

AGENDA ITEM FOR SPECIAL MEETING

ITEM NO. F.35.1 TO CONSIDER AND ADVISE REGARDING ARBITRAL TRIBUNAL AWARD

The Govt. of India, Ministry of Human Resource Development had approved construction of two buildings namely New Administrative Block and Hostel Block in the Institute premises in 1995. The value of the work was Rs.211 lacs. As per guidelines, the work was executed through the NBCC Ltd., a Govt. of India Enterprises as consultant and contract was signed between NBCC Ltd and TTTI Chandigarh (Now NITTTTR Chandigarh) on 28.02.1995. As per the terms and conditions of Agreement of consultancy, the NBCC invited the tenders for construction work on turnkey basis from reputed contractors and the work was allotted to M/S Vijay Kumar Garg on the basis of tender. A contract was signed between NBCC (on behalf of NITTTTR Chandigarh) & the Contractor i.e. M/s Vijay Kumar Garg on 21.04.1995, to whom the work was allotted on the basis of tender to construct the said buildings within 12 months from the date of commencement of work.

During the execution of the work many problems such as slow rate of progress, defective quality of materials etc. were noticed. The contractor was informed in writing of these problems and advised to take corrective steps, but no improvement was shown by him. Consequently, a show cause notice was sent to the contractor by NBCC and finally the contract was terminated on 12.10.1995 for the reasons that during the **period of 5½ months, only 9% value of the work was done by the contractor**. The Institute withheld the payment of the contractor on various accounts (i) Performance gurantee (ii) Running Bill (iii) Valuation of materials and temporary works etc. The withheld amount was Rs.18.41 lacs.

M/s Vijay Kumar Garg Pvt. Ltd. initiate Arbitration Proceedings. Shri Prem Parkash, Project Manager of NBCC Ltd was appointed as Sole Arbitrator by the Chairman cum Managing Director NBCC Ltd. on 16.10.1996. Sole Arbitrator Shri Prem Parkash directed M/s Vijay Kumar Garg Contractor Pvt. Ltd (Claimants) and M/s NBCC Ltd (respondents) to submit their statement of facts and counter statement of facts. After completion of hearing (12 hearings). Shri Prem Prakash left NBCC and **award was pronounced on 23rd June, 2008** (after 08 years of completion of hearing in Arbitration case). The respondent i.e. M/S National Buildings Construction Corporation Ltd. shall pay to the Claimants i.e. M/S Vijay Kumar Garg Contractors (P) Ltd. an amount of Rs. 37,34,915/- (Rupees thirty seven lacs thirty four thousand nine hundred and fifteen only) within ninety days from the date of issue of this award failing which an interest @ PLR prescribed by State Bank of India less by 2% shall be payable to the claimants by the respondent till the payment is made". M/S Vijay Kumar Garg wrote a letter on 25.06.2008 to NBCC for payment, which was awarded in his favor. Copy of same was also sent to NITTTTR for similar action. NITTTTR Chandigarh filed an Appeal on 22.09.2008 under Arbitration and Conciliation Act in the Hon'ble District Court, Chandigarh against award. Respondents were M/s Vijay Kumar Garg Contractors (P) Ltd. and others.

