE identified non-operated items billed as installed and commissioned. SCE-quantified exposure: ₹63,000.	These charges include the physical installation of the following components: • Lighting fixtures • Digital lighting mixing console • DMX network for LED lights. Additionally, the charges also covers training for the customer, which was not included in the original tender scope. Hence the comments of the SAC invalid should be deleted.
	• Revenue budget for the hall: ₹4,03,428 (excl. GST). SCE states that the claimed amount of ₹3,87,085 has been put forward without supporting measurement books, site records or certified statements. Until documentation is produced, this spending cannot be treated as fully validated work even though it is reflected in the accounts.	

SAC REPORT	CLUB REJOINDER
Finding MPH-04 — Third-Party Architect Fee Doubled 1% → 2% Without Any Authorization	
• The third-party architect fee (B.P. Sridhar Murthy), applied at 1% of certified value across other projects, was quietly doubled to 2% for the Multipurpose Hall.	The scope of work for the consulting engineer was agreed for the two projects of renovation of guest rooms and Baritone where the value of projects (applicable for his scope of work) was high. As the SGM approved many other projects like TT, Multipurpose hall etc., where the civil engineering related values were very low. Hence, the consulting engineer based on the scope of work and the number of visits required for site supervision and measurements requested the Club for enhancement of his fee from 1% to 2% only for these projects. Please note, the total civil works in Multipurpose hall is less than 10% of the project sanctioned value. Hence the consulting fees of 2% for the specific projects is very justified and nominal. SAC should have sought clarification from the EC regarding the above before making this unjustified remark. Hence the comments of the SAC invalid should be deleted.
• SCE have quantified the excess arising from this unauthorized fee increase at approximately ₹44,864 (basic, pre-GST) money paid above what the standard 1% rate would have cost. On a GST-inclusive basis the certified excess per SCE is ₹42,024.	
• B.P. Sridhar Murthy is not registered under any professional Act or regulatory body yet received a fee-rate increase across the Multipurpose Hall project. The Treasurer had formally objected to architect and consultant payouts on record — this undisclosed fee doubling is precisely the type of escalation the Treasurer was warning against.	

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	Finding MPH-05 — Treasurer and Secretary's Constitutional Warning Overridden by Majority Vote	
	• At the July 2025 EC meeting, the Hon. Treasurer (Shri. A.M. Raghavendran) formally placed on record that the Multipurpose Hall overruns constituted a breach of Rules 19.12 and 19.15.8. He explicitly stated that an SGM must be called before any further funds were committed or work allowed to proceed. • The Hon. Secretary (Shri. Abhishek Bogaram Arun Kumar) concurred, stating that the project costs had significantly departed from the original SGM mandate and required fresh member ratification to provide legal protection to the Club • Despite these formal, minuted objections by the two officers specifically appointed to protect the Club's constitution and purse, the EC proceeded by majority vote, using the Statutory Auditor's 'procedural manoeuvre' routing overruns through EC Capital and Revenue budgets — to avoid calling an SGM. • The President (Shri. G N Guruprasanna) did not halt the vote as constitutional convention required. The Presidential duty is to ensure meetings are conducted in accordance with the Byelaws. When the Secretary flags a Rule violation and the Treasurer flags a Sanction Breach, the President must stop the vote — not call it. By proceeding, the President knowingly led the EC into an illegal act.	Every elected EC member has the trust of Club membership to uphold the ethics and rules of the Club and it is their primary responsibility. Any matter in the EC is discussed and debated and such discussions and debated have been encouraged by the Presidents of the Club. However, it is very clearly understood that the decision of the Club is based on the majority opinion of the EC after considering various opinions of each and every EC members participating in the meeting. Dissidence opinion by any members is the part of the process and the highest value of democracy is practiced in Century Club Executive Committee. So, the SAC's remark that all EC members who did not agree with a dissenting opinion have done illegal act is totally uncalled for, shows total lack of application of mind and processes of any democratic discussions. It must also be noted that the two members who expressed dissent at the EC meeting had approved unanimously this specific decision in the OB meeting held earlier dt.10.07.2025. Please see the guidance of the previous EC on this subject matter, that all these additional work orders have been issued as a continuation of the SGM approved project and were issued to ensure that there is no duplication of civil and electrical work at a later stage and the discussions clearly show that to avoid damages to the acoustic paneling etc., by frequent moving of heavy equipment like speakers etc., it was found essential to make this space as a plug and play room. Hence, the EC took a bold decision of adding specific item of the best quality after due process of technical and

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	• A majority vote cannot legalize an act explicitly prohibited by the Club's Constitution. If Rule 19.12 restricts spending during the transition period, even a 100% unanimous vote to exceed that limit remains legally void. The minutes contain a documentary confession that the Committee was fully informed of the illegality and chose to proceed with this, elevating this from administrative error to documented breach of fiduciary duty.	commercial comparison. The incoming EC received a guidance from the previous committee to either seek ratification of the above project at extra cost at the next members meeting which would have ensured that the total capital and revenue budget for the year 2025-26 was available to EC or spend it from the capital and the revenue budgets of the year 2025-26 whichever was found most appropriate. After due deliberations and seeking audit opinions, listening to the various dissents, the EC took and majority decision to spend from the capital and revenue budget of the year which they are fully authorized. The SAC in its report used very derogatory remarks against the EC, the auditors of the Club. Such remarks the club has requested the SAC to remove such remarks before submitting the report for discussions. SAC in its reply to the club has flatly refused to delete the derogatory remarks exposing the club to possible litigations. Hence the comments of the SAC invalid should be deleted.
	Finding MPH-06 — Project Cost Escalation: 100%+ Over Notional Budget, No GB Sanction	
	The scale of the financial overrun on the Multipurpose Hall is not marginal — it is a doubling of the originally notional budget, with the entire excess absorbed without General Body approval:	The total project sanction was Rs.50 lakhs excluding taxes. The additional capital items like speakers etc., approved by the EC as additional items for the project, for ratification by the next SGM is equal to Rs.25 lakhs. Additional capital and revenue items including some lighting, LED wall, etc., was about Rs.10 lakhs. Spent in the 1st quarter under capital and revenue work orders. Total spent was about Rs.85 lakhs excluding taxes. All above spent in additional to the SGM sanctioned were after due

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	deliberation by the Executive Committees following all the process of the club and as per applicable the rules of the Club. Hence, the SAC's remark on "double amount spent" is unwarranted and misplaced to be deleted.

Notional SGM allocation for this hall (out of ₹5 Cr party halls)	₹50 Lakhs
Total WOs / contracts issued (all heads)	₹1,01,04,993
Escalation above notional allocation	₹51,04,993 — more than 100% above original
Work executed	₹1,00,25,331
Amount actually paid / committed	₹1,00,25,331
Amount certified by third-party architect (As per SCE)	₹65,80,146
Amount certified by SCE	₹91,62,177
Gap: SCE certified vs. third-party architect certified	₹25,82,031 — unexplained
Gap: amount paid vs. SCE certified	₹8,63,154 — paid but not supported by SCE

	SAC REPORT	CLUB REJOINDER
	EC Capital + Revenue budget used to absorb overruns (per SA advice) — Yes — without SGM approval **General Body approval for excess ₹51+ lakhs** — NONE — only 'informed', not sanctioned	
	The Statutory Auditor's advice in July 2025 was specifically directed at absorbing this 100%+ overshoot through EC Capital and Revenue budgets rather than returning to the General Body for fresh sanction. By doing so, members were denied the right to vote on whether to continue spending on a project that had doubled its projected cost. 'Information' to the General Body is not the same as 'sanction' from the General Body. The entire excess of ₹51+ lakhs were spent without member authority.	It is the opinion of the statutory auditor. However, the guidance of the previous EC was very clear to the incoming EC that they can go either for ratification for the money spent in excess or utilize the available capital and revenue budgets for the year both are in line with the past practices of the club which were duly ratified by the SGM and accepted by the auditors. To give a quick reference of the past practices are: 1) About Rs.10 lakhs spent excess in the year 2022-23 by then Tennis Sub-Committee for creating world class toilet facilities in the Tennis section utilizing not only the budget allocated to the Tennis section but also the money allotted to the Badminton section. Over and above the SGM approved value of the project as mentioned there was a cost overrun of approximately Rs.10 lakhs which after due deliberations by the Executive Committee of that time decided to spend the extra work from capital and revenue budget. The decision of the EC was to support the extraordinary effort of senior members of the section to make excellent facilities for the members. 2) The club revenue due to increase footfalls happened only after the Executive Committee of 2022-23 went ahead to build the extraordinarily beautiful Pergola (Gazebo) utilizing not only the existing material at the

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		site but also adding on to create a seating facility to which merged with the beauty of greenery of Century Club. It must be noted that this project was rejected by the General Body. The next General Body complemented the extraordinary work done by the Executive Committee. The SAC may note that the total project cost of about Rs.50 lakhs was funded from the capital and revenue budgets of that particular year. 3) Even the upgradation of Billiards section creating world class billiards and snooker facility by creating a extremely well temperature controlled room with close loop camera system to promote viewing of this popular game by our members and replacing the old tables with world championship quality table with built-in temperature control and many such excellent facility was carried out by very dedicated playing members of the billiards section. This section has become a pride for playing and conducting tournaments. However, in the process of creating this world class facility the project cost exceed by about Rs.12 lakhs which was after due deliberations by the Executive Committee was supported by the capital and revenue budget of the year. There are many such example of the past where extraordinary efforts by the members of the club to create excellent facilities for improving members satisfaction was fully supported by fund from the capital and revenue budgets used in addition to the SGM sanctioned value. It is surprising that SAC has ignored this very important past practices of the Club and have criticized the present EC for creating excellent facilities where project amount was supported with capital and revenue budgets. Hence the comments of the SAC invalid should be deleted.

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	Finding MPH-07 — Multi-Layer Certification Gap: Three Different Numbers, Three Authorities	
	The Multipurpose Hall has produced three materially different certified values from three different authorities — a situation that makes it impossible to determine the true, defensible value of work done:	

Amount paid / committed	**₹1,00,25,331**
Amount certified by third-party architect (B.P. Sridhar Murthy)	**₹65,80,146**
Amount certified by SCE (independent engineers)	**₹91,62,177**
Gap between paid and SCE certified	**₹8,63,154**
Gap between SCE certified and third-party architect certified	**₹25,82,031**
Gap between paid and third-party architect certified	**₹34,45,185**

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	• Three different certifying authorities produce three different numbers. The Club has paid ₹100.25 lakhs. The independent SCE engineer certifies only ₹91.62 lakhs. The third-party architect certifies only ₹65.80 lakhs.	
	• If the third-party architect's certification is the operative standard, the Club has paid ₹34.45 lakhs more than certified value. If SCE is the standard, the gap is ₹8.63 lakhs. The correct figure cannot remain undefined.	
	• The Committee recommends a formal reconciliation process to determine the legally defensible certified value of work, with any excess treated as a recoverable overpayment or disputed amount.	

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Finding MPH-08 — Warranty Certificates Absent for All Installed Equipment	
• All equipment delivered and commissioned — audio systems, LED lighting systems, ACs, control gear and AV systems — must be backed by valid warranty certificates from the respective suppliers/contractors.	All the warranty certificates for various equipment were available in the club and same were delivered to the SAC by both in hard and soft copy as requested. The above comments by SAC clearly indicated that they have missed studying the documents given/not considered the documents given to them. Hence the above comment is erroneous and should be deleted. Hence the comments of the SAC invalid should be deleted.
• For the Multipurpose Hall, no warranty certificates were produced to SCE at the time of audit. Not a single certificate.	
• Without warranty certificates, the Club cannot: verify warranty coverage period or scope; confirm that the equipment installed is what was specified and purchased; enforce service obligations if components fail; make claims if equipment is defective; or prove the warranty basis for insurance purposes.	
• This exposes the Club to uninsured, uncovered risk on expensive installed equipment the combined supply value of AV systems, LED lighting, ACs and control gear runs into tens of lakhs. If any major component fails prematurely without a warranty certificate in hand, the cost of replacement falls entirely onto the Club.	

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Finding MPH-09 — Every Add-On WO Issued During the Election Embargo	
• Main tender WO to Lotus Energy Systems (24.04.2025): issued 16 days before the election notification (10.05.2025). The timing — issuing a WO just before the embargo - warrants examination for whether it was intended to pre-empt the freeze.	The rules of the club clearly state no new projects, activities to be taken up after the announcement of calendar of events. There is no embargo in the rules of the club for continuing the running projects and taking considered decisions for completion of project as deemed fit. All the decisions are recorded in the various OB and EC meetings. The above comment of SAC reflects incorrect understanding/interpretation of very clear rules of the club. Hence the comments of the SAC invalid should be deleted.
• Add-on WO 1 — dated 10.05.2025: the very same day as the election notification. A WO issued on the first day of the embargo, not a day before or after — this cannot be accidental. ₹2,95,000	
• Add-on WO 2 (Lotus Energy) for ₹2,59,776.	
• Add-on WO 3 (Blitzkrieg Audio) — during the embargo period, for ₹18,46,456.	
• Add-on WO 4 (Signified-LED) dated 19.05.2025: 4 days before the election, for ₹5,13,300.	
• Rules 19.12 and 19.15.8 are unambiguous: no major decisions, no new projects, no new commitments during the period from election notification to election date. Every single add-on WO for this hall was issued in violation of these rules, binding the incoming elected committee to ₹29.15 lakhs of commitments it had no opportunity to review, reject or renegotiate.	

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	Governance Summary — Multipurpose Hall	
	The Multipurpose Hall is the single project that most clearly illustrates the complete and simultaneous collapse of governance at Century Club: (1) SGM sanctioned ₹50.00 lakhs plus GST without agenda during discussion of bylaw amendments; (2) all add-on WOs issued on or after the very first day of the election embargo; (3) the Treasurer's formal constitutional warning overridden by majority vote after being minuted; (4) the Statutory Auditor complicit in routing overruns through EC budgets to avoid an SGM; (5) ₹12 lakhs paid as advance against a WO-capped entitlement of ₹4.99 lakhs with zero Bank Guarantee; (6) double- billing on AV and lighting confirmed by SCE (₹1,73,000 combined); (7) third-party architect fee excess ≈ ₹44,864 without EC authorization; (8) warranty certificates absent for all installed equipment; and (9) a three-way certification gap of up to ₹34.45 lakhs depending on which authority's number you accept. This is not a collection of isolated lapses — it is a systematic dismantling of every financial safeguard the Club possesses, executed simultaneously on a single project.	The point by point explanation, clarification as above clearly shows that the Executive Committees of the club have carried out their responsibilities and maintained the highest standards of ethics and adherence to the rules and practices of the club for enhancing the benefits and satisfaction of its members. The result of this effort is clearly demonstrated in the Multipurpose Hall (Kaleido) being the highest revenue generator of the club with a demand of all the members to quickly add-on the facilities like washrooms, bar counters etc., So, the observance by the SAC under the heading "Governance Summary" is totally misplaced and unwarranted. The various accusations and comments made by SAC under heading "Governance Summary" are totally incorrect due to incorrect interpretation of the rules, not reading the documents handed over, refusing to discuss and seek clarification from the concerned persons, deliberately misinterpretation of the various rules for reasons unknown. Hence, this paragraph under "Governance Summary" should be removed. Hence the comments of the SAC invalid should be deleted.

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5.9	**Other Projects – Detailed Observations**	

Project	SGM/EC Budget	Spent up to 15.12.2025	Key Issue
Existing Hall (other than Bar I Tone)	SGM ₹5 Cr (Party Halls) — notional ₹1.50 Cr for fee	₹1,06,200	Payment before WO date; no project description; no budget detail
Kitchen Renovation	SGM ₹1 Crore + tax	₹0.71 Lakhs (fees only)	All fees paid upfront; zero substantive work started
Tennis Flood Light	EC approval ₹23,41,863	₹21,42,651	Bharani Electricals ₹5.38L — no quotations; no newspaper tender for the work.
As recommended by the Chairman & Sub committee members the amount has been approved. Since it is a Capital – Revenue budget no newspaper advertisement required.			
STP Drain Work	EC Capital Budget 2025–26	₹8,42,072 (total)	No quotation

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Renovation of General Toilets	SGM ₹100 Lakhs + tax	₹4,69,050	Paid between 03/09/2024 to 31/03/2025. No progress thereafter. 60% of total fees is paid without start of any physical work.
Multi-Level Car Parking	SGM ‘for obtaining approvals’ — ₹10 Cr estimate	₹11,80,000	Full fee paid on day one (03.09.2024) on ₹10 Cr estimate; zero physical progress
Billiards / Snooker Tables	SGM ₹54 Lakhs + tax	₹63,72,000	WO revised, explained under specific issues.

Existing Hall — Specific Issues

- Total spent: ₹1,06,200 — shown as architect fee at implied 6% on a project value of ₹1.50 crores (10% of the total architect fee of including GST debited here).
- Work Order was issued to the architect on 05.09.2024, yet payment was made on 03.09.2024 — two days before the WO date.

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	• There are no budget details, no clear description of the project, and no other payments or work orders linked to this hall. Management has not furnished the nature, scope and location of this renovation; copy of the WO, drawings and approvals; and basis on which a project value of ₹1.50 crores has been assumed for fee purposes.	
	Kitchen Renovation — Specific Issues	
	• SGM on 29.06.2024 approved ₹1 crore + tax for renovation of the kitchen. Two separate fee blocks appear: Architect fee ₹70,800, including GST (paid 03.09.2024). • Last payment was 31.03.2025; no further progress or related work orders are visible thereafter. Detailed reasons for lack of progress and decisions to defer or drop the kitchen project not produced.	The plan uploaded to BBMP including the buildings connected to Kitchen
	Multi-Level Car Parking — Specific Issues • SGM 29.06.2024 had approved expenditure "for obtaining approvals" relating to a Multi-Level Car Parking project with an estimated project cost of ₹10 crores. • Architect fee of ₹11.80 lakhs has been paid on 03.09.2024 on the full ₹10-crore value — the very first day after the SGM on lumpsum basis.	The plan uploaded to BBMC including the buildings connected to Kitchen

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	• No further payments, WOs, or physical progress are visible after this fee payment. The Committee has requested: status of the multilevel car park proposal; all drawings, feasibility reports and regulatory correspondence; and clarification on why architect fees were paid upfront on a large estimate without member approval of the final project which are not produced.	
	Billiards / Snooker Tables — Specific Issues	
	• SGM 29.06.2024 approved ₹54 lakhs + tax which amounts to ₹63,72,000/- for new Billiards/Snooker tables. Tenders were floated and WO issued for ₹64,80,560 on 14/11/2024. • The above was Work Order was modified and different Work Orders were issued on 14.12.2024 for ₹63,72,000/- towards Table and three more WOs for transportation, installation and fitting amounting to ₹1,47,264, which were written off to revenue. It was informed that the Tender was given only for supply of tables. • Payments incidental to capital assets cannot be written off and hence this amount of Rs. 147264/- should have been capitalised. • EMD of ₹54,000/- was not encashed. • The vendor is single renderer, namely Snooker Alley and the reason for issuing WO as per EC meeting dated 14.9.2024 is as below:	

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	• "The Club was unable to get the competitive Tender from other suppliers as M/s. Snooker Alloy are the only Authorised distributor for supply of Professional World Championship Snooker Table"	

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6	**ENGINEERS' VERDICT – SAI CONSULTING ENGINEERS (SCE) DETAILED FINDINGS**	
	An exhaustive independent cost valuation conducted by Sai Consulting Engineers (SCE) identified severe rate padding, duplicate billing, and the fraudulent inclusion of unapproved scope in contractor invoices. SCE's market-rate adjustments identified ≈ ₹72.70 lakhs of exposure across all projects. What follows is the complete, point-by-point SCE finding for each project.	
6.1	**Guest Rooms — SCE Findings (≈ ₹25.94 Lakhs)**	
	SCE Overall Position	

SGM Sanction (29.06.2024)	**₹4.50 Crores**
Total WOs issued (contractor + professional fees)	**≈ ₹4.10 Crores (basic + GST)**
Work executed as on 15.12.2025 (per SCE)	**≈ ₹1.01 Crore**
Total paid / committed (incl. mobilisation + fees)	**≈ ₹1.29 Crores**
Amount capitalizable 'as per tender' certified by SCE	**₹1,09,73,075**
SCE-identified non-certifiable exposure	**≈ ₹25.94 Lakhs**

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01 Excess Demolition Quantity on Tiles — WO PRO36, Civil Works I, Item 2 BOQ quantity: 3,636 sft. Executed quantity: 8,654 sft — an increase of 137.93% without revised sanction. SCE remark that BOQ quantities are not correct. SCE cap certification at the tender quantity amount ₹90,900 and do not certify the balance ₹1,25,471 which has been claimed/paid. Potential financial loss: ₹1,25,471.	The additional demolition was warranted due to partial removal of tiles for the retrofitting works during which, pre-existence of multiple flooring layers was found (Granite and wooden flooring laid in previous renovation works), which was adding on to the dead load. Considering the structural deficits with the building (such as beam honeycombing, lack of cover to the slabs and beams), the additional dead load was required to be removed before wooden flooring could be laid. Further Clarifying: ▪ There is no error in BOQ. The additional 5,018 Sqft of flooring area in the guest rooms had to be removed due to the retrofitting of columns, which required the flooring all around the columns to be removed. It became imperative to remove the remaining flooring. ▪ While in the process of removal of flooring, it was observed that the earlier renovation carried out was by laying of tiles on the existing granite floor, this also resulted in increase in the qty of debris. It is to be noted that the demolition of excess qty of 5,018 Sqft was necessitated to accommodate retrofitting works. The Potential financial loss indicated by SCE is grossly wrong and a statement made without verification with either Monitoring committee / Chambers chairman / Club office / 3rd party Architect. To give clarity: Original demolition qty 3636 Sqft x Rs 25 = Rs. 90,900. Since we have to demolish additional qty of SCE estimate 5018 Sqft X25 = Rs 1,25,450. Hence, there is no financial loss as wrongly called out by SCE.

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02 Debris Carting Double-Counted — WO PRO36, Civil Works I, Item 8 'Carting away of demolished debris' is listed as a lumpsum of ₹6,23,700. SCE note that all demolition items (except Item 1 — demolition of walls) already include 'carting away debris' in their scope. This line is not a separate payable item; it is effectively double counting. SCE certify ₹0 for this item. Club payments of ₹5,61,330 already released — treated as not justified and potentially recoverable.	• As explained in point # 01 above debris are not double counted. It highlights original quantity & the reason for excess quantity related to debris. • As informed earlier debris related to demolition of the Ground, first and second floor & bringing it to a common point on ground level is included as demolition items in point #2 "Removal of existing tiles & carting away the debris outside" in the contractor's tender. These Outside means outside the building only. • What SAC is referring now is a separate line item point #8 in the WO for the second part of "carting away of demolished debris from Club premises to a far-off place outside" for disposal which is of ₹6,23,700. (Ref.: Tender BOQ, Sahaaya Builders WO CC/PRO-36/2025) • Hence this is a valid expense. It has to be noted that there is no loss and this cannot be referred as double counting as mentioned by SAC/ SCE.
03a Architect Scope vs. Separate Consultants — WO PRO03 (05.09.2024) Cube Architects appointed at 6% on ₹4.50 crores (₹27 lakhs) with scope explicitly including coordination and provision of structural and MEP designs. Despite this, Club separately paid structural and MEP consultants (Ashok Associates, Dex MEP, Sarva Electrical, etc.). SCE refuse to treat these as additional — at least ₹99,500 of extra consultant fees is not independently payable as it duplicates the architect's contractual responsibilities.	• The scope of work undertaken in the CUBE Architects' work order includes provision basic service layouts "Scope of Work, A.3. Plumbing and 4. Electrical" included in the Tender Drawings (Refer to drawing nos.-CEN/ARC/GRB/02A-02C, CEN/INT/GRB/ 04,17,35) and supervision of Services, as stated under "Scope of Work, C. Co-ordination with various Building Services Consultant". The GFC technical details for the Structural and MEP works can only be provided by Specialised consultants, and are to be coordinated by the Architect. • It is important to note the relation between the architects, structural, MEP and other services consultants.

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	• Architect are not certified to design structural or elements for any services mentioned above, however they provide the basic requirements related to structural & other services of any layout. It is the responsibility of the competent structural & MEP consultants to provide the necessary design details for the same. This is an accepted industry practise and also as per guidelines of National Buildings Code (GOI). • Measuring and documenting the existing building. • Assessing structural limitations. • Coordinating demolition and modifications. • Resolving unforeseen site conditions. • Integrating new services into existing structures. • Since the scope of work undertaken by the architect and the structural & service consultants is separate and is necessary for a project. The claim of Rs. 99,500/- being extra consultancy fee as a duplication of the fees paid is not valid.
03b **Architect Fee Overpayment vs. Work Progress — WO PRO03** Architect's fee contractually fixed at ₹27 lakhs. As on 15.12.2025, ₹18.90 lakhs (excluding GST) already paid though project is still at retrofitting stage. Key scope items not yet delivered: site visits during execution, running bill certification, detailed working drawings, walk-in 3D visualisations, final as-built drawings. SCE certify only	What SCE/ SAC is refereeing to in their report refers to a general contractor & we have appointed only an Architect. It is important to note the relation between the architects, structural, MEP and other services consultants. Architect are not certified to design structural or elements for any services mentioned above, however they provide the basic requirements related to structural & other services for project.

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25% of agreed fee = ₹6,83,213 (excluding GST). Balance ₹12,06,787 (excluding GST) paid/committed treated as overpayment.	For example the architect defines the number of column position & the required spacing between the columns, number & positions of the toilets, electrical schematic drawings to the respective structural, MEP consultants to provide the detail design. Which is an accepted industry practise. Hence, the amount referred by SCE / SAC of ₹12,06,787 (excluding GST) as overpaid is not correct. It actually refers to the effort related to preconstruction stage as per the WO agreed for stagewise payment in line with Council of Architecture (GOI). However, the overall fee that will be paid on this account will not exceed 6% on the actual project cost. Hence, we deny SAC / SCE interpretation. The architects fee is based on scope of work & as per milestones completed as per the WO CC/PRO03/2024. 70% of the architect fees has to be paid before the contractor commences the execution of work as per the following stages: The Payment terms is as per industry standards & WO. • 10% advance released along with the work order • 25% on Submission and Acceptance of Part -1: Concept & Schematic including specialised services consultant fees. • 25% on submission and acceptance of part-2: Detail Design & Drawings Development • 10% on Submission and acceptance of part -3 tender document & negotiation. As clearly visible above the architects work on the project starts at the signing of the work order with major deliverables undertaken before execution/ construction stage.

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		The construction on site cannot begin without the pre-construction work carried out by the architect and the 70% payment terms corresponds to this. All the deliverables shared by the architect i.e. site visits during execution, running bill certification, detailed working drawings, walk-in 3D visualisations, etc.. have already been made available to the SAC/ SCE in soft copies & hard copies. Hence, the amount referred by SCE / SAC of ₹12,06,787 (excluding GST) as overpaid is not correct. It actually refers to the effort related to preconstruction stage. However, the overall fee that will be paid on this account will not exceed 6% on the actual project cost.
03c	**Sridhara Murthy (Third Party Bill Certification)- Approved Fees 1% of the works certified amount.** As certified by Sridhara Murthy for a total work done Rs. 66,03,936/- at rate of 1% amounts to Rs. 66,039/-. Whereas paid amount is Rs. 2,09,299/-. The difference amount is Rs. 1,43,237 is an overpaid.	It has to be noted that the activities related to Mr Sridhara Murthy as per the WO Ref: CC/PRO26/2025 dt 7/1/2025 Actually starts even before the contract is awarded to the contractors for example finalizing the BOQ with the architect, MEP and structural consultants & compilation of the tender & valuating the Tender output. Preparing comparative statements & participating in techno commercial negotiations guiding each vendors along with the rate analysis. Hence, the amount referred by SCE / SAC of Rs.1,43,247/- as overpaid is not correct. It actually refers to the effort related to preconstruction stage. However, the overall fee that will be paid on this account will not exceed 1% on the actual project cost.

	SAC REPORT	CLUB REJOINDER
04	**Retrofitting — Conflicting Structural Opinions, Unjustified Scope** Nagesh report (11.12.2024): NDT satisfactory but structural design check flagged columns — retrofitting recommended. IISc Prof. J.M. Chandra Kishen (site visit 21.11.2025): No beam deflections, no cracks, no foundation settlement — no structural distress in load-bearing elements. Despite this neutral expert's finding confirming structural integrity, Club proceeded with costly retrofitting WOs PRO18 and PRO46. A portion of retrofitting costs may not have been required and should have been re- evaluated post-IISc report. The retrofitting of the column introduces a new load path and stiffness variation. The brick wall connecting the existing wall and retrofitted column is subject to differential movement. This mismatch may lead to cracks on the joints, affecting durability.	The observations made by SAC/SCE are contrary to the facts and sequence of events, the Club undertook the column retrofitment work based on Mr. Nagesh Structural Consultants report (a second opinion from structural consultants Mr. Ashok was also secured). Towards the completion of the Column jacketing, when the topic of taking up the work of beam retrofitment it was felt by the Club to engage IISC for their opinion& suggestions, it is evident from the sequence of events that the statement made above by SAC/SCE are contrary to facts. It is important for the Hon. members of the Club to note that the Indian Institute of science report an authority on the subject matter who have approved the action taken by the Club in respect with column strengthening & they have also recommended to complete the task. However, regarding the beam treatment as the beam examined had honey combing, IISC have suggested epoxy or polymer mortor cementitious grouting to counter honey coming in the beams. (page 7 of IISC report dated 11th Dec 2025). The club decided in the EC to accept the IISC report & proceed according to the IISC recommendations as per page #7, 8 & 9 of IISC report). The statement in page # 5 on columns should be read as a certification of the columns strengthening work which had already been done before the IISC report. It is important to note the sequence of events which is summarized as follows for the Hon. members of the Club: Due to the renovation work of guest rooms which involved extension of the existing bathrooms, which required cantilever extensions and relocation of the lift well. This initiated the requirement for structural consultant & hence Mr. Nagesh was invited to study & provide feasibility report.

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	Based on Mr. Nagesh site inspection he suggested to conduct NDT to get complete picture of the structural elements. The retrofitting of columns was undertaken & completed as per the Mr. Nagesh, Structural Consultant's report (dated October 14, 2025) much before the consultation with IISC. Execution for which commenced in August, 2025 and was completed by October 2025. As per the IISC report (dated December 10, 2025), no comments have been made on the invalidity of Column Jacketing, the recommendations of IISC were reviewed and revised estimation was done for the beam and slab treatment items were jointly done by M/s Cube Architects with the Third-Party Architect (Estimation shared by mail on January 03, 2026). Consequently the revised budget including the work as suggested by IISC was worked out & an enhancement of budget request was placed in SGM dt 4/1/2026. Hence the observations of Conflicting Structural Opinions, Unjustified Scope as mentioned in point # 02 of SAC report as above is unfounded and malicious.
SCE Disputed Items — Financial Impact Summary	
Cube architect fee (uncertified — premature) **₹12,06,787.00** Sridhara (B.P. Sridhar Murthy) fee (uncertified) **₹1,43,237.00** Dex MEP — disallowed (within architect's scope) **₹12,500,.00** Ashok Associates Structural Engineer **₹32,000.00**	❖ Cube architect fee (uncertified — premature)- ₹12,06,787.00 The estimates for SGM sanction were utilised to finalise the Fee Percentage and Payment Stages for the approved scope of work, after negotiations with the EC/OB. The final payment to be made to the Architect is based on the actual value of work executed.

<table>
<tr><th>SAC REPORT</th><th>CLUB REJOINDER</th></tr>
<tr>
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<tr><td>Sarva Electrical and Engineers</td><td>₹55,000.00</td></tr>
<tr><td>Excess tile-removal quantity (138% overrun)</td><td>₹1,25,471.00</td></tr>
<tr><td>Debris carting — double-count lumpsum</td><td>₹6,23,700.00</td></tr>
<tr><td>TOTAL SCE-UNCERTIFIED / QUESTIONABLE — GUEST ROOMS</td><td>₹21,98,695</td></tr>
<tr><td>Add: GST</td><td>₹3,95,765</td></tr>
<tr><td>Total Financial Exposure</td><td>₹25,94,460</td></tr>
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As per WO CC/PRO03/2024, 05.09.2024 also approved by EC. The Architect’s fee was claimed as per the stages outlined, having 10% Advance (amount claimed Rs.73,804.83) for commencement of work, and after the completion of the progressive stages such as:

25% on Submission and Acceptance of Part I- Concept and Schematic Details (amount claimed Rs.1,84,512.08)
35% on Submission and Acceptance of Part II- Detail Design and Drawings Development (amount claimed Rs.1,84,512.081+Rs.73,804.83)
10% on Submission and Acceptance of Part III- Tender Documentation and Negotiation (amount claimed Rs.73,804.83)

As per the standard practices for Architectural Consultancy, major deliverables consisting from preliminary design proposal to working details commence after the issue of the Architect’s WO, also outlined in the Work Order. While the contractor can only be intimated into the project after the Detailed Design approval and Tendering stage, hence warranting Stage wise payment before the commencement of execution.
This is as per agreed terms and also this is a renovation work, also as per the guidelines pod Council or Architects (GOI)
The observations of the SAC that Cube architect fee (uncertified — premature) of Rs.12,06,787/- is not a fact. The payments are made as per the milestones completion made by the Architect & also as per terms & conditions indicated in the WO.
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SAC REPORT		CLUB REJOINDER
		❖ Sridhara (B.P. Sridhar Murthy) fee (uncertified) - ₹1,43,237.00 It has to be noted that the activities related to Mr. Sridhara Murthy as per the WO Ref: CC/PRO26/2025 dt 7/1/2025 Actually starts even before the contract is awarded to the contractors for example finalizing the BOQ with the architect, MEP and structural consultants & compilation of the tender & valuating the Tender output. Preparing comparative statements & participating in techno commercial negotiations guiding each vendors along with the rate analysis. Hence, the amount referred by SCE / SAC of Rs.1,43,247/- as overpaid is not correct. It actually refers to the effort related to preconstruction stage. However, the overall fee that will be paid on this account will not exceed 1% on the actual project cost. ❖ Dex MEP — disallowed (within architect's scope) - ₹12,500,.00 ❖ Ashok Associates Structural Engineer - ₹32,000.00 ❖ Sarva Electrical and Engineers - ₹55,000.00 As explained earlier, what SCE/ SAC is referring to in their report refers to a general contractor & we have appointed only an Architect. It is important to note the relation between the architects, structural, MEP and other services consultants. Architect are not certified to design structural or elements for any services mentioned above, however they provide the basic requirements related to structural & other services for project.

	SAC REPORT	CLUB REJOINDER
		For example the architect defines the number of column position & the required spacing between the columns, number & positions of the toilets, electrical schematic drawings to the respective structural, MEP consultants to provide the detail design. Which is an accepted industry practise. Please refer National Building Code of India (GOI) enclosed in Annexure VII. **Annexure VII** (PTO)

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Annexure VII

NATIONAL BUILDING CODE OF INDIA

PART 0 INTEGRATED APPROACH — PREREQUISITE FOR APPLYING PROVISIONS OF THE CODE

1 SCOPE

This Code (Part 0) covers guidelines to be followed for judicious implementation of the provisions of various Parts/Sections of the National Building Code of India following an integrated approach.

2 TERMINOLOGY

For the purpose of this Part, the following definitions shall apply.

2.1 Authority Having Jurisdiction — The authority which has been created by a statute and which, for the purpose of administering the Code/Part, may authorize a committee or an official or an agency to act on its behalf; hereinafter called the 'Authority'.

2.2 Building — Any structure for whatsoever purpose and of whatsoever materials constructed and every part thereof whether used as human habitation or not and includes foundation, plinth, walls, floors, roofs, chimneys, plumbing and building services, fixed platforms, verandah, balcony, cornice or projection, part of a building or anything affixed thereto or any wall enclosing or intended to enclose any land or space and signs and outdoor display structures. Tents/ *Shamianahs*/*Pandals*, tarpaulin shelters, etc, erected for temporary and ceremonial occasions shall not be considered as building.

2.3 Owner — A person, a group of persons or a body having a legal interest in land and/or building thereon. This includes freeholders, leaseholders or those holding a sublease, who will have legal right to occupation and have liabilities in respect of safety or building condition.

In the case of lease or sublease holders, as far as ownership with respect to the structure is concerned, the structure of a flat or structure on a plot belongs to the allottee/lessee till the allotment/lease subsists.

NOTE — For the purpose of the Code, the word 'owner' will also cover the generally understood terms like 'client', 'user', etc.

3 GENERAL

3.1 Buildings shall be classified as Residential, Educational, Institutional, Assembly, Business, Mercantile, Industrial, Storage and Hazardous in groups and sub-divisions as classified in Part 4 'Fire and Life Safety' of the Code.

For various related provisions of buildings with respect to administration; development control rules and general building requirements; building materials; fire and life safety; structural design; construction management, practices and safety; building and plumbing services; landscape development, signs and outdoor display structures; sustainability; asset and facility management, and other Parts/Sections of the Code may be referred to. For provisions on sustainability of buildings and built environment, reference to the concerned Part may be made, which while also referring to the other Parts/Sections as may be required, gives a comprehensive approach to sustainability.

3.2 The brief coverage in various Parts/Sections of the Code which cover detailed provisions on different aspects of development of land/building construction activity, are given in Annex A, with a view to providing an overview for the users of the Code.

4 TEAM APPROACH

4.1 A land development/building project and the built facility during its service life comprises the following major stages:

a) Location/siting,
b) Conceptualization and planning,
c) Designing and detailing,
d) Construction/execution,
e) Operation and maintenance, and
f) Decommissioning and deconstruction.

Each stage necessarily requires professionals of many disciplines who should work together as a well coordinated team to achieve the desired product delivery with quality and safety and other objectives, in an effective manner.

Appropriate multi-disciplinary teams (*see* **4.1.1** to **4.1.3**) need to be constituted to successfully meet the requirements of different stages. Each team may comprise need based professionals out of the following depending upon the nature, magnitude and complexity of the project:

1) Architect;
2) Civil engineer;
3) Structural engineer;
4) Geotechnical engineer;
5) Electrical engineer;
6) Plumbing engineer;

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7) Fire protection engineer;
8) Heating, ventilation and air conditioning engineer;
9) Lift, escalator and moving walk specialist;
10) Acoustics specialist;
11) Information/communication technology engineer;
12) Health, safety and environment specialist;
13) Environment/sustainability specialist;
14) Town planner;
15) Urban designer;
16) Landscape architect;
17) Security system specialist;
18) Interior designer;
19) Quantity surveyor;
20) Project/construction manager;
21) Accessibility and universal design specialist;
22) Asset/facility manager; and
23) Other subject specialist(s).

It is important that leaders and members of design team, project management/construction management team, and operation and maintenance team, depending on the size and complexity of the project, are carefully selected considering their qualification, experience and expertise in these fields.

4.1.1 *Design Team*

In building projects, various aspects like form; space planning; aesthetics; fire and life safety; structural adequacy; plumbing services; lighting and natural ventilation; electrical and allied installations; air conditioning, heating and mechanical ventilation; acoustics, sound insulation and noise control; installation of lifts and escalators; building automation; data and voice communication; other utility services installations; landscape planning, design and development; urban planning; etc need to be kept in view right at the concept stage. The project requiring such multi-disciplinary inputs need a coordinated approach among the professionals for proper integration of various design inputs. For this, and to take care of the complexities of multi-disciplinary requirements, a design team of professionals from the required disciplines shall be constituted at the appropriate stage. Here, it is desirable that the multi-disciplinary integration is initiated right from the concept stage. The team shall finalize the plan. The composition of the team shall depend on the nature, magnitude and complexities of the project. Design is an evolutionary and participatory process, where participation of the owner constitutes a very important input at all stages, and the same shall be ensured by the design team.

To ensure proper implementation of the design, the design team, may be associated during the construction/execution stage.

4.1.2 *Project Management and Construction Management Teams*

The objective of project management or construction management is primarily to achieve accomplishment of a project in accordance with the designs and specifications in a stipulated time and cost framework, etc, with a degree of assurance prior to commencement and satisfaction on completion and commissioning.

For large projects, separate teams of experienced professionals from the required disciplines may be constituted for project management (including planning and scheduling) and for construction management depending upon the complexities of the project. However, for smaller projects these teams may be combined. The teams shall be responsible for day-to-day execution, supervision, quality control, etc, and shall ensure inter-disciplinary coordination during the construction stage. The team shall be responsible to achieve satisfactory completion of the project in respect of all relevant project management functions like cost, time, quality, safety, etc. Some members of the design team may also be included in the project management team and/or associated actively during the project execution stage.

4.1.3 *Operation and Maintenance Team*

Operation, maintenance and repairs also require a multi-disciplinary approach to ensure that all the requirements of the users are satisfactorily met. During maintenance and repairs, the jobs requiring inter-disciplinary coordination have to be executed in such a manner as not only to cause least inconvenience to the user but also to ensure that there is no mismatch or damage to the structure, finishing, fittings and fixtures, and to preserve the integrity of other services. For carrying out routine maintenance/repair jobs, utilization of the services of trained technicians preferably having multi-disciplinary skills should be encouraged.

Special repairs, rehabilitation and retrofitting are specialized jobs which demand knowledge of the existing structure/installations. Association of concerned specialists may be helpful for these works.

The operation and maintenance team may also be known as asset and facility management or estate management team.

5 PLANNING, DESIGNING AND DEVELOPMENT

5.1 The main functions of design team (*see* **4.1.1**) constituted for the planning, designing and development, are as under:

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the vicinity of other declared/historically important structures, and the scrutiny shall be limited to the external architectural features only so as to ensure an aesthetic continuance of the existing structures with the new. The scrutiny shall not deal with the routine building plan scrutiny from other requirements of Code from the point of view of structural safety and functional requirements.

18.2 An Urban Arts Commission shall be established at the city/state level on issues related to urban aesthetics, through a statute. This statutory authority/ commission established by an Act of State Legislative Assembly, shall accord approval to all major buildings/ important development projects having bearing on the urban aesthetics, depending upon the importance of the area with respect to natural or built heritage or projects on plot areas above 1 ha and located in specifically identified areas. The Urban Arts Commission shall act as guardian of urban architecture; mainly with regard to building form and envelope, the relationship between the building, and the ambient environment *vis-a-vis* other dependents should be seen in depth.

18.3 The Commission may work in the following manner:

a) The Commission may select only the important buildings as in **18.1** and examine the same. The person responsible for the schemes, say an architect or an engineer, may examine either alone or with the owner. A study of the plans, elevations, models, etc, should be made. The architect/engineer should explain in general terms the purposes which the building is to serve and the main conditions which have influenced him in preparing the design.

b) The Commission after full discussion, may communicate their decision in writing to the parties concerned. The Commission may recommend a change in the whole scheme or suggest modifications in the existing scheme, if so required.

18.4 The Urban Arts Commission should also be charged with advising the city government, on schemes which will beautify the city and add to its cultural vitality.

ANNEX A

[*Foreword and Clauses* 2.17, 6.5, 6.6, 9.1.3, 12.2.5.1, 12.2.8, 12.2.9, 12.3 *and* 12.9]

GUIDE FOR THE QUALIFICATIONS AND COMPETENCE OF PROFESSIONALS

A-1 ESSENTIAL REQUIREMENTS

Every building/development work for which permission is sought under the Code shall be planned, designed and supervised by registered professionals. The registered professionals for carrying out the various activities shall be: (a) Architect, (b) Engineer, (c) Structural engineer, (d) Geotechnical engineer, (e) Supervisor, (f) Town planner, (g) Landscape architect, (h) Urban designer, and (j) Utility service engineer. Requirements of registration for various professionals by the Authority or by the body governing such profession and constituted under a statute, as applicable to practice within the local body's jurisdiction, are given in **A-2.1** to **A-2.8**. The competence of such registered personnel to carry out various activities is also indicated in **A-2.1.1** to **A-2.8.1**.

The qualification and competence of the engineers for utility services and of builder/constructor shall be as prescribed in **A-2.9** and **A-2.10**, respectively.

A-2 REQUIREMENTS FOR REGISTRATION AND COMPETENCE OF PROFESSIONALS

A-2.1 Architect

The minimum qualifications for an architect shall be the qualifications as provided for in the *Architects Act*, 1972 for registration with the Council of Architecture.

A-2.1.1 *Competence*

The registered architect shall be competent to carryout the work related to the building/development permit as given below:

a) Preparation of all plans and information connected with building permit except engineering services of high rise/special

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buildings given in **12.2.5.1**.

b) Issuing certificate of supervision and completion of all buildings pertaining to architectural aspects.

c) Preparation of subdivision/layout plans and related information connected with development permit of area up to 1 hectare for metro-cities, and 2 hectare for other places.

d) Issuing certificate of supervision for development of land of area up to 1 hectare for metro-cities, and 2 hectare for other places.

A-2.2 Engineer

The minimum qualifications for an engineer shall be graduate in civil engineering/architectural engineering of recognized Indian or foreign university, or the Corporate Member of Civil Engineering Division/ Architectural Engineering Division of the Institution of Engineers (India) or the Member of the statutory body governing such profession, as and when established.

A-2.2.1 *Competence*

The registered engineer shall be competent to carryout the work related to the building/development permit as given below:

a) Preparation of all plans and information connected with building permit.

b) Structural details and calculations of buildings including subsurface investigation on plot up to 500 m^2 and up to 5 storeys or 16 m in height.

c) Issuing certificate of supervision and completion for all buildings.

d) Preparation of subdivision/layout plans and related information connected with development permit of area up to 1 hectare for metro-cities, and 2 hectare for other places.

e) Preparation of all service plans and related information connected with development permit.

f) Issuing certificate of supervision for development of land for all area.

A-2.3 Structural Engineer

The minimum qualifications for a structural engineer shall be graduate in civil engineering of recognized Indian or foreign university, or Corporate Member of Civil Engineering Division of Institution of Engineers (India), and with minimum 3 years experience in structural engineering practice with designing and field work.

NOTE — The 3 years experience shall be relaxed to 2 years in the case of post graduate degree of recognized Indian or foreign university in the branch of structural engineering. In case of doctorate in structural engineering, the experience required would be one year.

A-2.3.1 *Competence*

The registered structural engineer shall be competent to prepare the structural design, calculations and details for all buildings and carry out supervision.

A-2.3.1.1 In case of buildings having special structural features, as decided by the Authority, which are within the horizontal areas and vertical limits specified in **A-2.2.1**(b) and **A-2.5.1**(a) shall be designed only by structural engineers.

A-2.4 Geotechnical Engineer

The minimum qualifications for a geotechnical engineer shall be graduate in civil engineering of recognized Indian or foreign university, or Corporate Member of Civil Engineering Division of Institution of Engineers (India), and with minimum 3 years experience in geotechnical engineering practice with designing and field work.

NOTE — The 3 years experience shall be relaxed to 2 years in the case of post graduate degree of recognized Indian or foreign university in the branch of geotechnical engineering. In case of doctorate in geotechnical engineering, the experience required would be one year.

A-2.4.1 *Competence*

The registered geotechnical engineer shall be competent to carry out subsurface investigations and give report thereof. These may *inter-alia* include performing various tests required to determine engineering properties of sub-strata and ground water and making recommendations about the type of foundation, soil bearing capacity and the depth at which the foundations shall be placed, considering the structural system and loads supplied by the engineer/structural engineer.

A-2.5 Supervisor

The minimum qualifications for a supervisor shall be diploma in civil engineering or architectural assistantship, or the qualification in architecture or engineering equivalent to the minimum qualification prescribed for recruitment to non-gazetted service by the Government of India plus 5 years experience in building design, construction and supervision.

A-2.5.1 *Competence*

The registered supervisor shall be competent to carryout the work related to the building permit as given below:

a) All plans and related information connected with building permit for residential buildings on plot up to 200 m^2 and up to two storeys or 7.5 m in height; and

b) Issuing certificate of supervision for buildings as per (a).

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A-2.6 Town Planner

The minimum qualification for a town planner shall be the Associate Membership of the Institute of Town Planners or graduate or post-graduate degree in town and country planning.

A-2.6.1 *Competence*

The registered town planner shall be competent to carryout the work related to the development permit as given below:

a) Preparation of plans for land subdivision/ layout and related information connected with development permit for all areas.

b) Issuing of certificate of supervision for development of land of all areas.

NOTE — However, for land layouts for development permit above 5 hectare in area, landscape architect shall also be associated, and for land development infrastructural services for roads, water supplies, sewerage/drainage, electrification, etc, the registered engineers for utility services shall be associated.

A-2.7 Landscape Architect

The minimum qualification for a landscape architect shall be the bachelor, master's degree in landscape architecture or equivalent from recognized Indian or foreign university.

A-2.7.1 *Competence*

The registered landscape architect shall be competent to carryout the work related to landscape design for building/development permit for land areas 5 hectare and above. In case of metro-cities, this limit of land area shall be 2 hectare and above.

NOTE — For smaller areas below the limits indicated above, association of landscape architect may also be considered from the point of view of desired landscape development.

A-2.8 Urban Designer

The minimum qualification for an urban designer shall be the master's degree in urban design or equivalent from recognized Indian or foreign university.

A-2.8.1 *Competence*

The registered urban designer shall be competent to carryout the work related to the building permit for urban design for land areas more than 5 hectare and campus area more than 2 hectare. He/she shall also be competent to carryout the work of urban renewal for all areas.

NOTE — For smaller areas below the limits indicated above, association of urban designer may be considered from the point of view of desired urban design.

A-2.9 Engineers for Utility Services

For buildings identified in **12.2.5.1**, the work of building and plumbing services shall be executed under the planning, design and supervision of competent personnel. The qualification for registered mechanical engineer (including HVAC), electrical engineer and plumbing engineers for carrying out the work of Air conditioning, Heating and Mechanical Ventilation, Electrical Installations, Lifts and Escalators and Water Supply, Drainage, Sanitation and Gas Supply installations respectively shall be as given in Part 8 'Building Services' and Part 9 'Plumbing Services' of the Code or as decided by the Authority taking into account practices of the national professional bodies dealing with the specialist engineering services.

Such an approach shall be followed for association of other/multi-disciplinary professionals for taking inputs and associating with their areas of specialization.

A-2.10 BUILDER/CONSTRUCTOR

The minimum qualification for the builder/constructor or his representative for execution of respective works shall be as given in **A-2.1**, **A-2.2**, **A-2.3**, **A-2.4**, **A-2.5**, **A-2.6**, **A-2.7**, **A-2.8** and **A-2.9** for the concerned professional.

A-2.10.1 Competence

The qualified builder/constructor or his representative shall be competent to carry out execution of work, which shall have the same extent as for supervision by such professional as prescribed in **A-2.1.1**, **A-2.2.1**, **A-2.3.1**, **A-2.4.1**, **A-2.5.1**, **A-2.6.1**, **A-2.7.1**, **A-2.8.1** and **A-2.9**.

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		Hence, EC deny SAC / SCE interpretation & these payments are valid. ❖ Excess tile-removal quantity (138% overrun) - ₹1,25,471.00 ❖ Debris carting — double-count lumpsum - ₹6,23,700.00 As explained earlier, the additional demolition was warranted due to partial removal of tiles for the retrofitting works during which, pre-existence of multiple flooring layers was found (Granite and wooden flooring laid in previous renovation works), which was adding on to the dead load. Considering the structural deficits with the building (such as beam honeycombing, lack of cover to the slabs and beams), the additional dead load was required to be removed before wooden flooring could be laid. Further Clarifying: ▪ There is no error in BOQ. The additional 5,018 Sqft of flooring area in the guest rooms had to be removed due to the retrofitting of columns, which required the flooring all around the columns to be removed. It became imperative to remove the remaining flooring. ▪ While in the process of removal of flooring, it was observed that the earlier renovation carried out was by laying of tiles on the existing granite floor, this also resulted in increase in the qty of debris. It is to be noted that the demolition of excess qty of 5,018 Sqft was necessitated to accommodate retrofitting works.

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		The Potential financial loss indicated by SCE is grossly wrong and a statement made without verification with either Monitoring committee / Chambers chairman / Club office / 3rd party Architect. To give clarity: Original demolition qty 3636 Sqft x Rs 25 = Rs. 90,900. Since we have to demolish additional qty of SCE estimate 5018 Sqft X25 = Rs 1,25,450. Hence, there is no financial loss as wrongly called out by SCE. • As explained in point # 01 above debris are not double counted. It highlights original quantity & the reason for excess quantity related to debris. • As informed earlier debris related to demolition of the Ground, first and second floor & bringing it to a common point on ground level is included as demolition items in point #2 "Removal of existing tiles & carting away the debris outside" in the contractor's tender. • What SAC is referring now is a separate line item point #8 in the WO for the second part of "carting away of demolished debris from Club premises to a far-off place outside" for disposal which is of ₹6,23,700. (Ref.: Tender BOQ, Sahaaya Builders WO CC/PRO-36/2025) Hence this is a valid expense. It has to be noted that there is no loss and this cannot be referred as double counting as mentioned by SAC/SCE. As per the above explanation the Honourable members to note that all the above Financial Impact of Rs. 25,46,460/- (Incl. GST) referred by SCE are not legitimate. The said amount of Rs. 25.46 lakhs was required for completion of the project. Further members to note that SCE has tabulated this report without consulting the members actively involved in the project, Office, Chairman of Guest Rooms, Architect, Third-party architect ,Monitoring committee.

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	On the Guest Room renovation alone, ***Sai Consulting Engineers have identified about*** ***₹25.94 lakhs of amounts that they cannot certify*** — consisting of overpaid or premature architect fees, consultants' charges that overlap with architect scope, demolition quantities inflated by 137.93% without revised approval, and a debris-carting item that is already included in other civil rates. ***In their view, these heads together represent a potential financial loss or exposure of roughly ₹25.94 lakhs to the Club,*** unless recovered or re-negotiated.	Honourable members to note that the report from the SCE/SAC related to Rs. 25,46,460/- (Incl. GST) is erroneous and misleading for the following reasons:- • Architect Fee is as per WO CC/PRO-03/2024 and paid as per milestone. • Structural engineer & other consultants fee are also as per WO & it may be noted that the Architect and structural engineer are differentiated as per NBC standard enclosed. • Removal of debris is as per BOQ mentioned in the tender documents page #1 point# 2 & 8.

SAC REPORT		CLUB REJOINDER
6.2	**Mock-Up Rooms — SCE Findings (₹16.04 L Rate Correction + ₹0.89 L Fee)**	
	M-01 **Excess Tender Rates vs. Market Rates — ₹16,04,116** During certification of mock-up room works, SCE observed that several approved contractual rates were significantly above prevailing market rates. SCE repriced the work strictly at market rates. This resulted in a downward correction of ₹16,04,116 — the certified value of mock-up works is ₹16.04 lakhs lower than what would have been paid at tender rates.	
	M-02 **Architect Fee Variance on Mock-Ups — ₹88,900** Architect's fees for the mock-up portion were recalculated at 7% of SCE's certified value (not the higher Club-approved cost). SCE found that fees already paid were tied to an earlier, higher project value, resulting in a variance of ₹88,900, treated as overpayment relative to actual certified work.	
	If two sample rooms show a ₹16 lakh gap between Club-approved rates and real market prices, imagine the magnitude of hidden overpricing when the entire Guest Room project is scaled up. These mock-up rooms also feature the most troubling conflict of interest: Cube Architects (certifying architect) and SYS Construction (executing contractor) share the same registered office address, with the same individual being a partner in both entities.	

SAC REPORT		CLUB REJOINDER
6.3	**Multipurpose Hall — SCE Findings (≈ ₹7.88 Lakhs)**	
	SCE Overall Position	

Notional SGM allocation for Multipurpose Hall	**₹50 Lakhs (out of ₹5 Crores total)**
Total WOs / contracts (all heads)	**₹1,01,04,993**
Work executed as on 15.12.2025	**₹99,53,308**
Amount spent (payments) as on 15.12.2025	**₹99,36,298**
Amount certified by third-party architect	**₹65,80,146**
Amount certified by SCE 'as per tender'	**₹91,62,177**
SCE-identified non-certifiable exposure	**≈ ₹7.88 Lakhs**

MH-01	**AV Installation — Double-Counted (₹1,10,000)** Installation and commissioning for AV equipment and lighting were already included in the quoted rates. Separate line items were nevertheless added and paid again. SCE quantify the duplicate AV installation charge at ₹1,10,000.	
MH-02	**Lighting Installation — Double-Counted (₹63,000)** Same issue as MH-01 — lighting installation fees included in main rates but billed again separately. Excess: ₹63,000.	

SAC REPORT	CLUB REJOINDER
MH-03 **Third-Party Architect Fee Doubled: 1% → 2% Without Justification** Third-party architect fee, normally 1% of certified value, was quietly doubled to 2%, creating an excess of approximately ₹42,024. No EC approval or documented rationale for this doubling has been produced.	
MH-04 **AV & Lighting Rate/Quantity + Non-Operated Items (₹63,000)** SCE quantify overstated quantities and rates in the AV and lighting packages, including non-operated items billed as installed. Exposure: ₹63,000.	
MH-05 **Revenue Budget Documentation Gap (₹3,87,085 — Unvalidated)** The revenue budget for the hall is ₹4,03,428 (excl. GST). SCE state that the claimed amount of ₹3,87,085 has been put forward without supporting measurement books, site records or certified statements. Until documentation is produced, this spend cannot be treated as fully validated work.	

SAC REPORT	CLUB REJOINDER
MH-07 **Warranty Certificates Not Produced** All equipment delivered and commissioned (audio systems, LEDs, ACs, control gear) must be backed by valid warranty certificates. For the Multipurpose Hall, no warranty certificates were produced to SCE at the time of audit. Without these, the Club cannot verify coverage or enforce future service obligations.	

AV installation double-count	**₹1,10,000**
Lighting installation double-count	**₹63,000**
Third-party architect fee excess (1% → 2%)	≈ ₹44,864
AV & lighting rate/quantity + non-operated items	**₹63,000**
Revenue Budget Documentation Gap	**₹3,87,085**
TOTAL — MULTIPURPOSE HALL	≈ ₹6,67,949
Add: GST	₹1,20,231
Total Financial Exposure	₹7.88 Lakhs

SAC REPORT		CLUB REJOINDER
6.4	**Badminton — SCE Findings (≈ ₹5.33 Lakhs)**	
	BA-01 **Dismantling Plaster — Not Separately Payable (WO CC/PRO11/2025, Item 2)** 'Dismantling the existing plastering on both sides of the walls to be demolished including scaffolding.' SCE remark: 'Not payable, because during Demolition it will covers' — plaster removal is part of wall demolition, not a separate payable item. Contract/executed amount: ₹21,335. Disputed: ₹21,335.	
	BA-02 **Dismantling Plaster — Additions (WO CC/PRO28/2025, Items 2I and 19)** Same description — dismantling plaster on both sides of walls to be demolished with scaffolding. SCE: this work is integral to wall demolition and 'cannot be treated as a separate payable item once the wall is dismantled.' Executed/claimed total: ₹19,234. Combined plaster overpayment risk: ₹40,569.	The tender specifications were drawn up based on extensive site study, however the actual execution of the work many defects in the old structure got exposed example of the lintels, weak walls behind the plaster. So the whole process was modified for the safety of workmen & safety of structure. It was meant was restriction of space. The observation of SCE is incorrect & their observation are applicable for new construction or modification of new building & not for old buildings. For SAC's query of BA01 & BA 02 this is the reply
	BA-03 **Electrical Works — Rate Above Market (₹250/sft vs. ₹180/sft)** Approved/paid rate: ₹250 per sft for electrical installation. Market benchmark rate: ₹180 per sft (SCE market verification). Measured at 1,355.30 sft (net). Excess per sft: ₹70. Total excess: ₹1,55,320.	The tender was negotiated on the total value of the quotation in line with the BOQ specifications and not on the individual items.

SAC REPORT		CLUB REJOINDER
BA-04	**Architect Scope vs. Separate Consultants — WO PRO03 (05.09.2024)** Cube Architects appointed at 6% on ₹65 lakhs (₹3.90 lakhs) with scope explicitly including coordination and provision of structural and MEP designs. Despite this, Club separately paid structural and MEP consultants. SCE refuse to treat these as additional — at least ₹1,80,000 of extra consultant fees is not independently payable as it duplicates the architect's contractual responsibilities.	As explained SCE/ SAC under the header 6.1 " GUEST ROOMS SEC FINDINGS", point # 03-a, the above query has already been answered however we are reproducing the same. What SCE/ SAC is refereeing to in their report refers to a general contractor & we have appointed only an Architect. It is important to note the relation between the architects, structural, MEP and other services consultants. Architect are not certified to design structural or elements for any services mentioned above, however they provide the basic requirements related to structural & other services for project. For example the architect defines the number of column position & the required spacing between the columns, number & positions of the toilets, electrical schematic drawings to the respective structural, MEP consultants to provide the detail design. Which is an accepted industry practise. Hence, we deny SAC / SCE interpretation.
BA-05	**Third-Party Architect Fee Doubled: 1% → 2% Without Justification** Third-party architect fee, normally 1% of certified value, was quietly doubled to 2%, creating an excess of approximately ₹76,420. No EC approval or documented rationale for this doubling has been produced.	Initially Work order issued to B P Sridhara Murthy for Rs.50,000/-. Later In the EC meeting held on 29.08.2025 it has been approved to enhance the fee from 1% to 2%, the work order copy and EC approval copies has been provided to SAC and explained the same to them.

	SAC REPORT		CLUB REJOINDER
	Dismantling plaster — Men's change room (WO PRO11)	**₹21,335**	
	Dismantling plaster — additions under PRO28	**₹19,234**	
	Electrical works — rate above market (₹250 vs ₹180/sft)	**₹1,55,320**	
	Architect Scope	**₹1,80,000**	
	Third-Party Architect Fees	**₹76,420**	
	TOTAL — BADMINTON	**₹4,52,309**	
	Add: GST	**₹81,416**	
	Total Financial Exposure	**₹5.33 Lakhs**	
	For the Badminton renovation, Sai Consulting Engineers identify about ₹1.96 lakhs of excess cost. This comprises dismantling-plaster items that are already inherent in wall demolition and therefore not payable (₹40,569), and electrical installation paid at ₹250/sft against a market-verified rate of ₹180/sft, creating an excess of ₹1,55,320. These items are independent of measurement reconciliations and represent clear, avoidable overpayments.		Please refer the answer above under BA 02 To BA5

SAC REPORT		CLUB REJOINDER
6.5	**Bar I Tone (Baritone) — SCE Findings (≈ ₹4.86 Lakhs)**	
	SCE Overall Position	

Baritone budget line (under overall hall sanction)	**₹1,17,34,226**
Main civil WO (Max Muller, after 5% rebate)	**₹1,03,98,413**
Additional tender quantity (PRO55/2025)	**₹62,446**
Non-tendered work (PRO56/2025)	**₹48,117**
Professional fee WOs (total contracted)	**₹12,25,250**
SCE certified fee portion (presently justifiable)	**₹2,73,203**
Work executed (all heads)	**₹15,08,158**
SCE certified value for Baritone	**₹10,19,276.18**

SAC REPORT		CLUB REJOINDER
BT-01	**Architect Fee Paid in Excess of Current Earned Scope** Contractual scope (WO CC/PRO03/2024, 05.09.2024): architect fee ₹4.50 lakhs (6% of ₹75 lakhs), scope expressly includes structural and MEP design, site visits, bill certification, working drawings, walk-in 3D visualisation and as-built drawings. Already paid: ₹5,16,634 even though project remains at ground-level with major deliverables pending. SCE certify only 50% of agreed PO = ₹2,25,000 basic (+ GST ₹40,500 = ₹2,65,500). Excess / premature payment: ₹2,91,634.	As explained SCE/ SAC under the header 6.1 " GUEST ROOMS SEC FINDINGS", point # 03-a, the above query has already been answered however we are reproducing the same. What SCE/ SAC is refereeing to in their report refers to a general contractor & we have appointed only an Architect. It is important to note the relation between the architects, structural, MEP and other services consultants. Architect are not certified to design structural or elements for any services mentioned above, however they provide the basic requirements related to structural & other services for project.

	SAC REPORT		CLUB REJOINDER
			For example the architect defines the number of column position & the required spacing between the columns, number & positions of the toilets, electrical schematic drawings to the respective structural, MEP consultants to provide the detail design. Which is an accepted industry practise. Hence, we deny SAC / SCE interpretation.
	BT-02	**Duplicate Structural, PHE and Electrical Consultants — ₹1,20,560** Separate POs issued (even though architect's scope covers these): Structural (Ashok Associates): ₹94,400 contracted, ₹37,760 paid — SCE mark 'In the scope of Architect', certify zero going forward. PHE (DEX MEP): ₹59,000 contracted, ₹14,750 paid — in architect's scope, certify zero. Electrical (Sarva Electrical): ₹53,100 contracted, ₹26,550 paid — in architect's scope, certify zero. Additional amount that should not have been separately incurred: ₹1,20,560.	• The scope of work undertaken in the CUBE Architects' work order includes provision basic service layouts "Scope of Work, A.3. Plumbing and 4. Electrical" included in the Tender Drawings (Refer to drawing nos.-CEN/ARC/GRB/02A-02C, CEN/INT/GRB/04,17,35) and supervision of Services, as stated under "Scope of Work, C. Co-ordination with various Building Services Consultant". The GFC technical details for the Structural and MEP works can only be provided by Specialised consultants, and are to be coordinated by the Architect. • It is important to note the relation between the architects, structural, MEP and other services consultants. • Architect are not certified to design structural or elements for any services mentioned above, however they provide the basic requirements related to structural & other services of any layout. It is the responsibility of the competent structural & MEP consultants to provide the necessary design details for the same. This is an accepted industry practise.

SAC REPORT	Please refer National Building Code of India (GOI) enclosed in **Annexure VII.**

NATIONAL BUILDING CODE OF INDIA

PART 0 INTEGRATED APPROACH — PREREQUISITE FOR APPLYING PROVISIONS OF THE CODE

1 SCOPE

This Code (Part 0) covers guidelines to be followed for judicious implementation of the provisions of various Parts/Sections of the National Building Code of India following an integrated approach.

2 TERMINOLOGY

For the purpose of this Part, the following definitions shall apply.

2.1 Authority Having Jurisdiction — The authority which has been created by a statute and which, for the purpose of administering the Code/Part, may authorize a committee or an official or an agency to act on its behalf; hereinafter called the 'Authority'.

2.2 Building — Any structure for whatsoever purpose and of whatsoever materials constructed and every part thereof whether used as human habitation or not and includes foundation, plinth, walls, floors, roofs, chimneys, plumbing and building services, fixed platforms, verandah, balcony, cornice or projection, part of a building or anything affixed thereto or any wall enclosing or intended to enclose any land or space and signs and outdoor display structures. Tents/*Shamianahs*/*Pandals*, tarpaulin shelters, etc, erected for temporary and ceremonial occasions shall not be considered as building.

2.3 Owner — A person, a group of persons or a body having a legal interest in land and/or building thereon. This includes freeholders, leaseholders or those holding a sublease, who will have legal right to occupation and have liabilities in respect of safety or building condition.

In the case of lease or sublease holders, as far as ownership with respect to the structure is concerned, the structure of a flat or structure on a plot belongs to the allottee/lessee till the allotment/lease subsists.

NOTE — For the purpose of the Code, the word 'owner' will also cover the generally understood terms like 'client', 'user', etc.

3 GENERAL

3.1 Buildings shall be classified as Residential, Educational, Institutional, Assembly, Business, Mercantile, Industrial, Storage and Hazardous in groups and sub-divisions as classified in Part 4 'Fire and Life Safety' of the Code.

For various related provisions of buildings with respect to administration; development control rules and general building requirements; building materials; fire and life safety; structural design; construction management, practices and safety; building and plumbing services; landscape development, signs and outdoor display structures; sustainability; asset and facility management, and other Parts/Sections of the Code may be referred to. For provisions on sustainability of buildings and built environment, reference to the concerned Part may be made, which while also referring to the other Parts/Sections as may be required, gives a comprehensive approach to sustainability.

3.2 The brief coverage in various Parts/Sections of the Code which cover detailed provisions on different aspects of development of land/building construction activity, are given in Annex A, with a view to providing an overview for the users of the Code.

4 TEAM APPROACH

4.1 A land development/building project and the built facility during its service life comprises the following major stages:

a) Location/siting,
b) Conceptualization and planning,
c) Designing and detailing,
d) Construction/execution,
e) Operation and maintenance, and
f) Decommissioning and deconstruction.

Each stage necessarily requires professionals of many disciplines who should work together as a well coordinated team to achieve the desired product delivery with quality and safety and other objectives, in an effective manner.

Appropriate multi-disciplinary teams (*see* **4.1.1** to **4.1.3**) need to be constituted to successfully meet the requirements of different stages. Each team may comprise need based professionals out of the following depending upon the nature, magnitude and complexity of the project:

1) Architect;
2) Civil engineer;
3) Structural engineer;
4) Geotechnical engineer;
5) Electrical engineer;
6) Plumbing engineer;

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7) Fire protection engineer;
8) Heating, ventilation and air conditioning engineer;
9) Lift, escalator and moving walk specialist;
10) Acoustics specialist;
11) Information/communication technology engineer;
12) Health, safety and environment specialist;
13) Environment/sustainability specialist;
14) Town planner;
15) Urban designer;
16) Landscape architect;
17) Security system specialist;
18) Interior designer;
19) Quantity surveyor;
20) Project/construction manager;
21) Accessibility and universal design specialist;
22) Asset/facility manager; and
23) Other subject specialist(s).

It is important that leaders and members of design team, project management/construction management team, and operation and maintenance team, depending on the size and complexity of the project, are carefully selected considering their qualification, experience and expertise in these fields.

4.1.1 *Design Team*

In building projects, various aspects like form; space planning; aesthetics; fire and life safety; structural adequacy; plumbing services; lighting and natural ventilation; electrical and allied installations; air conditioning, heating and mechanical ventilation; acoustics, sound insulation and noise control; installation of lifts and escalators; building automation; data and voice communication; other utility services installations; landscape planning, design and development; urban planning; etc need to be kept in view right at the concept stage. The project requiring such multi-disciplinary inputs need a coordinated approach among the professionals for proper integration of various design inputs. For this, and to take care of the complexities of multi-disciplinary requirements, a design team of professionals from the required disciplines shall be constituted at the appropriate stage. Here, it is desirable that the multi-disciplinary integration is initiated right from the concept stage. The team shall finalize the plan. The composition of the team shall depend on the nature, magnitude and complexities of the project. Design is an evolutionary and participatory process, where participation of the owner constitutes a very important input at all stages, and the same shall be ensured by the design team.

To ensure proper implementation of the design, the design team, may be associated during the construction/ execution stage.

4.1.2 *Project Management and Construction Management Teams*

The objective of project management or construction management is primarily to achieve accomplishment of a project in accordance with the designs and specifications in a stipulated time and cost framework, etc, with a degree of assurance prior to commencement and satisfaction on completion and commissioning.

For large projects, separate teams of experienced professionals from the required disciplines may be constituted for project management (including planning and scheduling) and for construction management depending upon the complexities of the project. However, for smaller projects these teams may be combined. The teams shall be responsible for day-to-day execution, supervision, quality control, etc, and shall ensure inter-disciplinary coordination during the construction stage. The team shall be responsible to achieve satisfactory completion of the project in respect of all relevant project management functions like cost, time, quality, safety, etc. Some members of the design team may also be included in the project management team and/or associated actively during the project execution stage.

4.1.3 *Operation and Maintenance Team*

Operation, maintenance and repairs also require a multi-disciplinary approach to ensure that all the requirements of the users are satisfactorily met. During maintenance and repairs, the jobs requiring inter-disciplinary coordination have to be executed in such a manner as not only to cause least inconvenience to the user but also to ensure that there is no mismatch or damage to the structure, finishing, fittings and fixtures, and to preserve the integrity of other services. For carrying out routine maintenance/repair jobs, utilization of the services of trained technicians preferably having multi-disciplinary skills should be encouraged.

Special repairs, rehabilitation and retrofitting are specialized jobs which demand knowledge of the existing structure/installations. Association of concerned specialists may be helpful for these works.

The operation and maintenance team may also be known as asset and facility management or estate management team.

5 PLANNING, DESIGNING AND DEVELOPMENT

5.1 The main functions of design team (*see* **4.1.1**) constituted for the planning, designing and development, are as under:

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the vicinity of other declared/historically important structures, and the scrutiny shall be limited to the external architectural features only so as to ensure an aesthetic continuance of the existing structures with the new. The scrutiny shall not deal with the routine building plan scrutiny from other requirements of Code from the point of view of structural safety and functional requirements.

18.2 An Urban Arts Commission shall be established at the city/state level on issues related to urban aesthetics, through a statute. This statutory authority/commission established by an Act of State Legislative Assembly, shall accord approval to all major buildings/important development projects having bearing on the urban aesthetics, depending upon the importance of the area with respect to natural or built heritage or projects on plot areas above 1 ha and located in specifically identified areas. The Urban Arts Commission shall act as guardian of urban architecture; mainly with regard to building form and envelope, the relationship between the building, and the ambient environment *vis-a-vis* other dependents should be seen in depth.

18.3 The Commission may work in the following manner:

a) The Commission may select only the important buildings as in **18.1** and examine the same. The person responsible for the schemes, say an architect or an engineer, may examine either alone or with the owner. A study of the plans, elevations, models, etc, should be made. The architect/engineer should explain in general terms the purposes which the building is to serve and the main conditions which have influenced him in preparing the design.

b) The Commission after full discussion, may communicate their decision in writing to the parties concerned. The Commission may recommend a change in the whole scheme or suggest modifications in the existing scheme, if so required.

18.4 The Urban Arts Commission should also be charged with advising the city government, on schemes which will beautify the city and add to its cultural vitality.

ANNEX A

[*Foreword and Clauses* 2.17, 6.5, 6.6, 9.1.3, 12.2.5.1, 12.2.8, 12.2.9, 12.3 *and* 12.9]

GUIDE FOR THE QUALIFICATIONS AND COMPETENCE OF PROFESSIONALS

A-1 ESSENTIAL REQUIREMENTS

Every building/development work for which permission is sought under the Code shall be planned, designed and supervised by registered professionals. The registered professionals for carrying out the various activities shall be: (a) Architect, (b) Engineer, (c) Structural engineer, (d) Geotechnical engineer, (e) Supervisor, (f) Town planner, (g) Landscape architect, (h) Urban designer, and (j) Utility service engineer. Requirements of registration for various professionals by the Authority or by the body governing such profession and constituted under a statute, as applicable to practice within the local body's jurisdiction, are given in **A-2.1** to **A-2.8**. The competence of such registered personnel to carry out various activities is also indicated in **A-2.1.1** to **A-2.8.1**.

The qualification and competence of the engineers for utility services and of builder/constructor shall be as prescribed in **A-2.9** and **A-2.10**, respectively.

A-2 REQUIREMENTS FOR REGISTRATION AND COMPETENCE OF PROFESSIONALS

A-2.1 Architect

The minimum qualifications for an architect shall be the qualifications as provided for in the *Architects Act*, 1972 for registration with the Council of Architecture.

A-2.1.1 *Competence*

The registered architect shall be competent to carryout the work related to the building/development permit as given below:

a) Preparation of all plans and information connected with building permit except engineering services of high rise/special

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buildings given in **12.2.5.1**.

b) Issuing certificate of supervision and completion of all buildings pertaining to architectural aspects.

c) Preparation of subdivision/layout plans and related information connected with development permit of area up to 1 hectare for metro-cities, and 2 hectare for other places.

d) Issuing certificate of supervision for development of land of area up to 1 hectare for metro-cities, and 2 hectare for other places.

A-2.2 Engineer

The minimum qualifications for an engineer shall be graduate in civil engineering/architectural engineering of recognized Indian or foreign university, or the Corporate Member of Civil Engineering Division/ Architectural Engineering Division of the Institution of Engineers (India) or the Member of the statutory body governing such profession, as and when established.

A-2.2.1 *Competence*

The registered engineer shall be competent to carryout the work related to the building/development permit as given below:

a) Preparation of all plans and information connected with building permit.

b) Structural details and calculations of buildings including subsurface investigation on plot up to 500 m^2 and up to 5 storeys or 16 m in height.

c) Issuing certificate of supervision and completion for all buildings.

d) Preparation of subdivision/layout plans and related information connected with development permit of area up to 1 hectare for metro-cities, and 2 hectare for other places.

e) Preparation of all service plans and related information connected with development permit.

f) Issuing certificate of supervision for development of land for all area.

A-2.3 Structural Engineer

The minimum qualifications for a structural engineer shall be graduate in civil engineering of recognized Indian or foreign university, or Corporate Member of Civil Engineering Division of Institution of Engineers (India), and with minimum 3 years experience in structural engineering practice with designing and field work.

NOTE — The 3 years experience shall be relaxed to 2 years in the case of post graduate degree of recognized Indian or foreign university in the branch of structural engineering. In case of doctorate in structural engineering, the experience required would be one year.

A-2.3.1 *Competence*

The registered structural engineer shall be competent to prepare the structural design, calculations and details for all buildings and carry out supervision.

A-2.3.1.1 In case of buildings having special structural features, as decided by the Authority, which are within the horizontal areas and vertical limits specified in **A-2.2.1**(b) and **A-2.5.1**(a) shall be designed only by structural engineers.

A-2.4 Geotechnical Engineer

The minimum qualifications for a geotechnical engineer shall be graduate in civil engineering of recognized Indian or foreign university, or Corporate Member of Civil Engineering Division of Institution of Engineers (India), and with minimum 3 years experience in geotechnical engineering practice with designing and field work.

NOTE — The 3 years experience shall be relaxed to 2 years in the case of post graduate degree of recognized Indian or foreign university in the branch of geotechnical engineering. In case of doctorate in geotechnical engineering, the experience required would be one year.

A-2.4.1 *Competence*

The registered geotechnical engineer shall be competent to carry out subsurface investigations and give report thereof. These may *inter-alia* include performing various tests required to determine engineering properties of sub-strata and ground water and making recommendations about the type of foundation, soil bearing capacity and the depth at which the foundations shall be placed, considering the structural system and loads supplied by the engineer/structural engineer.

A-2.5 Supervisor

The minimum qualifications for a supervisor shall be diploma in civil engineering or architectural assistantship, or the qualification in architecture or engineering equivalent to the minimum qualification prescribed for recruitment to non-gazetted service by the Government of India plus 5 years experience in building design, construction and supervision.

A-2.5.1 *Competence*

The registered supervisor shall be competent to carryout the work related to the building permit as given below:

a) All plans and related information connected with building permit for residential buildings on plot up to 200 m^2 and up to two storeys or 7.5 m in height; and

b) Issuing certificate of supervision for buildings as per (a).

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A-2.6 Town Planner

The minimum qualification for a town planner shall be the Associate Membership of the Institute of Town Planners or graduate or post-graduate degree in town and country planning.

A-2.6.1 *Competence*

The registered town planner shall be competent to carryout the work related to the development permit as given below:

a) Preparation of plans for land subdivision/ layout and related information connected with development permit for all areas.
b) Issuing of certificate of supervision for development of land of all areas.

NOTE — However, for land layouts for development permit above 5 hectare in area, landscape architect shall also be associated, and for land development infrastructural services for roads, water supplies, sewerage/drainage, electrification, etc, the registered engineers for utility services shall be associated.

A-2.7 Landscape Architect

The minimum qualification for a landscape architect shall be the bachelor, master's degree in landscape architecture or equivalent from recognized Indian or foreign university.

A-2.7.1 *Competence*

The registered landscape architect shall be competent to carryout the work related to landscape design for building/development permit for land areas 5 hectare and above. In case of metro-cities, this limit of land area shall be 2 hectare and above.

NOTE — For smaller areas below the limits indicated above, association of landscape architect may also be considered from the point of view of desired landscape development.

A-2.8 Urban Designer

The minimum qualification for an urban designer shall be the master's degree in urban design or equivalent from recognized Indian or foreign university.

A-2.8.1 *Competence*

The registered urban designer shall be competent to carryout the work related to the building permit for urban design for land areas more than 5 hectare and campus area more than 2 hectare. He/she shall also be competent to carryout the work of urban renewal for all areas.

NOTE — For smaller areas below the limits indicated above, association of urban designer may be considered from the point of view of desired urban design.

A-2.9 Engineers for Utility Services

For buildings identified in **12.2.5.1**, the work of building and plumbing services shall be executed under the planning, design and supervision of competent personnel. The qualification for registered mechanical engineer (including HVAC), electrical engineer and plumbing engineers for carrying out the work of Air conditioning, Heating and Mechanical Ventilation, Electrical Installations, Lifts and Escalators and Water Supply, Drainage, Sanitation and Gas Supply installations respectively shall be as given in Part 8 'Building Services' and Part 9 'Plumbing Services' of the Code or as decided by the Authority taking into account practices of the national professional bodies dealing with the specialist engineering services.

Such an approach shall be followed for association of other/multi-disciplinary professionals for taking inputs and associating with their areas of specialization.

A-2.10 BUILDER/CONSTRUCTOR

The minimum qualification for the builder/constructor or his representative for execution of respective works shall be as given in **A-2.1**, **A-2.2**, **A-2.3**, **A-2.4**, **A-2.5**, **A-2.6**, **A-2.7**, **A-2.8** and **A-2.9** for the concerned professional.

A-2.10.1 Competence

The qualified builder/constructor or his representative shall be competent to carry out execution of work, which shall have the same extent as for supervision by such professional as prescribed in **A-2.1.1**, **A-2.2.1**, **A-2.3.1**, **A-2.4.1**, **A-2.5.1**, **A-2.6.1**, **A-2.7.1**, **A-2.8.1** and **A-2.9**.

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			• Measuring and documenting the existing building. • Assessing structural limitations. • Coordinating demolition and modifications. • Resolving unforeseen site conditions. • Integrating new services into existing structures. Since the scope of work undertaken by the architect and the structural & service consultants is separate and is necessary for a project. Additional amount that should not have been separately incurred: ₹1,20,560 as observed by the SAC is not valid.
	BT-03	**Contractor Profile Concern: GST Registration Under Manufacturing** Baritone construction package awarded to Max Muller Technologies, but GST registration reflects manufacturing business, not construction services. Prior experience in construction is not evident from GST data alone. SCE recommend re-examining Max Muller's credentials, experience certificates and compliance documents placed before OB/EC at time of award.	As per Section 25 of the CGST Act, 2017, GST registration is granted to a person (legal entity) on a State-wise basis and is not restricted to any specific business activity. Accordingly, a single GST registration may cover multiple activities undertaken by the same entity. Further, as per Schedule II of the CGST Act, works contracts, including construction of buildings and civil structures, are expressly classified as "supply of services." Therefore, an entity previously engaged in manufacturing (supply of goods) is legally permitted to undertake construction (works contract services) under the same GST registration, subject to proper classification and compliance. All the vendors were having valid GST registrations and the billing was done by the vendors and upon certification paid by the club following all rules pertaining to GST.

SAC REPORT		CLUB REJOINDER
		Max Muller Technologies are in the buisness of interior design & fabrication & they had already carried out similar works in & around bangalore. One such project was visited by the member of monitoring committee, architect & third party architect. The report by the team dt 18.02.2025 recommended the vendor. The Max Muller Technologies have executed the restaurant project in the name "Kakal Kai Ruchi Restaurant".
Duplicate structural/MEP/electrical consultants (within architect's scope)	**₹1,20,560**	There is no duplication of structural/MEP/electrical consultants as scope of these consultants are not reflected in architects scope.
Architect fee paid in excess of 50% earned scope	**₹2,91,634**	Architect fee paid is based on the milestones achived & it is not based on the construction on the site.
TOTAL — BAR I TONE (BARITONE)	**₹4,12,194**	
Add: GST	**₹74,195**	
Total Financial Exposure	**₹4.86 Lakhs**	
For Baritone, Sai Consulting Engineers highlight a combined exposure of around ₹4.86 lakhs: (a) ₹1.20 lakhs (excl. GST) of structural/MEP/electrical consultants duplicating the architect's agreed scope, and (b) approximately ₹2.92 lakhs (excl. GST) of architect fee paid prematurely over and above 50% of the PO value with major deliverables outstanding.		The above claimed exposure are incorrect, details of the same are provided above BT-01 and BT-02. All the milestones required for the commencement of construction are met, and as per the WO the payments are made. There are no major deliverables pending.

	SAC REPORT	CLUB REJOINDER
6.6	**Table Tennis / Pickleball — SCE Findings (≈ ₹11.19 Lakhs)**	
	SCE Overall Position	

TT earlier sanction (25.06.2022)	**₹19,39,220**
Additional sanction (29.06.2024)	**₹38,00,000**
Total TT-related SGM sanction	**₹57,39,220**
TT contractor scope (Doors N Doors, post-deletion, post- rebate)	≈ ₹47,42,678 (incl. GST)
Puff sheet non-tender (TT roof sheeting)	₹3,58,637 (after 1.5% **rebate)**
As per WOs / all heads total	₹65,61,283 (incl. GST)
Work executed (contractor claims)	₹21,25,223
Amount spent / payments as on 15.12.2025	₹23,06,105
Amount certified by third-party architect	₹28,56,998
Amount certified by SCE 'as per tender'	₹11,56,487

This confirms that SCE are not willing to certify the full ₹23.06 lakh paid across TT + Pickleball, and they are cutting back to ₹11.56 lakh as justified.

TT-01 **Pickleball Bills Uncertified — No Sanctioned or Executed Civil Works**

Bills and WOs are common for 'Table Tennis Section & Pickle Ball Court Area.' SCE verified and certified only TT civil/finishing works as completed. For Pickleball,

SAC REPORT		CLUB REJOINDER
	SCE state that no civil works were considered or executed under the approved scope and they have not issued certification for that part. Amount billed (TT + Pickleball): ₹18,25,036. Certified (TT only): ₹9,80,366. Difference (Pickleball-related and other unsupported): ₹8,44,670.	
TT-02	**Third-Party Architect Fee Doubled: 1% → 2% Without Justification (PRO-13-2025) dated 28/08/2025** Third-party architect fee approved at 1% of certified value, was quietly doubled to 2%, creating an excess of approximately ₹1,03,636. No EC approval or documented rationale for this doubling has been produced.	

Total billed / spent (TT + Pickleball)	**₹18,25,036**
SCE-certified value (TT works only)	**₹9,80,366**
Third Party Architect Fees	**₹1,03,636**
Uncertified difference +Third Party Architect Fees	**₹9,48,306**
Add: GST	**₹1,70,695**
Total Financial Exposure	**≈ ₹11.19 Lakhs**

	SAC REPORT	CLUB REJOINDER
	For the Table Tennis Section & Pickleball Court Area, SCE identify approximately ₹11.19 lakhs of exposure. This amount corresponds to Pickleball and other items billed under the TT package for which no corresponding sanctioned or executed civil works exist, and which SCE therefore treat as not certifiable and not payable.	It seems these are repetitive queries which have been addressed in person along with relevant documents many times earlier.

SAC REPORT		CLUB REJOINDER
6.7	**Bamboo Bar — SCE Findings (₹0.57 Lakhs + Specification Breach)**	
	Total project per PO/records: **₹27,60,274.44** SCE certified value: **₹25,32,373.64** SCE-identified non-certifiable exposure: **₹0.57 Lakhs + unquantified granite breach**	
	BB- 01 **Steel Tubes Purchased but Not Found On-Site — ₹48,300** 50×50×2 mm steel tubes purchased 29.03.2025 from Star Iron Traders, Invoice No. KY3120. Purchase cost: ₹48,300 (excl. GST). SCE site verification: during physical inspection, this material was not found on site. The Bamboo Bar material schedule shows multiple Star Iron purchases (MS plates, sections, pipes, TMT) but this specific 50×50×2 mm tube consignment is not traceable in installed works or stock. Until reconciled, ₹48,300 (plus GST) represents a potential loss/ misappropriation.	The steel tube material is available in the stock of the club. The same is inspected and certified by the housekeeping section in their letter dt. 14.05.2026. Hence there is no loss / misappropriation. The detailed letter along with photographs are attached to this report.
	BB- 02 **Granite Slabs — Under-Thickness Specification Breach** Specification: granite slabs to be supplied in 18–20 mm thickness as per approved standard. SCE inspection: slabs measured at site found to be 14–16 mm — below	The standard specification provided in the BOQ is a primary selection of finishes. For a project being executed directly by the club, the final selections can be made in consultation with the Architect based on market availability of finishes. Apart from this, the final thickness of any applied material is subject to final finishing work, source of procurement and market standards for type of material finalized.

	SAC REPORT	CLUB REJOINDER
	specified range. Implications: non-compliance with contractual specification; potential reduced durability and structural performance for bar counters/circulation surfaces; Club has effectively received less material thickness than contracted.	
	Bamboo Bar: ₹0.57 Lakhs* quantified risk (non-traceable steel tubes purchased but missing on-site) plus an unquantified specification breach on granite thickness (14–16 mm supplied vs. 18–20 mm specified). The granite breach exposes the Club to premature wear, damage and potential requirement for replacement.	Answered in the foregoing paragraphs
	Margin of 5% error is considered.	

	SAC REPORT	CLUB REJOINDER
6.8	**SCE General Observations — Tendering and Contractor Qualification**	
	Pre-qualification: Not Enforced Across Projects	
	• The contractors to whom major civil and interior works were awarded did not demonstrably meet stated pre-qualification criteria on financial strength and technical capability.	• Tender notification was released in leading newspapers calling for bids in respect of the Renovation of Guestrooms dt on 20/01/2025 Six bids were received in response to this tender notification. After technical discussion and competitive negotiation process (Project Monitoring Committee Meetings dated 19/02/2025) M/S Sahaaya builders was issued the WO CC/PRO-36/2025. • Sufficient time was given from the date of advertisement of Tender notifications (dt 20/01/2025) for the prospective tenderers to submit the bid. And also the entire process of negotiation were completed as per EC dt 25/02/2025. In view of this the integrity & the competatvive process of the bidding is ensured & hence the observation of SAC is not factual.
	• Required evidence of turnover, net worth and banking/financial capacity was either not obtained or not evaluated before award.	We have collected all the above mentioned documents/data and the same has been shared with SAC
	• No verifiable documentation (audited financials, banker's certificates, GST/IT returns) was found on record to show that selected contractors had the financial depth to execute works of this magnitude without stress on timelines or quality.	We have collected all the above-mentioned documents/data and the same has been shared with SAC
	• Available profiles of appointed contractors did not reflect completion of comparable projects in terms of size, complexity or specification.	We have collected all the above-mentioned documents/data and the same has been shared with SAC. The project sites of the Vendors have been visited by the members of Monitoring Committee & Executive Committee in batches as well as the Third party architect & quality of work execution has been examined and satisfied before awarding the contract.

	SAC REPORT	CLUB REJOINDER
	• Awarding high value works to entities whose credentials have not been independently verified increases risk of quality deficiencies, delays, cost overruns and disputes on certification and variation claims.	We have collected all the above-mentioned documents/data and the same has been shared with SAC. The project sites of the Vendors have been visited by the members of Monitoring Committee & Executive Committee in batches as well as the Third party architect & quality of work execution has been examined and satisfied before awarding the contract.
	BOQ Quality and Material Specifications: Inadequate	
	• Tender BOQs and schedules did not consistently specify critical material parameters such as make, brand, model, grade and basic rates for key items (tiles, finishes, fittings, fixtures, systems).	The tender is to be read along with the tender drawings issued which were a part of the tender document. In the detail drawings of the tender, details regarding the specifications, make, color, shades etc. were provided. For Tender BOQs, competitive quotations were taken from various vendors and manufacturers for items such as tiles, finishes, fittings, fixtures etc. Reference images and specifications of fabric type, paint shade, material thickness were appended along with the item of work. Additionally, the tender document included a section providing the list of makes for items to be procured.
	• In several instances only generic descriptions were provided — creating flexibility for contractors to supply lower-grade or non-comparable materials while remaining nominally ‘within’ rate items.	Clarified in the above point
	• Lack of clear reference specifications and benchmarks makes third-party verification and cost certification more judgement-based and weakens the Club’s position in contesting claims.	Prebid clarification of queries on a number of items were entertained from the different vendors who had quoted for the work. The queries were addressed and suitable responses were given to the vendors.

SAC REPORT		CLUB REJOINDER
		After clarification of all the raised queries the competitive quotes from the vendors were entertained. This clearly indicates that the information provided was adequate for the vendors. As a matter of fact, the prepared tender and Tender Documents were approved in the Projects Monitoring Committee meeting before the paper notification was published in the leading newspapers.

SAC REPORT		CLUB REJOINDER
7.	**ARCHITECT ECOSYSTEM: CONCENTRATED POWER, CONFLICTED ROLES, ESCALATING COSTS**	
7.1	**How the Architect Was Positioned – One Firm, Many Cheques**	
	Across the projects under review, Cube Architects (Qube) was positioned not as one among several professionals, but as the central gatekeeper for design, scope and cost. Three separate work orders were issued to the same firm: • WO1: For all projects approved by the SGM — Rooms, Party Halls, Bar I Tone, Badminton, Billiards, etc. • WO2: For multi-level car parking (project not even started, yet ₹11.80 lakhs already paid on lumpsum basis.) • WO3: For overall Club beautification and master planning.	M/s Cube Architect was associated with the century Club since 2008 and had executed many projects successfully and satisfactorily. In view of which the firm was selected as the principal architect of the club and was assigned to design all the projects including the multi-level car parking, club beautification and master planning.

PROJECTS WORKED FOR CENTURY CLUB

SL.NO	PROJECT NAME	YEAR	
1	COMMON TOILET	2008	
2	STAFF TOILET	2010	
3	OFFICE RENOVATION - PRESIDENT & VP	2010	
4	SPA & SALON	2012	
5	SWIMMING POOL	2013	
6	HEALTHCARE ,GYM & KITCHEN	2013	
7	BAMBOO BAR TOILET	2013	
8	TOILET NEAR SWIMMING POOL	2018	
9	MOCKUP - 106 & 107	2023	
10	MASTER PLANNING	2024	
11	**REDEVELOPMENT PROJECTS**	2024-26	ONGOING
A	BADMINTON/OFFICE	2024-26	ONGOING
B	BAR I TONE	2024-26	ONGOING
C	BAMBOO BAR	2024-26	ONGOING
D	GENERAL TOILET	2024-26	ONGOING
E	GUESTROOM	2024-26	ONGOING
F	CORRIDOR, LOBBY & PARTY HALL	2024-26	ONGOING

	SAC REPORT	CLUB REJOINDER
	In each case, the fee was fixed as a flat percentage (typically 6%) of the sanctioned SGM budget or "estimated cost", not of the actual tendered Work Order value. The result: the higher the notional project cost shown to members, the higher the guaranteed architect fee — regardless of whether the work is actually tendered, executed, reduced in scope, or even started.	Though the fee was fixed based on the estimated cost, the final payment would be made on the basis of the work executed only. In view of which the payment to Architect will be based on the Work executed and not on the estimated cost. No excess payment is envisaged.
	Impact: the architect's commercial interest is tied to keeping estimates and sanctioned amounts high, not to helping the Club save money at tender stage. This creates a fundamental structural conflict between the architect's financial incentives and the Club's interest in cost control.	There is no conflict. The general market practice of payment to any Architect is as per the milestone achieved by them & linked to Work Order also in line with the Council or Architecture (GOI)

SAC REPORT			CLUB REJOINDER
7.2	**Paying on Sanction, Not on Work — Crores Committed, Lakhs Already Out**		
	Guest Rooms — Architect fee contracted (6% on ₹4.50 Cr)	**₹27.00 Lakhs (₹22.30 Lakhs already paid)**	The architect's fee is based on scope of work & as per milestones completed as per the WO CC/PRO03/2024.
	Guest Rooms — Already paid (project at retrofitting stage only)	**₹18.90 Lakhs (70% including brought out items)**	A tabulation containing the guidelines of council of architecture, WO to Cube Architect, Payments made by the club till 31.12.2025 in respect of professional fee of Architects.
	Guest Rooms — SCE certified portion (25% of work done)	**₹6.83 Lakhs**	
	Guest Rooms — SCE-identified overpayment	**₹12.06 Lakhs**	
	Kitchen Renovation — Fee paid (no live tender or WO)	**₹70,800**	
	Bar I Tone — Fee paid vs. work executed	**Fees exceed work by 111.8% Total paid Rs. 6.10 Lakhs including GST on total value of Rs. 1.23 Crores)**	
	Badminton — Architect fee base (₹51.54 lakhs) vs. contractor WO (₹33.30 lakhs)	**Basis unclear — inflated by ₹18.24 Lakhs**	
	Cube Architects — Payment stage as on 31.03.2026, Guest Rooms	**70% paid — incl. on bought-out items ₹1,60,07,810**	
	Cube Architects — Payment stage, Bar I Tone	**70% paid — incl. on bought-out items ₹34,88,591**	

Council Of Architecture		WO to CUBE Architects		Payment made by Century Club			
Stages of Payment	**Percentage of Fee**	**Stages of Payment**	**Percentage of Fee**	**Guest Rooms**	**Bar-I-Tone**	**Badminton**	**Bamboo Bar**
		Architectural Consultancy fee 6% of final project cost upon execution		6% on project cost Rs. 4,18,55,268= 25,11,316.08	6% on project cost Rs. 1,23,00,805= 7,38,048.30	6% on project cost Rs. 51,54,054.26= 3,09,243	6% on project cost Rs. 37,84,967= 2,27,098.02
Retainer On appointment/ Signing of Agreement/ acceptance of offer.	**Rs. 20,000 or 5% of the total fees payable, whichever is higher, adjustable at the last stage.**	Signing of Work Order	10% on Consultancy Fee Advance	270000.00	45000.00	39000.00	

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Cube Architects — Multi-car parking advance carried over	**₹11.80 Lakhs — project not started**
Cube Architects —General Party Hall (Excluding Bar I Tone)	**₹1,06,200 — project not started**
Cube Architects- General Toilet	**₹4,89,050- project not started**

Stage 1 On submitting conceptual designs and rough estimate of cost.	**10% of the total fees payable.**	Submission and Acceptance of Part-1: Concept & Schematic including Specialised Services Consultant fees	25% of the total Professional Fee	675000.00	112500.00	77310.81	113549.01
Stage 2 On submitting the required preliminary scheme for the Client's approval along with the preliminary estimate of cost.	**20% of the total fees payable less payment already made at Stage 1.**						
Stage 3 On incorporating Client's suggestions and submitting drawings for approval from the Client/ statutory authorities, if required.	**30% of the total fees payable less payment already made at Stages 1 and 2.**						

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		Upon Client's / statutory approval necessary for commencement of construction, wherever applicable.	**35% of the total fees payable less payment already made at Stages1 to 3a.**	Submission and Acceptance of Part-2: Detail Design & Drawings Development	25% of the total Professional Fee	675000.00	112500.00	77310.81	
		Stage 4 Upon preparation of working drawings, specifications and schedule of quantities sufficient to prepare estimate of cost and preparation of tender documents.	**45% of the total fees payable less payment already made at Stages1 to 3a.**						
		Stage 5 On inviting, receiving and analysing tenders; advising Client on appointment of contractors.	**55% of the total fees payable less payment already made at Stages 1 to 4.**	Submission and Acceptance of Part-3: Tender Documentation & Negotiation	10% of the total Professional Fee	270000.00	45000.00	No payment made	No payment made

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Stage 6 On submitting working drawings and details required for commencement of work at site.	**65% of the total fees payable less payment already made at Stages 1 to 5.**	Part-4: During Construction, Inspection & Supervision stage, which will include Periodic site visits, Quality checks, Checks on adherence to design drawings. (Progressive payments shall be made at this stage on mutually agreed upon milestones)	20% of the total Professional Fee	No payment made	No payment made	No payment made	No payment made
On completion of 20% of the work	**70% of the total fees payable less payment already made at Stages 1 to 6a.**						
On completion of 40% of the work	**75% of the total fees payable less payment already made at Stages 1 to 6b(i).**						
On completion of 60% of the work	**80% of the total fees payable less payment already made at Stages 1 to 6b(ii).**						

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On completion of 80% of the work	**85% of the total fees payable less payment already made at Stages 1 to 6b(iii).**						
On Virtual Completion	**90% of the total fees payable less payment already made at Stages 1 to 6b(iv).**						
Stage 7 On submitting Completion Report and drawings for issuance of completion/ occupancy certificate by statutory authorities, wherever required and on issue of as built drawings	**100% of the fees payable less payment already made at**	Part 5 - Post Construction	10% of the total Professional Fee	Stage yet to be reached	Stage yet to be reached	Stage yet to be reached	Stage yet to be reached
			total amounts	**18,90,000.00**	**3,15,000.00**	**1,93,621.63**	**1,13,549.01**
		As per revised tender, Architects have yet to be paid		17,57,921.26	5,16,633.81		

SAC REPORT		CLUB REJOINDER
		As clearly visible above the architects work on the project starts at the signing of the work order with major deliverables undertaken before execution/ construction stage. As the project proceeds from the idea stage till the start of execution. The work done by the Architect is paid as per the milestone as specified in the WO. This amounts to almost 70% of total payment as on date as the milestone stage achieved by the Architect. However total payment will be made based on the total project completion and again based on further milestones. All the deliverables shared by the architect i.e. site visits during execution, running bill certification, detailed working drawings, walk-in 3D visualizations, etc.. have already been made available to the SAC/SCE in soft copies & hard copies. It is also to be noted that the scope of work for the architect includes the selection, coordination and assistance during procurement of all bought out items. These items procured by club are not included in the contractor's scope of work under the tender value of Rs.305 lakhs. Due to this the architects fee is based on the total project cost OR as per actuals for all packages of the tender.
	In effect, the Club started by paying the architect for the promise of crores of future work, instead of paying progressively for real work done — ***our cheques ran ahead of both tenders and bricks.*** Fee payments, including on bought-out items, have been made ahead of full project closure without a clear, documented milestone-based linkage, contrary to best practice in consultant contract management.	The architect's fee is based on scope of work & as per milestones completed as per the WO CC/PRO03/2024 in line with the guidelines of Council or Architecture.

	SAC REPORT	CLUB REJOINDER
7.3	**The Mock-Up Rooms – A Textbook Conflict of Interest**	
	The mock-up rooms (106 and 107) show the most troubling overlap of roles in this entire project portfolio:	
	• Architect of Record: Qube Architects — responsible for architectural design, scope of work, and bill and quality certification for the mock-up rooms.	
	• Executing Contractor: SYS Construction — a sole proprietorship where the same person, Mr. Sandeep, is the Proprietor	
	• Registered Office: ***Both Qube Architects and SYS Construction share the exact same registered corporate address and Mr. Sandeep is Partner in Cube and actively involved in Club works.***	
	• One individual is partner in the architect firm issuing drawings, certifying bills, and certifying quality; the contractor firm receiving payments is his own proprietorship; and the office address for both entities is the same.	Cube and SYS constructions are different legal entities. The mock up room work is only experimental to see how the rooms would look like after renovation, hence to synergize the concept design and the work execution, Cube and SYS constructions was selected.
	• At the same time, the SCE engineer's certification shows approved contractual rates for mock-up works were above prevailing market rates; when recalculated at realistic market rates, there is an excess of ₹16,04,116. Architect's fee for the mock-ups was also higher than justifiable on the corrected certified amount; variance is about ₹88,900.	The approved contractual rate for mock up works were as per the prevailing market rates at that point of time, and the quantities are small.
	• In case of Mock Rooms- Third Party Architect certificate obtained from M. D Purushothama does not hold good as he - *is a Consulting Engineer and not a registered valuer.*	There is no conflict of interest between cube architect & SYS constructions. Cube Architect is a partner ship firm with Ranjith Shetty & Sandeep Yadur as partners. Whereas SYS construction is a proprietor concern of S. Yadur

	SAC REPORT	CLUB REJOINDER
		hence these 2 are different legal entities. In order to ensure the independent quality and cost validation, third party architect were also appointed by the club. Sandeep Yadur was associated with club since 2008 and has the worked for various projects successfully. A list of which is given below. Based on the experience of the club with Sandeep, the task of preparing the architectural plan and other works was entrusted to Sri Sandeep.

PROJECTS WORKED FOR CENTURY CLUB

SL.NO	PROJECT NAME	YEAR	
1	COMMON TOILET	2008	
2	STAFF TOILET	2010	
3	OFFICE RENOVATION - PRESIDENT & VP	2010	
4	SPA & SALON	2012	
5	SWIMMING POOL	2013	
6	HEALTHCARE ,GYM & KITCHEN	2013	
7	BAMBOO BAR TOILET	2013	
8	TOILET NEAR SWIMMING POOL	2018	
9	MOCKUP - 106 & 107	2023	
10	MASTER PLANNING	2024	
11	**REDEVELOPMENT PROJECTS**	2024-26	ONGOING
A	BADMINTON/OFFICE	2024-26	ONGOING
B	BAR I TONE	2024-26	ONGOING
C	BAMBOO BAR	2024-26	ONGOING
D	GENERAL TOILET	2024-26	ONGOING
E	GUESTROOM	2024-26	ONGOING
F	CORRIDOR, LOBBY & PARTY HALL	2024-26	ONGOING

	SAC REPORT	CLUB REJOINDER
		MD Purushottam is a qualified engineer having decades of experience hence he was entrusted with the certification of Mock rooms works
	In the mock-up rooms, the same mind designed the work, certified the bill, and owned the contractor — and when an independent engineer finally priced it at market, over ₹16 lakhs of the approved amount simply vanished on paper. Members can draw their own conclusions.	

	SAC REPORT	CLUB REJOINDER
7.4	**No Competition, No Documentation — Where the Architect's Firms Benefit**	
	• Projects and fee work orders around ₹40 lakhs were given without any competitive quotations, directly undermining Regulations 8.3.1 and 8.3.2.	M/s Cube Architect was associated with the century Club since 2008 and had executed many projects successfully and satisfactorily. In view of which the firm was selected as the principal architect of the club and was assigned to design all the projects including the multi-level car parking, club beautification and master planning.
	• Almost all payments are made through advance as the Advance account of two years shows payment of Rs. 41.35 Lakhs.	Only 10% of the architect fee is paid as an advance, while the rest of the payment to date corresponds to the milestone achieved in each of the projects.
	• Several architect letters (for example on Table Tennis) are unsigned, undated, and do not even state the balance work and its cost — yet are being relied upon to project future budgets and justify fee payments.	We need more details for verification.
	• In multiple cases, the Club chose to issue separate POs for structural, MEP and third- party architectural services even though those scopes were already included in the original architect's contract — effectively paying twice for oversight.	The scope of work undertaken in the Architectural Consultancy Services of CUBE Architects work order includes provision of basic service layouts "Scope of Work, A.3. Plumbing and 4. Electrical" included in the Tender Drawings (Refer to drawing nos.- CEN/ARC/BRT/04,10,14A,14B) and supervision of Services, as stated under "Scope of Work, C. Co-ordination with various Building Services Consultant". The GFC technical details for the Structural and MEP works can only be provided by Specialised Consultants, and are to be coordinated by the Architect.

SAC REPORT	Please refer National Building Code of India (GOI) enclosed in **Annexure VII.**

NATIONAL BUILDING CODE OF INDIA

PART 0 INTEGRATED APPROACH — PREREQUISITE FOR APPLYING PROVISIONS OF THE CODE

1 SCOPE

This Code (Part 0) covers guidelines to be followed for judicious implementation of the provisions of various Parts/Sections of the National Building Code of India following an integrated approach.

2 TERMINOLOGY

For the purpose of this Part, the following definitions shall apply.

2.1 Authority Having Jurisdiction — The authority which has been created by a statute and which, for the purpose of administering the Code/Part, may authorize a committee or an official or an agency to act on its behalf; hereinafter called the 'Authority'.

2.2 Building — Any structure for whatsoever purpose and of whatsoever materials constructed and every part thereof whether used as human habitation or not and includes foundation, plinth, walls, floors, roofs, chimneys, plumbing and building services, fixed platforms, verandah, balcony, cornice or projection, part of a building or anything affixed thereto or any wall enclosing or intended to enclose any land or space and signs and outdoor display structures. Tents/ *Shamianahs*/*Pandals*, tarpaulin shelters, etc, erected for temporary and ceremonial occasions shall not be considered as building.

2.3 Owner — A person, a group of persons or a body having a legal interest in land and/or building thereon. This includes freeholders, leaseholders or those holding a sublease, who will have legal right to occupation and have liabilities in respect of safety or building condition.

In the case of lease or sublease holders, as far as ownership with respect to the structure is concerned, the structure of a flat or structure on a plot belongs to the allottee/lessee till the allotment/lease subsists.

NOTE — For the purpose of the Code, the word 'owner' will also cover the generally understood terms like 'client', 'user', etc.

3 GENERAL

3.1 Buildings shall be classified as Residential, Educational, Institutional, Assembly, Business, Mercantile, Industrial, Storage and Hazardous in groups and sub-divisions as classified in Part 4 'Fire and Life Safety' of the Code.

For various related provisions of buildings with respect to administration; development control rules and general building requirements; building materials; fire and life safety; structural design; construction management, practices and safety; building and plumbing services; landscape development, signs and outdoor display structures; sustainability; asset and facility management, and other Parts/Sections of the Code may be referred to. For provisions on sustainability of buildings and built environment, reference to the concerned Part may be made, which while also referring to the other Parts/Sections as may be required, gives a comprehensive approach to sustainability.

3.2 The brief coverage in various Parts/Sections of the Code which cover detailed provisions on different aspects of development of land/building construction activity, are given in Annex A, with a view to providing an overview for the users of the Code.

4 TEAM APPROACH

4.1 A land development/building project and the built facility during its service life comprises the following major stages:

a) Location/siting,
b) Conceptualization and planning,
c) Designing and detailing,
d) Construction/execution,
e) Operation and maintenance, and
f) Decommissioning and deconstruction.

Each stage necessarily requires professionals of many disciplines who should work together as a well coordinated team to achieve the desired product delivery with quality and safety and other objectives, in an effective manner.

Appropriate multi-disciplinary teams (*see* **4.1.1** to **4.1.3**) need to be constituted to successfully meet the requirements of different stages. Each team may comprise need based professionals out of the following depending upon the nature, magnitude and complexity of the project:

1) Architect;
2) Civil engineer;
3) Structural engineer;
4) Geotechnical engineer;
5) Electrical engineer;
6) Plumbing engineer;

PART 0 INTEGRATED APPROACH — PREREQUISITE FOR APPLYING PROVISIONS OF THE CODE 5

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7) Fire protection engineer;
8) Heating, ventilation and air conditioning engineer;
9) Lift, escalator and moving walk specialist;
10) Acoustics specialist;
11) Information/communication technology engineer;
12) Health, safety and environment specialist;
13) Environment/sustainability specialist;
14) Town planner;
15) Urban designer;
16) Landscape architect;
17) Security system specialist;
18) Interior designer;
19) Quantity surveyor;
20) Project/construction manager;
21) Accessibility and universal design specialist;
22) Asset/facility manager; and
23) Other subject specialist(s).

It is important that leaders and members of design team, project management/construction management team, and operation and maintenance team, depending on the size and complexity of the project, are carefully selected considering their qualification, experience and expertise in these fields.

4.1.1 *Design Team*

In building projects, various aspects like form; space planning; aesthetics; fire and life safety; structural adequacy; plumbing services; lighting and natural ventilation; electrical and allied installations; air conditioning, heating and mechanical ventilation; acoustics, sound insulation and noise control; installation of lifts and escalators; building automation; data and voice communication; other utility services installations; landscape planning, design and development; urban planning; etc need to be kept in view right at the concept stage. The project requiring such multi-disciplinary inputs need a coordinated approach among the professionals for proper integration of various design inputs. For this, and to take care of the complexities of multi-disciplinary requirements, a design team of professionals from the required disciplines shall be constituted at the appropriate stage. Here, it is desirable that the multi-disciplinary integration is initiated right from the concept stage. The team shall finalize the plan. The composition of the team shall depend on the nature, magnitude and complexities of the project. Design is an evolutionary and participatory process, where participation of the owner constitutes a very important input at all stages, and the same shall be ensured by the design team.

To ensure proper implementation of the design, the design team, may be associated during the construction/execution stage.

4.1.2 *Project Management and Construction Management Teams*

The objective of project management or construction management is primarily to achieve accomplishment of a project in accordance with the designs and specifications in a stipulated time and cost framework, etc, with a degree of assurance prior to commencement and satisfaction on completion and commissioning.

For large projects, separate teams of experienced professionals from the required disciplines may be constituted for project management (including planning and scheduling) and for construction management depending upon the complexities of the project. However, for smaller projects these teams may be combined. The teams shall be responsible for day-to-day execution, supervision, quality control, etc, and shall ensure inter-disciplinary coordination during the construction stage. The team shall be responsible to achieve satisfactory completion of the project in respect of all relevant project management functions like cost, time, quality, safety, etc. Some members of the design team may also be included in the project management team and/or associated actively during the project execution stage.

4.1.3 *Operation and Maintenance Team*

Operation, maintenance and repairs also require a multi-disciplinary approach to ensure that all the requirements of the users are satisfactorily met. During maintenance and repairs, the jobs requiring inter-disciplinary coordination have to be executed in such a manner as not only to cause least inconvenience to the user but also to ensure that there is no mismatch or damage to the structure, finishing, fittings and fixtures, and to preserve the integrity of other services. For carrying out routine maintenance/repair jobs, utilization of the services of trained technicians preferably having multi-disciplinary skills should be encouraged.

Special repairs, rehabilitation and retrofitting are specialized jobs which demand knowledge of the existing structure/installations. Association of concerned specialists may be helpful for these works.

The operation and maintenance team may also be known as asset and facility management or estate management team.

5 PLANNING, DESIGNING AND DEVELOPMENT

5.1 The main functions of design team (*see* **4.1.1**) constituted for the planning, designing and development, are as under:

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the vicinity of other declared/historically important structures, and the scrutiny shall be limited to the external architectural features only so as to ensure an aesthetic continuance of the existing structures with the new. The scrutiny shall not deal with the routine building plan scrutiny from other requirements of Code from the point of view of structural safety and functional requirements.

18.2 An Urban Arts Commission shall be established at the city/state level on issues related to urban aesthetics, through a statute. This statutory authority/commission established by an Act of State Legislative Assembly, shall accord approval to all major buildings/important development projects having bearing on the urban aesthetics, depending upon the importance of the area with respect to natural or built heritage or projects on plot areas above 1 ha and located in specifically identified areas. The Urban Arts Commission shall act as guardian of urban architecture; mainly with regard to building form and envelope, the relationship between the building, and the ambient environment *vis-a-vis* other dependents should be seen in depth.

18.3 The Commission may work in the following manner:

a) The Commission may select only the important buildings as in **18.1** and examine the same. The person responsible for the schemes, say an architect or an engineer, may examine either alone or with the owner. A study of the plans, elevations, models, etc, should be made. The architect/engineer should explain in general terms the purposes which the building is to serve and the main conditions which have influenced him in preparing the design.

b) The Commission after full discussion, may communicate their decision in writing to the parties concerned. The Commission may recommend a change in the whole scheme or suggest modifications in the existing scheme, if so required.

18.4 The Urban Arts Commission should also be charged with advising the city government, on schemes which will beautify the city and add to its cultural vitality.

ANNEX A

[*Foreword and Clauses* 2.17, 6.5, 6.6, 9.1.3, 12.2.5.1, 12.2.8, 12.2.9, 12.3 *and* 12.9]

GUIDE FOR THE QUALIFICATIONS AND COMPETENCE OF PROFESSIONALS

A-1 ESSENTIAL REQUIREMENTS

Every building/development work for which permission is sought under the Code shall be planned, designed and supervised by registered professionals. The registered professionals for carrying out the various activities shall be: (a) Architect, (b) Engineer, (c) Structural engineer, (d) Geotechnical engineer, (e) Supervisor, (f) Town planner, (g) Landscape architect, (h) Urban designer, and (j) Utility service engineer. Requirements of registration for various professionals by the Authority or by the body governing such profession and constituted under a statute, as applicable to practice within the local body's jurisdiction, are given in **A-2.1** to **A-2.8**. The competence of such registered personnel to carry out various activities is also indicated in **A-2.1.1** to **A-2.8.1**.

The qualification and competence of the engineers for utility services and of builder/constructor shall be as prescribed in **A-2.9** and **A-2.10**, respectively.

A-2 REQUIREMENTS FOR REGISTRATION AND COMPETENCE OF PROFESSIONALS

A-2.1 Architect

The minimum qualifications for an architect shall be the qualifications as provided for in the *Architects Act*, 1972 for registration with the Council of Architecture.

A-2.1.1 *Competence*

The registered architect shall be competent to carryout the work related to the building/development permit as given below:

a) Preparation of all plans and information connected with building permit except engineering services of high rise/special

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buildings given in **12.2.5.1**.

b) Issuing certificate of supervision and completion of all buildings pertaining to architectural aspects.

c) Preparation of subdivision/layout plans and related information connected with development permit of area up to 1 hectare for metro-cities, and 2 hectare for other places.

d) Issuing certificate of supervision for development of land of area up to 1 hectare for metro-cities, and 2 hectare for other places.

A-2.2 Engineer

The minimum qualifications for an engineer shall be graduate in civil engineering/architectural engineering of recognized Indian or foreign university, or the Corporate Member of Civil Engineering Division/ Architectural Engineering Division of the Institution of Engineers (India) or the Member of the statutory body governing such profession, as and when established.

A-2.2.1 *Competence*

The registered engineer shall be competent to carryout the work related to the building/development permit as given below:

a) Preparation of all plans and information connected with building permit.

b) Structural details and calculations of buildings including subsurface investigation on plot up to 500 m^2 and up to 5 storeys or 16 m in height.

c) Issuing certificate of supervision and completion for all buildings.

d) Preparation of subdivision/layout plans and related information connected with development permit of area up to 1 hectare for metro-cities, and 2 hectare for other places.

e) Preparation of all service plans and related information connected with development permit.

f) Issuing certificate of supervision for development of land for all area.

A-2.3 Structural Engineer

The minimum qualifications for a structural engineer shall be graduate in civil engineering of recognized Indian or foreign university, or Corporate Member of Civil Engineering Division of Institution of Engineers (India), and with minimum 3 years experience in structural engineering practice with designing and field work.

NOTE — The 3 years experience shall be relaxed to 2 years in the case of post graduate degree of recognized Indian or foreign university in the branch of structural engineering. In case of doctorate in structural engineering, the experience required would be one year.

A-2.3.1 *Competence*

The registered structural engineer shall be competent to prepare the structural design, calculations and details for all buildings and carry out supervision.

A-2.3.1.1 In case of buildings having special structural features, as decided by the Authority, which are within the horizontal areas and vertical limits specified in **A-2.2.1**(b) and **A-2.5.1**(a) shall be designed only by structural engineers.

A-2.4 Geotechnical Engineer

The minimum qualifications for a geotechnical engineer shall be graduate in civil engineering of recognized Indian or foreign university, or Corporate Member of Civil Engineering Division of Institution of Engineers (India), and with minimum 3 years experience in geotechnical engineering practice with designing and field work.

NOTE — The 3 years experience shall be relaxed to 2 years in the case of post graduate degree of recognized Indian or foreign university in the branch of geotechnical engineering. In case of doctorate in geotechnical engineering, the experience required would be one year.

A-2.4.1 *Competence*

The registered geotechnical engineer shall be competent to carry out subsurface investigations and give report thereof. These may *inter-alia* include performing various tests required to determine engineering properties of sub-strata and ground water and making recommendations about the type of foundation, soil bearing capacity and the depth at which the foundations shall be placed, considering the structural system and loads supplied by the engineer/structural engineer.

A-2.5 Supervisor

The minimum qualifications for a supervisor shall be diploma in civil engineering or architectural assistantship, or the qualification in architecture or engineering equivalent to the minimum qualification prescribed for recruitment to non-gazetted service by the Government of India plus 5 years experience in building design, construction and supervision.

A-2.5.1 *Competence*

The registered supervisor shall be competent to carryout the work related to the building permit as given below:

a) All plans and related information connected with building permit for residential buildings on plot up to 200 m^2 and up to two storeys or 7.5 m in height; and

b) Issuing certificate of supervision for buildings as per (a).

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A-2.6 Town Planner

The minimum qualification for a town planner shall be the Associate Membership of the Institute of Town Planners or graduate or post-graduate degree in town and country planning.

A-2.6.1 *Competence*

The registered town planner shall be competent to carryout the work related to the development permit as given below:

a) Preparation of plans for land subdivision/ layout and related information connected with development permit for all areas.

b) Issuing of certificate of supervision for development of land of all areas.

NOTE — However, for land layouts for development permit above 5 hectare in area, landscape architect shall also be associated, and for land development infrastructural services for roads, water supplies, sewerage/drainage, electrification, etc, the registered engineers for utility services shall be associated.

A-2.7 Landscape Architect

The minimum qualification for a landscape architect shall be the bachelor, master's degree in landscape architecture or equivalent from recognized Indian or foreign university.

A-2.7.1 *Competence*

The registered landscape architect shall be competent to carryout the work related to landscape design for building/development permit for land areas 5 hectare and above. In case of metro-cities, this limit of land area shall be 2 hectare and above.

NOTE — For smaller areas below the limits indicated above, association of landscape architect may also be considered from the point of view of desired landscape development.

A-2.8 Urban Designer

The minimum qualification for an urban designer shall be the master's degree in urban design or equivalent from recognized Indian or foreign university.

A-2.8.1 *Competence*

The registered urban designer shall be competent to carryout the work related to the building permit for urban design for land areas more than 5 hectare and campus area more than 2 hectare. He/she shall also be competent to carryout the work of urban renewal for all areas.

NOTE — For smaller areas below the limits indicated above, association of urban designer may be considered from the point of view of desired urban design.

A-2.9 Engineers for Utility Services

For buildings identified in **12.2.5.1**, the work of building and plumbing services shall be executed under the planning, design and supervision of competent personnel. The qualification for registered mechanical engineer (including HVAC), electrical engineer and plumbing engineers for carrying out the work of Air conditioning, Heating and Mechanical Ventilation, Electrical Installations, Lifts and Escalators and Water Supply, Drainage, Sanitation and Gas Supply installations respectively shall be as given in Part 8 'Building Services' and Part 9 'Plumbing Services' of the Code or as decided by the Authority taking into account practices of the national professional bodies dealing with the specialist engineering services.

Such an approach shall be followed for association of other/multi-disciplinary professionals for taking inputs and associating with their areas of specialization.

A-2.10 BUILDER/CONSTRUCTOR

The minimum qualification for the builder/constructor or his representative for execution of respective works shall be as given in **A-2.1**, **A-2.2**, **A-2.3**, **A-2.4**, **A-2.5**, **A-2.6**, **A-2.7**, **A-2.8** and **A-2.9** for the concerned professional.

A-2.10.1 Competence

The qualified builder/constructor or his representative shall be competent to carry out execution of work, which shall have the same extent as for supervision by such professional as prescribed in **A-2.1.1**, **A-2.2.1**, **A-2.3.1**, **A-2.4.1**, **A-2.5.1**, **A-2.6.1**, **A-2.7.1**, **A-2.8.1** and **A-2.9**.

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	• The Internal Auditor has failed in their fiduciary duty by failing to demand SGM or Board approval that specifically permits direct procurement over a public/closed tender for amounts exceeding the statutory limit.	
	When the same architect ecosystem designs the job, certifies the bills, owns one of the key contractors, and faces no competing bids or signed accountability, then every extra rupee of members' money becomes easier to justify and harder to challenge. These patterns require thorough investigation and decisive corrective action before any further engagement or payment is considered.	There is no provision in the rules and regulations of the club that the internal auditor can demand SGM or board approval for direct procurement over tender for amounts exceeding the statutory limit. The EC has the power to resort to direct procurement in the interest of the club.

	SAC REPORT	CLUB REJOINDER
8	**MODUS OPERANDI OF TENDER: WHEN TENDERS BECOME PAPER WORK**	
	Across projects, we see a clear pattern: announce a tender to show procedure, then quietly execute large portions of the work outside that tender. In practice, only about 60% of the estimated value is brought under the formal tender; the rest is pushed through as "bought- out items" at architect-certified market rates, completely outside any price-discovery mechanism. This turns tenders from a safeguard into a ritual.	The brought items were chosen for procurement directly by the club instead of tendering, so as to economize on the cost of the project. These brought out items were identified by collecting relevant competitive quotations by the architect after finalizing the specifications/brands etc required for the club with the management of the club.
	Below are the details of each project showing how this modus operandi is operated.	
8.1	**Tender vs. Estimation: Project-wise Summary**	
	The table below captures, across all six projects, the architect's total estimated value compared with the value actual tendered — revealing the consistent pattern of issuing tenders for only approximately 50–70% of the full estimated scope.	

SAC REPORT	CLUB REJOINDER

Project	Total Es- timated Value (Lakhs)	Tender Issued(L akhs)	Adver- tised Amount (Tender)	Balance / Rate- Only Items (Lakhs)	Projected Total Cost (Lakhs)
Badmin- to n	76.70	**39.29**	**60.18**	Rate items ₹15.13 + Puff Sheet ₹12.74 + PHE ₹9.54	**144.00**
Multi- purp ose Hall	No Archi- tect	**59.06**	**59.06**	Bought out ₹16.06(no procedure)	**100.25**
Bar I Tone	141.85	**103.98**	**147.50**	Rate-only items₹38.29 (no procedure)	**~150.00 (min.)**
Table Tennis (Ariyan Designs)	No Archi- tect	**50.05**	**68.44**	Non-tender executed₹6.39	**~22.41 (partial)**
Guest Rooms	514.35	**305.00**	**513.00**	Addl. items ₹213.66 Retrofitting + Mock- up+ Contingency+ Prof. Fee.)	**~727.00 (₹7.50 Cr.)**

SAC REPORT	CLUB REJOINDER
The consistent pattern: tenders are issued for only 50–70% of the estimated project value. The remaining 30–50% — designated as “Rate Only Items”, “Bought-out” or “Non-Tender” components — is procured directly outside any competitive price-discovery mechanism, in systematic violation of Regulations 8.3.1 and 8.3.2.	The bought out items were chosen for procurement directly by the club instead of tendering, so as to economize on the cost of the project. These bought out items were identified by collecting relevant competitive quotations by the architect after finalizing the specifications/brands, etc., required for the club with the management of the club.

SAC REPORT			CLUB REJOINDER
1	**Badminton**		
	Total Budget (SGM approved)	**₹76.70 Lakhs**	
	Additional proposed (new)	**₹29.50 Lakhs**	
	TOTAL BUDGET (revised)	**₹1,06,20,000 (₹106.20 Lakhs)**	
	Balance work to be done (projected cost)-Architect	**₹74,78,201**	
	Balance work formula	**₹106.20 L less work done other than bought out) 31.42 L**	
	Total WOs issued to date	**₹43,43,373 + ₹1,26,289 = ₹44,69,662**	
	Work executed (as per architect's report)	**₹31,41,799**	
	Balance to be executed (as per report)	**₹74,78,201 (₹106.20 L less ₹31.42 L)**	
	Amount accounted in books (excl. Professional Fee ₹4,02,874)	**₹44,53,365**	
	Discrepancy — books vs. architect's work executed figure	**₹13,11,566 (many bought-out purchases not in Architect's report)**	

<table>
<tr><th></th><th>SAC REPORT</th><th>CLUB REJOINDER</th></tr>
<tr><td></td><td>Projected Total Cost Build-up — Badminton</td><td></td></tr>
<tr><td></td><td>
<table>
<tr><th>Component</th><th>Amount (₹ Lakhs)</th></tr>
<tr><td>Balance work to be executed (per architect’s projection)</td><td>74.78</td></tr>
<tr><td>Add: Excess spent in books — bought-out items (not in report)</td><td>13.11</td></tr>
<tr><td>Add: Professional Fee already paid</td><td>4.03</td></tr>
<tr><td>Add: Balance Professional Fee (estimated)</td><td>3.08</td></tr>
<tr><td>Total Projected Cost</td><td>~95.00 Lakhs (balance to complete)</td></tr>
<tr><td>Add: Amount already spent in books (total)</td><td>48.56</td></tr>
<tr><td>GRAND TOTAL — PROJECTED PROJECT COST (₹95L+₹45L spent)</td><td>≈ ₹144.00 Lakhs</td></tr>
<tr><td>Original SGM Budget</td><td>₹76.70 Lakhs</td></tr>
<tr><td>ESCALATION OVER ORIGINAL BUDGET</td><td>₹67.30 Lakhs (+87.7%)</td></tr>
</table>
</td><td></td></tr>
<tr><td></td><td>The estimation of work as per Architect’s letter is ₹76.70 Lakhs, whereas the Tender issued is only for ₹39.29 Lakhs. The balance — Rate Items ₹15.13 Lakhs, Puff Sheet Roofing ₹12.74 Lakhs, and difference in PHE Work ₹9.54 Lakhs — was procured without competitive tendering. This is the method followed across all projects: issuing tenders for only approximately 50% of the estimation.</td><td>• As on 31/03/2026 * Rs.42.13 lakhs + GST Rs.6.58 lakhs = Rs.48.71 lakhs, less sponsorship of Rs.3.72 lakhs & Rs.0.81 lakhs from revenue budget = Rs.43.19 lakhs

Amount Paid- Rs. 34.73 lakhs (Excl. GST) – Amount paid towards Tendered works – Civil work for extension of shower area, Renovation of existing changing rooms, Toilets, Remodeling of stage. Professional fees- Architect,</td></tr>
</table>

	SAC REPORT	CLUB REJOINDER
		Third party architect Structural consultant, PHE Consultant .and for Bought out items- Plumbing materials, Sanitary items, Tiles, Grill work, Force exhaust system, Doors & Windows, Glass partitions, Light fixtures, PVC drain Chambers & Electrical items. Strengthening of the roof in changing area by providing additional ISMB. Plastering work of roof area in veranda & changing area which were Non tendered items. Amount paid & accounted under Revenue budget Rs. 81,000/- only (Revenue budget for Vinyl flooring work, Supply of painting material and Core cutting work). The existing building is very old and as there was lot of challenges we started the project which needed lot of structural strengthening. Time was required to get the clearance from Architect, Structural & PHE consultants.
2	**Multipurpose Hall**	

Total Tender WO value (incl. GST)	**₹59.06 Lakhs**
WOs issued on basis of weak quotations (add-ons)	**₹23.59 Lakhs**
TOTAL WO VALUE (Tender + Quotation WOs)	**₹82.65 Lakhs**
Total Work Done (all heads)	**₹1,00,25,000 (₹100.25 Lakhs)**
Less: Professional Fee	**₹1.54 Lakhs**
Net Work Done (excl. Prof. Fee)	**₹98.71 Lakhs**
Excess over total WO value (bought-out — no procedure)	**₹16.06 Lakhs**

SAC REPORT	CLUB REJOINDER
Key Observations — Multipurpose Hall	
a. **Documents not produced:** No documentation has been submitted for this project. Estimated Cost.	It is the decision taken in the SGM supported by the members while discussions on continuity of the Departmental Stores and sanction of Rs. 50 Lakhs Renovating the Department stores. Hence the comments of the SAC invalid should be deleted.
b. **EC meeting 28.11.2025 — Architect's submission:** In the EC meeting held on 28.11.2025, the architect submitted work for ₹24,52,413.34 + GST for Toilet and Dining Hall. The status of this submission and decision on this is stated to be pending.	The decision kept pending to renovate the Toilet & Dining Hall. Hence the comments of the SAC invalid should be deleted.
c. **₹16.06 Lakhs bought-out without any procedure:** Total Work Done (₹100.25 L) less Professional Fee (₹1.54 L) = Net ₹98.71 L. Against Total WOs (₹82.65 L), this leaves ₹16.06 Lakhs executed as bought-out items with no tender, no quotation, and no documented approval procedure.	The club follows proper procedures in case of Bought out items for all development programs . Necessary quotations have been obtained and the same has been shared with SAC with explanation. Hence the comments of the SAC invalid should be deleted.
d. In case of LED order Rs. 513890/- given to Signified Infra the other party of quotation is Blitzkrieg Audio Visual to whom Audio System order was given.	Work Order issued to Signified Infra towards supply of LED Indoor wall. The amount quoted by Signified Infra is Rs. 4,35,500/- and Blitz Audio visual have quoted for Rs.5,87,588/- hence the WO issued to the one who have quoted less. Hence the comments of the SAC invalid should be deleted.
e. In case of Blitzkrieg Audio Visual order given for Audio Rs. 1846456/- the other parties have no Trade Name to compare.	The details of other parties namely Surabhi Enterprises & AVIDS Technologies who have quoted for Audio & party lights and the details of the same has been provided to SAC both physically and through an E mail. Hence the comments of the SAC invalid should be deleted.

	SAC REPORT	CLUB REJOINDER
	The details of estimation, BOQ, and WO-wise breakup have not been produced. ₹16.06 Lakhs has been spent outside any procedure.	• Work Order of Rs, 49.81 Lakhs issued for – Soundproofing & Acoustic treatment, Interiors, HVAC Systems, Electrical Work, Auxiliary Equipment, Copper tube piping and Third-Party Architect Fee • Work Order for Rs.31.43 Lakhs issued for – Audio Party lights, Air Conditioner, Indoor LED wall, LED trolly, Electrical Items, Stabilizer, Century Club Logo, Interior lights, Star lights, Neon signage & CCTV. • Work Order for Rs.3.87 Lakhs issued for – Minor Civil Works, Supply & Installation of Dutch Cap and Texture paints. • This facility "Kaliedo" has generated as per the 106th Annual report & Audited Accounts a revenue of Rs. 4,82,500/- within the span of 5 months (Nov 2025 to Mar 2026) and Rs.3,82,500/- (Apr 2026 & May 2026)

SAC REPORT		CLUB REJOINDER
3.	**Bar I Tone**	

Total Budget allocated (out of ₹500 L + GST for all Party Halls — SGM)	**₹125.30 Lakhs + GST = ₹147.85 Lakhs**
Estimated Value of Work (as per architect's report)	**₹147.85 Lakhs**
Tender issued and finalized (Tender WO)	**₹103.98 Lakhs**
Tender as % of estimate	**~70%**
Balance — Rate Only Items (to be purchased without procedure)	**₹38.29 Lakhs (~26% of estimate)**
Professional Fee already paid (8% structure)	**₹7.38 Lakhs**
Balance work shown as to be done (per architect, incl. GST)	**₹140.15 Lakhs**
Non-tender & additional work already paid	**₹1,10,000**
Projected balance work (realistic estimate) (1.40+0.08+0.02)	**~₹1.50 Crores (minimum)**

Key Observations — Bar I Tone

a. **Total Budget:** ₹125.30 Lakhs + GST = ₹147.85 Lakhs (out of total ₹500 Lakhs + GST sanctioned by SGM for all Party Halls).

SAC REPORT	CLUB REJOINDER
b. **Tender shortfall:** The estimated value per architect's report is ₹147.85 Lakhs, whereas the tender issued and finalized is only ₹103.98 Lakhs — approximately 70%. The balance ₹38.29 Lakhs comprises Rate Only Items which will be purchased without following any procurement procedure.	The brought out items will be procured by the club following the rules and regulations only.
c. **Certified balance is understated:** Balance work shown as to be done is ₹140.15 Lakhs (incl. GST). This figure does not include: (i) non-tender and additional work already paid ₹1,10,000; (ii) Professional Fee (8% — ₹7.38 Lakhs already paid); (iii) further additional or non-tender work expected in future.	EC sanctioned for the project Rs.147.5 Lakhs (Incl. GST). Already payment of of Rs. 15.08 Lakhs including Profession fee of Rs. 7.38 Lakhs. The Non Tender & Additional Non tender already paid of Rs.1,10,000/- is not correct.
d. **Critical question:** Can the Architect confirm that there will be absolutely no additional work or non-tender items in the balance scope? The balance work certified at ₹140.15 Lakhs is therefore not reliable as stated.	As on today this question is redundant due to stoppage of the work by the decision of SGM.
e. **Projected realistic balance:** The balance work of ₹140.15 Lakhs is likely to change to at least ₹1.50 Crores when professional fees, additional works and non-tender items are factored in.	As on today this question is redundant due to stoppage of the work by the decision of SGM.

	SAC REPORT		CLUB REJOINDER
4.	**Table Tennis — Doors N Doors**		
	Architect	**Ariyan Designs**	
	Details of estimation of value provided	**NONE**	
	Total WO issued (as per tender)	**₹66.21 Lakhs**	
	Tender work executed (as per Architect's letter)	**₹15.77 Lakhs**	
	Non-tender work executed	**₹6.23 Lakhs**	
	Total value executed per architect's letter	**₹22.00 Lakhs**	
	Total bills accounted in books (excl. Professional Fee)	**₹20.63 Lakhs**	
	Discrepancy — letter vs. books	**₹1.37 Lakhs (bills not accounted in books)**	
	Balance work and its cost stated in letter	**NOT STATED — statement sent is incomplete**	
	Key Observations — Table Tennis		
	a. No details of estimation of total project value have been provided by the architect.		The details of estimation along with Drawings have been provided to SAC.
	b. **WO vs. execution:** WO issued for ₹66.21 Lakhs. Out of this, only ₹15.77 Lakhs of tender work has been executed. Additionally, ₹6.23 Lakhs of non-tender work has been executed — a proportion that raises serious questions about scope management.		The Additional Non tendered work order has been issued- originally it was decided to put the Mangalore tiles due to the exigency happens due to rain, wind, tree branch falling, the present committee decided to change from Mangalore tiles to Puff sheet for safety purpose.

SAC REPORT		CLUB REJOINDER
	c. No details of estimation of total project value have been provided by the architect.	The details of estimation along with Drawings have been provided to SAC.
	d. Books vs. architect letter mismatch: Total value executed per architect's letter is ₹22.00 Lakhs, whereas bills accounted in books (excl. professional fee) is only ₹20.63 Lakhs. The difference of ₹1.37 Lakhs represents bills not accounted in books.	
	e. Statement incomplete: The statement does not say what the balance work is and what it will cost to execute. The document therefore does not serve the purpose for which it was called.	
	An architect's (Ariyan Design consultant) letter and bills are without date, without a signature, and without stating the balance work and its cost is not a valid project status document. It cannot be accepted as evidence of project progress or cost certification.	

SAC REPORT			CLUB REJOINDER
4.	Guest Rooms		
	Total Estimated Value (architect's report)	₹514.35 Lakhs	
	Tender issued and finalized	₹305.00 Lakhs	
	Tender as % of estimate	~59%	
	Additional expenses expected — Retrofitting (partly done) Rs. 123.05 (As per Nagesh Estimation) Less Spent Rs. 69.38 Lakhs	₹53.67 Lakhs	
	Additional expenses — Mock-up Rooms (done and written off)-Actual Amount spent Rs. 46.90 inclusive of GST	₹46.90 Lakhs	The mock up rooms are estimated to cost Rs.20.00 lakhs as opposed to the above claimed value of Rs.46.90 lakhs.
	Additional expenses — Other Contingency 53.10 Lakhs and Professional Charges 60 Lakhs (All) as proposed by Management in SGM Notice.	₹113.1 Lakhs	
	Total Additional Expenses Expected	₹213.67 Lakhs	
	TOTAL PROJECTED PROJECT COST (current)	₹728.01 Lakhs	
	Tender work as % of revised total	~40%	
	Ledger-wise Expenditure as on Date		
	The architect's statement shows work executed as ₹84.83 Lakhs with no breakup for tender work, non-tender work, or additional tender work (unlike other projects). The actual ledger position as on date is as follows:		

	SAC REPORT	CLUB REJOINDER

Expenditure Head	Amount (₹ Lakhs)
i) Tender Work	40.73
ii) Additional / Non-Tender Work	35.49
iii) Professional Fee	27.67
TOTAL (as per ledger)	103.89
Note: Difference of ₹0.31 Lakhs due to non-reversal of Input Credit	—

Reconciliation: Balance Work Stated vs. Total Cost Claimed

Balance work to be done (per architect's statement)	₹584.38 Lakhs
Add: Amount of work done (per architect's own figures)	₹77.78 Lakhs
TOTAL (balance + done, per architect)	₹662.16 Lakhs
Total cost stated by architect in the same letter	₹653.59 Lakhs

The balance work to be done is shown as ₹584.38 Lakhs. Adding the amount of work done as per the architect’s own figures (₹77.78 Lakhs), the total comes to ₹662.16 Lakhs — whereas the architect states the total cost is ₹653.59 Lakhs. This internal inconsistency of ₹8.57 Lakhs is attributed to a security deposit deduction. This must be reconciled and explained.

SAC REPORT	CLUB REJOINDER
Projected Final Total Cost — Guest Rooms	

Component	Amount (₹ Lakhs)
Current revised projected cost (per architect)	**653.59**
Add: Professional charges already paid (not included above)	**27.67**
Add: Balance professional fee (estimated) on Total project)	~45.00
Add: Difference in Mock-up rooms, as only ₹20 Lakhs were considered by Architect.	23.20
PROJECTED FINAL TOTAL PROJECT COST	**~₹749.49 Lakhs (Nearly ₹7.50 Crores)**
Original SGM Budget	₹5.31Croes (₹4.50 Crores + GST)
ESCALATION OVER ORIGINAL SGM BUDGET	**₹219.00 Lakhs (+43%)**

SAC REPORT	CLUB REJOINDER
The fact that ₹27.67 Lakhs has already been paid as professional charges — which is not added in the architect's revised projected cost of ₹653.59 Lakhs — means we may have to meet additional amounts under this head. Adding total professional fees at approximately 10% of the total project, the total cost of the Guest Rooms project will go up to approximately ₹749.49 Lakhs, i.e., ₹7.50 Crores.	Projected final total project cost Rs. 749.49 Lakhs - As proposed to the SGM was not discussed and hence the observation is not relevant.

SAC REPORT	CLUB REJOINDER
Consolidated Project Cost Summary — All Projects	
The following table consolidates the key financial data across all six projects, drawing from the architect-submitted letters and club ledger figures:	

Project	SGM Budget (₹ Lakhs)	Tender WO Issued (₹ Lakhs)	Work Donein Books (₹ Lakhs)	Prof. Fee Paid (₹ Lakhs)	Projected Final Cost (₹ Lakhs)	Escalation
Badminton	76.70	**39.29**	48.56	4.03	**~144.00**	**+88%**
Multi-purpose Hall	~50.00 (notional)	**59.06 (tender)**	100.25	1.54	**~100.25**	**~100%+**
Bar I Tone	147.85	**103.98**	15.08	7.38	**~150.00+**	**>1%**
Table Tennis	57.39 (stacked)	**66.21**	20.63	2.43	**NA**	**N/A**
Guest Rooms	531.00	**305.00**	103.89	27.67	**~749.49 (₹7.50 Cr.)**	**+43%**

SAC REPORT	CLUB REJOINDER
Across all six projects, the architect-submitted letters and club ledger figures confirm that tenders were issued for only 50–70% of the total estimated value. The remaining 30–50% — designated as ‘Rate Only Items’, ‘Bought-out’, or ‘Non-Tender’ components — was procured entirely outside the competitive tendering process mandated by Regulations 8.3.1 and 8.3.2. This is not project-level variation; it is a systematic, institutionalised procurement model that converts mandatory competitive transparency into an administrative formality.	The Club will be procuring the bought out items by following the regulation 8.3.1 & 8.3.2. This method will economies the cost of the items for project. The method is not in contravention to the regulation of the club.

	SAC REPORT	CLUB REJOINDER
	Guest Rooms alone: SGM budget ₹5.31 Crores → Projected final cost ₹7.50 Crores — a 43% escalation (₹2.19 Crores above what members approved). The entire excess has been committed without fresh General Body sanction.	It is wrong to say that additional expenditure to the tune of Rs. 2.19 Cr is already committed. The proposal was placed before SGM dt 4/1/26 however it was not discussed & not approved.

	SAC REPORT	CLUB REJOINDER
8.2	**Vendor Selection That Defeats the Logic of Tendering**	
	• In Guest Rooms and Bar I Tone, six and four vendors respectively applied, with three common bidders participating in both. Yet none of these common, construction-related bidders were awarded — instead, work went to “exclusive” bidders, including Max Muller Technologies for Bar I Tone, whose GST profile does not show construction as a core business.	The guest room tender was awarded to M/s Sahaya Builders who are reputed builders having satisfactory credentials. The Bar I Tone is a project involving mainly fabrication / interior works rather than civil construction. The Max Muller Technologies are having relevant experience in Manufacturing of furniture, fabrication & interior design. Based on these credentials the tender was awarded. The GST certification reflects this status of the tenderer.
	• Vivechana Constructions (Badminton): GST profile shows earlier business in cameras/electronics; construction added later. Turnover range ₹40 lakhs to ₹1.5 crores — may be under scaled for a ₹66.84 lakh renovation.	The original GST profile is towards Construction work and the add on to profile is Cameras /electronics. It has been discussed in Monitoring Committee meeting Dated: 16.04.2025 and EC Dated: 24.04.2025 & approved.
	• Max Muller Technologies (Bar I Tone): GST shows manufacturing, retail, warehouse — not construction. Based in Tirupur. WO lacks bank details and proprietor signature.	Max Muller Technologies are engaged in the manufactures of furniture, fabrication & interiors design. The civil construction work in Bar I Tone project is insignificant hence max muller technologies have the necessary capabilities to execute the project. The WO doesn’t generally contain the bank details of the vendor. The proprietor has signed on the copy of the WO acknowledging the receipt of the same.
	• Doors and Doors is a interior designer whose has been awarded civil work tender (predominantly) for ₹ 47.43 Lakhs. This vendor is from Udaipur, Rajasthan, and being a company no official letterhead is used.	Doors N Doors is having GST certificate & they have used the correct HSN codes for billing civil works. Hence there is no ambiguity. The vendor is from Rajasthan and he is having an official letterheads and same has been using for the communication to club.

SAC REPORT	CLUB REJOINDER
• Lotus Energy Systems (Multipurpose Hall add-ons): GST classification is electrical — not civil construction — yet awarded civil hall work during election embargo period.	The civil work is the part of the work is very low and insignificant. Due to difficulty in getting contractor for small works, the vendor was requested to carry out the Civil work also. Besides the Multipurpose Hall "kaliedo" was set up in the place where Departmental Store situated. The Room/ Building was already in place and there was no major civil construction work involved.
• Across projects, contracts have repeatedly been given to entities whose primary GST- declared activity is not construction — raising obvious questions on quality, delays and rework risk.	The guest room contractor M/s Sahaya builders has included as primary activity in its GST declaration, as the guest room tender is mainly civil construction/ renovation work. Where as in respect of Bar I Tone the work involved is mainly furniture, fabrication & interiors design. The civil work was insignificant & ancillary to the main activity.

SAC REPORT		CLUB REJOINDER
8.3	**Table Tennis: Breach of Basic Tender Qualification — EMD Ignored**	
	• Standard practice: technical/eligibility and EMD conditions must be satisfied before a financial bid can even be opened. If EMD is missing, that bid is rejected. • TT tender required interest-free EMD of ₹50,000 by DD along with the form. Only M/s Vivechana Constructions paid the EMD. M/s Doors N Doors did not pay EMD. • Despite this, the tender was awarded to Doors N Doors, and this award was approved by both OB and EC. Vivechana 's EMD was not encashed.	
	This is not a technicality; it means the core gatekeeping rule of the tender was knowingly ignored to favour a non-compliant bidder. This raises a concern about potential bias or connection influencing the award — and explanation is required on why tender conditions on EMD were overridden.	The experience of MC, OB & EC is that attracting contractors for small value projects / works in the club environment is very difficult. We were able to attract 3 tenders – Doors N Doors Deco-built (P) Ltd, Print impact and Vivechana constructions. Only Vivechana provided EMD. Out of the three tenders that participated, The two tender namely Doors N Doors Deco Built Pvt Ltd quoted for Rs.56,96,520/- and he has given 1,00,828/- of discount and Print Impact quoted for Rs. 63,73,285/- has not offered any discount. Vivechana Constructions had quoted 85,65,389/- and has not offered any discount, his quote was higher than the Doors N Doors Deco Pvt Ltd.

SAC REPORT		CLUB REJOINDER
		The process followed: Vivechana was called and negotiated, but they after discussing internally, they expressed their inability to extend any discount. As they were off the target price, we extended the same offer to other two vendors, Print Impact was rigid and did not extend any discount. Hence the lowest tenderer Doors N Doors, were discussed by MC, OB & EC without EMD. Though EMD was required, vendor selection was based on technical and financial evaluation. Deviation approved by Monitoring Committee and EC (Annexure TT-4). The monitoring sub-committee meeting along with the EC members was held on 7/5/2025 ,it has mentioned that the Doors N Doors & Print Impact had not submitted the EMD along with the Tender. The work order issued to Doors N Doors there is no mention of EMD in the terms & conditions. WO Approved in EC dt 27/5/2025. As the retender process would take more than a month in order to save time & cost the OB EC & the MC decided to award the WO to the lowest tenderer Doors to Doors without EMD.

SAC REPORT		CLUB REJOINDER
8.4	**No Written Criteria, No Independence Declarations**	
	• For multiple projects, there is no documented selection matrix — no scoring sheet, no written rationale — to show why one vendor was chosen over another. Without this, vendor choice rests only on trust in a few individuals, not on a transparent process.	The methodology for floating of tender, selection of tenderers is carried out as per the prevailing rules regulations in the Club since long time. The MC consist of eminent members of the Club who are experts in various fields, who will assess & recommend the selection of the vendor. The club is not following the practice of Technical bid & Financial bid separately since for decades. Hence the same system is followed now also based on the L1 in the tender.
	• Independence declarations were not obtained from bidders about whether they, their partners, or relatives are Club members or related to EC members. This means the Club cannot prove that conflicted parties did not influence or benefit from the awards.	The bidders are not connected to / related to the club members or EC members. There is no information/proof to the contrary.
8.5	**Labour Law Compliances Ignored in Practice**	
	• Tender and WO conditions require the Club to collect PF, PT, ESI challans and returns along with running bills, to ensure vendors are legally compliant. • In several large projects, these statutory documents were simply not obtained, yet payments were released. This exposes the Club to backdoor labour claims and regulatory risk, while vendors enjoy full payment without meeting their legal obligations.	

	SAC REPORT	CLUB REJOINDER
	Taken together, these practices show that what should have been a shield for members' money — a disciplined tender system — was reduced to a stage show, where the script said, 'competition and control', but the reality was discretion, favour and zero consequences.	It is unfortunate the SAC without going through the documents provided by the Club using the words like competition like discretion & favor . It is nothing but accusing the management of the Club which should be deleted. The WO's issued by the Club contains the clause which is as follows:- *"1. The rates includes all costs, wastages and all taxes viz., GST, ES1, TDS etc., It is mandatory to file GSTR2B. The payment settlement of GST amount will be made only after the GSTR 2B filling"* *"9. The contractor should clear all statutory requirements, demands/taxes before the final bill is cleared. 10. The contractor shall pay compensation (as per workman compensation Act in force) to disabled workmen working under him for any injury or death or occurred during the execution of work failing which the amount will be deducted from the bills and paid to the injured or to the legal heirs of the deceased."* *'11. Child Labour (Prohibition & Regulation) Act 1986: Act prohibits of employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour is prohibited."* *"21. Employees / labour engaged by you shall have to be compulsorily covered under Provident Fund / ESI/ Labour department Statutes. The Club shall not undertake any responsibility towards such statutory requirements."*

SAC REPORT		CLUB REJOINDER
		"27. Along with the Running Bills, copies of statutory returns like Provident Fund and E S I, GST & Pan Card copy shall be submitted failing which, the bills shall not be settled or settled after deducting such statutory dues, as may be ascertained." *"34. It is the responsibility of the Contractor to ensure that the safety measures are followed while carryout work at site. If any mishap / casualty happens at site, then the Contractor will be solely responsible for the same."* The WO's which incudes the above terms & conditions will ensure that the Club. In view of the above the observation of the SAC is not valid. Hence this observation has to be deleted.

SAC REPORT		CLUB REJOINDER
9.	**WHEN THE EC SPENDS FIRST AND APPROVES LATER**	
	In a member's club, the Executive Committee is supposed to be the brake on spending. These documents show the EC allowed itself to become the accelerator — work orders first, approvals later, advances now, controls never.	It is unfortunate to note that these types of repeated irrelevant comments by the SAC. It is to be deleted from the report. The Club is following a robust system of financial prudence in spending and conserving the funds of the club.
9.1	**The EC's Basic Duty – and How It Was Reversed**	
	By the Byelaws, the Executive Committee's job is clear: no major work order, and no major payment, should be committed without EC scrutiny, minutes' approval, and compliance with tender rules. In practice, what your own records show is the opposite works started, invoices raised, and advances released before the EC ever met — with the later EC resolution used only to ratify what was already a fait accompli.	
	This is not a small procedural lapse. It means the EC stopped guarding the members' money and started rubber-stamping what the Secretary, architect or a few office-bearers had already decided. EC 11.10.2025 (page 30) records the President himself confirming issue of work orders and payments before OB and EC approval — this must be highlighted as it breaches the Club's own governance framework.	In any ongoing works, the vendor has to be supported in time to ensure the works are completed at the earliest. Before releasing of any funds the vendor would have executed more work & the process of billing & verification & the related payment process need more time. Further most of the issues are deliberated in the official WhatsApp groups of the Club pertaining to MC, OB, EC & Sub Committees. In this digital age most of the deliberation happen on phone calls, WhatsApp, e mails, etc.. After these transparent deliberations, the president has the administrative power to authorize payments. Hence any ratification of the actions taken is acceptable.

<table>
<tr><th colspan="2">SAC REPORT</th><th>CLUB REJOINDER</th></tr>
<tr><td>9.2</td><td>Work Orders Before EC Approval — Complete Documented Record (Noticed by SAC during review)</td><td></td></tr>
<tr><td></td><td><u>I. Guest Room</u></td><td></td></tr>
<tr><td></td><td>The following WO are issued before the date of EC approval
(Excluding GST)</td><td></td></tr>
<tr><td></td><td>
<table>
<tr><th>Sl. No</th><th>Vendor</th><th>Order Value</th><th>WO Date</th><th>EC Approval Date</th></tr>
<tr><td>1</td><td>Ashok Associates</td><td>Rs. 80,000</td><td>28/05/2025</td><td>16/06/2025</td></tr>
<tr><td>2</td><td>Sarva Electrical</td><td>Rs. 1,10,000</td><td>19/11/2024</td><td>26/11/2024</td></tr>
</table>
</td><td>The above cases M/s Ashok Associates are the structural engineers & M/s Sarva Electrical are the electrical vendors/ contractors. Based on their proposal & due to work exigency of professionals, WO's was issued & the same are ratified in EC.</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td></td><td><u>II. Bamboo Bar</u></td><td></td></tr>
<tr><td></td><td>It has been observed that the work was carried out before the approval by the EC and before the work order was issued. Bamboo bar was approved by EC on 27th March 2025

but there is an invoice of Tech Interior accounted on 22nd March 2025, which is prior to the date of approval by EC (stated to be preparation work). Similarly, Apex Demolishing Company has issued an invoice dated 27th March 2025 against the work order approved by OB and EC on 5th April and 12th April 2025, respectively. The irregularities are not limited to these two instances, but are extended in the following cases as well-</td><td>• A branch of the massive (nilgiri) tree adjacent to the Bamboo Bar had fallen down on the roof of bamboo bar which necessitated the removal of the debris and also damaged portion of the roof. This task was carried out by Tech interior and accounted on 22.03.25. Also, M/S Apex Demolishing was given the task of removing the fallen branch and resulting debris using JCB and Crane, Trucks. In view of the unforeseen circumstances, the matter was brought before the OB/EC on 05.04.25 and 12.04.25 respectively.

• During discussion in OB/EC meeting it was noted that with the consultation of the architect & the structural engineer the area has to</td></tr>
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<tr><th></th><th>SAC REPORT</th><th>CLUB REJOINDER</th></tr>
<tr><td></td><td></td><td>

be increased including health & width and provide with a green room facility & ladies toilet, ramp facility & protection from rain, permanent stage as well as dance floor.
Further it was decided to provide exclusive access from next to back gate area to children park, swimming pool, sampige village & Wadiyar hall so that members & users of the section need not go through the existing pergola area.

</td></tr>
<tr><td></td><td>
<table>
<tr><th>S. No</th><th>Party</th><th>WO Date</th><th>EC Approval date</th><th>Value (Rs)</th><th>Nature work</th></tr>
<tr><td>1</td><td>Mahalakshmi Rock</td><td>20.06.2025</td><td>22.06.2025</td><td>2,20,306</td><td>Granite</td></tr>
<tr><td>2</td><td>MMR Fabricators</td><td>22.06.2025</td><td>26.06.2025</td><td>26,000</td><td>Labour</td></tr>
<tr><td>3</td><td>MMR Fabricators</td><td>31.03.2025</td><td>12.04.2025</td><td>42,336</td><td>Labour</td></tr>
<tr><td>4</td><td>Md. Akbar</td><td>26.03.2025</td><td>12.04.2025</td><td>59,295</td><td>Labour</td></tr>
<tr><td>5</td><td>MMR Fabricators</td><td>19.03.2025</td><td>27.03.2025</td><td>35,000</td><td>Labour</td></tr>
<tr><td>6</td><td>Kailash Roofing</td><td>31.05.2025</td><td>16.06.2025</td><td>3,05,929</td><td>Roofing</td></tr>
<tr><td>7</td><td>Kailash Roofing</td><td>20.06.2025</td><td>22.06.2025</td><td>41,087</td><td>Roofing</td></tr>
<tr><td>8</td><td>Sri Vinayaga Constructions</td><td>08.05.2025</td><td>27.05.2025</td><td>98,310</td><td>Labour</td></tr>
</table>
</td><td>There was a damage to the bamboo bar roof due to swaying of the huge tree branch (nilgiri tree) hence the president with the OB members discussed & Hon. Secretary & Hon. Treasurer to take up the work immediately, for that it was decided to get the work done by the Club itself purchasing the materials from open market. The Club also used the services of site engineers Mr. Adarsh & few housekeeping staff.</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td></td><td><u>III. Multipurpose Hall</u></td><td></td></tr>
<tr><td></td><td>The issue of WO granted before the EC approval is seen in Multipurpose Hall project as well. The work to Lotus was approved by EC on 13/12/2025, but the work order was issued much earlier, i.e., 27/11/2025.</td><td></td></tr>
</table>

	SAC REPORT	CLUB REJOINDER
9.3	**Advances Without Bank Guarantees — Comprehensive Record Across All Projects**	
	I. Guest Room	
	Over Rs. 28.61 Lakhs in mobilization advances were paid, with outstanding amounts remaining. The Work Order permits up to a 10% advance against a Bank Guarantee, though recovery terms are unspecified and the Tender lacks advance terms entirely.	As per the Tender documents / WO, 10% advance payment against bank guarantee is made to the vendor towards mobilization.
	Details of Guestroom Advance Payments:	As per the terms & conditions of WO advance to the extent of 60% of the running bill is paid to the vendor. This apart advance payment made against BG will be adjusted.

S. No	Date of Payment	Amount	Recovered on	Remarks
1	19.6.2025	6,50,000	18.6.2025	NO BG
2	30.7.2025	8,59,020	31.7.2025	NO BG
3	25.8.2025	20,61,533	Rs. 16,36,317 on 22.9.2025	NO BG. Balance Advance Rs. 4,25,216/-
3	2.9.2025	30,64,362	Rs. 19,25,886	Against BG. Balance Rs. 11,38,476/-, BG Valid up to 31.12.2025 Claim Period 31.12.2026
4	25.10.2025	13,24,791	Pending	NO BG
5	22.12.2025	2,92,601	Bill for Rs. 3,20,336/- on 23.12.2025	Excess Credit Rs. 27,735/- in party account

	SAC REPORT	CLUB REJOINDER
	Limit Breaches & Discrepancies: A 10% advance on the WO of Rs. 25,847,458 should equal Rs. 2,584,746. However, the advance paid on 2.9.2025 was Rs. 3,064,362, with Rs. 2,860,748 still pending. **Advance to Architect:** A 25% advance (amounting to a portion of Rs. 1,115,100) was paid to Cube Architect on 18.12.2024 against which bills were accounted on 1.1.2025.	• The WO for Cube architects was issued on 5th Sep 2024 for architectural consultancy and the 25% amount will be paid as follows :- • This payment included 2 stages:- • 1st stage - 10% advance of original WO • 2nd stage – 25% of original WO on submission & acceptance of part 1 concept & schematic including specialized services consultant fee.
	II. Bar I Tone	
	Despite WO terms limiting advances to a 10% mobilization fee against BG, an advance of INR 6,17,773 was paid to Max Muller Technologies on 04.11.2025, subsequently the invoices have been accounted on 01/12/2025. The billed and approved amounts lack consistency: A letter received vide email dated 8.10.2025 includes a bill for Rs. 8,56,315, while the approved amount was Rs. 765,138, and the accounted amount across 3 bills was Rs. 7,70,269. No Tax Invoice is available and not appearing in 2B	Rs. 8,56,315 was the bill raised by the contractor 3rd party architect found discrepancy in the bill after corrections the revised bill was submitted for Rs. 7,65,138 the same was accounted & paid.
	III. Badminton	
	Vivechana Constructions were paid INR 18,94,598 as advance payments without a Bank Guarantee between April and December 2025. INR 14,94,265 of this was unrelated to permitted mobilization or material advances. A balance of Rs. 4,00,333 was a material advance paid without a BG and adjusted against later invoices. A pending sum of Rs. 604,077 was only cleared with a bill dated and accounted for on 06.03.2026, after the SAC observations.	

SAC REPORT		CLUB REJOINDER
	IV. Bamboo Bar	
	An advance payment of INR 25,000 to MMR Fabrication on 25.03.2025 preceded the EC's approval of the Work Order on 27.03.2025. The invoice itself was dated 24.03.2025, which is also prior to EC approval.	There was a damage to the bamboo bar roof due to swaying of the huge tree branch (nilgiri tree) hence the president with the OB members discussed & Hon. Secretary & Hon. Treasurer to take up the work immediately, for that it was decided to get the work done by the Club itself purchasing the materials from open market. The Club also used the services of site engineers Mr. Adarsh & few housekeeping staff. This would also save the Club cost of installing the temporary stage every time a function is held in the club.
	V. Multipurpose Hall	
	Lotus Energy Systems Private Limited received two advances totalling INR 12,00,000 on 6.10.2025. This was settled on 7.11.2025 without a BG. The advance significantly exceeded the 10% limit (Rs. 499,748) against a Bank Guarantee stipulated in the Work Order.	
9.4	**How This Behaviour Undermines the Club's Position and Governance**	
	The Special Audit Committee finds that, across multiple projects, the Executive Committee allowed work orders and advance payments to run ahead of its own approvals and beyond the protections written into the Work Orders. In doing so, it surrendered its core function as guardian of member funds. If this culture is not reversed, future committees will inherit not only weakened finances but also a weakened constitution, where written rules are routinely overruled by informal practice. Such Advance payments which are not part of the Tender process is not acceptable.	The management is following the systems very carefully with in the limited period of 1 year term of the EC & two OB's & two EC's along with MC, Sub committee meetings

SAC REPORT		CLUB REJOINDER
10.	**SYSTEMATIC OPERATIONAL AND COMPLIANCE FAILURES**	
	Each of the following observations is drawn directly from the SAC's review of project files, accounts, EC/OB minutes, and correspondence. They reflect persistent, cross-cutting failures — not isolated incidents.	
10.1	**No Eligibility Criteria / Experience Proof in Tenders**	
	Members must understand that major Club projects were handed out without even basic proof of experience or financial strength — we were spending crores with less discipline than a small home renovation.	
	• **Eligibility Conditions for Tender Applications — Documents Submitted:** Conditions for eligibility to apply for each tender, and the documents submitted by bidders in terms of these conditions (Work Experience, GST, PAN, and Three Years' Final Accounts), were called for earlier.	Collected along with the tender, all these information & documents were provided to SAC.
	• **SAC:** No such eligibility conditions were set. Only Final Accounts were obtained in some cases. The documents submitted contain only Turnover Certificates and Balance Sheets in a few cases. From these documents it is not possible to ascertain the bidder's experience in the required line of work or their financial status.	The club is not following the practice of Technical bid & Financial bid separately since for decades. The credentials / profile of the tender were examined by the Architect, OB, EC, MC before awarding the contract.

SAC REPORT		CLUB REJOINDER
10.2	**No Declaration of Member / Relative Interest — Lotus Energy Case**	
	When contracts go to entities directly connected to members or their relatives without transparent disclosure, the line between service to the Club and private benefit is fatally blurred. The Lotus Energy Systems case (awarded civil hall work despite electrical GST classification) requires full examination of relationship disclosures by participating bidders. This being serious one and needs further review of the parties to whom the works were given during this period.	The definition of a Member – as per rule 2.3 ***"shall mean Permanent Member, Senior Honorary Membre, Life Member & Donor Members".*** The lotus energy system is not a member of the Club. Hence the observation is invalid & not applicable.
10.3	**Misclassification of Project Expenses (Potential Budget Manipulation)**	
	Several payments recorded under "Professional Charges" are directly connected to capital projects and should be accounted for under those specific projects. The identified misclassifications include:	SAC observation of ***"potential budget manipulation"*** is incorrect. It is totally uncalled for to use words like ***"potential budget manipulation"*** which can finally lead to legal recourses. Its better to restrain from going beyond the mandate given from SGM.
	Professional Fees not debited to project account: FY 2024-25 Transactions: ✓ **Rs. 1,25,000** paid to NM Associates on 20.9.2024 for Architect License Sanction Drawing Fees (to upload plan for multicar parking project in the BBMP website). Further, this is part of Architect work to whom club has paid Rs. 10 Lakhs + GST. ✓ **Rs. 2,21,767** paid to Geo Eng. Co P Ltd on 1.10.2024 for soil investigation work related to underground car parking.	Books of account has been audited by internal auditors as well as statutory auditors & nowhere they have suggested any change of accounting entries for the referred above all items, further if there is any manipulation the auditors would have taken strong objections.

	SAC REPORT	CLUB REJOINDER
	FY 2025-26 Transactions: ✓ Two identical payments of **Rs. 2,36,000** each were made to K Padmanabha & Associates on 16.11.2025 and 24.12.2025 towards Addition and alternation work at 1) Health Centre, 2) Multipurpose hall Dining and Toilet, 3) Amenities near Kitchen and 4) Bamboo Bar Area- ✓ Though both payments carry the exact same narration: "Designing the Additions and alternations of Multipurpose Hall Toilet and Dinning" it was clarified as in 1 above by the Club ✓ 2. Rs. 75000/- paid on 20.11.2025 to In-depth for Design of Swimming Pool changing room. **Omission from Capital Work in Progress (WIP)** ✓ A payment of **Rs. 5,50,000** (plus an explicitly claimed GST input of Rs. 99,000) was made to SYS Construction on 25.4.2025 ✓ The purpose of the payment was liaising work to secure plan documents from departments for a Car Parking Plan Sanction. ✓ **Discrepancy:** This substantial expense has not been correctly debited to Capital WIP. **Fixed Asset Additions & Split Budget Utilization** ✓ During FY 2025-26, an Ice Cube Machine was added to Fixed Assets for a total cost of **Rs. 2,93,000**. ✓ The expenditure was funded by splitting it across two separate budgets: Rs. 2,00,000 was drawn from the SGM Budget dated 25.6.2022, and the remaining Rs. 93,000 was allocated against the EC Capital Budget.	

SAC REPORT		CLUB REJOINDER
10.4	**Immediate Past President's Statement: "People Are Benefited..."**	
	When a Past President openly states in EC minutes that people are 'benefited' because they are given contracts, it confirms what members have long suspected — contracts became a tool of patronage, not merit. This statement, recorded in EC minutes, is a documentary admission of the patronage culture the SAC has found throughout this review. (Minutes dated :10.11.2023)	
	Hence, SAC has all reason that still this benefit culture is continuing with respect to members, managing committee, this matter must be thoroughly investigated through enquiry to substantiate any such evidence to exist.	The mandate given to SAC by SGM is only for the transactions from 1/4/2024 to 31/12/2025. And also not related to the SAC subject. Further, the mandate given by SGM is not to accuse EC members and suggest to investigate *"investigated through enquiry to substantiate any such evidence to exist",* which is derogatory affecting the integrity of the management. It is unfortunate that SAC is nitpicking certain phrases from the documents & making it a sensational observation based on that phrase. This was the deliberation between the then Vice President and then IPP regarding cost of the Suits for Ec members. Which has been approved by the AGM, but EC members reimburse the amount to the club. Rather than appreciating the action taken by the EC members SAC is deliberately tarnishing the image of the Management of the Club.

SAC REPORT		CLUB REJOINDER
10.5	**GST 2B Issues;**	
	GST Not filed/Excess Filed: a. Doors N Doors: 30.3.2026 Inv. 16652/25-26 Rs. 2,75,489/- entry in 2B but not accounted in the Books. b. Max Muller- 11.7.2025 Rs. 19,68,203/- filed in 2B but accounted and reversed in Club Books. Club has accounted Rs. 7,14,775/- on 11.11.2025, which is not appearing in 2B. Hence, Rs. 11,97,934/- not accounted in tally. c. Aryan Design: Total Rs. 1,25,000/- appearing in 2B Rs. 30,000/-	It is Vendors Responsibility for submission of bill to the Club and upload to GST Portal, also verification and reconciliation of unmatched figures.
10.6	**Accounts/ Audit / Procedure Manual — Standard Operating Procedure:**	
	No Accounts, Audit or Procedure Manual exists for Standard Operating Procedures. No Edit Log is implemented in the accounts system.	The Club is not having the Accounting manual , procedure manual along with SOP's .
10.7	**Statutory Auditors' Report to Management dated 31.05.2025 — Key Observations:**	
	The Statutory Auditors have recorded the following observations: • **Rule 19.10 — ₹1 Crore Revenue Ceiling (subject to 10% ratification by General Body):** "We observe that certain expenditure, which is maintenance in nature such as Club Maintenance, Garden Maintenance, Generator Maintenance,	There is no definition for Capital or Revenue expenditure for the Rules 19.09 & 19.10. Similarly, many Rules and regulations are ambiguous which is not at par with current advance technology and also digital world – communication systems like e-mails, whatsapp, messages, online meeting portals, and web search for quotations and rate analysis, etc…

	SAC REPORT	CLUB REJOINDER
	• STP Maintenance are excluded from the ceiling of ₹1 Crore — Suitable action needs to be taken in this regard.” SAC: On this basis the Revenue Budget spent is ₹1,33,83,877 for 2024–25. They have also suggested regular monitoring of compliance with Byelaws in general Time/Period limits and terms recorded in particular.	There is ambiguity in the rules and regulations, and the interpretations, by different ECs, auditors, professionals, members, etc., The reason for the ambiguity is that these rules and regulation are not amended periodically.
	Fixed Assets Physical Verification: “Fixed Assets physical verification should be conducted every year and any variations observed with regard to the FA Register need to be suitably addressed in the Books of Accounts.” (Which means physical verification was not done). • **Accounting Manual and Standardisation:** “Periodical Accounting Manual and Standardised heads of accounts for uniform posting of receipts and payments. Instructions to distinguish Capital and Revenue to be followed by Accounts Department uniformly.” (Which means it is not followed.) • **New Capital Projects — Technical and Financial Pre-Audit:** “During the subsequent financial year, the Club has taken up new Capital Projects. We suggest the Club Management to conduct Technical and Financial Pre-Audit of all project-related bills to monitor the project work effectively as approved.by SGM”	Noted the good suggestion

SAC REPORT		CLUB REJOINDER
10.8	**Findings regarding CUBE Architect**	
	Appointment and Scope of Work	
	• A detail audit is required into the appointment process of CUBE Architect, specifically whether any tenders or quotations were solicited prior to finalization. • The finalized rate schedule for payments and the architect's relationship with the Club need to be examined. • The architect's scope of work included Structural Design, Electrical, and HVAC. • Clarification is needed as to why the Club appointed and paid separate consultants for these specific services.	• The information regarding Cube architect profile and Association with Club since 2008 and the works of the Club executed by the Cube Architect. Presently includes master plan for the development of the Club, coordination for the survey of the land of the club in possession as on date with department of Survey and settlement (GOK) and BDA, change of the land use, etc., • Response to the other observations is already addressed elsewhere in this report
	Payment Schedule Irregularities	
	• The payment stages outlined in the Work Order (WO) appear non-standard, featuring unusually high initial advances. • Specifically, 70% of the payment is structured to be released before the actual construction work commences. • There is a significant time gap between the advance payments made to the architect and the actual start of work. • The payment schedule dictates: 10% Advance, 25% on submission and acceptance, 25% on detail design and drawin g development, 10% on submission and acceptance of documents, 20% during construction progress, and 10% post-construction. • Proof of actual work done and corresponding dates must be furnished for each project to justify these payments.	The payment made is as per the terms of Work order, the similar observations are addressed else where in the report.

SAC REPORT		CLUB REJOINDER
	General Project Discrepancies	
	• **Master Planning (Nov 2023 - June 2024):** A sum of Rs. 5,00,000 plus GST (Rs. 90,000) was paid for Master Planning, Architectural Design, and Landscape- Modernisation. Details of the work, the corresponding Executive Committee (EC) Resolution, the account debited, and reasons for not capitalizing this under Work in Progress (WIP) are required. • **Renovation of Two Rooms:** A total of Rs. 3,18,600 (representing a 7% architect fee) was paid across May and September 2024. **Specific Project Financial Anomalies** • **Bamboo Bar:** An architect fee of Rs. 1,13,548 (inclusive of GST) was paid in April 2025, rep**resenting 60% of a 6% fee on Rs. 31,54**,150. However, work done up to that date was only Rs. 6,46,606, and the total capitalized work was Rs. 26.26 Lakhs. Additionally, Rs. 90,000 plus GST paid for General Party Halls renovation in September 2024 remains unadjusted and appears as WIP. • **Bar I Tone:** Up to March 31, 2025, Rs. 5,16,634 (before GST) was paid. While the WO issued was for Rs. 105.08 Lakhs; executed work was only Rs. 6.6 Lakhs as on date. • **Badminton:** A total of Rs. 1,93,622 was paid across September 2024 and April 2025. The actual work done up to that date was nil. Based on the total work value of Rs. 26.29 (Excluding bought out) Lakhs, the 60% architect fee should only amount to Rs. 94,536.	All these payments are as per work orders and the same have been accounted properly, which has been audited by the Internal and statutory auditors(up to 31/03/2026)

	SAC REPORT	CLUB REJOINDER
	• **Guest Room:** By January 1, 2025, Rs. 18.90 Lakhs plus GST was paid despite zero work being completed. This means 70% of the total 4.5 Crore value was paid without work, while the WO issued was only for Rs. 3.67 Crores and executed work was merely Rs. 72.94 Lakhs.	
	Special General Meeting (SGM) Projects and Duplication	
	• **Advance Payments:** For SGM projects valued at Rs. 9.70 Crores, a 10% advance of Rs. 5,82,000 plus GST was paid on September 1, 2024, which was before the WO was even issued on September 5, 2024.	The appointment of the architect and negotiation of fees for the services of the Cube architects was negotiated in Monitoring committee and recommended to OB & EC. EC in its meeting held on 27/08/24 has approved appointment and payment of advance to Cube architect. The work order has released on 05/09/24.
	• **Overlapping Scopes:** A separate WO for Rs. 10 Lakhs plus GST was issued on the same day (September 5, 2024) for sanctioned drawings for Multilevel car parking. The advance for this was also paid before the WO was issued. • **Approval Violations:** The SGM only permitted expenses to be incurred for obtaining approvals, not for executing the entirety of the projects. This discrepancy requires further investigation.	SAC Remarks, even after explaining in person and providing all documents regarding preparation of initial plan for uploading to BBMP for multilevel/ underground car parking, based on the in-principle approval by the SGM to get the license sanctioned. Afterwards the committee should approach the general body for necessary financial sanction with all other documents such as civil estimates, structural drawing, BOQ and any other tests and documents. Its unfortunate that SAC repeatedly questioning the integrity of Management by making observation to Investigation.

SAC REPORT		CLUB REJOINDER
10.9	**Non-Cooperation and Non-Submission of Documents**	
	The consistent non-cooperation and withholding of documents from this Committee is itself a serious finding — it shows that transparency had become optional inside the Club. The Committee has called for but not received: complete tender files, KYC documents for multiple vendors, GST-2B reconciliations, contractor correspondence, and legal opinions on disputes. 1. Minutes of EC/OB and Monitoring Committee conducted after the date of SGM to review and verify the subsequent action and its effect on our Report is not furnished. 2. Tally Backup for 2023-24 in the absence of which we are unable to verify the transactions and unable to comment further. 3. During our verification it was noticed that Club has changed / Added and Deleted entries in the Ledger Accounts of certain projects periodically forcing the SAC to shift its cut of date, 4. Correct position on cost of Retrofitting and amount already spent and balance to be spent for Guest Rooms not furnished.	The Club has given 36 box files containing pertinent documents (physical copies) to the SAC as requested, scanned copies of the same and others in soft copies roughly around 20000+ pages, Tally Live, including the document connected to retrofitting. SAC has issued acknowledgement for having received these resources. There is a only one entry of April 2026 has been wrongly posted in march-2026 has been rectified, since the books were open for audit and finalization for the year ended 31st march 2026.

SAC REPORT		CLUB REJOINDER
11.	**Critical Observations**	
11.01	**Accounting System for SGM vs EC Budgets "Not Proper and Classification Is Not Clear"**	
	If the very system that tracks SGM and EC spending is unclear, then every figure shown to members about project costs must be treated with maximum caution. Revenue vs. capital classification has been applied inconsistently across Bamboo Bar, Badminton, Billiards and Pickleball — making it impossible to see true all-in project costs.	
	It is observed that payments made under EC budget are taken as revenue expenditure instead of the respective project head. These being capital expenditure are mandatorily required to be capitalized in the books of account. However, the same is charged off to revenue expenditure.	
	The details of misclassification for FY 2025–26 are tabulated below:	

Sl. No.	Description	Party / Vendor	Date	Amount (₹)	SAC Remarks
1	**Water Proofing for Pickleball Court**	Shiva Shree Constructions	31.12.2025	**4,18,054**	Not included in Pickleball Court Project. No inward seal on Certificate of Third-Party Auditor. Certificate means — should be under Project.

SAC REPORT							CLUB REJOINDER
	2	**Tiles for Pickleball Court**	Shiva Shree Constructions	31.12.2025	**1,29,848**	Not included in Pickleball Court Project. No inward seal on Certificate of Third-Party Auditor. Certified means — should be under Project.	
	3	**Floor Mats for Badminton**	Nandhi Tarpaulins	17.12.2025	**73,691**	Transferred from Badminton Project to Revenue Expenses as it exceeded the Budget.	
	4	**Badminton Repair**	Kumar Sports	27.12.2025	**1,89,356**	Not included in Badminton Project as it exceeded the Budget — taken to Revenue. Third Party Audit certificate received by Club on 13.01.2026 but paid on 27.12.2025 itself.	
	5	**Billiards Section**	S.K. Constructions	06.01.2025	**6,42,893**	Taken to maintenance stating to be for polishing and cleaning work.	

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6	**Pickle ball court — Acrylic Quick Hits**	Quick Hits	12.02.2026	**1,06,272**	Synthetic Acrylic for Billiards Section Pickle ball court.
7	**Badminton**	Maya Enterprises	18.12.2025	**37,573**	Bathroom fittings for Badminton Section.
8	**Badminton**	Maya Enterprises	01.01.2026	**24,551**	Hardware supply for Badminton Section.
	TOTAL — FY 2025–26 Misclassification			16,22,238	Capital expenditure incorrectly charged to Revenue — mandatorily required to be capitalised

Note (FY 2024–25): It is observed that a similar misclassification was made in the financial year 2024–25 amounting to **₹8,83,229**. The pattern of misclassification is therefore not isolated to FY 2025–26 but is a recurring feature across both financial years.

SAC Finding: Capital expenditure totalling ₹16,22,238 in FY 2025–26 (and ₹8,83,229 in FY 2024–25) has been charged to revenue instead of being capitalized to the respective project heads.

	SAC REPORT	CLUB REJOINDER
	This systematic misclassification: (a) Artificially reduces the apparent cost of capital projects, concealing the true budget overruns from members. (b) Inflates revenue expenditure, distorting the Club's operating cost picture. (c) Violates basic accounting standards which require capital expenditure to be capitalised. (d) Was specifically flagged by the Statutory Auditors in their Management Report dated 31.05.2025 — yet no corrective action was taken.	
	The Statutory Auditors' own observation (31.05.2025): "Periodical Accounting Manual and Standardized heads of accounts for uniform posting of receipts and payments. Instructions to distinguish Capital and Revenue to be followed by Accounts Department uniformly." (SAC: Which means it is not followed.) ***If the system tracking SGM and EC spending is itself unreliable, every project cost figure presented to members must be treated with maximum caution until a comprehensive reclassification and reconciliation exercise is completed by management.***	

SAC REPORT			CLUB REJOINDER
Misclassification — FY 2025– 26	**Misclassification — FY 2024–25**	**Required Action**	The ambiguity of the rules & regulations regarding the classification of the Capital & Revenue which is being followed by all the previous management committee. The quote related to Statutory Auditors dated: 31/05/2025 probably refers to some aspects of club accounting & they have never specified that this relates to the specific point that has given above by SAC. However, we would like to clarify for better understanding of the members that the expenses incurred are actually Revenue expenditure in nature and certified by the auditors. Pickle Ball Court – point 1, 2 & 6 of SAC table referred above is the related to repair work caried out on Picke ball court due to the damages as summarized below • The court were being used by members for a few months. Due to tremendous response from the members of the Pickle Ball section the Ladies & Gents toilets along with change room work started. • There was a tree branch fall which damaged the Court & the fencing due to heavy rains & wind. • The renovation work related to Table tennis section started which also added fine sand dust particles, that in spite of cleaning & also the dust from open air environment that lingered on the court.
₹16,22,238 Capital charged to Revenue	**₹8,83,229** Similar misclassification	**Reclassify → Restate → AGM** Revised Balance Sheet & P&L must be approved by General Body	

SAC REPORT		CLUB REJOINDER
		Apart from resurfacing the terrace surface EC approval dated 31.10.2025 – Second WO – B-1, B-2 & B-3 which also covered the following: 1. WO issued to Shivashree Construction for Rs.5.17 lakhs - Providing of water proofing – Terrace & Lift lobby, providing water proof screed concrete, Fine finishing Screed concrete with water proof cement motor, Coarse finish of the surrounding area of court, Providing MS Spiral stair case, Providing & fixing UPVC doors 2. WO issued to Shivashree Construction for Rs.1.32 Lakhs - Fixing Anti-skid titles, Providing Epoxy grouting 3. WO issued to Quickhits for Rs.1.18 Lakhs towards supply & installation of acrylic flooring & electrical items. ***Badminton Section*** – Pt. No. 3 Floor mats for badminton; Pt. No. 4 – Wooden court repolishing; Pt. No. 7 & 8 –Bathroom Fittings & Hardware: Pt. No. 3 Floor mats for badminton: As this is an activity related to replacing the existing mat which was worn out. Pt. No. 4 – Wooden court repolishing: The word repolishing in itself means it is Revenue in nature. Please refer the bill submitted to you. Pt. No. 7 & 8 – Bathroom Fittings & Hardware: Bathroom Fittings partially involves replacement of existing fittings which is revenue in nature & new fittings for the new shower area which is capital in nature. **Billiards Section** Pt. No. 5 – Polishing, cleaning & re-cushioning & changing of fabric of the existing sofas & chair. This in all accounting parlance is Revenue in nature.

SAC REPORT	CLUB REJOINDER

11.02 Summary of Variances in Capital Projects

The capital projects show significant variances between what members approved in SGM / tender values and what has been contracted and spent through EC capital and revenue budgets.

1.Use of EC Capital & Revenue Budgets for SGM Projects *(against SGM decision; overspend hidden from members)*

All figures in **Rs. lakhs**.

Project	WO – SGM (A)	WO – ECCapital (B)	WO – EC Revenue (C)	Total WO (A+B+C)	SGM-Budget (Incl. GST)	Excess (+) / Shortfall (–) vs SGM	Project	WO – SGM (A)	WO – ECCapital (B)	WO – EC Revenue (C)	Total WO (A+B+C)	SGM-Budget (Incl. GST)	Excess (+) / Shortfall (–) vs SGM	Remarks
Badminton – WIP	65.89	0.00	0.95	66.84	76.70	–9.86	Correct amount as per WO issued	63 .41	0.00	0.95	64.36	76.70	0.00	Avl. Bal. Rs.12.34 Lakhs
							Hence the numbers indicated related to Badminton by SAC is incorrect.							
Table Tennis – Capitalised	57.95	0.00	0.00	57.95	44.84	+13.11	Correct amount as per WO issued TT work is under progress	59.22	0.00	0.00	59.22	67.72	0.00	Avl. Bal. Rs.8.5 Lakhs
							As can be seen the numbers from SAC is incorrect as SAC has considered the Sanctioned budget of 25/06/2022 for Rs. 19.90 Lakhs – Rs. 0.51 Lakhs = 19.39 + GST Rs. 3.49 = 22.88 lakhs is not considered and hence misleading.							
Guest Rooms	408.97	0.00	0.00	408.97	531.00	–122.03	Correct amount as per WO issued	408.97	0.00	0.00	408.97	531.00	0.00	Avl. Bal Rs. 122.03 lakhs
Bar I Tone – WIP	116.32	0.00	0.00	116.32	147.50	–31.18	Correct amount as per WO issued	16.32	0.00	0.00	116.32	147.50	0.00	Avl. Bal Rs. 31.18 lakhs

SAC REPORT							CLUB REJOINDER							
Project	**WO – SGM (A)**	**WO – EC-Capital (B)**	**WO – EC Revenue (C)**	**Total WO (A+B+C)**	**SGMBudget (Incl. GST)**	**Excess (+) / Shortfall (–) vs SGM**	**Project**	**WO – SGM (A)**	**WO – EC-Capital (B)**	**WO – EC Revenue (C)**	**Total WO (A+B+C)**	**SGMBudget (Incl. GST)**	**Excess (+) / Shortfall (–) vs SGM**	**Remarks**
Multipurpose Hall	58.60	37.69	4.76	101.05	0.00	+101.05	Correct amount as per WO issued	58.60	37.12	4.57	100.29	59.00	0.00	Rs. 41.29 Lakhs utilized from Capital & Revenue Budget Seems SGM sanction intentionally left out.
Billiards Renovation	25.17	0.00	0.00	25.17	35.40	–10.23	Correct amount as per WO issued	23.41	0.00	0.00	23.41	35.40	0.00	Avl. Bal Rs. 11.99 lakhs
Total	**732.90**	**37.69**	**5.71**	**776.30**	**835.44**		**Actual Total**	**607.30**	**37.12**	**4.76**	**651.51**	**772.90**		SAC is misleading members by Showing wrong numbers

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2) Amounts over and above Tender Value (WO issued)

All figures in **Rs. Lakhs**.

Project	Ten-der Value	Addi-tional Tender	Non-Tender / Bought-out	Total WO / Spend	Project	Tender Value A	Addi-tional Tender B	Non-Tender / Bought-out C	Total WO / Spend (A+B+C)	REMARKS
Guest Rooms	346.56	62.41	0.00	408.97	Guest Rooms	346.56	62.41	0.00	408.97	"A" Indicates Tender + prof. fee "B" Indicates Retrofit-ting work .
Bar I Tone	115.22	0.62	0.48	116.32	Bar I Tone	115.22	0.62	0.48	116.32	"A" Indicates Tender + prof. fee "B" additional Civil Work due to site Condi-tion "C" additional Civil Work.
Badminton	45.15	4.24	17.45	66.84	Badminton	45.15	4.24	17.45	66.84	"A" Indicates Tender + prof. fee "B" additional Civil Work due to site Condi-tion "C" Bought out items as per BOQ & incl. of Sponsorship.
Table Tennis	50.91	7.04	0.00	57.95	Table Tennis	50.91	7.04	0.00	57.95	"A" Indicates Tender + prof. fee "B" Puff sheet and door frames and shutter
Multipurpose Hall	54.89	3.71	42.45	101.05	Multipurpose Hall	54.89	3.71	42.45	101.05	"A" Indicates Tender value "B" Addl. Acoustic work + prof. fee "C" AC, LED, AV, lights & electrical Items.
Total	**612.73**	**77.99**	**60.38**	**751.13**	**Total**	**612.73**	**77.99**	**60.38**	**751.13**	

SAC REPORT

11.03 Revenue Budget Breach — Rule 19.10 and Ultra Vires to Rules and Regulations:

Parameter	Amount (₹)	Status
Revenue budget ceiling (Rule 19.10)	**1,00,00,000**	Maximum EC authority
Permissible 10% tolerance (with GB prior approval)	**10,00,000**	Subject to prior GB approval
Absolute ceiling including 10% tolerance	**1,10,00,000**	Beyond this — ultra vires
Actual revenue expenditure FY 2024–25 (per Tally — excl. departmental maintenance) During 2024-25 Committee	**1,24,91,236**	As suggested by Statutory Auditor on 31.05.2025
EXCESS OVER PERMISSIBLE CEILING	**₹14,91,236 (+11.9% above absolute ceiling)**	**Ultra Vires — beyond EC power**

Revenue expenses for FY 2024–25 as per Tally: ₹1,24,91,236 (excluding departmental maintenance). The Statutory Auditor observed the same in their report dated 31.05.2025.

The previous EC has crossed **24.9% above** the revenue budget of ₹1 crore. The permissible 10% tolerance (subject to prior approval by the General Body under Rule 19.10) brings the absolute ceiling to ₹1.10 crores. Actual spend: ₹1,24,91,236. Excess over absolute ceiling: **₹14,91,236**.

Ultra Vires to Rules and Regulation Anything beyond the ceiling of ₹1 crore (+10%) cannot be ratified by the General Body after the fact. It is ultra vires to rules — beyond the power and authority of the Executive Committee. Ratification cannot cure what was beyond jurisdiction.

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The amount specified above i.e., actual spend: ₹1,24,91,236. Excess over absolute ceiling: ₹14,91,236 is not factual, where as per the published 105th annual report and audited accounts 2024-25, page no 80 actual amount spent is Rs.78,43,359/-

The statutory auditors have suggested in the management report for necessary amendment of the rules of the club to correctly define, which are the revenue expenditure under rule 19.10 and regular repairs and maintenance. Hence this matter is under the active consideration of the rule's revision committee of the club.

Hence the Comment of SAC should be deleted

SAC REPORT	CLUB REJOINDER
11.04 Capital Budget Breach — Rule 19.9 and Ultra Vires Act	

Parameter	Amount (₹)	Remarks	Parameter	Amount (₹)	Remarks
Capital budget sanctioned — July 2024 to March 2025 (9 months)	**1,01,00,000**	EC approved annual tranche			
Capital budget sanctioned — April 2025 to June 2025 (3 months)	**33,72,351**	EC approved quarterly tranche			
TOTAL CAPITAL BUDGET SANCTIONED (FY 2025–26 full year)	**1,34,72,351**				
Rule 19.9 ceiling (EC authority): ₹1 crore + 10% tolerance	**1,10,00,000**	Absolute ceiling with tolerance			
Actual capital expenditure incurred (including SGM project spends)	**1,34,72,351**	Well above ₹1.10 Cr absolute ceiling			
EXCESS OVER RULE 19.9 CEILING	**₹24,72,351**	**Ultra Vires — beyond EC power**			

SAC REPORT	CLUB REJOINDER
Capital budget sanctioned: ₹1,01,00,000 (July 2024 – March 2025) and ₹33,72,351 (April – June 2025) — a combined total of ₹1,34,72,351 across the year.	The statement made above is not factual. The original work orders have been issued under project as per the EC decision. Rules of the Club is silent about utilization of Capital and revenue budget for the projects.
The previous EC has spent **34.7% above** the approved capital expenditure budget of ₹1 crore. The permissible 10% tolerance	It was suggested by the earlier committee to take it to the SGM for ratification, whereas in July 2025, the new committee decided to treat

<table>
<tr><th colspan="2">SAC REPORT</th><th>CLUB REJOINDER</th></tr>
<tr><td></td><td>(subject to prior approval by the General Body under Rule 19.9) brings the absolute ceiling to ₹1.10 crores. The combined actual capital expenditure of ₹1.34 crores exceeds this absolute ceiling by ₹24.7 lakhs.

Ultra Vires Rules and regulation: Anything beyond the ceiling of ₹1 crore (+10%) cannot be ratified by the General Body after the fact. It is an ultra vires to rules and regulations — beyond the power and authority of the Executive Committee. Ratification cannot cure what was beyond jurisdiction.</td><td>the capital expenditure under rule 19.9. In June 2025, the work order was issued, whereas actual expenditure was incurred during July 2026.

Hence the Comment of SAC should be deleted</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td>11.05</td><td>LED Wall at Lawn — No Tender and Budget Breach</td><td></td></tr>
<tr><td></td><td>
<table>
<tr><th>Parameter</th><th>Amount (₹)</th><th>Status</th></tr>
<tr><td>EC budget for LED Wall at Lawn</td><td>Not Available</td><td>Work order issued for different items directly.</td></tr>
<tr><td>Actual total cost incurred</td><td>13,52,191+GST</td><td>Comparative statement is available for ₹11.20 Lakhs. Few Work orders issued before date of approval of EC.</td></tr>
<tr><td>Tender process / competitive quotations obtained</td><td>11.20 Lakhs</td><td>Regulation 8.3.2 violated for balance amount.</td></tr>
</table>
</td><td>Members to note that Rule 19.9 approved by SGM overrides the old regulations 8.3.2. As per the present Rule 19.9, only competitive quotations are to be obtained for projects above Rs.25.00 lakhs. However, the necessary competitive quotations were still obtained by the EC. The details of which was provided to the SAC team in hard and soft copy format, during their active audit period.

Hence the comment from SAC stating that the Regulations have been violated is incorrect .</td></tr>
</table>

	SAC REPORT	CLUB REJOINDER
11.06	**Payments made after SGM**	
	The section highlights significant accounting irregularities, including missing certifications, predated approvals, budget misallocations, and payments made against official resolutions of SGM held on 04/01/2026.	Members to note that the resolution of the SGM held on 4.1.2026 was resolved with respect to stopping the on-going projects. However, the resolution does not mention that the payments against work done cannot be paid.
	Project Payments Summary Table The table below outlines the expenses distributed across various club projects during the specified periods:	

S. No	Name of the Project	15.12.2025 to 4.1.2026 (Rs.)	After 4.1.2026to 31.3.2026 (Rs.)	Total (Rs.)	Remarks
1	Depart-mental Stores	-	75,312.00	75,312.00	CCTV Camera and Sridhar Murthy.
2	Billiards	69,620	636,403	706,023	CCTV, TV's, Lock-ers and Cushion Replacement
3	Guest Rooms	327,271	-	327,271	Structural Work- Tender
4	Badmin-ton	822,024	755,530	1,577,554	Polishing, Mat, Glass, Doors, and Tender work

SAC REPORT	CLUB REJOINDER

5	STP Drain	4,708	928,053	932,761	Manhole Cover, Sewerage Line work
6	Table Tennis	11,176	169,206	180,382	Sanitary, Mirror and Sridhar Murthy
7	Pickle Ball	-	771,916	771,916	Directly taken to Repairs and Maintenance
	TOTAL	**1,234,799**	**3,336,420**	**4,571,219**	

SAC REPORT	CLUB REJOINDER
Detailed Observations by Project Wise Departmental Stores • An additional Rs. 257,238 was paid to Lotus Energy Systems between December 16, 2025, and December 22, 2025, to clear bills from November 2025.	Members to note that the resolution of the SGM held on 4.1.2026 was resolved with respect to stopping the on-going projects. However, the resolution does not mention that the payments against work done cannot be paid. As the work order issued & work completed before SGM
Billiards • A payment of Rs. 636,403 made after the SGM Resolution has been flagged as incorrect.	Members to note that the resolution of the SGM held on 4.1.2026 was resolved with respect to stopping the on-going projects. However, the resolution does not mention that the payments against work done cannot be paid. As the work order issued & work completed before SGM
Guest Rooms • An invoice from Sahaaya Builders for Rs. 327,271 (dated December 23, 2025) was certified by Sridhar Murthy on December 19, 2025, raising questions about how it was verified before the invoice date.	M/S Sahaaya builders had submitted the Running bill and based on the running bill Third Party Architect Mr. Sridhara Murthy had certified and submitted the same dated: 19.12.2025. Based on the Certification M/S Sahaaya Builders have raised the TAX INVOICE Dated: 23.12.2025

	SAC REPORT	CLUB REJOINDER
	• Additionally, this certificate is missing the required club inward seal and date.	The Certificate has the Inward Seal & the same was submitted to SAC along with the explanation .
	Badminton • A post-SGM Resolution payment of Rs. 755,530 is flagged as incorrect.	SGM resolution indicates stoppage of ongoing projects only.
	• To hide budget overruns, Rs. 310,395 paid to Kumar Sports and Original Nandi Tarpaulins was shifted to Revenue instead of the project.	Members to note that the mention of the word “tarpaulins” by SAC actually refers to replacement of the worn-out mats around the badminton court. The replacement of any worn-out articles in itself classifies under revenue budget.
	• Payments were made without necessary certifications to Uma Industries (Rs. 389,070 for glasses) and Vivechana Constructions (Rs. 117,588 for Bison Board and labour).	The certification along with the bill copies had been provided to SAC many times.
	• Another uncertified bill from Vivechana Constructions for Rs. 742,750 was accounted for on March 6, 2026, despite being dated March 19 and only received on March 31.	Explained and clarified the above point to SAC.
	• A payment to Sil Glass & Plywood (Rs. 129,350) corrected by Sridhara Murthy violates a January 10, 2026, EC Resolution, which dictates that vendors only be paid for verified and completed work.	The payment was made only for the Certified amount. The above statement is false and the same should be deleted.
	• Certain expenses for hardware (Rs. 28,970) and roofing (Rs. 44,336) were debited directly to Maintenance rather than the project.	

	SAC REPORT	CLUB REJOINDER
	STP (Sewage Treatment Plant) • A post-SGM Resolution payment of Rs. 928,023 is flagged as incorrect. • A Sahaaya Builders invoice for Rs. 713,933 dated March 23, 2026, contradicts a March 14 EC Resolution that supposedly approved a bill dated March 9. • The associated third-party architect certificate lacks the club's inward seal and was suspiciously submitted directly to the vendor instead of the club.	
	Table Tennis • A post-SGM Resolution payment of Rs. 169,206 is flagged as incorrect. • Approvals for payments made to Sil Glass & Plywood (Rs. 76,346) and Maya Enterprises (Rs. 39,160) appear to have been predated by consultant Sridhar Murthy. In both cases, the official approval dates precede the dates the approvals were received via email.	
	Pickle Court • A massive sum of Rs. 771,916 was written off as Maintenance rather than a Project cost, under the justification that damage occurred during the Table Tennis work.	It is unfortunate that according to SAC, which is trying to state that all activities of the club has to stop after SGM 4.1.26 and not the payment for the work executed.

	SAC REPORT	CLUB REJOINDER
	• Two bills from Shiva Shree Construction (Rs. 217,539 and Rs. 153,221) paid on January 21, 2026, were predated by the consultant to December 31, 2025, and lacked official receipt seals. • A payment of Rs. 125,401 was made to Quick Hits on February 12, 2026, but the consultant did not officially approve the bill until nearly two months later, on April 8, 2026. All these payments after SGM 4.1.2026 were made based on EC resolution dated 10/01/2026, which says: "It is resolved on majority decision of the EC members to make the payments to the Vendors/ Contractors for the work orders issued before the SGM (4.1.2026), work executed, completed, verified and certified". Further, many of these payments' approval says, "inform to SAC", which is not done.	It is unfortunate that SAC is commenting on day-to-day activity of the club needs their permission which is totally wrong. The club has to run and pay all the dues of the vendors, which have been committed and accounted before 4.1.26. It is the question of the century club's name involved in the Society. Which should not be tarnished.
11.07	**SGM Stop Order and Rule 18.5 Compliance**	
	The Special Advisory Committee (SAC) notes that during the Executive Committee (EC) meeting held on January 10, 2026, the Vice President and the Treasurer formally requested that the EC members adhere to an "inform and pay" protocol involving the SAC. This request was explicitly made because the EC is obligated to abide by the STOP ORDER RESOLUTION previously passed by the Special General Meeting (SGM). By definition, a STOP ORDER inherently dictates the cessation of all project-related activities, which naturally encompasses a freeze on all associated financial transactions.	It is totally a matter of internal discussion and suggestion of the EC Members to tide out of the dues payable to the vendors so that the club does not default on payments to avoid subsequent legal consequences to the club. SAC should not have taken cognizance of this and commented & the rule 18.5 doesn't comply to the above observations.

	SAC REPORT	CLUB REJOINDER
	Despite the standing resolution, the EC majority voted to overrule the "inform and pay" recommendation. Instead, the majority decided to proceed with issuing payments to vendors and contractors for work orders that had been issued prior to the SGM, opting to inform the SAC only after the transactions were completed. The SAC strongly emphasizes why the "inform and pay" procedure is the best-advised course of action: • **Essential Financial Safeguarding:** The "inform and pay" model serves as a necessary financial safeguard. • **Oversight and Verification:** It guarantees that the SAC, acting as the designated oversight body, can thoroughly verify milestone completions and confirm contractual compliance before any liquid assets (cash) are released from the club's control. • **Comprehensive Document Review:** This sequence ensures the SAC has the opportunity to review critical documentation—specifically the invoice, the engineer's certification, and the bank guarantee status—prior to the disbursement of funds. Executing the "inform and pay" protocol is directly tied to upholding Rule 18.5, which governs transparency and proper procedural conduct. • **Statutory Command:** Rule 18.5 explicitly mandates that the EC must "ensure proper procedure and transparency in its implementation".	

	SAC REPORT	CLUB REJOINDER
	• **Transparency vs. Secrecy:** Implementing the "inform and pay" safeguard is the very definition of operational transparency, whereas bypassing it borders on secrecy. The SAC formally places on record that it has previously advised the committee regarding this specific matter. Bypassing prior verification compromises the club's financial integrity and conflicts with established transparency mandates.	

	SAC REPORT	CLUB REJOINDER
12	**DECONSTRUCTION OF EC JUSTIFICATIONS**	
	(Responses given to SAC queries by May 1, 2026)	
	The following sections analyse, point by point, the Executive Committee's formal replies to the Special Audit Committee's queries. A recurring and alarming theme in these justifications is the assertion that the EC possesses the unilateral power to execute works and issue work orders exceeding ₹25 Lakhs without prior sanction, and that a formal tender process is not mandatory for projects valued up to ₹50 Lakhs.	SAC is interpreting the Rules and Regulations to their convenience, the Rule 19.11 states as follows: "The Office Bearers shall be members for specific purpose and for terms co-terminus with the said purpose. For any expenditure, under capital or revenue up to Rs.50 lakhs, the Office Bearers shall be involved from the time of obtaining tenders till the completion of the project and for above Rs.50 lakhs Monitoring Committee with experts shall be involved." Hence the above comments of SAC is invalid.
12.1	**Shadow Governance —Management Rules to Bypass Mandatory Procurement Transparency**	
	We have carefully analysed the Executive Committee's (EC) responses to the Special Audit Committee (SAC) queries regarding various specific projects. A recurring and alarming theme in these justifications is the assertion that the EC possesses the unilateral power to execute works and issue work orders exceeding ₹25 Lakhs without prior sanction. Furthermore, the EC repeatedly claims that a formal tender process is not mandatory for projects valued up to ₹50 Lakhs. It is evident that the EC is attempting to hide behind a distorted interpretation of Rule 19.11 to shield these actions from the transparency of mandatory procurement laws.	Members to please note, SAC seems to be twisting their viewpoints time and again primarily to confuse the members who would be reading it. EC is governed by the Rules and Regulations of Century Club under **"Rule 19 – Powers of the Executive Committee with specific reference to Rule 19.11 being called out by SAC.**

	SAC REPORT	CLUB REJOINDER
12.2	**The Jurisdictional Challenge: Lex Specialis**	
	The EC will likely argue that Rule 19.1 grants them the overarching power to manage and regulate the club's affairs, including the administrative thresholds for tenders. However, this defence collapses when placed against the "Lex Specialis" principle — where specific rules always override general ones. **Rule 19.1** is a procedural umbrella; it grants the power to act, but it does not grant the power to violate specific financial caps explicitly written into other sections of the Byelaws (Rules 18.5 and 19.9). An EC resolution passed under Rule 19.1 is an administrative tool; it cannot unilaterally override a Rule (Byelaw) established by the General Body. Any resolution to raise the tender threshold to ₹50 Lakhs without a certified amendment to Rule 18.5, Rule 19.9, and Regulation 8 by the General Body is legally void **(Ultra Vires).**	**Members to note that SAC's statement** "Lex Specialis" principle" is a Latin legal doctrine meaning "law governing a specific subject matter". It dictates when a general law and a specific law both apply to the exact same situation, the specific law takes precedence over the general law. **SAC's comment** "Lex Specialis" principle" is not valid, since the club Rule book does not specify the rules as general or specific, however the rule book specifies the term rules and regulations which are independently classified. Members to specifically note Rules which are approved by the SGM supersedes Regulations which are formed by the EC from time to time. The event of activities are summarized as follows for the benefit of members: Please refer to various EC & OB meeting minute's with specific reference to EC-MOM dt.29.7.2026. When the project was near completion, since it was a sound proof and with acoustics to facilitate the younger generation and for board meetings. It was envisaged by the EC members that moving in and moving out of the hired equipments would damage the flooring and paneling. Hence the EC took a call to provide all the required ancillary equipments as plug and play and make it convenient to the people who hire the same.

SAC REPORT		CLUB REJOINDER
		1. WO were released after techno commercial discussion with sound and light vendors. 2. The refurbished A/C unit from billiards was unsuitable. Hence new a/c was ordered. 3. All orders were released as extension of the main order carrying the same project order numbering for easy accounting and identification The orders for all the ancillary equipments are in line with the Rules of the club. However SAC is referring to the Regulation which are superseded by the Rule. Please also note that the required competitive quotations are obtained by the club office. **These were not initially accounted under capital & revenue budget as misunderstood by SAC.** The total value of additional project orders released is about 29 lakhs. The above are in line with rules & with nil deviation of Rules 18.5, 19.9, 19.12, 19.15.8 The inputs of SCE to SAC seems to have totally flippant on comments & causal on study of accounts. SAC must study totality that is the meaning of audit. The EC was deliberating on the OB's unanimous approval and ratification of work orders issued by EC of 24-25. The EC had two options to account these work order as guided by note by previous EC with specific inputs from Immediate Past President. As these were project work orders and not capital and revenue orders, EC was deliberating the guidance of previous EC which was follows:

	SAC REPORT	CLUB REJOINDER
		Get the expenditure of additional items for the project ratified in next SGM as suggested by IPP referred above. However, during the month of July 2025 as the present EC had the complete budget of capital and revenue, the current EC decided to classify it under the capital and revenue budget for the II quarter of 2025-26. Both the above methods of classifications and accounting are within the purview of EC, rules and past practices / precedence of the club
12.3	**Verbatim Hierarchy: Why 19.1 Cannot Override 18.5 / 19.9**	
	If Rule 19.1 allowed the EC to unilaterally change thresholds, the following specific rules would be legally redundant:	

Rule / Regulation	Explicit Provision	Threshold That Would Be Redundant
Rule 18.5	Limits OB contract awards to works below ₹25 Lakhs	**₹25 Lakh project-level ceiling**
Rule 19.9 (Limb 1 & 2)	Annual capital ceiling ₹1 Crore (+10%); GB approval for excess	**₹1 Crore annual cap**
Regulation 8.3.1	Mandatory three quotations for work above ₹50,000	**₹50,000 quotation trigger**
Regulation 8.3.2	Mandatory newspaper tender for work above ₹10 Lakhs	**₹10 Lakh newspaper tender trigger**

Reproducing the Rule 19.1 for the benefit of the members:

Rule 19.1 shall have the power to frame to Regulations for proper and smooth functioning of the club and to amend rescind and frame additional Regulations not inconsistence with the Rules.

This in itself defines the length and breadth related to the power of EC.

Reference to the table of SAC, members to kindly note the following:

Rule 18.5 – has not been violated.

Rule 19.9 (Limb 1 & 2) – has not been violated.

Regulation 8.3.1. & 8.3.2 – has been preceded by the Rules 19.9, 19.10 & 19.11 which are not violated.

	SAC REPORT	CLUB REJOINDER
		Rule 19.9 (Limb 1 & 2) – has not been violated. Regulation 8.3.1. & 8.3.2 – has been preceded by the Rules 19.9, 19.10 & 19.11 which are not violated. a. Members to further note that the incoming EC will have to nominate Rules Revision Subcommittee to reword / amend some of the existing Rules to remove the ambiguity in its interpretation either by the EC or Statutory auditors or any audit committee nominated from time to time. b. SOP for proper functioning of EC, OB, Sub Committees and the club key office resources. SOP to be drafted / deliberated and adopted along with defined roles and responsibilities should also be deliberated and defined along with roles and responsibilities. The club will also need ERP system to be implemented for smooth functioning of the club operations.
12.4	**The Rule 19.11 Oversight — Falsification of Intent**	
	The EC is claiming that Rule 19.11 allows them to avoid tenders for anything under ₹50 Lakhs. Which is not correct.:	
	• **The "Obtaining Tenders" Trigger:** Rule 19.11 explicitly states Office Bearers (OBs) are involved "from the time of obtaining tenders". This rule assumes a tender is already happening because of other rules.	

	SAC REPORT	CLUB REJOINDER
	• **Oversight vs. Procurement:** The ₹50 Lakh figure is the threshold for a Monitoring Committee, not the threshold for a Tender.	The EC is attempting to convince members that the Management Hierarchy (Rule 19) overrides the Procurement Mandate (Regulation 8 & Rule 18.5). SAC in fact projecting Rules partially and confusing the members. For example the highlighted portion in yellow above, states it is happening because of the other Rules while SAC have referred to the Rule numbers everywhere, we are unable to assess the intent of SAC to leave this as an open ended statement. Reproducing Rule 19.11: "The Office Bearers shall be members for the specified purpose and for terms co-terminus for the said purpose for any expenditure under capital and revenue up to Rs.50.00 lakhs, the Office Bearers shall be involved".
	The EC is attempting to convince members that the Management Hierarchy (Rule 19) overrides the Procurement Mandate (Regulation 8 & Rule 18.5).	
12.5	**Evidence: The Violation of Rule 18.5**	
	The EC's attempt to use Rule 19.1 to justify a ₹50 Lakh threshold is directly contradicted by their own "work splitting" behaviour, which proves they knew the ₹10L/₹25L limits were legally active: **Example 1 — Billiards Renovation:** No tender was called, and it was done "Departmentally". The SAC found this to be in "complete non-compliance" with Regulation 8.3.1 and 8.3.2.	

<table>
<tr><th></th><th>SAC REPORT</th><th>CLUB REJOINDER</th></tr>
<tr><td></td><td>Example 2 — Bamboo Bar: The Club admitted that no tender publication or competitive quotations were obtained.</td><td>Reproducing Rule 18.5 under Rule 18 which highlights the powers of the Office Bearers

Rule 18.5 “Shall award contracts below the value of Rs.25.00 lakhs after obtaining the approval of the EC and shall examine all works above the value of Rs.10.00 lakhs (both under capital and revenue expenditure). And ensure proper procedure and transparency in its implementation; shall scrutinize and negotiation on quotation, ensure plans and estimates are drawn by the professional and ensure periodic inspection and implementation of the projects as approved. Provided work shall not be split.

Reproducing the Rule 19.1 for the benefit of the members:

Rule 19.1: shall have the power to frame to Regulations for proper and smooth functioning of the club and to amend rescind and frame additional Regulations not inconsistence with the Rules.

SAC members also being the members of the club, and some of them having served as office bearers as well as finance subcommittee of the club, should have known and guided the rest of the SAC members that Rule 19 powers of the EC is superior to the Rule 18 powers of the Office Bearers as all OB decisions will have to be approved by EC.

Members to kindly note that SAC has misrepresented the above in spite of possessing the knowledge.

Example 1 — Billiards Renovation: It is needless to comment on the same as time and again EC has informed SAC members that Rules supersedes Regulations.</td></tr>
</table>

SAC REPORT		CLUB REJOINDER
		Example 2 — Bamboo Bar: The expression of SAC that the club has admitted that the tender was not called, since as per rules the value of which is less than Rs.50.00 lakhs. And the amount incurred is Rs.27.59 lakhs. Further members should also note that, in order to keep the over cost of the rebuilding the stage, which had to be taken up due to tree branch accidentally falling and damaging the roof. The EC decided to incur the expenditure out of capital and revenue budget. Further the club procured materials related to cement, sand, and jelly directly. Hired the cranes, JCB and labor force for installation. While procurement of structural steel & roofing sheet were made after obtaining competitive quotation. The entire fabrication was with in the club premises under the guidance of a qualified structural engineer and a civil engineer who is an employee of the club who supervised the day to day progress of the work. Hence these observations of SAC are invalid.
12.6	**The Rule 19.9 Distortion (The “Non-Tendered” Myth)**	
	The EC Claim: They suggest that “non-tendered” work (work they choose not to bid out) does not need comparative statements. **The Reality:** Rule 19.9 is a Mandatory Pre-Condition. It states that competitive quotations shall be obtained and approved before implementation.	Members to note that the SAC comments is an open ended statement without specific references. However in case of new civil constructions, there is bound to be changes which can be based on site conditions or the minor changes in the requirements. Further in case of renovation of old structures involving excavations, repairs of beams, columns, walls and flooring, the chances of non-tendered items would be higher than that of a new construction.

	SAC REPORT	CLUB REJOINDER
	The Violation: There is no such thing as "non-tendered" work above ₹50,000 in the Club's law. Regulation 8.3.1 demands three quotes for anything above ₹50,000, and Regulation 8.3.2 demands a newspaper tender for anything above ₹10 Lakhs.	Further it has to be noted that the non-tendered items is a work that the contractor short listed for the job only has to execute. There is no question of comparative statement. In fact the third party architect Nominated by the club has validated the BOQ. The club has negotiated the rates for the same based on rate analysis. The statement of SAC under "The violation" is not clear. Time and again SAC are referring to regulations which are superseded by Rules. Hence the above, observations are invalid.
12.7	**The "Hidden Law" Conflict**	
	A rule that is not updated in the official Byelaws and not communicated to members cannot legally override the printed constitution.	The rules amended in the SGM are circulated to all the members by way of printed booklets as SGM minutes.
	Rule 18.5 Transparency: This rule explicitly requires the EC to "ensure proper procedure and transparency". Acting upon a resolution that members do not know about is the direct opposite of transparency.	The rules amended in the SGM are circulated to all the members by way of printed booklets as SGM minutes.
	Ratification Requirement: Rule 19.9 states that capital expenditure is "subject to ratification by the General Body". If the members did not vote to change the threshold to ₹50 Lakhs, the EC has no power to act as if that change exists.	In the event of capital or revenue expenditure exceeding Rs.25.00 lakhs, the Club has to obtain competitive quotes and this has been followed by the management of the Club with respect to all the projects being audited by SAC.

	SAC REPORT	CLUB REJOINDER
	Notice to Members: Rule 8.8 requires that project details be published in the Newsletter once a quarter. If rules were changed and never appeared in the Newsletter or an updated Rule Book, they remain "hidden" and legally void.	SAC to note as per Rule 19.9 & 19.10 the management is required to take competitive quotes for value of Rs.25.00 lakhs and above which has not been violated. Regarding SAC comments "if the members did not vote to change the threshold to Rs.50.00 lakhs" It is irrelevant to the management as there is no such occasion at this juncture. Members to please note: The SAC's comment boxes refers to Regulation 8.3.2 which is superseded by Rule 19.11.
	CONCLUSION: The EC is attempting to operate in a "Shadow Governance" mode. They are citing resolutions that haven't been shared and rule changes that haven't been updated in the Byelaws. From an audit standpoint, if the official Rule Book says "₹10 Lakhs," then ₹10 Lakhs is the only law that exists. Any attempt to use an unrecorded "resolution" to bypass this is a documented admission of Fiduciary Negligence.	
	Question for the General Body: If Rule 19.11 was intended to allow the EC to spend ₹50 Lakhs without a newspaper tender, why does Regulation 8.3.2 exist at all?	

	SAC REPORT	CLUB REJOINDER
12.8	**The SGM Hypocrisy: Selective Compliance and Gross Fiduciary Negligence (Guest Room Exposure)**	
	The Executive Committee (EC) is attempting to use the January 4, 2026, SGM "Stop Order" as a retrospective shield to justify the non-renewal of the Bank Guarantee (BG), which had already expired on December 31, 2025. However, analysis of EC replies to SAC questions reveals a pattern of "Selective Compliance," where the EC cites the SGM mandate as a reason to neglect legal protections for Club capital, yet systematically violates that same mandate when it serves their interest to process payments or account for capital invoices. This inconsistent application of the SGM directive proves that the EC's actions are governed by administrative convenience rather than constitutional obedience.	The club thanks & appreciates the SAC for pointing out, that the Bank Guarantee as above has expired and it has failed to have it reissue / renew. Subsequently actions have been taken to have this renewed. This error is due to oversight in our accounting departments & club proposed to set up suitable systems to trigger such occurrences. The club however points out to the SAC that even though the Bank guarantee has expired, the validity of the BG is for a period of 1 year which expires on 31.12.2026, As clearly mentioned in the Bank Guarantee. Hence there is no risk for any advances/payments made to this vendor. The comment made by SAC as "Selective Compliance" by the EC, hence may be deleted from the Report.
	Breakdown: The "Material" Mirage vs. Financial Security	
	A review of the Guest Room project confirms a total breakdown of institutional safeguards. The EC's defence — that materials at the site provide security — is a professional misdirection that ignores the fundamental purpose of a Bank Guarantee (BG). **The "Runaway" Risk:** Bricks and tiles cannot stop a contractor from abandoning a project. A Bank Guarantee is a liquid financial leash; if a contractor disappears, the Club can encash the BG immediately to recover funds. "Material at site" is non-liquid,	

<table>
<tr><th></th><th>SAC REPORT</th><th>CLUB REJOINDER</th></tr>
<tr><td></td><td>depreciating physical property that the Club cannot easily convert to cash to pay a new vendor to finish the work.

The Chronological Lie: The EC claims the January 4th SGM prevented the BG renewal. However, the BG expired on December 31st. The EC allowed the Club’s primary protection on ₹28.61 Lakhs to vanish four days before the SGM even took place.

Systemic Violation of the 10% Cap: The Club ignored its own Work Order terms by paying massive advances — such as the ₹20.61 Lakh payment in August 2025 — without any BG protection whatsoever.</td><td></td></tr>
<tr><td></td><td>Executive Summary of Fiduciary Negligence</td><td></td></tr>
</table>

Issue	Date / Amount	Finding	
BG expiry date	**31.12.2025**	Four days before the SGM — EC cannot use SGM as excuse for pre- SGM negligence	
Outstanding advance at risk	**₹28.61 Lakhs**	Full amount exposed with zero collateral after BG lapse	• The Bank Guarantee expired on 31.12.2025 however it is important to note that the claim period is valid up to 31.12.2026. The SAC has been given the copy of the bank guarantee. The vendor has been recently intimated by letter to extend the bank guarantee. The Club is not at any risk. • The comments made by SAC with respect to selective compliance is incorrect and also all mobilization advance paid to the vendor

<table>
<tr><th colspan="4">SAC REPORT</th><th>CLUB REJOINDER</th></tr>
<tr><td></td><td colspan="3"></td><td>are secured advances and not unsecured as stated in the SAC report.
• Club will ensure that the vendor extends the BG as soon as the work is resumed.
• Bank guarantee
<table>
<tr><td>BG NO</td><td>8492IPEBG50054</td></tr>
<tr><td>BG AMOUNT</td><td>Rs.30,64,362/-</td></tr>
<tr><td>BG Issue Date</td><td>01.09.2025</td></tr>
<tr><td>BG Valid Up to</td><td>31.12.2025</td></tr>
<tr><td>Claim Period up to</td><td>31.12.2026</td></tr>
<tr><td colspan="2">As seen from above the claim period is valid upto 31/12/2026</td></tr>
</table>
</td></tr>
<tr><td></td><td>August 2025 advance payment</td><td>₹20.61 Lakhs</td><td>Paid without any BG — in direct breach of 10% WO cap</td><td>Advance payment has been made against Running Bill submitted by the Contractor. We have not made any mobilization advance payments. BG is required only when we make Mobilization advance payment. We have made the advance payments for work in progress against work completed running bills received only. So, there is no in direct breach of WO.</td></tr>
<tr><td></td><td>EC payments post-SGM Stop Order</td><td>Continued</td><td>EC claimed SGM stopped them from renewing BG but not from making payments</td><td></td></tr>
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	SAC REPORT	CLUB REJOINDER
	SAC recommendation to halt payments | **Disregar-ded** | EC continued to process invoices after SAC's explicit halt recommendation	It is unfortunate that SAC is commenting on day-to-day activity of the club needs their permission which is totally wrong. The club has to run and pay all the dues of the vendors, which have been committed and accounted before 4.1.26. It is the question of the century club's name involved in the Society. Which should not be tarnished.
	Verdict: "Material at Site" is No Shield. In the event of vendor bankruptcy or abandonment, a Bank Guarantee provides the Club with the cash necessary to hire a replacement. "Material at site" provides only physical clutter and zero financial recovery. Liquid Security vs. Physical Rubble — a Bank Guarantee is encashable; bricks and tiles are not.	
	The Executive Committee has demonstrated Selective Fiduciary Obedience. They used the SGM as a convenient excuse to neglect the administrative renewal of Bank Guarantees, while simultaneously ignoring the SGM's authority to continue making unauthorized payments and accounting for capital invoices.	In this current situation as explained above we are having the BG with a claiming period upto 31.12.2026. The comments made by SAC with respect to selective compliance is incorrect and also all mobilization advance paid to the vendor are secured advances and not unsecured as stated in the SAC report.
12.9	**The "Kaleido" (Multipurpose Hall) Anomaly: A Professional Void by Design**	
	This is not merely an administrative oversight; it is a calculated departure from the "MASTER ARCHITECTURAL DESIGN AND VISION FUTURE OF CENTURY CLUB" principle, established by a formal resolution of the previous committee to ensure design integrity and long-term planning. By operating in a professional vacuum, the EC removed the first line of fiduciary defence, converting a major capital asset into an "amateur experiment" funded by nearly ₹1 Crore of member capital.	The observations of the SAC is not factual. There is no professional vacuum. The project was envisaged and the professionals of exceptional eminence in the field of acoustic & visuals were entrusted with planning and execution of the multipurpose hall. Now the "Kaleido" stands out as a very good modern facility for facilitating the party, conferences and meetings etc.,

	SAC REPORT	CLUB REJOINDER
	1 . Structural Negligence: The Professional Void	
	While the EC utilized "Master Architects" for other sections like Guest Rooms or Badminton, they systematically sidelined professional design for the Multipurpose Hall.	The "Kaleido" is a party hall converted from the erstwhile departmental store area. Since this was an existing building, no new civil construction is involved. Hence there is no necessity of a master architect. What was needed was a very good acoustic engineer to design "Kaleido" confirming to the acoustic standards / requirements. The services of master architect was utilized for designing, creating proper infrastructure and beautification for the club.
	Violation of Resolution: The failure to appoint a primary designer is a direct breach of the Club's Master Architectural Vision resolution.	The Existing building of "Kaleido" and the remodeling is in line with the overall vision of the club.
	Surrogate Oversight: Instead of a designer, the EC paid a "Third Party Architect Fee" to a Chartered Engineer whose role was limited to technical valuation, not master planning or design flow.	The third party architect was appointed to ensure the correctness of the technical valuation, BOQ verification and work certification, measurements reconciliation etc., and not as a master planner.
	Design Deficiencies: The hall was executed without a dry pantry or integrated bathrooms — essential utilities for a multipurpose space.	
12.10	**The Table Tennis BOQ Collapse: Architectural Negligence or Strategic Planning.**	
	The deletion of ₹19,06,992 from a total project cost of approximately ₹57 Lakhs is a catastrophic audit red flag. ***This represents a 33% reduction in scope after the tender was awarded, which fundamentally compromises the integrity of the entire procurement process.***	During the course of execution some of the items like doors which was counted as numbers & not as Sq. Ft. which were not as per IS 1200 SP 27 were removed & the same was later on was brought in as Non tendered as per the Standard norms. Hence few items got deleted from the main tender resulting in the difference. The same was identified by the Third Party architect B P Sridhara Murthy and the rectifications were brought in.

SAC REPORT		CLUB REJOINDER
		Members to note conveniently projecting half of the information and translating the same into percentage to show an inflated value in terms of percentage as well as absolute value. Members to read as follows; a) The total value of the Tender; 56.11 lakhs b) Value of Deleted BOQ ; 16.16 lakhs c) Sub total (a-b) : 39.95 lakhs d) Adding back BOQ in line IS 1200 SP 27 convention: 7.04 lakhs e) Proffessional Charges : 3.12 lakhs Total Value of Project incurred as on 31/03/2026 : 50.11 lakhs

Parameter	Detail
SGM 25.06.2022 Budget - ₹19.90 Lakhs carried forward after utilization of Rs. 0.51 lakhs for UPVC windows	₹19.39 Lakhs (Available Balance)
SGM 29.06.2024 Additional Budget	₹38 Lakhs + taxes
Total Budget ₹19.39 lakhs + ₹38 lakhs = ₹57.39 lakhs.	₹57.39 Lakhs + taxes
Tender Contractor	M/s Doors N Doors Deco Build Pvt. Ltd.,
Tendered Amount to the Contractor after discount	₹56.11 Lakhs

	SAC REPORT	CLUB REJOINDER

Non Tendered Work	₹5.97 Lakhs
Professional Fee	₹3.12 Lakhs
Bought Out Items	₹1.07 Lakhs
Total WO Issued (As per 106th annual report & audited accounts the WO amount (Which includes Tendered , Non tendered, Professional fees & Bought out items)	₹66.27 Lakhs (₹56.11 + ₹5.97 + ₹3.12 + ₹1.07)
Less: Deletion of Tendered items	₹16.16 Lakhs
Total	₹50.11 Lakhs
Work Executed & paid as per 106th annual report & audited accounts	₹19.62 Lakhs + GST
Work executed to be ascertained & bill to be raised by the vendors	₹30.49 Lakhs

For Rs. 19.32 lakhs the following works were executed - Civil work, Tiles work, Fabrication , Ceiling work, Puff Sheet, Architect fee, Third party architect fee, Purchase of electrical items, Purchase of mirrors & Purchase of Bathroom accessories.

Work executed to be ascertained & bill to be raised by the vendors of Rs. 30.49 Lakhs towards Interior Work, Door Frames & shutters, Sanitary Fittings, Lighting, Electrical Works, Plumbing, Architect fee, Third party Architect fee.

Purchase of Furniture & Fixtures

	SAC REPORT	CLUB REJOINDER
		Hence the members to note as stated by SAC "The Table Tennis BOQ Collapse: Architectural Negligence or Strategic Planning". Except for architect (Ariyna design) negligence the rest of the expressions are incorrect and misleading the members.
	1. The Identity Crisis: Aniya Designs vs. The Third-Party Engineer	
	To answer the direct question regarding roles: • **The Architect of Record:** Aniya Designs is the appointed architect for the Table Tennis project. They were responsible for the site analysis, design, drawings, and the preparation of the initial Bill of Quantities (BOQ). • **The Third-Party Engineer (TPE):** This is likely a chartered engineer (such as Sri Sridhara Murthy, cited in related project audits) whose role was technical valuation and audit, not design. • **The Conflict:** The TPE's role is to verify work, but here the TPE effectively acted as a "Corrective Architect". If a TPE is forced to delete 33% of an architect's BOQ, it means the architect's professional work was either fundamentally flawed or intentionally "padded".	Senior Professionals like Shridhara Murthy with his larger experience of project monitoring point put as per standards as far as possible items such as doors, windows should be defined not only by numbers which is essential but also by area/ volume a as applicable so that final billing is based on measurements as the tender documented indicate only numbers these were removed from the list from the tender document's, as tender alteration not possible these were included in non-tender items indication measurements. The observation of SAC, "corrective architect" is misplaced. The comment that architect work is fundamentally flawed or intentionally "padded" is totally un called for and may be a reflection of professionally jealousy.
	2. The Tender Integrity Violation (The "Other Motives")	
	In auditing, deleting 33% of a BOQ after a tender is won is often a sign of Tender Scoping Manipulation:	

SAC REPORT	CLUB REJOINDER
• **Disadvantaging Other Bidders:** If the true scope was always ~₹38 Lakhs, but it was tendered at ₹57 Lakhs, other qualified contractors might have been discouraged from bidding due to the higher perceived complexity or bonding requirements.	SAC intentionally not considering the previous SGM sanction of 19.90 lakhs and the tender called for 57 lakhs and tender was awarded for 56.11 lakhs as replied earlier the other two tenderer are above 30% above compared to the lowest bidder. None of the bidders were discouraged in the participating in the tender deliberation.
• **The "Switch and Bait":** By winning on a high BOQ and then "deleting" ₹19 Lakhs, the vendor and the EC gained a ₹19 Lakh financial buffer. This money — already sanctioned by the SGM — could then be diverted into "Additional Works" or "Bought- out items" without requiring new approvals from the General Body.	SAC is intentionally misleading the members as the total budget and amount required to complete the entire project which is in work in progress of Rs. 30.49 lakhs, please refer 106 annual report and audited accounts. The words used "Switch and Bait" is totally unnecessary and not true.
• **Violation of Rule 18.5:** This manipulation is the definition of a lack of "transparency" mandated by Rule 18.5. The SAC explicitly asks: "Why were these items included in the first place in the Tender/BOQ?"	Quote: Rule 18.5 "shall award contract below the value of 25 lakhs after obtaining the approval of Executive Committee and shall examine above the value of 10 lakhs (both under Capital & revenue expenditure) and ensure proper procedure and transparency in its implementation ; shall scrutinize and negotiate on quotation; ensure plants and estimates are drawn by professionals and ensure periodic inspection and implementation of projects as approved. Provided work shall not be split". The whole rule used by SAC is wrong as it states for Capital & Revenue expenditure and not for SGM sanctioned Projects.

SAC REPORT		CLUB REJOINDER
12.11	**The Pickleball Planning Catastrophe: Sequencing Failure and Structural Neglect**	
	A reconstruction of Point 3 — Pickleball Project query to EC (if EC on 31/10/25 approved WO of Rs. 7,65,891 for which the details and basis of arriving on the amount etc. may be furnished — if it is approved in October 2025, then why did the work start in March 2025?) — reveals that the Executive Committee's (EC) "dust defence" is a professional smokescreen designed to mask a fundamental failure in site assessment and structural planning. The issuance of a second work order on October 31, 2025, specifically for waterproofing and M20 concrete, is an admission that the initial project was executed without basic professional due diligence.	
	1. The Waterproofing Paradox: Professional Planning Failure	
	The second work order (October 31, 2025) exposes the "Gross Planning Failure" of the original design. • **The Admission:** The EC's sudden requirement for waterproofing the terrace and lift lobby and providing M20 concrete only after the court was supposedly completed proves the first work order was fundamentally flawed. • **Sequential Failure:** In professional construction, waterproofing and structural concrete are the foundation. Implementing these after members had already played on the court confirms that the EC and their architects failed to assess the site conditions of the terrace before wasting member funds.	The seating area in the Pickle Ball was newly defined & in order to counter the rain water from open to sky area the entire area was treated with M20 grade concrete using 10MM & down size coarse aggregate to prevent the seepage of rain water to the Gym portion which is at the lower level. This was discussed with the architect concerned & the above decision was taken to implement.

	SAC REPORT	CLUB REJOINDER
	• **The Resulting Loss:** Because the foundation was ignored, the entire value of the first work order is a "Total Sunk Loss" to the Club caused by professional negligence.	
	2. The "Dust" Cover-Up: Scapegoating the Table Tennis Project	
	The EC is attempting to leverage the proximity of the Table Tennis project to hide their own structural incompetence. • **The Misdirection:** Blaming "dust and inconvenience" from the Table Tennis work (Work Order May 2025) is a convenient scapegoat. • **The Reality:** Dust cannot cause a need for M20 concrete and terrace waterproofing. These are structural requirements that should have been planned and executed before any surface work began on the Pickleball court. • **Coordination Failure:** Knowing that two major projects were being executed in adjacent areas, the EC's failure to plan the shared site logistics and structural requirements represents a total abandonment of the "Master Architectural Design" principle.	
	3. Verdict: Gross Negligence and Financial Wastage	
	The SAC's findings highlight a pattern of "Action First, Approval Later" that bypassed all fiduciary checks.	

	SAC REPORT	CLUB REJOINDER
	• **Unauthorized Execution:** The SAC noted that work on the Pickleball court commenced on March 28, 2025, but the EC only officially approved the second work order on October 31, 2025. • **Fiduciary Breach:** By the time the EC issued the "second" work order to fix the waterproofing and concrete, the Club had already lost the entire value of the first installation. • **The Architect's Role:** This failure raises critical questions about the professional competence of the architects involved — whether Aniya Designs or others — who allowed a court to be built on an un-waterproofed terrace without understanding "real site knowledge".	
	Executive Summary of the Pickleball Loss	
	(table below)	Initial work for Pickle Ball Court commenced in FY 2024-25 which includes Sub Base, ITF certified 8-layer acrylic durabolt standard system, painting, Lighting, Fencing, Pole erection, Pickle ball paddle, Net, Iron Mesh, Shade net fencing & fencing support poles. First WO A - Pickle ball court WO issued to Net Fusion dt 25.3.2025 approved in EC 25/3/2025. - Rs.5.36 Lakhs. The court were being used by members for a few months. Due to tremendous response from the members of the Pickle Ball section the Ladies & Gents toilets along with change room work started.

Issue	Date	Financial / Governance Impact
Pickleball court work commenced	March 28, 2025	No approved WO; no EC resolution; no tender
EC approved second WO (waterproofing + M20 concrete)	October 31, 2025	7 months after work started — structural basics omitted from first phase
Value of first WO (surface work on un-waterproofed slab)	~₹5.35 Lakhs capitalised	Classified as a Total Sunk Loss — structure built on inadequate foundation

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<tr><td>SGM reply (15.12.2025) — disclosed only advance of ₹2.50 Lakhs</td><td>Misrepresentation</td><td>₹6.31 Lakhs already capitalised — not disclosed to General Body</td></tr>
<tr><td>Architect who approved building on non-waterproofed terrace</td><td>Not identified / disclosed</td><td>No primary architect appointed; structural accountability void</td></tr>
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There was a tree branch fall which damaged the Court & the fencing due to heavy rains & wind.

The renovation work related to Table tennis section started which also added fine sand dust particles that in spite of cleaning & dust from open air environment that lingered on the court

Apart from resurfacing the terrace surface EC approval dated 31.10.2025 – Second WO – B-1, B-2 & B-3 which also covered the following:

1. WO issued to Shivashree Construction for Rs.5.17 lakhs - Providing of water proofing – Terrace & Lift lobby, providing water proof screed concrete, Fine finishing Screed concrete with water proof cement motor, Coarse finish of the surrounding area of court, Providing MS Spiral stair case, Providing & fixing UPVC doors

2. WO issued to Shivashree Construction for Rs.1.32 Lakhs - Fixing Anti-skid titles, Providing Epoxy grouting

3. WO issued to Quickhits for Rs.1.18 Lakhs towards supply & installation of acrylic flooring & electrical items.
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SAC REPORT		CLUB REJOINDER
	Conclusion: The Pickleball project is a textbook case of Professional Gross Negligence. The EC did not just "fail to plan"; they authorized the construction of a major asset on an unstable foundation and then used a "dust" excuse to hide the fact that they had to rebuild it from scratch.	Based on the request of few members to start a new trending sport to be introduced in our club. The idea of Pickle Ball court was conceptualized though there was limitation of space. It was an idea to use the gym terrace inspite of many constraints it was decided to relocate some of the services/ equipments from the terrace & create a space on an experimental basis. We place it on record to state that our esteemed club is the first club to launch the Pickle Ball court among the clubs. We also would like to place on record that Century Club started a new sport division after 5 decades. With all due respect the attempt to create the Pickle Ball Court was first time for the Club by the respective Chairmen and then President & EC. Hence there were some short comings which were addressed in the renovation work that followed. For the information of the members that as on today around 60 members use this facility payment Rs.25/- for 30 mins & also around 45 members participated in the First annual tournament of the Pickle Ball in the month of June 2026.
12.12	**Golf Sponsorship in Badminton Capital Project**	
	We have concluded a deep dive into the accounting gymnastics used to move money from a Golf Tournament to the Badminton project. In a chartered institution like the Century Club, "moving money between buckets" without an SGM resolution is not just an administrative error — it is a Fiduciary Breach and Unauthorized Diversion of Club Assets.	

SAC REPORT		CLUB REJOINDER
	The EC reply to the SAC query below is a classic case of diversion:	
	EC Defence: Question from SAC: "Sponsorship adjustment details are to be furnished as the same is already paid and included in Accounts, but no Sponsorship is credited here. Stated to be Golf Tournament Sponsor amount transferred here. Details and EC Resolution etc. are to be produced."	
	In an audit, a resolution is not a magic wand; it is a document that must be tested against the Supremacy of the Byelaws. Even with a resolution in hand, the following hurdles remain insurmountable for the Executive Committee (EC):	Repeating the response for SAC ▪ It has to be noted that this remark is unwarranted & untenable. Also, this is not in the orbit of SAC. ▪ Clarifying for the esteemed members of Century club: The Golf tournament was a unique effort put forth by the president and EC exclusively for members of Century club. Further they have worked to generate the required revenue by entrance fee & external sponsorship. ▪ The money that SAC is referring to in this case is the money that was left over after successfully conducting the golf tournament. Further the money was moved from a non-existing bucket with in century club (Golf) to an existing bucket which is badminton for the benefit of the subscribing members. ▪ Hence this statement from SAC is an illusion to project EC carrying out fiduciary breach or unauthorized Diversion.

	SAC REPORT	CLUB REJOINDER
12.13	**The Cube Architect Appointment: Dismantling the "Norm" Defence**	
	In auditing, the phrase "as a norm" is often a red flag — it is frequently used as a linguistic substitute for a missing legal procedure. When the Executive Committee (EC) argues in Annexure 2 (submitted on 01/05/25) that there is no tendering process for appointing an architect "as a norm," they are attempting to elevate an administrative habit above the Club Byelaws.	
	EC Defence: EC Defence: "The club does not have a formal policy for inviting tenders or quotations for engaging professional services such as architects. EC date 31/10/23 M/S CUBE Architect — Mr. Sandeep appointed."	
	1. The "Norm" vs. The Law: The Supremacy Conflict	
	The EC's claim that architects are exempt from tendering is a Fiduciary Blind Spot. While professional services are indeed "consultancy-based," they are not exempt from the Club's financial thresholds. • **Rule 19.9 Violation:** Any capital expenditure for a single work — including professional design fees — that reaches or exceeds ₹25 Lakhs explicitly requires competitive quotations to be obtained and approved before implementation. • **Regulation 8.3.1 & 8.3.2:** If the architect's fee or the project they are designing exceeds ₹50,000, three competitive	• Members to please note, while it is correct there was no tendering with respect to appointment of architect, however the basis for appointing specifically CUBE architects was based on the following; • CUBE architects association with the Club from the year 2008 onwards on many projects of varying scale under different management of the club. • They had conducted independent survey of the extent of land of the club, and was also involved in creating the master plan for all club facilities in 2024.

	SAC REPORT	CLUB REJOINDER
	quotations are mandatory. If the project exceeds ₹10 Lakhs, a newspaper tender is required for the entire scope, which typically includes the design framework. • **Reality:** There is no "Architectural Exemption" clause in the Century Club Byelaws. A "norm" cannot authorize the direct award of a high-value contract without price discovery.	• They coordinated for the official GPS based survey map as required by BDA from Department of Survey, Settlement and land records (GOK) with an intent to identify the exact extent of land in possession by the Century Club. This was a two and half years of effort which is the first step in change of land use from the "PARK ZONE" to "PUBLIC AND SEMI PUBLIC ZONE". • Hence the SAC comments are not valid.
	2. The Professional Vacuum: Why Tendering Matters for Architects	
	By bypassing the tendering process for Cube Architect, the EC removed the primary mechanism for ensuring Value for Money and Technical Competence. • **Lack of Price Discovery:** Without a competitive tender, how did the EC determine that Cube Architect's fees were the most competitive in the market? • **The "Shadow Selection" Risk:** Direct appointments "as a norm" create an environment where vendors are chosen based on subjective preference rather than objective merit. This is the exact "lack of transparency" that Rule 18.5 was designed to prevent. • Is it a norm in century club to front load 60-70% of the total fee agreed in the agreement before the execution stage? The general norms according to the other government institution's and other private institutions is about 30 -40% front loading of	The observation is answered in the above paragraphs.

SAC REPORT		CLUB REJOINDER
	• architect fees in their financial contracts. The very nature of negotiation by the EC is questionable. And lack of tender has led to inefficient price - technical value discovery.	
	Audit Question: If "no tendering" is the norm for architects, why does Regulation 8 not explicitly list this exemption? In an audit, if the exemption isn't in the book, the exemption doesn't exist.	
12.14	**Unacceptable Justifications for Project Delays**	
	The SAC finds the EC's justifications for project delays to be professionally unacceptable and factually inconsistent. The following is a project-by-project audit response, cross- referenced with the independently obtained SCE Quality Engineer's observations.	
	1. Guest Rooms: Manufactured Structural "Emergencies"	
	EC Defence: The EC Claim: Column Jacketing was not initially considered; height errors in survey drawings (3m vs. 3.3m) and plumbing issues (out of plumb) caused significant delays.	
	SCE Quality Engineer Response: "Design for retrofits [should] be done before start of work. So not accepted." Regarding survey errors: "It should have [been] specified by the architect before estimating."	

	SAC REPORT	CLUB REJOINDER
	A 300mm (1-foot) height discrepancy in a survey is not a "site condition" — it is gross professional negligence. The Principal Architect (CUBE) was paid a premium 6% fee to verify these dimensions before floating the tender. This is a documented "Hollow BOQ" tactic. By understating heights and omitting structural needs in the public tender, the EC allowed a preferred vendor to win L1, only to "discover" extra work later. Furthermore, the wait for an IISc report is a design process, not a delay reason — especially since IISc ultimately found no structural distress.	SCE expressing to SAC that IISC ultimately found no structural distress is a blatant lie. It is important for the Hon. members of the Club to note that the Indian Institute of science report an authority on the subject matter who have approved the action taken by the Club in respect with column strengthening & they have also recommended to complete the task. However, regarding the beam treatment as the beam examined had honey combing, IISC have suggested epoxy or polymer mortor cementitious grouting to counter honey coming in the beams. (page 7 of IISC report dated 11th Dec 2025). The club decided in the EC to accept the IISC report & proceed according to the IISC recommendations as per page #7, 8 & 9 of IISC report). The statement in page # 5 on columns should be read as a certification of the columns strengthening work which had already been done before the IISC report.
	The club in its recent response has lapsed in its judgement because, the architect has corrected dimensions already in guest room descriptions diagrams for purpose to issue for tender dated - 28/08/2024.	
	The "Mock-up Phase" Contradiction	
	The EC claims that a survey height error (3.0m in drawings vs. 3.3m in reality) was only discovered during the main project, causing significant delays. • **Physical Presence:** The Principal Architect (M/s CUBE) and the contractor (M/s SYS Constructions) had already completed full-scale renovations of Mock-up Rooms 106 and 107 before the main project tender was estimated.	

	SAC REPORT	CLUB REJOINDER
	• **The Impossibility:** To build a mock-up room, the architect and contractor must physically measure the floor-to-ceiling height to install false ceilings, wall tiles, and plumbing. Any 300mm (1-foot) discrepancy was physically exposed and "known" during the mock-up phase.	
	The Role of the "Architect-Contractor" Nexus	
	The SAC notes that the Principal Architect (CUBE) and the Mock-up Contractor (SYS Constructions) are intrinsically linked. This creates a heightened standard of accountability: • **Double Duty:** As the designer of the mock-up, the architect established the baseline. As the builder of the mock-up (SYS), they verified that baseline on-site. • **Professional Negligence:** For the same team to then claim they were "surprised" by height errors during the main project is a confession of gross professional negligence.	
	2. Bar I Tone: Failure of Pre-Planning	
	EC Defence: The EC Claim: Delays were caused by unforeseen tree roots and the need to remove earth to a depth of 40cm to find natural ground.	
	SCE Quality Engineer Response: Regarding the roots: "Is known fact — visible." Regarding the earthwork: "Project start required before pre-planning done."	

	SAC REPORT	CLUB REJOINDER
	Roots from large, existing trees are a permanent physical feature. Any qualified architect or committee member would have identified these during the mandatory pre-tender site visit.	
	The EC signed off on architectural designs that they now claim were "suitably altered" mid- project. SCE correctly demands an explanation for why a design was approved and signed off if it was physically impossible to execute. This represents an unauthorized design churn at the members' expense.	
	3. Badminton Section: Supervisory Vacuum	The members to note with reference to the above, the delay was due to the contractor not getting clearance from the club to go ahead with the works, reasons for the same are summarized as below: 1. Site measurement variations due to survey drawing not being accurate. Hence there were re-measurements and delay in clearance. 2. Relocation of the existing sanitary lines and plumbing lines as the club was also undergoing STP line connecting from tennis, badminton, billiards, office, bar I tone and chambers leading to STP tank. 3. A/C relocation of billiards and club office. 4. Conducting elections as the voting was scheduled in the badminton hall which took about 2 weeks. 5. On demolition of the walls, it was observed that two Slabs were at different levels, which necessitated additional strengthening by using ISMB after taking structural engineers clearance.
	EC Defence: The EC Claim: Delays were due to site measurement variations and the relocation of existing sanitary chambers and plumbing lines.	
	SCE Quality Engineer Response: SCE dismisses measurement excuses as a "Mistake / fault of survey — three days [work]." On the issue of poor labour force, SCE asks: "Why was penalty clause not imposed?"	
	The claim that "slab levels were different" causing a 20-day delay for a new structural element is a design mistake, not a site surprise. The EC admitted that pressure testing — a mandatory Step 1 engineering protocol — was "overlooked," requiring three weeks of re- work. This is a formal admission of a Supervision Vacuum. Under standard contract law, the contractor should be penalized for such negligence; instead, the EC has presented it to the members as an "unforeseen factor."	

	SAC REPORT	CLUB REJOINDER
	4. Table Tennis: Violation of Statutory Standards	
	EC Defence: The EC Claim: The tender did not conform to standard processes (SP 27 IS 1200), leading to numerous “non-tendered items”.	
	SCE Quality Engineer Response: “Who issued tender?” Regarding overlooked testing: “Provision [failure].”	
	IS 1200 is the national benchmark for building measurements. Ignoring it is a fundamental breach of engineering standards that intentionally leaves the “door open” for un-competed cost escalations. By abandoning national standards, the EC created a mechanism where they could withdraw scope from an L1 vendor and hand it to a second vendor at “recommended rates” — a direct bypass of the competitive bidding process and a violation of Rule 19.15.8.	
	OVERALL VERDICT ON PROJECT DELAYS: Across Guest Rooms, Bar I Tone, Badminton and Table Tennis, the EC’s delay justifications share a common pattern: every “unforeseen” factor was, in fact, foreseeable. Survey errors, tree roots, pressure-testing oversights and non-compliant BOQs are all failures of pre-planning and professional oversight — not Acts of God. In each case, the SCE Quality Engineer has independently confirmed that the EC’s explanations are professionally unacceptable. The consistent outcome is that delay penalties — contractually mandated at 1% per day capped at 10% of project cost — have never been invoked, enabling contractors to operate without consequence while Club members bear the cost.	The members to note during the course of execution some of the items like doors which was counted as numbers & not as Sq. Ft. which were not as per IS 1200 SP 27 were removed & the same was later on was brought in as Non tendered as per the Standard norms. Hence few items got deleted from the main tender resulting in the difference. The same was identified by the Third Party architect B P Sridhara Murthy and the rectifications were brought in. In a renovation projects for old constructions there are bound to be challenges which cannot perceived before execution starts. SCE has not consulted the stakeholders involved in the execution work and drawn conclusions which are far from truth. The delay in execution of the project cannot be attributed to the contractor as the club had to take several opinions from various consultants and hence delay penalties could not be imposed.

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13.	**CONCLUSIONS AND RECOMMENDATIONS**	As enumerated in the rejoinder. SAC's role was a special audit committee, it has to stick to the mandate. However the findings could be noted. Resolution of the SGM dt.4.1.2026 is "It is resolved to constitute a Special Audit committee to verify in all aspects pertaining to the Budget Sanction of SGM and also the utilization of Capital and Revenue Budgets as per Rule 19.01 to 19.10 from 1.4.2024 to 31.12.2025 and to report the following to the SGM members: 1. Procedures which were not followed as per the Rules and Regulations of the Club. 2. Any other finding along with its recommendations. It is further resolved that the Executive Committee Members, Staff and Vendors should co-operate and furnish all the documents/details/statements as may be required by the Special Audit Committee and the SAC shall complete the work and submit the report within 60 days from the date of resolution. Ongoing projects will not be taken up as per the sanctioned budgets till the Special Audit Committee report has completed."
	This report is not written to embarrass individuals; it is written to re-establish the rule of the General Body over its own Club. The Special Audit Committee therefore recommends that the following principles guide every decision taken on these findings: 1. **Recognition of Ultra Vires Expenditure:** Any expenditure that is ultra vires the Byelaws — beyond caps, without tender, against election embargo, or on projects rejected by the GB	These aspects mentioned above at 1 & 2, has been covered also in rejoinder. It may be noted that this has been the practice in the club since many years. Few precedence of our club in the recent years as Examples:

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	— should be recognised either as a loss/impairment or as an amount recoverable from those who authorised it but not buried in the capital cost of assets.
	
	2. **Restoration of EC Budget Discipline:** The ₹1 crore EC capital and revenue budgets must never again be used as a "river" to divert overspends on GB projects; they must be restored to their original purpose of small repairs, renewals and unforeseen necessities, with full quarterly disclosure to members.
		A) Capital and Revenue Budget spent under Rule 19.9 & 19.10 in the Past years.
		• Renovation of Tennis & Badminton Toilet work – (SGM Budget of Rs.25 Lakhs) Incurred AmountRs.24.51 lakhs -SGM Budget & Rs.9.51 Lakhs under Revenue Budget. -….
		  ○ The SGM budget value apportioning equally to both the sections: Rs. 12.5 Lakhs each.
		  ○ The entire SGM sanction of Rs.25 lakhs was utilised only for Tennis Toilets without EC resolution. Which implies there was 100% over run on the sanctioned SGM budget. Further another 9.51 lakhs were utilised under Revenue Budget. The overall cost overrun in this case is to the tune of 180%.
		  ○ The Architects & the Contractor were directly appointed by the Sections even though SGM sanction was for both Tennis & Badminton toilets which is complete violation by Tennis section.
		• Construction of Pergola area - Rs.55.43 lakhs under Capital Budget in 2023 in spite of SGM rejecting the original proposal in June 2022 & in Nov 2022 within 4 months the EC has approved the same.
		• Tennis Flood light – Rs.21.43 Lakhs under capital budget in 2024-25
		• Billiards Lift work- Rs.24.19 lakhs under Capital Budget in 2022-23 & 2023-24 (Which currently not in use).
		  ○ Was an evaluation made between traction lift and hydraulic lift and the basis for selection and the evaluation of vendor.
		• Bamboo Bar – Rs.33.73 lakhs under Revenue Budget in 2023 without any approval from SGM.
		If you go by the SAC Report even the above as Rule 19.10 or Regulation 8.3.2 is violation here.

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	3. **Mandatory Compliance for New Projects:** No new project above the tender thresholds should start without a clear professional estimate; a transparent tender process as per Regulations 8.3.1 and 8.3.2; architect and engineer certifications at defined stages; and publication of project details and progress in the Newsletter every quarter.	**Members to please note:** It has been a practice in the club wherein the proposal for the new projects have been presented to the SGM without intricate estimates, by respective chairmen and the SGM has been approving the same. This practice has to change and it is a fundamental change. **For example:** There was a common approval for toilet block for badminton and tennis sections. However the entire budget was utilized for only tennis section, without specific approval of SGM. Over and above this there was additional spend of Rs.9.51 lakhs, this was later ratified in the EC under revenue budget. Billiards lift: 1. There was no basis for selecting a hydraulic lift against a traction lift. 2. Further the competitive quotations were not obtained. Unfortunately the lift did not work for more than one year. Due to the economic viability of publishing the newsletter on quarterly basis, followed by the sensitivity related to insistence by members to present their articles and photographs, without proper scheduling and not in line with theme selected for the quarter. Hence EC has to discontinue the practice of publishing the quarterly newsletter. However the incoming EC should take a call on publishing the same internally in the club and display on all notice boards with in the club and send soft copies to the members.

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	4. **Eradication of Conflicts of Interest and System Redesign:** The institution must terminate all architectural and consulting contracts where a demonstrable conflict of interest exists (e.g., the Cube Architects/SYS Construction nexus). Tying professional fees to inflated 'estimated' budgets rather than negotiated Work Orders must be abolished. All future architect and consultant fees must be linked to actual work orders, not SGM estimates.	• Members to please note: SAC remarks "The mock up phase contradiction" and "The role of the Architect-contractor Nexus". Yes, the architect is the common entity between CUBE architects and SYS constructions, which was a fact known to the EC members of the 2023-2024, during which period the mock up room were renovated as a proof of concept. Hence awarded to the same entity. • Further the Club had appointed a third party consulting engineer Sri. M D Purushottama for verification of the quality of work and associated cost and who has certified the bills and submitted the report. • The SAC's comment "All future architect and consultant fees must be linked to actual work orders, not SGM estimates". Is not correct as the procedure followed by the club is as follows: o While going through the SGM for approval the professional fee is linked to the estimated value of the project. And based on the actual expenses that the club would have incurred the professional fee gets adjusted accordingly. o For Example: Project estimated value of Rs.30.00 lakhs, professional fee is calculated at 2% of Rs.30.00 lakhs. However when the fee is actually paid it is calculated at 2% of the expenses actual spend by the club. Which can be higher or lower of the estimated value.
	5. **Initiation of a Rule 20 Enquiry:** A Rule 20 Enquiry should be commissioned wherever there is clear evidence of repeated, knowing breach of Rules 18.5, 19.9, 19.10, 19.12, 19.15.8 and Regulation 8 — not to punish past committees for policies but to make it clear that Byelaws are not suggestions.	Members to please note: SAC cannot differentiate the interpretation of these rules as "OK" for past committee and as a crime with reference to the current EC. It is important for the club's future "Rules, Regulation & Legal affairs committee" to identify the root cause and find a fix to amend the Rules & Regulations with a relative degree of flexibility.

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	6. **Formal Review of Statutory Auditor's Advisory:** The Committee recommends a formal review of the professional advice provided by the Statutory Auditor in July 2025, as it facilitated the bypass of constitutional safeguards. The SA's advice cannot be used to override specific Byelaw protections.	Before making any advice, SAC must study the subject in totality that is the meaning of audit. The EC was deliberating on the OB's recommendation for approval and ratification of work orders issued by EC of 24-25. The EC had two options to account these work order as guided by note by previous EC with specific inputs from Immediate Past President to take it to SGM. As these were project work orders and not capital and revenue orders, EC was deliberating the guidance of previous EC which was follows: Get the expenditure of additional items for the project ratified in next SGM as suggested by IPP referred above. However, during the month of July 2025 as the present EC had the complete budget of capital and revenue, the current EC decided to classify it under the capital and revenue budget for the 2nd quarter of 2025-26. Both the above methods of classifications and accounting are within the purview of EC, rules and past practices / precedence of the club. In the opinion of the club & legal counsel there is no violation. SAC is going beyond its jurisdiction.
	7. **Recovery of SCE-Identified Overpayments:** The aggregate exposure identified by Sai Consulting Engineers (≈ ₹72.70 lakhs) must be formally recorded as either recoverable from contractors/consultants or as impaired amounts in the financial statements. These cannot be silently absorbed into project costs.	▪ SCE credentials and impartiality is questionable since the wrong way he has interpreted the IISc report, hence all findings of SCE are nonfactual and arbitrary. ▪ Payments have been made as per WO's for various parties & there is no discrepancies as indicated in the rejoinder. Hence this question doesn't arise. ▪ The same are hereby rejected.

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	8. **Immediate Bank Guarantee Requirements:** No advance to be paid on any existing or new project without a valid Bank Guarantee in hand. All currently outstanding advances without BG must be treated as unsecured receivables and reported as such in the next accounts.	There is no violation in this regard. The same has been explained in the Rejoinder.
	9. **Maintenance of the Registered Suppliers Register:** Immediate steps must be taken to implement and actively maintain a Registered Suppliers Register. The current failure to maintain this registry constitutes a direct violation of Regulation 8.3.1. To ensure vendor authenticity and procedural compliance, all future tenders and procurements must be sourced exclusively from a formally vetted registry of suppliers.	The future committee has to first decided on the SOP for the club office, for the EC and define the Roles & Responses. The above suggestion of SAC is non practical due to the location (Restriction of being in CBD & Park zone) of the club & diverse changing need of the club.
	10. **Formulation of Standard Operating Procedures:** A comprehensive Accounts, Audit, and Procedure Manual must be formally developed and adopted. The absence of codified Standard Operating Procedures creates a vacuum in internal controls, leaving financial operations vulnerable to inconsistent or arbitrary practices. This manual must dictate clear, standardized workflows for all accounting entries, approval hierarchies, and internal audits.	Members to please note: Mr. Umesh representing monitoring committee has been advising the EC's from the time EC 21 to 23 on the following: ▪ Plan the project in detail before going to the SGM for approval. ▪ Define SOP, Roles & Responsibilities for the club office & EC / MC members.
	11. **Mandatory Activation of System Edit Logs:** The institution's financial software must be immediately configured to capture a mandatory, unalterable edit log (audit trail). The current lack of an implemented edit log severely compromises the integrity of the financial data, as unauthorized or post-facto modifications to accounting entries cannot be accurately tracked or audited.	The club requires an ERP to stream line its operations. The club has requisitioned for a budget approval in the SGM dt 4/1/2026 for a new software. Once this is approved the future EC should discuss and roll out appropriately.

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	12. **Review of Banking Resolutions and Regulatory Compliance:** A complete and rigorous review of the Club's Rules and Regulations must be conducted. Specifically, the Executive Committee's Bank Account Operation Resolution dated June 29, 2025, must be audited for constitutional validity, as it demonstrates a clear failure to follow Regulation 3.7. All bank operating mandates must be immediately brought into strict compliance with the Club's governing Byelaws.	Appropriate modernization by future EC can be taken up once root causes are identified. Currently there is no violation in this regard.
	13. **Monitoring Committee:** Henceforth, we recommend that members of Monitoring Committee for each administrative year should be nominated by the General Body and consist of professionals and technical members, with the office bearers being the ex officio members. Also, the Monitoring Committee may invite professionals having knowledge and expertise for each project.	Members to please note that the current monitoring committee are members of club and were nominated by the SGM, with impeccable track record in their profession and also w.r.t the club, their work was commendable, previous & present EC's would vouch for the same. It is important for the future EC to define the Roles & Responsibilities of the Monitoring committee & get it approved in the SGM.
	14. **Completion of pending projects:** SAC recommends General Body to take a decision on the pending projects to avoid further loss of revenue to the club, by appointing a special committee for this purpose.	Members to please note, it seems to be a joke that in spite of monitoring committee requesting the SGM dt. 4.1.2026 for continuing and completing the project works, which was not considered by the newly constituted SAC. The club is always willing to start and complete the projects.

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	The actions recorded across these findings show a leadership model that prioritized vendor payouts and project momentum over constitutional integrity. By overriding the formal objections of the Secretary and the Treasurer — the two officers specifically tasked with protecting the rules and the purse — the EC created a documentary record that the Committee was fully informed of the illegality and chose to proceed anyway. Century Club belongs to its members. This report exists and has been made as exhaustive and detailed as possible, to ensure it is governed accordingly — and that members have every fact they need to make informed decisions.	**Members to note:** Based on the detailed responses for all the allegations by SAC and its associate SCE in the club rejoinder the club concludes there are no illegalities and that the findings are nonfactual and with malicious intent. "By overriding the formal objections of the Secretary and the Treasurer"; The EC consists of 14 members and both secretary and treasurer are part of the EC. In spite of only two members objecting to the specific subject matter, the president called for a democratic voting, as per the traditions of the Club, which is valid and legal procedure. Hence the above comments highlighted by SAC are invalid.

On behalf of the Offie Bearers and Executive Committee members

C. N. Guruprasanna
President