

निदेशक (प्रणाली) दि.वि.प्रा
डायरी नं. 1248
दिनांक 23/07/2026



दिल्ली विकास प्राधिकरण
DELHI DEVELOPMENT AUTHORITY
ई.एम. सचिवालय
E. M's SECRETARIAT

No. EM2(3)2026/DWK/229/DDA/643

Dated: 21/7/26

944th Meeting of Arbitration Scrutiny Board (ASB) under the chairmanship of FM, DDA was held on **15.07.2026** at **12:00 P.M.** to deliberate the Hon'ble District Court, Patiala House Judgement dated 16.05.2026 in the matter of "**M/s Tara Chand Sumit Construction Company vs DDA**" in respect of the following work: -

- N.O.W.** : Construction of Community Room at Sadh Nagar, Pocket-11, Nasirpur Village.
Agency : M/s Tara Chand Sumit Construction Company.
Agmt. No. : 35/EE/WD-6/DDA/2014-15.

The case was submitted by CE(Dwarka) vide e-file computer no. 114241.

The meeting was attended by the following officers: -

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|------------------------------|-----------------|-------------------|
| 1. Shri P. Praveen Siddharth | FM, DDA | Chairman |
| 2. Col. Deepak Suyal | CE(Dwarka), DDA | Executive Member |
| 3. Shri Sanjay Kumar Khare | CE(HQ), DDA | Member |
| 4. Shri Manohar Lal | Addl. CLA, DDA | Member |
| 5. Shri Amit Singh | Dir. (Works) | Member, Secretary |

Other Attendees:

1. Sh. Chandresh Kumar, EE/DPD-2
2. Sh. Prashant Kumar, E.O.-I to EM
3. Sh. Ravish Kumar, AE/DPD-2.

The case was presented by CE(Dwarka), DDA.

BRIEF HISTORY OF THE CASE IS AS UNDER: -

The details of the work are as under: -

The above-mentioned work was awarded to M/s Tara Chand Sumit Construction Company award with the stipulated date of start and completion as 24.11.2014 and 23.11.2015 respectively. The work was determined on 11.08.2017 vide letter No. F.3(611)Ac/WD-6/DDA/823 dated 11.08.2017.

The agency under Section 11 of the Arbitration and Conciliation Act 1996 filed the petition No. Arb. P 185/2018 in the Hon'ble High Court of Delhi for seeking appointment of a Sole Arbitrator to adjudicate the disputes that had arisen between the M/s Tara Chand Sumit Construction Company and DDA. The Hon'ble High Court

of Delhi vide order dated 23.05.2018 has appointed Mr. Amar Nath, Retired District & Sessions Judge, Delhi R/o Flat No. B-1, Plot No. 7, Sector-7, Dwarka, New Delhi (Mobile No. 9958697030) as a Sole Arbitrator to adjudicate the disputes. The Hon'ble Court also directed that the Arbitration proceedings shall be conducted under the aegis of the Delhi International Arbitration Centre and shall be governed by its rules with respect to procedure and fee.

The Ld. Arbitrator entered upon the reference on 23.05.2018 under the Arbitration and Conciliation Act 1996. After taking into consideration the documents already filed in the court and after hearing the parties at length by way of conducting several hearings, the award was published by the Ld. Arbitrator on 26.09.2020.

The brief details of the award are given in the table given below:

Claim No.	Brief Claim of claimant	Amount Claimed	Amount Awarded
Claim No. 1	Work done but amount unpaid	9,91,116.00	9,91,116.00
Claim No. 2	Refund of Security Deposit	6,21,568.00	6,21,568.00
Claim No. 3	Refund of PBG	9,74,477.00	9,74,477.00
Claim No. 4	Refund of withheld amount	25,000.00	Nil
Claim No. 5	Refund of withheld amount on account of Clause 10 CA	11,00,000.00	11,00,000.00
Claim No. 6	Refund of withheld amount on account of Clause 10 C	8,79,304.00	8,79,304.00
Claim No. 7	Withheld amount on account of Milestone	5,84,686.00	5,84,686.00
Claim No. 8	Reimbursement of testing charges	32,551.00	32,551.00
Claim No. 9	Loss of Profit	29,23,431.00	9,25,400.00
	Total	81,32,133.00	61,09,102.00
Claim No. 10	Interest	@12% from the due date	@8% from the date of appointment dated 23.05.2018 till the date of award.
Claim No. 11	Arbitration Cost	Cost of the proceeding claim but quantum of the cost was not mentioned.	2,00,000.00
	Grand Total	-	Rs.61,09,102/- + interest @8% per annum from the date of appointment of the Sole

			Arbitrator i.e. 23.05.2018 till the date of award plus cost of proceedings.
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Sole Arbitrator directed that future interest shall be paid @12% per annum (simple) on Rs. 61,09,102/- (Rupees sixty-one lacs nine thousand one hundred two only) w.e.f. 26.09.2020 till date of payment. However, as a relief to the respondent, no future interest will be payable if the award amount is paid by the respondent within a period of 45 days from the date of award.

Sole Arbitrator also directed the respondent to make the payment of Rs. 2,00,000. /- (Rupees two lacs only) as cost of proceedings to the claimant with 8% per annum interest from 23.05.2018 till date of award.

After placing the case in 826th ASB held on 18.11.2020, it was decided by the Competent Authority to challenge the arbitral award after taking necessary approval from competent authority.

Accordingly, the said award was challenged u/s 34 of the Arbitration & Conciliation Act, in the Court of District Judge (Commercial Court)-01, Patiala House Court, New Delhi vide Case No. OMP (COMM) No. 07/2021. The Hon'ble Court, after hearing both the parties stayed the impugned award dated 26.09.2020 subject to the condition that DDA to deposit Rs. 61,09,102/- (principal amount) in the form of an FDR in the name of the Court i.e. District Judge (Commercial)-01, Patiala House Courts Complex, New Delhi.

Accordingly, the amount of Rs. 61,09,102/- in the form of FDR was deposited in the Hon'ble District Judge (Commercial)-01, Patiala House Court, New Delhi on 03.01.2024.

Now, the Hon'ble District Judge Court, Patiala House New Delhi vide its judgement dated 16.05.2026 has dismissed the petition of DDA with the remarks "that award in question suffers from no perversity and cannot be interfered with".

Opinion of Panel Lawyer:

In my opinion, there are no good grounds to challenge the judgement dated 16.05.2026. Ambit of S-34 is very narrow & the court cannot go into the question whether the Arbitrator has correctly appreciated the facts or not. The Award seems to be a reasoned award. Admittedly, there was a substantial delay attributable to DDA and some delay was on the part of the contractor. In that scenario, DDA cannot justify its delay. See Para 34 onwards in the judgement dated 16.05.2026 wherein relevant judgements/precedents have been mentioned which are applicable in the cases of Arbitration. In Para 44, Ld. Judge has dealt with each claim and reproduced what was held by the Arbitrator against each claim, which shows that Ld. Arbitrator had appreciated evidence on record. Re-appreciation of evidence is not allowed to be done by the court hearing objection under section 34 of A & C Act. It is better to accept the judgement & pay the amount, so as to avoid further interest liability. The decision may be taken by the department whether to challenge the judgement or not

Opinion of Legal Department/CLA, DDA:

In this case Aggrieved by the arbitral award dated 26.09.2026, DDA has filed objections under section 34 of the Arbitration and Conciliation Act, in the commercial court, Patiala House Courts, New Delhi.

Hon'ble court has observed that claim no.01 was towards work done but not paid amount. DDA itself admitted that these claims of the claimant are correct in terms of the clause 29 of the agreement.

Claim no.02 was refund of security deposit, it was observed by Court that the claimant was always ready for part performance of contract but could not perform due to various hindrances in execution of work. Hence, security deposit cannot be adjusted from payment due of the claimant.

Regarding claim no.03 court has observed that the act of respondent(DDA) to get bank Guarantee encashed with a view to take monetary gain after the invocation of arbitration despite its fault, was wholly unreasonable.

claim no.04 awarded as NIL.

Claim no.05 and 06 was refund of withheld amount on account of 10C. Hon'ble Court has observed that the amount withheld had already been shown to be adjusted by the claimant under claim no.01 and hence, the amount withheld under clause 10CA is liable to be released.

Claim no.07 was withheld amount on account of Milestone. Court has observed that the plea of the respondent(DDA) appears to have no force.

Claim no.08 was reimbursement of testing charges. it is observed that in the absence of any verification report, it cannot be believed that the invoices raised by the test house are vague.

Claim no.09 was loss of profit. Court has observed that it will be just and reasonable to put this profit at 15% of the price of remaining work and thus, in this manner, the damages for loss of profit can be measured.

Claim regarding cost of arbitration proceedings. it was observed that determination of the contract was in breach on the part of DDA as a result of which the work was delayed and payment was unnecessarily withheld and thus, the cost of the litigation is required to be awarded.

The Hon'ble Court found the observation made by Arbitrator make it clear that his findings are based on the appreciation of evidence placed on the record. there is no case of breach of any fundamental law of the land or public policy. And it observed by Court, I find that award in question suffers from no perversity, and cannot be interfered.

the Award seems reasoned award and DDA cannot justified its delay.

As per opinion of Panel lawyer there are no grounds to challenge the judgement dated 16.05.2026, ambit of section 34 is very narrow.

I am in agreement with the views of Panel Lawyer.

Recommendation/Comments of EE/DPD-2:

The facts in the matter had already been placed. Accordingly, this office is with the agreement with the comments/opinion of the Panel lawyer and legal cell that it is better to accept the judgment and pay the amount so as to avoid further interest liability.

Recommendation of CE/Dwk/DDA

This office is in agreement with the opinion of Division and circle office please.

RECOMMENDATION OF ASB:

The impugned arbitral award dated 26.09.2020 has been challenged u/s 34 of Arbitration and Conciliation Act in the Hon'ble Court of District Judge (Commercial Court)-01, Patiala House Court, New Delhi vide Case No. OMP (COMM) No. 07/2021. However, the Hon'ble District Court vide its judgment dated 16.05.2026 has dismissed the petition of DDA stating that this proceeding is not alike an appeal leading thereby no scope for re-appreciation of evidence.

ASB has considered the opinion of the Panel Lawyer, Legal Department and Chief Engineer (Dwarka) to accept the judgment dated 16.05.2026 and pay the amount to avoid further interest liability and protecting the DDA from mounting financial burdens. Considering the Court's stance that unless there is an error apparent on the face of the award making it unsustainable, it is not to be set aside, even if a different conclusion has been drawn by the Court of law and also the limited scope provided u/s 34 of Arbitration & Conciliation Act regarding breach of fundamental law of the land & public policy, the scope for further appeal is limited.

Accordingly, keeping in view the limited scope for appeal u/s 37 of Arbitration & Conciliation Act, future litigation cost and accruing interest, ASB has cogently recommended to accept the judgment dated 16.05.2026 passed by District Judge (Commercial Court)-01, Patiala House Court in OMP (COMM) No. 07/2021.

As per revised delegation of power issued vide no. EM1(10)2018/Del. Of Power/DDA/260 dated 29.01.2019 by CE (HQ) DDA, Vice Chairman DDA is the Competent Authority to accept/challenge the claims in r/o award amount of more than Rs. 100 Lakhs and less than 500 lakhs, in consultation with FM/DDA, with due scrutiny by Arbitration Scrutiny Board headed by FM, DDA.

-Sd-
Amit Singh
Dir(Works)
Member Secretary

-Sd-
Manohar Lal
Addl. CLA
Member

-Sd-
Sanjay Kumar Khare
CE(HQ)
Member

-Sd-
Col. Deepak Suyal
CE(Dwarka)
Executive Member

-Sd-
P. Praveen Siddharth
FM, DDA
Chairman

Director(Works), DDA

Copy to: -

1. EM/DDA for kind information.
2. All concerned.
3. Director(System) for uploading on DDA website.
4. EE/DPD-II, DDA Office Complex, Central Nursery, Sector-5, Dwarka, New Delhi-110078.

Director(Works), DDA