



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

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28/3/25
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Azadi Ka
Amrit Mahotsav

No. EM2(3)2025/Dwk/218/DDA/ 201

Dated: 28/3/25

MINUTES OF THE 905th MEETING OF ASB HELD ON 25.03.2025.

905th Meeting of Arbitration Scrutiny Board (ASB) under the chairmanship of CE(HQ)/DDA was held on 25.03.25 at 04:00 P.M. to deliberate the Hon'ble Rohini District court order dated 10.12.2024 in OMP (Comm.) No.18/2020 in the matter of DDA Vs M/s. DIMTS LTD for the following work:

N.O. W : Consultancy services for geometric design/drawing, preparation of detailed estimate and tender documents for construction of ROB/Flyover of intersection coming in the alignment of UER-II and UER-III.

Agency : M/s DIMST Ltd.

Agmt .No. : 06/EE/SD-I/DDA/2012-13

The instant case was submitted by CE(Dwarka) vide e-file computer no. 90934 on dated 20.03.2025.

The meeting was attended by the following officers: -

1. Shri Sanjay Kumar Khare	CE (HQ)	Chairman
2. Col. Deepak Suyal	CE (Dwk)	Executive Member
3. Shri Manohar Lal	Addl. CLA/DDA	Member
4. Shri Ajay Gupta	Director(Finance)	Member
5. Shri Amit Singh	Dir. (Works)	Member Secretary

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

BRIEF HISTORY OF THE CASE IS AS UNDER: -

The above-mentioned work was awarded to M/S DIMTS Ltd. Vide award letter F1(12)SD-1/A/DDA/A/12-13/631 dt. 21.08.2012 with the date of start and completion as 28.08.2012 and 23.02.2013 respectively. However, the work was fore-closed on 03.07.2015 with the prior approval of WAB.

Shri. V.P Gupta Retd. CE(NFU) was appointed as sole Arbitrator by EM/DDA vide letter No. EM2(7)/2018/Arbn./Vol. VIII/Pt.-130/DDA/531 dt. 21.02.2019. M/S DIMTS Ltd. filed

their statement of claims on 06.04.2019 containing six claims with a total claim amount of Rs. 1,20,98,837/- plus 18% interest.

The Ld. Arbitrator finally concluded the hearing on 29.07.2020 and award was pronounced on 18.08.2020 awarding a sum of Rs. 68,21,054/- including interest. Tabular form of claim and award is as under-

Claim No.	Brief Claim of claimant	Amount Claimed	Amount Awarded
Claim No. 1	On account of outstanding dues under the contract as principle amount	Rs 43,92,761/-	Rs. 43,92,761/-(A)
Claim No.2	On account of interest on principle amount for period of 31.03.2015 to 18.08.2020	Rs 31,62,788/-	Rs. 21,28,293/-(B) Interest allowed @9% only
Claim No.3	On account of loss of profit.	Rs 10,47,022/-	Nil
Claim No.4	On account of prolongation/delay of the contract work and expenses incurred for staff, technical team and field staff and office overheads	Rs 31,96,266/-	Nil
Claim No.5	Pendent lite and Future interest		9% allowed
Claim No.6	Being cost of legal proceeding	Rs 3,00,000/-	Rs 3,00,000/-(C)

In 825th ASB held on 08.10.2020, it was decided to challenge the arbitral award after taking necessary approval from competent authority.

After four years of proceedings, the matter stands now dismissed in the Rohini District Court dt. 10.12.2024 with the remark that

“The findings given by the learned Arbitrator on the face of it appear to be just reasonable and having been made after due consideration of the material available on record.

As regards the argument of learned counsel for the petitioner with regard to unreasonable high rate of interest and the cost of arbitration, while rendering findings on Claims No. 1 to 5 and 6, the learned Arbitrator has given due consideration to the material on record, which is getting reflected from paragraphs No. 64 to 67 of the impugned Award. In the facts and circumstances of the case, I do not find interest @9% to be excessive. In my considered opinion, the same meets the ends of justice. The award of the cost of arbitration is not found to be excessive as learned Arbitrator has considered voluminous record and thereafter heard the parties on several dates. The arbitration proceedings had been initiated by the respondent in February 2019; whereas, the Award in the matter was passed on 18.08.2020, therefore, the cost of arbitration is not found to be excessive. This argument of learned counsel for the petitioner is also rejected.

No other point was raised before me. In view of the above discussion, I do not find any illegality and perversity in the findings arrived at by learned Arbitrator vide the impugned

Award, dated 18.08.2020. The instant petition being meritless stands dismissed with no orders as to cost"

Opinion of the panel lawyer Ms. Ravi Prabha is as below-

"Honorable judge has dismissed the appeal file by DDA vide order/judgement dated 10.12.24 u/s has obtained the certified copy of judgement and the same is placed opposite. Hon'ble judge has passed well-reasoned order; department may file an appeal against this order/judgement after taking opinion from its legal department/senior counsel. The file is being sent back and it is no more needed."

Opinion of Law Wing-

Please see the above note of P/L Ms. Ravi Prabha wherein she has stated that Hon'ble Judge has passed well-reasoned order and, on another hand, she is suggesting for filing an appeal.

In this case the Hon'ble Court has observed that appeal was filed regarding unreasonable high rate of interest and the cost of arbitration and no other point was raised before me.

Further, Hon'ble Court has observed that in the fact and circumstances of the case, I do not find interest @ 9% to be excessive and the award of the cost arbitration is not found to be excessive as learned arbitrator has considered voluminous record and thereafter heard the parties on several dates.

Hon'ble court found that the findings given by the learned arbitrator on the face of it appear to be just reasonable and having been made after due consideration of the material available on record.

However, concerned department may examine the case and judgement dated 10.12.2024 if huge financial implication is there then, the order dated 10.12.2024 may be challenged.

Panel lawyer has opined that Hon'ble Judge has passed very reasonable order, may please take decision accordingly.

Recommendation of EE/PD-05/DDA-

Claim No. 1- On account of outstanding dues under the contract as principle amount-

Awarded Amount- Rs 43,92,761/-

Above amount was awarded on basis of modified clause of payment (modified by DDA and accepted by M/S DIMTS Ltd.) i.e stage 5 as per DRAFT DPR Estimate cost instead of tendered amount referring the letter no F4(66)AE(P)/SD-I/DDA/139 dt. 20.06.2013.

It is recommended that the above award may be accepted on basis of modified clause of payment vide letter F4(66) AE(P)/SD-I/DDA/139 dt. 20.06.2013 to avoid future interest and litigation cost.

Claim No. 2,5 and 6-

Awarded Amount – For claim no 2 and 5 is Rs. 38,32,684/- and for claim no 6 is Rs 3,00,000/-

Since, challenge made by DDA has been dismissed by Hon'ble District Court (Rohini) on dt. 10.12.2024 after hearing the argument for 4 years, citing reason that the interest @9% is not excessive and the award of the cost arbitration is not found to be excessive as learned arbitrator has considered voluminous record and thereafter heard the parties on several dates.

It is recommended that the above award may be accepted as department has already become liable to additional financial burden in lieu of interest for amounting to Rs. 17,04,391/- (for period of 18.08.2020 to 10.12.2024) and further appeal may result into delay and liable for additional interest.

Case is put for acceptance of Award and tabular form of amount calculation is as under-

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Claim No.2	On account of interest on principle amount for period of 31.03.2015 to 18.08.2020	Rs 31,62,788/-	Rs. 21,28,293/-(B) Interest allowed @9% only
Claim No.3	On account of loss of profit.	Rs 10,47,022/-	Nil
Claim No.4	On account of prolongation/delay of the contract work and expenses incurred for staff, technical team and field staff and office overheads	Rs 31,96,266/-	Nil
Claim No.5	Pendent lite and Future interest Interest for period 18.08.2020 to 10.12.2024		17,04,391/- (c) 9% allowed
Claim No.6	Being cost of legal proceeding	Rs 3,00,000/-	Rs 3,00,000/-(D)
	Total Amount to be accepted		Rs 85,25,445/-

Recommendation of SE/DCC-I: -

I agree with the recommendations by EE/PD-5, DDA

Recommendation of CE(Dwarka): -

I agree with the recommendations by EE/PD-5/DDA and SE/DCC-1, DDA.

RECOMMENDATION OF ASB:

DDA in the instant arbitration matter had challenged claim no. 1, 2, 5 & 6. However, Hon'ble Rohini District court vide its order dated 10.12.2024 in OMP (Comm.) No.18/2020 has rejected the petition of DDA after 04 years of litigation. ASB after due discussion and deliberation was of the view that since DDA's petition has already been rejected by Hon'ble Rohini District court and grounds to further challenge the award in Hon'ble High Court are very narrow, hence ASB has decided to accept the award in view of future interest and further litigation costs.

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, EM/DDA is the competent authority to accept / challenge in r/o award amount more than 25 lacs and less than 100 lacs, in consultation with CAO/DDA after due scrutiny by Arbitration Scrutiny Board headed by CE(HQ)/DDA.

-Sd-
Amit Singh
Dir(Works)
Member Secretary

-Sd-
Manohar Lal
Addl. CLA
Member

-Sd-
Ajay Gupta
Director(Finance)
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/PD-5, Central Nursery, Sector-5, Dwarka, New Delhi-110075, for information please.


29/01/2025
Director(Works)/DDA