

DY. DIRECTOR (SYSTEMS)-VII

DIARY No. 912

10/08/2026

निदेशक (प्रणाली) वि.वि.आ

अपरी न. 1378

10/08/2026



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

No. EM2(3)2026/DWK/230/DDA/690

Dated: 6.8.26

MINUTES OF THE 948th MEETING OF ASB HELD ON 31.07.2026

948th meeting of Arbitration Scrutiny Board (ASB) under the chairmanship of CE(HQ), DDA was held on **31.07.2026** at **02:00 P.M.** to deliberate the arbitration award in the matter of **M/s Tara Chand Sumit Construction Co. vs DDA** in respect of following work: -

N.O. W : M/o Various colonies under Nazul A/C II Dwarka Zone.
SH: Improvement of internal roads near Pocket-1, LSC-1, Plot No.31,32 & 40 in Sector-6 Dwarka.
Agency : M/s Tara Chand Sumit Construction Co.
Agmt.No. : 11/EE/DMD-6/DDA/2020-21.

The case was submitted by CE(Dwarka) vide e-file Computer No. 115166.

The meeting was attended by the following officers: -

1. Shri Sanjay Kumar Khare	CE(HQ), DDA	Chairman
2. Col. Deepak Suyal	CE(Dwarka)	Executive Member
3. Shri Manohar Lal	Addl. CLA/DDA	Member
4. Shri Amit Singh	Dir. (Works)	Member, Secretary

Other attendees:

1. Sh. Chandresh Kumar, EE/DPD-5.
2. Sh. Prashant Kumar, E.O.-I to EM.
3. Sh. Tikesh, AE/DPD-5.

The case was presented by Col. Deepak Suyal, CE (Dwarka).

BRIEF HISTORY OF THE CASE IS AS UNDER: -

1. The cited work was awarded to agency M/s Tara Chand Sumit Construction Co. vide letter No. F12(11)/EE/DMD-6/DDA/2020-21/401 dated 22.10.2020 with stipulated date of start as 1.11.2020 and stipulated date of completion 31.10.2020.
2. The agency did not make any efforts to take up the work within the stipulated period and the provisional extension was granted initially up to 31.03.2021 and then up to 31.08.2021. However, the agency did not turn up to take up the work during this period and a show cause notice under clause 3(a) & 3(b) of the agreement was issued to the agency on 23.08.2021.

3. The agency carried out the work on 29/07/2022 in rainy season without intimation to the division office. As the work was not carried out as per CPWD specification, it was rejected on 05.08.2022 and the agency was directed to redo the work.
4. The agency did not turn up to take up the work during this period and a show cause notice under 3(a)& 3(b) was again issued on 11.04.2023. The agency submitted its reply to the show cause on 20.04.2023 which was not found satisfactory and finally work was determined on 18/05/2023.
5. In the meantime, the agency had written to EM/DDA for appointment of Arbitrator to resolve the disputes along with the list of claims.
6. EM/DDA by powers conferred under Clause 25 of the said Agreement appointed Sh. Chandra Shekher Mital (Retd.), CE (Electrical), CPWD, as Sole Arbitrator to decide and make his award regarding the claims/disputes raised by the contractor, as shown in the statements enclosed and further counter claims of the department.
7. The Ld. Arbitrator has published his award on 23/04/2026. The arbitrator has awarded NIL award against 08 (Eight) number of claims amounting to Rs 42,73,935 made by the contractor. The Ld. Arbitrator has also rejected and awarded NIL award against 03 (three) number of counter claims amounting to Rs 79,91,444 made by the DDA.

Recommendation of Panel Lawyer: -

The opinion of Panel Lawyer was not available on record.

OPINION BY Legal Department/CLA, DDA: -

Claimant has filed eight number of claims and simultaneously DDA has filed three number counter claims. All the claims of claimant have been awarded as NIL by Tribunal, with the observation of claim no.01 that claim of claimant was based on conjectures, surmises and false/ frivolous grounds. Lack of evidence, lack of required documentation and authorizations. Claim no. 02 was regarding due payment under clause 10C, the contention of DDA was upheld that no payment was due to the claimant. And nothing is payable to claimant. Claim no.03 Payment due under the agreement for other material. The complete work was rejected and no payment was made by respondents, this contention of DDA has been upheld by tribunal. Claim no. 04 was also related with the payment and observation of Arbitrator was same as in claim no.02 and 03. claim no.05 was refund of Performance of Guarantee. Arbitrator observed that the respondents are well within their rights for not releasing the Performance Guarantee. Claim no. 06 on account of overhead expenses. It was observed by Arbitrator that arguments of respondents have merit. Claim no. 07 for interest on pre-suit, pendente and future interest. As, there is no award for all the claims hence, no interest is payable. Claim no.08 was on account of cost of arbitrator proceedings. It was observed by tribunal that the claims made by claimant were not justified. Therefore, all the claims of claimant have awarded as NIL. DDA has filed three number of counter claims which were also awarded as NIL, with the observation that the calculation of claims has no basis. And respondents have not referred any clause of the agreement, justifying the counter claims. I am of the view, that all the claims of claimant have been rejected by tribunal and awarded as NIL. **Hence, no challenge is required.**

Recommendation of EE/DPD-5/Dwarka:

Claim-wise recommendations of EE/DPD-5 are given in the table below:

Claim No.	Description of Claim	Agency Claimed Amount	Arbitrator Award Amount	Acceptable Amount	Amount to be challenged	Comments of EE/DPD-5
Claim No. 1	Due payment on ac of work done but not paid	Rs.17,79,421	Rs. NIL	Rs. NIL	Rs. NIL	1. Failure to Prove the Claim Frivolous Claims: The tribunal noted that the cross-examination of the claimant (Mr. Trilok Chand Sharma) clearly showed his claims were based on conjectures, surmises, and false/frivolous grounds. Lack of Evidence: During cross-examinations, the claimant completely failed to make out a justified and legally proven claim. 2. Lack of Required Documentation & Authorizations No Safety/Traffic Compliance: The claimant failed to submit any proof of implementing mandatory safety measures, road diversion/closure permissions, or logs of work timings. Unauthorized Execution: The claimant proceeded with the work without obtaining necessary approvals from the Delhi Development Authority (DDA) and without the department's knowledge. Unapproved Job Mix: The claimant requested approval for a job mix formula, but it was never approved by the DDA. The work was eventually carried out using an unapproved mix.the department's knowledge. 3. Fabricated and Dubious Evidence (Lab Reports) Forged Documents: The claimant relied heavily on test reports (Exhibit C-13 and C-14) from "ARC Testing Lab". However, the DDA denied sending any such samples, and the tribunal noted these documents lacked official dispatch routing and appeared forged. Dubious Timelines: The bill invoice for the lab test was dated June 15, 2023, which surprisingly predated the test report itself (dated July 29, 2022) by nearly a year, making the evidence highly unreliable.
Claim No. 2	Due payment under clause 10 C of the agreement	Rs. 29,531/-	Rs. NIL	Rs. NIL	Rs. NIL	(a)To be eligible for clause 10C of GCC payment, the first and foremost requirement is successful execution of work. The calculations are linked with bill payment amount and indices. (b) The complete work was rejected and no payment was made by respondents, this action of DDA has been upheld under award of Claim no 1, as such NIL payment was due to the claimant. (c) In view of analysis at (a) and (b) above, 10C payment also works out to be NIL and nothing is payable to the Claimant

Claim No.	Description of Claim	Agency Claimed Amount	Arbitrator Award Amount	Acceptable Amount	Amount to be challenged	Comments of EE/DPD-5
Total Claim No. 3	Due payment under clause 10 C of the agreement for other materials	Rs.2,48,461	Rs. NIL	Rs. NIL	Rs. NIL	(a)To be eligible for clause 10C of GCC payment, the first and foremost requirement is successful execution of work. The calculations are linked with bill payment amount and indices. (b) The complete work was rejected and no payment was made by respondents, this action of DDA has been upheld under award of Claim no 1, as such NIL payment was due to the claimant. (c) In view of analysis at (a) and (b) above, 10C payment also works out to be NIL and nothing is payable to the Claimant
Claim No. 4	Due payment under clause 10 CA of the agreement	Rs.12,10,287	Rs. NIL	Rs. NIL	Rs. NIL	(a)To be eligible for clause 10C of GCC payment, the first and foremost requirement is successful execution of work. The calculations are linked with bill payment amount and indices. (b) The complete work was rejected and no payment was made by respondents, this action of DDA has been upheld under award of Claim no 1, as such NIL payment was due to the claimant. (c) In view of analysis at (a) and (b) above, 10C payment also works out to be NIL and nothing is payable to the Claimant.
Claim No. 5	Refund Performance of Guarantee	Rs 71,235	Rs. NIL	Rs. NIL	Rs. NIL	a) Performance Guarantee is for proper performance/satisfactory completion of work as per terms and conditions of the contract. (b) Claimants failed to complete the work as per agreement clauses and satisfactorily. (c) The complete work was rejected and no payment was made by respondents, this action of DDA has been upheld under award of Claim no 1, as such NIL payment was due to the claimant. (d) Respondents issued notice (ANNEXURE R-9 of SoD) for determination of contract. How-ever respondents did not produce letter of final action in this regard. (e) In view of analysis at (a) and (d) above, respondents are well within their rights for not releasing the performance guarantee. Hence nothing is payable to the Claimant. Claim is not tenable.
Claim No. 6	on account of overhead expenses	Rs.735000	Rs. NIL	Rs. NIL	Rs. NIL	a) Respondent was not responsible for delays in execution of work. There is no entry in site order book or hindrance register in support of statement of claimant that respondents delayed the work. Respondents were not approving the job Mix formula in want of proper submission by claimant.

Claim No.	Description of Claim	Agency Claimed Amount	Arbitrator Award Amount	Acceptable Amount	Amount to be challenged	Comments of EE/DPD-5
						(b) Respondents issued notice (ANNEXURE R-9 of SoD) for determination of contract. Although respondents have stated that work was determined but respondents did not produce any letter of final action in this regard. (c) There was no breach of contract by respondents (d) A party in breach has to suffer losses and pay damages/compensation to other party. Since respondents did not breach the agreement, respondents are not liable to pay any damages/compensation for delays to claimants. e) Claimant has made claim on account of salary paid to one of their Engineer. Claimant themselves have stated that the Engineer was working on other sites as well. Since practically no work was being taken up for almost the entire period of agreement including prolongation period of agreement, except for 2 or 3 days when the work was executed by the claimant, the calculations submitted by claimant are highly inflated and cannot be accepted from any standards. (f) Arguments of respondents have merit.
Claim No. 7	interest on pre suit, pendente-lite and future interest @12% per annum on all the claims from its due date	---	Rs. NIL	Rs. NIL	Rs. NIL	There is NIL award for all the claims hence NO interest is payable
Claim No.8	On ac of cost of Arbitration proceedings	Rs 2,00,000/-	Rs. NIL	Rs. NIL	Rs. NIL	(a) All the claims made by claimants were not justified. (b) Engaging legal counsels for works undertaken by contractors is a trade practice to protect their interest and any expenses towards engagement of such lawyers is to be considered as part of overhead by the Claimant. Overhead is already built in the tendered rate.
Total		Rs.42,73,935/-	Rs. Nil	Rs. Nil	Rs. Nil	

RECOMMENDATION BY EE/DPD-5/DDA w.r.t. Counter Claim of DDA are as per table below: -

Counter Claim No.	Description of counter Claim	Agency Claimed Amount	Arbitrator Award Amount	Acceptable Amount	Amount to be challenged	Comments of EE/DPD-5
1.	Failure to submit Bar Chart/Pert Chart and failure to comply With the special conditions of contract13.09.2019 till actual realization	Rs.1,50,000	Rs. NIL	Rs. NIL	Rs. NIL	(a)The arbitrator rejected the counter claim referring (a) As per additional condition no 15 at page 175 of the agreement, Claimant/contractor was required to submit Bar/Pert Chart, but agreement does not specify the recovery rate for default. Hence the calculations of Counter Claim have no sound basis. (b) Respondents did not initiate any action during the agreement period in this regard. (c) In view of (a) to (b) above, the counter-claim is not upheld and rejected.
2.	Interest @ 15% per annum from the date of opening of tenders i.e. 26.08.2020	Rs28,41,444	Rs. Nil	Rs. Nil	Rs. Nil	The arbitrator rejected the counter claim referring (a) Any Claim or Counter Claim should be raised based on provisions in the agreement. (b) Respondents have not referred any clause of the agreement, justifying the counter-claim. (c) Counter Claim has no basis and is worth rejecting
3.	Damages for Loss of credibility of respondent/DDA and defamed the organization	Rs. 50,00,000	Rs. Nil	Rs. Nil	Rs. Nil	The arbitrator rejected the counter claim referring (a) Any Claim or Counter Claim should be raised based on provisions in the agreement. (b) Respondents have not referred any clause of the agreement, justifying the counter-claim (c) Counter Claim has no basis and is worth rejecting
	Total	Rs. 79,91,444	Rs. Nil	Rs. Nil	Rs. Nil	

RECOMMENDATION BY SE/DCC-3/DDA: -

I agree with the recommendation of EE/DPD-5/DDA

Recommendation of CE(Dwarka): -

I agree with the recommendation of EE/DPD-5/DDA and SE/DCC-3/DDA.

RECOMMENDATION OF ASB:

The Ld. Arbitrator has inferred that the action of DDA to reject the complete work and not making any payment was justified. Hence, Ld. Arbitrator in the instant arbitration matter has awarded NIL award against 08 nos. of claims of the contractor. ASB has considered the arbitral award dated 23.04.2026 and has found the award to be well reasoned and fair. Accordingly, ASB has recommended to accept the arbitral award dated 23.04.2026.

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, concerned Chief Engineer with consultation of CAO is the Competent Authority to accept / challenge in respect of award amount of less than Rs. 25 lakhs with due scrutiny by Arbitration Scrutiny Board headed by CE(HQ)/DDA.

-Sd-
Amit Singh
Dir(Works)
Member Secretary

(on leave)
B. M. Tewari
Director(Finance)
Member

-Sd-
Manohar Lal
Addl. CLA
Member

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

-Sd-
Sanjay Kumar Khare
CE (HQ)
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-5/DDA, Central Nursery, Sector-5, Dwarka, New Delhi-110075.

Director(Works), DDA

Yoshi
10-8-26
DD(S) Sh. Vishwas

DD(S) Sh. Vishwas
12/8/26

AD(S) Sh. Vishwas
13/8/26
Sr. Dy. Commr