

THE MINUTES OF THE PROCEEDINGS OF A SPECIAL MEETING OF CANTONMENT BOARD, BABINA HELD ON 1ST DEC, 2018 AT 12:30 HOURS IN THE OFFICE OF THE CANTONMENT BOARD, BABINA

The following members were present:-

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| (1) Brig. T.S. Soin | - President |
| (2) Shri Anil Kumar | - Vice President |
| (3) Shri Abhishek Azad, CEO | - Member-Secretary |
| (4) Col Bharat Singh, Adm Comdt. | - Nominated Member |
| (5) Col Prashant Rajauria, SEMO | - Ex Officio Member |
| (6) Lt. Col. Charanjit Yadav, OC | - Nominated Member |
| (7) Shri Abhinandan Kumar Mishara, EE, GE | - Ex Officio Member |
| (8) Shri Raj Kumar Singh | - Elected Member |
| (9) Shri Ishwar Singh | - Elected Member |
| (10) Smt. Saroj | - Elected Member |
| (11) Shri Ravi Bharti | - Elected Member |

The following members were absent:-

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|-----------------------------------|--------------------|
| (1) Shri Harishankar, ADM Jhansi. | - Nominated Member |
| (2) Smt. Lalita | - Elected Member |
| (3) Smt. Sushila Devi | - Elected Member |

1. **ARBITRATION: ENGAGEMENT OF AN AGENCY TO SUPPLY OF LABOURS FOR SANITATION WORKS IN CANTONMENT AREA.**

Reference CBR No. 03 (Special) dated 1st Dec, 2017.

To consider the report dated 29/11/2018 submitted by the Sanitary Inspector Cantonment Board, Babina regarding Arbitration between Dynamic Services, Kolkata and Cantonment Board, Babina.

It is informed to the Board that the contract for supply of labours for sanitation works for the year 2017-18 was award to M/s Dynamic Services, 139, Dakhindari Road, Kolkata vide CBR No. 10 dated 04/08/2017 had been terminated by the Board vide CBR No. 03 (Special) dated 1st Dec, 2017 with effect from 5th Dec, 2017 subject to forfeiture of Security Money and debarring him from future contract. In compliance of CBR No. 03 (Spl) dated 1st Dec, 2017 the subject contract has been terminated vide this office letter No. F4/5005/Labour Aapurti/2017-18/1073 dated 05/12/2017 including forfeiture of security money amounting to Rs. 25,00,000.00 (Rupees Twenty Five Lac only) deposited by contractor and debarring him from future contract.

It is further informed to the Board that after termination of the subject contract M/s Dynamic Services, Kolkata moved for arbitration in the matter and during proceedings of arbitration the said firm (M/s Dynamic Services) submitted the request before the Arbitrator for settlement of the entire case with the Board and the Arbitrator asked Mr. R.K. Sharma, Sanitary Inspector (who is presenting the case) to submit the claim from Cantonment Board, Babina in order to settle the case.

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In this connection report dated 29/11/2018 submitted by the Sanitary Inspector, Cantonment Board, Babina alongwith duly prepared claim for arbitration to be imposed upon the M/s Dynamic Services, Kolkata is placed on the table for consideration of the Board alongwith file and all relevant papers.

Therefore the Board may decide action in the matter.

1. **RESOLUTION:** - Before discussion of this agenda point the Member-Secretary/CEO informed the Board that FDR amounting to Rs. 20.00 Lac had been forwarded to concerned Branch Manager State Bank of India, Branch Shribhoomi, North 24 Pargana, Kolkata for crediting the whole amount into Cantonment Fund Account of Babina Cantonment on account of forfeiture of Security Money deposited by M/s Dynamic Services, Kolkata with the Board as per decision of the Board vide its CBR 03 (Spl) dated 01/12/2017 but the Bank has not paid the requisite amount of security money to the Cantonment Board, Babina and also informed the Board that the claim has to be submitted before the Arbitrator in order to settle the dispute with the contractor i.e. Dynamic Services as per terms and conditions of the contract agreement as intimated by the Sanitary Inspector in his report dated 29/11/2018. After this the PCB asked the CEO what are the conditions of Cantonment Board for settlement of dispute then CEO informed the PCB that as per report of Sanitary Inspector as placed on the table the following conditions/fine may be imposed upon the contractor:-

- (i) Amount of Risk and cost by way of contractor profit. -Rs. 69,430.00
- (ii) Expenditure incurred by this office on account of TDS for engaging another agency in placed of Dynamic Services. -Rs. 3,12,289.00
- (iii) As per condition No. 20 (VI) of the contract agreement a penalty of Rs. 10,000.00 per day.
- (iv) In addition to it EPF of the workers may also be claimed based on the actual cost of fine that may be imposed by the concerned department and any other tax liabilities etc.

Therefore the Board may decide accordingly. Further the CEO informed the Board that an amount of Rs. 5,00,000.00 (in cash) deposited with the Board and Rs. 20,00,000.00 retained as uncashed by the Bank. Therefore the Board may also decide how much amount to be claimed and how much penalty be imposed upon the contractor. During discussion nominated member Col Bharat Singh informed the PCB that the requisite security money should be forfeited as per provisions of General Financial Rules. The CEO asked the Board that penalty should be imposed in the case or not if Board imposes the penalty then how much amount to be claimed from the contractor. After this the PCB asked the elected members first to decide how much amount to be claimed from the contractor. Further the PCB asked the Ex Officio members and Nominated members how much amount to be claimed from the contractor then Ex Officio Member Col Prashant Rajoria, SEMO told the PCB that amount should be imposed which includes our risk and cost upon the contractor.


During discussion Nominated member Col Bharat Singh again informed the PCB that the Board can impose the justified amount of risk and cost. Further Nominated member Col Bharat Singh told the PCB that we can claim extra expenditure including risk and cost amount as shown in calculation also write a letter to Bank's higher authorities for forfeiting of amount. Meanwhile Ex Officio member Shri Abhinandan Kumar Mishra, GE informed the Board that some extra expenditure involves in the proceedings of arbitration and Arbitrator should decide whether claim of 2nd Party (i.e. the Contractor) is in order or not. The CEO again asked members to decide the claim to be submitted to arbitration and insisted that we must claim our expenditure incurred and also write a letter to Bank and contractor for forfeiture of security money amount too and also decide penalty. Mr. Ravi Bharti, Elected Member did not agree to impose the penalty.

Therefore the Board resolved with majority to claim the penalty of Rs. 10,000/- per day for a period of 88 days i.e. period of default from 8th Sept, 2017 to 4th Dec, 2017 upon the M/s Dynamic Services Kolkata including the claim from the contractor as per clause (i), (ii), (iii) and (iv) as shown above according to the report of Sanitary Inspector as placed on the table. The Board further resolved to submit the claim to the Arbitrator for further processing of resolving dispute.

Sd-x-x-x-x-x-x-
(Abhishek Azad, IDES)
Chief Executive Officer,
Member-Secretary,
Cantonment Board, Babina.
1st Dec, 2018

Sd-x-x-x-x-x-x-x-
(Brig T.S. Soin)
President,
Cantonment Board, Babina.
1st Dec, 2018

C.T.C.


Office Superintendent
Cantonment Board, Babina.
(S.K. Kushwaha)