

निदेशक (प्रणाली) दि.वि. 3
डायरी नं. 4658
दिनांक 25/6/25

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

No. EM2(3)2025/SZ/221/DDA/ 490

Dated: 24-6-25

MINUTES OF THE 911th MEETING OF ASB HELD ON 19.06.2025

911th Meeting of Arbitration Scrutiny Board (ASB) under the chairmanship of FM/DDA was held on 19.06.2025 at 05:30 P.M. in the chamber of FM/DDA to deliberate the arbitration award in the matter of M/s A.K. Mehta & Co. Vs DDA for the following work: -

N.O. W : C/o Delhi Cycle Walkway Phase-1.
Agency : M/s A.K. Mehta & Co.
Agmt .No. : 01/EE/SPD-2/DDA/2020-21.

The instant case has been submitted by CE(SZ) vide e-file computer no. 93326 on dt. 10.06.2025.

The meeting was attended by the following ASB members:

1. Shri Vijay Kumar Singh	FM, DDA	Chairman
2. Shri Kamal Singh Meena	CE(SZ)	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

The case was presented by Shri Kamal Singh Meena, CE (SZ).

BRIEF HISTORY OF THE CASE IS AS UNDER: -

The above-mentioned work was awarded to M/s A.K Mehta vide letter No. F.1(10) EE/SPD-2/DDA/2020-21/203 dated 25.08.2020 with stipulated date of start and completion 09.09.2020 and 08.09.2021 respectively. However, the work was extended and was later foreclosed on dated 13.05.2022.

The agency approached the EM/DDA by way of a notice under Clause 25 of the agreement, seeking appointment of an arbitrator, through their letter dated 01.09.2022. Accordingly, the Arbitrator was appointed by EM/DDA vide letter No. EM2-(7)2022/Arbn Vol-VIII Part 180/DDA/1276 dated 28.11.2022.

In the arbitration proceedings, the agency raised 11 claims amounting to a total of Rs. 10,79,79,760/-. The Hon'ble Arbitral Tribunal (AT) pronounced the award on 07.03.2025, awarding a sum of Rs. 2,23,16,406/- to the claimant.

The Claim wise comments of Panel Lawyer, Legal Branch and Engineering department are as per table given below: -

Claim no.	Description of claim	Claimed amount (In Rs.)	Awarded amount (In Rs.)	Comments of P/L	Comments of CLA	Comments of EE	Comments of SE	Comments of CE
1	Balance payment for the work executed under the contract including Extra/Substituted/Deviated Items, Additional work and Extra Involvements etc. but not paid/short paid in quantities and rates as final payment for Civil and Electrical	1,36,35,669.50	1,01,952.00	The AT has passed this award while holding in paragraph 7 at page 21 of the award that the work was suspended from 04.09.2021 and no work could take place after that. The AT has further held that Claimant has failed to prove any work done on site. The amount awarded seems fair.	This claim may be challenged.	Claim is not accepted as the item/material brought at site by the claimant was thereafter taken away from the site by claimant along with other T & P.	Agree with the comment of EE/SPD-2, that the claim is not accepted.	Agree with the comment of EE/SPD-2 and SE/SCC-3, that the claim is not accepted.
2	Damage on account of increase/inflation in the cost of construction for the prolonged period of the contract.	26,11,178.00	Nil	No comment offered by the panel lawyer.	May be accepted.	Claim is accepted as Nil.	Agree with the comment of EE/SPD-2, that the claim is accepted as Nil.	Agree with the comment of EE/SPD-2 and SE/SCC-3, that the claim is accepted as Nil.
3	Damages on account of staff, establishment, overhead, T&P etc. at site due to prolongation of the contract beyond the stipulated date of completion due to breach of contract committed by the Respondent Department.	2,64,15,855.25	30,84,169.00	a. The claim raised for these overhead charges for a period spanning from 08.09.2021 to 13.05.2022. Please note that in Claim No.1, the AT has held that there is no proof of any work been done on site after 04.09.2021. The AT has noted in paragraph 6.4.3 that the site was completely demobilized by claimant by 22.11.2021. The AT has paid the claimant overhead only for the months of October	The claim is not accepted, this should also be challenged.	Claim is not accepted as the claimant has failed to prove its claim and it is not supported by any evidence.	Agree with the comment of EE/SPD-2, that the claim is not accepted as it is not supported by any evidence.	Agree with the comment of EE/SPD-2 and SE/SCC-3, that the claim is not accepted as it is not supported by any evidence.

					and November-2021. b. Once the AT had noted that Claimant has failed to prove its claim, the AT should not have granted any amount under it. The claim has been granted without any evidence.				The claim is not accepted, this should be challenged.	Claim is not accepted as the numbers of ongoing projects and their project sizes are not mentioned.	Agree with the comment of EE/SPD-2, that the claim is not accepted as the number of ongoing projects and their sizes mentioned.	Agree with the comment of EE/SPD-2 and SE/SCC-3, that the claim is not accepted as the number of ongoing projects and their sizes mentioned.
4	Losses/Compensation/Damages for head office overheads due to breach of contract committed by the Respondent department.	61,60,748.29	19,68,622.00		No comment has been offered by the panel lawyer, she simply reproduced the paragraph 6.5.5 and 6.5.6 of the award.			May be accepted as Nil		Agree with the comment of EE/SPD-2, that the claim is not accepted as Nil	Agree with the comment of EE/SPD-2 and SE/SCC-3, that the claim is as Nil.	Agree with the comment of EE/SPD-2 and SE/SCC-3, that the claim is not accepted.
5	Refund of the Security Deposit deducted from running account bills along with Fixed Deposits lying with the Department.	15,00,325.00		Nil	No comment has been offered by the panel lawyer.				Claim is not accepted as Nil	Agree with the comment of EE/SPD-2, that the claim is not accepted as Nil	Agree with the comment of EE/SPD-2 and SE/SCC-3, that the claim is as Nil.	Agree with the comment of EE/SPD-2 and SE/SCC-3, that the claim is not accepted.
6	Wrongful invocation of Bank Guarantees by the Respondent.	2,00,00,000	1,49,17,625.00		a. The AT has granted recovery of bank guarantees which were taken against the payment of mobilization advance by the respondent. While the AT noted that mobilization advance is in the nature of loan given by the department to the contractor, then having been taken that loan, this money should have come back to the respondent upon foreclosure of contract. b. Now the respondent has been made to			The claim is not accepted, should also be challenged.	Claim is not accepted as the Machineries and T&P purchased by the agency utilizing mobilization advance given by the department is still lying with agency and using commercially by him.	Agree with the comment of EE/SPD-2, that the claim is not accepted.	Agree with the comment of EE/SPD-2 and SE/SCC-3, that the claim is not accepted.	Agree with the comment of EE/SPD-2 and SE/SCC-3, that the claim is not accepted.

7	Incidental charges and expenses on Bank Guarantee, Interest for renewal of Bank Guarantee and charges/expenses accrued from time to time due to prolongation of the contract period by the Respondent Department.	16,11,161.79	7,44,038.00	pay extra as mobilization advance, which is like an advance payment, for no work having been done against it. It would have been still understandable if the AT had asked the respondent not to levy interest on recovery of the mobilization advance is absolutely perverse. c. The AT has noted that claimant never returned the machinery to DDA. However, AT has placed the blame for non-taking over of the machinery which is not understandable. d. If the AT wished to grant the retention of mobilization advance by the claimant, then there is no question of granting overheads, T&P etc. since the mobilization advance has compensated the claimant for the mobilization of the site.	The claim is not supported by evidence, may be challenged.	Claim is not accepted as it is not supported by any evidence.	Agree with the comment of EE/SPD-2, that the claim is not accepted being not supported by any evidence.	Agree with the comment of EE/SPD-2 and SE/SCC-3, that the claim is not accepted being not supported by any evidence.
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8	Gains prevented due to prolongation of contract by the Respondent Department.	1,84,82,244.86	Nil	No comment has been offered by the panel lawyer.	Awarded as Nil, may be accepted.	Claim is accepted as Nil.	Agree with the comment of EE/SPD-2, that Nil claim is accepted.	Agree with the comment of EE/SPD-2 and SE/SCC-3, that the claim is accepted as Nil.
9	Declaration.		Declaration Granted	Incorrect appreciation of record for granting this claim.	Declaration granted as illegal foreclosure of contract and the same be challenged.	Declaration granted as "illegal foreclosure of contract" is not accepted as the contract is foreclosed by the competent authority observing due procedure.	Agree with the comment of EE/SPD-2, that claim is not accepted as per foreclosed as per codal provisions.	Agree with the comment of EE/SPD-2 and SE/SCC-3, that the claim is not accepted as the foreclosure of contract is as per norms of the department.
10	Compensation by way of Commercial Interest.	1,35,62,577.40	Nil	No comment has been offered by the panel lawyer.	May be accepted as Nil.	Claim is accepted as Nil.	Agree with the comment of EE/SPD-2, that Nil claim is accepted.	Agree with the comment of EE/SPD-2 and SE/SCC-3, that the claim is accepted as Nil.
11	Cost of arbitration proceedings incurred by the Claimant.	40,00,000.00	15,00,000.00	While the claimant has been successful to the extent of 20.67%, yet around 37.5% of the costs asked have been granted, which is incorrect.	The cost of arbitration proceeding as awarded as Rs.15,00,000/- , this should be challenged as it is very high.	Claim granted is not accepted as it is appears to be on higher side as compare to the cost of arbitration proceeding for the Department..	Agree with the comment of EE/SPD-2, that the claim is not accepted being it is comparably on higher side.	Agree with the comment of EE/SPD-2 and SE/SCC-3, that the claim is not accepted being on higher side.

RECOMMENDATION OF ASB:

After due discussion and deliberation, the ASB has recommended to accept the award against claim no. 2, 5, 8 & 10 being Nil award and to challenge the award against claim no. 1, 3, 4, 6, 7, 9 & 11, since the Ld. Arbitrator has ignored the submissions and failed to consider the evidence placed on record.

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, VC DDA is the Competent Authority to accept / challenge the claims in r/o award amount 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-
Kamal Singh Meena
CE(SZ)
Executive Member

-Sd-
Vijay Kumar Singh
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/SPD-2, DDA Office Complex, Nelson Mandela Marg, Vasant Kunj, New Delhi 110070

Zushi
26.6.25

DD(S) Sh. Raman

Sh. Dev. Nishita Anand
26.6.25

Anting
24/6/25
Director(Works)/DDA