



MES BUILDERS ASSOCIATION OF INDIA (REGD)

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Circular No. 32

Dated: 29th May 2026

To Members,

Minutes of Zoom Council Meeting held on 10th May 2026.

The following persons were present.

1. Sh. G.S. Mago
2. Sh. Kumar Ashok
3. Sh. Sandeep Srivastava
4. Sh. Prasanta Mahanta
5. Sh. Shiv Kumar Gupta
6. Sh. C. Balasatish
7. Sh. Gurvinder Singh Oberoi
8. Sh. M. Sundararajan
9. Sh. Sunil Panwar
10. Sh. Bharat Sharma
11. Sh. G.K. Gupta
12. Sh. V.P. Sanjiv
13. Sh. Ramsingh Jadeja
14. Sh. Naresh Vij
15. Sh. Vivek Manghnani
16. Sh. Abhitap Bedi
17. Sh. Anuj
18. Sh. Arun Anand
19. Sh. Ashok Kandoi
20. Sh. Ashwani Basotra
21. Sh. Aslam Sheikh
22. Sh. Azeezulla Khan
23. Sh. Bharak Kumar Bhatnagar
24. Sh. Bharat Sharma
25. Sh. Inderjeet
26. Sh. Jitendra Kumar Vasu
27. Sh. Lakhbir Singh
28. Sh. Lalit Goel
29. Sh. M. Govindaraj
30. Sh. Mahesh Jain
31. Sh. N. Thilak Narayanswamy
32. Sh. Naresh Ray
33. Sh. Nitin Bhambri
34. Sh. P.N. Sheshachala
35. Sh. P.S. Yadav
36. Sh. Pawandeep Singh
37. Sh. Prabhakaran Pillai
38. Sh. Pramod Tomar
39. Sh. Preteek Bera
40. Sh. Rajeev Bansal
41. Sh. Rajeev Puri
42. Sh. Sanjay Sharma
43. Sh. Sourabh Kumar Singh
44. Sh. Subhash Chandra Bhatia
45. Sh. Vinay Saini
46. Sh. Anil Tomar
47. Sh. Samik Banerjee
48. Sh. Sarvjeet Singh
49. Sh. Ravindra Reddy
50. Sh. Amit Kumar
51. Sh. Anuj Agarwal
52. Sh. Narendra Narwaria
53. Sh. Naveen Nayyar
54. Sh. Rajinder K Bhambri
55. Sh. Rakesh Atri
56. Sh. Vinod Kumar Gupta
57. Sh. Ashok Kumar Upadhyay
58. Sh. Piyush Mishra
59. Sh. Rajendra Singh
60. Sh. Manoj Gupta
61. Sh. Deepak Pandey
62. Sh. Atul Jain
63. Sh. Dhiraj Kumar Singh
64. Sh. C.K. Bansal
65. Sh. Vaibhav Sharma
66. Sh. Vijay Sharma
67. Sh. R.M. Singhvi
68. Sh. Harish C. Bhatia
69. Sh. Vinod Kumar
70. Sh. Natesan Saravanan
71. Sh. Bijender Singh
72. Sh. Rakesh Gupta
73. Sh. Anil Kumar
74. Sh. Rajeev Chowdhary
75. Sh. Sanjay Varshney
76. Sh. Rajeev Sharma
77. Sh. Tausif Khan
78. Sh. Rakesh Gupta
79. Sh. Rajender Agarwal
80. Sh. N Manickavel
81. Sh. Anil Kumar

Sh. G.S. Mago. I welcome you all to join this online Zoom Council Meet.

Sh Sandeep Srivastava. I extend a warm welcome to everyone joining this online Council Meeting. I sincerely appreciate your valuable time and active participation despite your busy schedules. This meeting has been convened to discuss certain issues and concerns presently being faced by the builders and members of our fraternity. I request all members to act with maturity and collective responsibility, particularly in view of the ongoing court cases. We should avoid taking any action or making any decision that may further complicate matters or adversely affect the interests of the Association. You may find this meeting somewhat different in nature from our usual interactions, as we intend to maintain strict discipline and focus while deliberating on matters concerning our community and its larger interests. Before proceeding to the agenda items, I have some sad news that I would like to share with all of you.

- i. Sad demise of Smt. Sulochana Amma beloved mother of Sh. Mahesh Nair of M/s Glacier Cooling Solutions Pvt. Ltd. an esteemed member of Bangalore Branch
- ii. Sad demise of Smt. N Naga Lakshamma beloved mother of Sh. N Srinivasa Babu of M/s Sai Constructions an esteemed member of Bangalore Branch
- iii. Sad demise of Sh. Chikka Muniyappa respected father of Sh. Vinod of M/s GK Construction an esteemed member of Bangalore Branch
- iv. Sad demise of Sh. M. Abdul Rahman respected father of Sh. Saud of M/s MAR Construction & Co. an esteemed member of Bangalore Branch
- v. Sad demise of Sh. PM Kariappa respected father of Sh. PK Ayyappa of M/s Kaveri Enterprises an esteemed member of Bangalore Branch
- vi. Sad demise of Sri Siddalingaiah respected brother of Sh. S J Sadasivaiah of M/s Vishwas Enterprises an esteemed member of Bangalore Branch
- vii. Sad demise of Sh. R Murthy respected father of Sh. Annu M of M/s Annu Enterprises an esteemed member of Bangalore Branch
- viii. Sad demise of Sh. G Janardhan Reddy respected father of Sh. Naveen Kumar J of M/s G Janardhan Reddy an esteemed member of Bangalore Branch
- ix. Sad demise of Smt. Revathi beloved wife of Sh. K Ashok Kumar of M/s Sri Maruthi Builders an esteemed member of Bangalore Branch
- x. Sad demise of Sh. Radha Krishnan respected father of Sh. R Bala of M/s Bala Traders an esteemed member of Bangalore Branch
- xi. Sad demise of Smt. Shanti Devi beloved mother of Sh. Som Parkash Garg of M/s Som Projects Pvt. Ltd. an esteemed member of Delhi Branch

- xii. Sad demise of Smt. Krishna Rani Malik beloved mother of Sh. R.K. Bhambri and Rakesh Bhambri & Grandmother of Sh. Nitin Bhambri of M/s R.K. Bhambri an esteemed member of Delhi Branch
- xiii. Sad demise of Sh. Raghunath Singh Verma respected father of Sh. Sandeep Verma of M/s R.S. Construction Co. an esteemed member of Delhi Branch
- xiv. Sad demise of respected father of Sh. Rajesh Goel of M/s Gaurav Construction Co. an esteemed member of Delhi Branch
- xv. Sad demise of Sh. Daya Ram of M/s Vishwakarma Builders an Esteemed member of Jammu branch
- xvi. Sad demise of Sh. Ravinder Kapoor of M/s Ravinder Kapoor an Esteemed member of Jammu branch
- xvii. Sad demise of Sh. Bharat Bhushan Gupta respected brother of Sh. Girdhari Lal Gupta of M/s Shiva Joinery and Furniture Industries an esteemed member from Jammu Branch
- xviii. Sad demise of Sh. Nikhilesh Kumar Agarwal respected brother of Sh. Ritesh Agarwal of M/s Urban Construction an esteemed member of Bareilly Branch
- xix. Sad demise of Sh. PK Gupta respected father of Sh. Harshit Gupta of M/s Urban Kashvi Builders Construction an esteemed member of Bareilly Branch
- xx. Sad demise of Sh. P.K. Jaani an esteemed member of Ahmedabad Branch.
- xi. Sad demise of Sh. Sohan Singh Mathur an esteemed members of Gwalior Branch.

May I request you to observe a moment of silence and pray to the almighty to grant eternal peace to the departed souls.

Sh. G.S. Mago, Dear Friends.

I extend a warm and cordial welcome to all of you to this Council Meeting. I sincerely appreciate your presence and valuable participation and look forward to constructive discussions towards strengthening our association and addressing the concerns of our contractor fraternity. Today before us there is very important task collectively to conduct the election earliest possible so that Association could get new intelligent knowledge can be lead by the newly elected members. We are presently navigating through a challenging phase. The unprecedented rise in the cost of materials and labour, coupled with unpredictable market conditions, has significantly impacted the execution of ongoing works. These factors have placed considerable financial strain on contractors across all the Country. We had taken up the case with E-in-C and I got a information from E-in-C that they have moved the minutes and are in the process of giving four month force majeure for all ongoing works and we may expect for positive result. In this context, it becomes imperative for us to collectively and strongly represent the need for a comprehensive policy on escalation for all ongoing works. Without such support, timely completion and quality of projects may be adversely affected. Further, the prevailing geopolitical disturbances and the invocation of force majeure by the Ministry of Finance have created additional challenges. It is essential that similar provisions be extended within MES contracts, including grant of extension of time wherever justified, so that contractors are not penalized for circumstances beyond their control. Numerous representations

and communications have been addressed to the E-in-C's Branch seeking consideration of the cases of affected contractors whose renewals have been denied and/or whose names have been removed from the approved list consequent upon cancellation of contracts. However, despite repeated requests and reminders, no favourable outcome has been forthcoming so far. Nevertheless, the matter has once again been represented before the E-in-C's Branch with a request for sympathetic and expeditious consideration. It has also been submitted that, in the absence of an appropriate resolution, the affected contractors may be constrained to undertake nationwide strike and "tools down" operations, convene press conferences to highlight their grievances, and seek appropriate legal recourse before the Hon'ble Court of Law. It is further submitted that the matter has also been represented before the Hon'ble Defence Minister, Defence Secretary, and Chief of Defence Staff with a request to issue appropriate guidance to the E-in-C for expeditious redressal of the grievances of the affected builders. I urge all members to remain proactive, coordinated, and committed in our approach. Together, we can overcome these challenges and work towards a more supportive and balanced environment for the contractor community. We also need to deliberate upon and strongly take up the issue of adherence to the critical date of NIT, timely appointment of Arbitrators and extension of escalation benefits on all ongoing contracts in accordance with the Memo issued by the DG (Works) of CPWD, Vidhyut Bhawan, New Delhi vide Misal No. 32/4/2024/W1/DG/130(H) dated 21st April 2026. Further, the existing provision of granting escalation for a period of two years may kindly be reconsidered and reduced to one year so that the contractors may receive timely relief without any further delay. I also take opportunity to request all Vice Presidents, Secretaries and Chairmen to remain extremely vigilant and actively pursue this issue in their respective areas with the concerned CWE authorities, particularly with reference to the policy letter issued by the E-in-C regarding scrutiny of unworkable tender rates quoted beyond 30% below the estimated cost. All branches should submit effective and well drafted representations to that the policy is implemented in its true spirit and produces meaningful and productive results. Our collective effort should be to ensure that contractors quote practical and workable rates, thereby protecting the interests of both the contractor fraternity and the department.

At the conclusion of my opening address, I pray to God for the wellbeing, prosperity and good health of all our esteemed members and their families. I also offer my sincere prayers for the speedy recovery and good health of our Jt Gen Secretary Shri Prasant Mahanta Ji and our Vice President Shri Vinod Behl Ji who has been suffering from a severe viral infection for the last 6-7 days. May God bless them with strength and an early recovery.

. With these words, I thank you all for your participation and valuable contributions. I look forward to a constructive discussion and meaningful outcomes from today's meeting. Now I request Shri Sandeep Srivastava to proceed with the meeting. Thank you very much.

Sh Sandeep Srivastava. Respected Past Presidents and my esteemed colleagues. As I mentioned at the beginning, the primary purpose of convening this meeting is to discuss and find solutions to the abnormal and challenging conditions presently being faced by the builders' community. Whether it concerns the impact of the prevailing international situation, issues within the E-in-C office, or the delays being faced by many of our fellow members in the renewal process, these matters have become a source of concern for all of us.

At the outset, I would like to reiterate the request made by President Sir, and all senior members that we should refrain from discussing any issue that may lead to contempt of court or lead the Association into any further disputes or complications. Our objective should remain constructive and focused on finding practical solutions. President Sir has informed us that repeated efforts have been made to secure a meeting with E-in-C Sir. Approximately five letters have already been sent and continuous efforts have been made through various channels. President Sir himself personally visited to seek an appointment, however, despite our sincere

efforts we have not yet been able to meet him. The agenda points had already been submitted in advance .

Subsequently, we had the opportunity to meet DGW Sir. One of the major concerns affecting builders at present is the issue of renewal of enlistment of those builders whose contracts had been cancelled for various reasons in the past. Prior to the joining of E-in-C Sir, several Commands had renewed the cases of such builders. During discussions with DGW Sir, it was observed that their views largely aligned with ours. If action was required against a builder, such action should have been taken at the appropriate stage itself. In cases where performance securities had already been forfeited, dues recovered, penalties imposed or other recoveries made, imposing additional restrictions at the stage of renewal may not be appropriate. It was jointly felt by Jt DG (Contracts) and DGW that if punishment was considered necessary, it should have been administered at the relevant time and not repeatedly revisited during the renewal stage.

DGW Sir had also assured that these concerns were highlighted appropriately in the minutes shared by them and that denial of renewal at this stage could create unnecessary complications. We were hopeful that positive outcomes would emerge from these observations and provide relief to affected members. However, despite the passage of nearly two to three months, further observations have been raised and the Contract Management Department is presently examining the matter and is expected to provide its response. Naturally, the builders' community is concerned and anxious about the situation. Another issue that has come to the notice of the Association is that ongoing court cases and certain complaints, including representations submitted through CPGRAMS, have created an environment that may have affected the willingness of authorities to engage with Association. This, perhaps has provided an opportunity for misunderstanding regarding the Association's position.

We had expected participation from around 100-200 builders in today's meeting , however, as we can see, less participation of members have jointed. While this is disappointing, it is a reality we must accept. Everyone has their own concerns and challenges and some may feel that meetings of this nature do not always produce immediate results. However, I firmly believe that meaningful dialogue always leads to positive outcomes. Whether the issue is external or internal, discussions and collective efforts remain the most effective path toward resolution. This is the present status regarding our engagement with E-in-C office. A representation has also been submitted to Raksha Mantri. Now I seek the valuable guidance and suggestions of all senior members and colleagues present here regarding the future course of action that our Association should adopt.

Sh. Vivek Manghnani. The issue relating to renewal arose at a later stage. In cases where performance security has already been forfeited and the material and machinery lying at the site have also been confiscated, adequate action has already been taken against the concerned individuals. Imposing an additional burden on such builders by restricting or denying opportunities for the remaining tenure appears to be unfair and amounts to a form of double penalty. Therefore, I request that this issue may kindly be raised and deliberated upon in the next meeting so that an equitable and practical approach can be considered.

Sh. Pratik Bera. Sir, good morning.

Having listened to the discussions, it appears that E-in-C Sir has served at various levels throughout his career as Zonal Chief Engineer, Command Chief Engineer and now as E-in-C. Therefore considering the action and decisions taken thus far, it seems difficult to expect any

significant relief through the present approach. In my view, if certain decisions or policies are adversely affecting the interests of the MES builders' community, the Association may need to consider taking an appropriate and collective representation or a legitimate course of action to raise its concerns.

Further, the issue of Performance Guarantee should ideally be dealt with and concluded at the contractual level itself. If any new policy, procedure, or restriction is intended to be implemented, it should be supported by a clear and formal communication through an official letter or order. In the absence of such directions, implementation of additional conditions may create confusion and hardship for the builders.

Sh. Ramsingh Jadeja Good Morning.

In cases where contracts have been cancelled, the cancellation orders themselves clearly specify the recoveries and penalties imposed upon the concerned contractor. Therefore, the matter has already been dealt with through the prescribed contractual provisions. I have also discussed this issue with several local experts and there is a view that the Association may consider seeking appropriate legal remedies, if required. Further, in many other departments and organizations, where contracts are cancelled or a contractor is blacklisted, such restrictions are generally imposed for a defined period, such as six months or one year. Such actions are ordinarily not intended to continue indefinitely or operate as a lifetime restriction. Therefore, if a contract has been cancelled, permanently preventing a contractor from participating in future tenders may not appear to be a balanced or equitable approach.

Sh. Arun Anand. The policy that existed earlier was framed with the objective of safeguarding and supporting the interests of contractors. Under that system, if a contractor had to leave or discontinue a tender, the matter was dealt with through the Performance Guarantee mechanism and upon completion of the required formalities, the contractor could move forward without prolonged complications. Therefore, it is suggested that during the next meeting, a request may be made for the implementation of the earlier policy framework, as the present policy does not appear to provide adequate relief or benefits to the contractors and is creating practical difficulties for the builders' fraternity.

Sh. Gurvinder Singh Oberoi. Sir, my submission is that the present situation appears to be quite serious and concerning. The functioning and approach being witnessed present have created apprehensions among members and the concerns within the builders' community are steadily increasing. As a suggestion, in cases where individual renewals have not been granted, the affected members may be encouraged to pursue appropriate legal remedies individually, if considered necessary. Simultaneously, the Association may continue its efforts through proper channels by submitting representations and conveying our concerns to the authorities. We may also formally communicate that sincere efforts are being made by the Association to resolve these issues but despite continuous attempts, a satisfactory resolution has not yet been achieved. Sir, I believe that with sustained efforts and collective participation from all members, these matters can eventually be resolved in a constructive manner.

Sh. V.P. Sanjiv. As President Sir mentioned earlier, I had the opportunity to meet the Hon'ble Raksha Rajya Mantri regarding this matter. During our discussion, he also expressed concern and observed that if a Performance Guarantee clause already exists and the prescribed recoveries or penalties have been imposed, then imposing an additional restriction would lead to a form of double punishment. I explained the matter in detail to him upon which he sought further information regarding the E-in-C office and asked for the relevant contact details. We met in the evening, just a day prior to the commencement of the Parliament session. Subsequently, after his return to Ranchi, I again met him and followed up on the matter. He informed me that his office

secretary had contacted the E-in-C Branch and spoken with the concerned authorities. According to the information conveyed by E-in-C Saheb, the process has already been initiated and as per the existing policies and procedure, further action in this regard is being processed.

Sh Vivek Magnani. Sir, the advantage of approaching the court collectively would be that the issue involved is essentially a policy matter affecting all builders. As an Association representing the interests of the entire builders' community, we should jointly challenge any policy that is being misinterpreted or implemented unfairly. However, in cases where a particular individual's renewal has been unjustly rejected, the concerned person may separately pursue legal remedies in his individual capacity. At the time when this policy was introduced, we were clearly informed that once the prescribed action, compensation or recovery under the Performance Guarantee clause had been completed, there would be no further penalty or restriction and contractors would be free to continue participating in future tenders and carry on their work normally.

Now where was it stated that such contractors would be denied renewal or that their works would not be considered under WLR. If such severe consequences were intended, the contractors should have been informed clearly at the very beginning so that they could have understood the implications before taking any decision. We were never informed that additional punitive action would continue even after completion of prescribed penalties. In fact, acceptance letters and related documents are being treated as proof of consent, despite the fact that our signatures are not always formally obtained in that context. Thereafter, it is being argued that since the contractor accepted the cancellation and did not challenge it earlier, it becomes all the more important that we carefully examine these procedures and raise these issues appropriately before the competent forum.

Sh N Thilak Narayanswamy. The issue relating to denial of renewal of enlistment on account of cancellation of contracts is a very genuine concern affecting many contractors. The important point is that during the period from 2020 to 2025, despite cancellation of certain contracts, the contractors were still permitted to undertake subsequent works and continue their business activities. Therefore, denying renewal at this stage does not appear to be justified or acceptable. Further, when this matter was discussed with DG Chennai, the point raised from their side was that, despite cancellation of contracts, some contractors had subsequently approached Arbitration. Based on the pendency of such arbitration cases, they stated that they were finding it difficult to take a final decision in the matter. However, considering the larger interest of the builders' community, an early and balanced resolution of this issue is highly necessary.

Sh Pawandeep Singh. This policy was introduced on 18th May 2020. Had the concerns and implications of this policy been strongly opposed or critically examined at the initial stage itself, perhaps the present situation could have been avoided. However, at this stage, it would not be appropriate to place blame on the present team for actions or decisions that were not addressed earlier. The current office bearers and members are making sincere efforts to resolve the issue in the best possible manner. Nevertheless, considering the circumstances and the lack of satisfactory resolution so far, it appears that approaching the court may now remain one of the few available options for seeking relief and clarity on the matter.

Sh P.S. Yadav. In connection with this matter, a court case had earlier been filed from our station. During the proceedings, the Hon'ble Court advised that efforts should be made to resolve the issue through discussions with the E-in-C office. Accordingly, we approached the concerned office and made sincere efforts to meet E-in-C Sir for resolution of the matter. However, despite waiting there for the entire day, we were unfortunately not granted an opportunity to meet him. Subsequently, when this fact was brought to the notice of the Hon'ble Court, contempt notices were issued against E-in-C, the Command Chief Engineer, Zonal Chief Engineer, CWE Hisar and GE Jaipur. However, no response or communication was received from their side in this regard.

Sh G.S Mago. You are requested to kindly share all relevant documents and related correspondence with the Headquarters so that appropriate action can be initiated and the matter may be pursued effectively.

Sh Rajeev Puri In this matter, our primary effort should be to approach the E-in-C office and strongly pursue an early resolution of the issue so that the pending results and decisions are cleared at the earliest possible. Merely approaching the court may not provide a complete or immediate solution. Therefore, continuous dialogue and sustained efforts with the competent authorities should remain our first priority for achieving a practical and positive outcome.

Sh Lalit Goel. In my view, we should continue our efforts with the E-in-C office until the last possible stage and pursue the matter firmly because extensive discussions on this issue are already taking place at various levels. However, since adequate attention is not being given to the concerns of the Association and its members, the affected individuals may also need to approach the Hon'ble Court for appropriate relief.

A meeting was recently held at the Branch level, in which the builders whose contracts had been cancelled also participated. During the discussions, it was collectively decided that the affected members would proceed with legal action. Accordingly, we are hopeful that the matter will be taken to court within the next 10-12 days and the Branch will extend full support and cooperation to each individual pursuing the case.

Sh Peeyush Mishra. He stated that our voice is still not being heard at the E-in-C level. As rightly mentioned by Lalit Ji and VP Sanjeev Ji, many people say there is no strike, but the real question is why is there no impact or strength being felt? He emphasized that all Vice Presidents should coordinate with their respective Chairmen, jointly decide a suitable date and organize a united strike movement, as had been successfully done earlier. A strong and collective approach is essential to create momentum and demonstrate our opposition to the ongoing issues. He further stated that we should not hesitate to organize press conferences. Every effort must be made to ensure that our concerns receive prominent coverage in leading newspapers and media platforms. For this purpose, some expenditure may be incurred to organize large-scale conference at Branch level, Command level and finally at the E-in-C level in Delhi.

By mobilizing Regional Vice Presidents, Chairmen and members, we should conduct well organized press conferences highlighting the genuine problems being faced by our branches and contractors. Eminent and responsible journalists should be invited so that the issues are projected effectively before the nation. Before intensifying the movement, we should first approach the Ministry of Defence and establish contact with the Hon'ble Defence Minister to place our grievances and demands before the authorities in a proper and dignified manner.

Sh Sunil Panwar. The first and foremost step should be to organize a strong protest at the E-in-C's office. Since around 500 members have not renewed their membership, every individual can bring along at least two contractors to strengthen the gathering. All branch Chairmen, Secretaries and Vice President should actively participate in the protest. The maximum mobilization should come from the local branches and at least 100 members must be present to make the demonstration effective and impactful. The larger the gathering, the greater will be the pressure on the department to address our concerns seriously. Protests with merely 50-100 people in the past have not yielded any significant results. Therefore, a united and massive presence is essential to make our voice heard effectively.

Sh Vivek Magnani. This time, even representatives from all the branches is not attending the meetings regularly and at the same time we are talking about mobilizing 500-1000 people for a

protest. We need to be practical and realistic in our approach. Before making such large plans, we should first ensure active participation and commitment from all branches. A well-organized and manageable gathering with dedicated participation will be far more effective than setting unrealistic targets that may not materialize.

Sh Shiv Kumar Gupta. What we are discussing is practically not feasible at Rajaji Marg, New Delhi. Earlier also, there were discussions regarding organizing a protest there but Section 144 has always been imposed in that area and under such circumstances permission is generally not granted. The authorities usually advise protestors to gather at Ram Leela Ground, where arrangements can be made under tents. However, even arranging vehicles and related logistics there may cost around Rs 50,000/-

Regarding the press conference, permission can be obtained at Parliament Street but they generally allot only 15 minutes time slot. People from across the country come there for protests and the administration allows only limited time for gathering, taking photographs and submitting representations. Usually, only two representatives are permitted to proceed towards the Defence Minister's gate for submission of the memorandum. In this context the suggestion given by Sh Peeyush Ji to organize protests before the respective Chief Engineer appears to be more practical and feasible.

Sh Azeezulla Khan. After hearing all the views and discussions, I have come to the conclusion that a press conference appears to be the most effective solution at present. Unlike protests and court cases, it can avoid unnecessary delays and immediately bring the matter into public focus. If press releases are issued either from the Headquarters or through the branches, it would also serve the purpose effectively. In fact, the impact created through media coverage and public awareness may be far greater than that achieved through protests for lengthy legal proceedings.

Sh Anil Tomar. From the way he was listening to all the discussions, he eventually suggested a practical solution. Earlier also, we had organized a demonstration at Jantar Mantar for an entire day after obtaining permission from the Commissioner of Delhi Police. Along with the demonstration, a press conference was also conducted there successfully. Therefore, it would be appropriate to circulate a message informing everyone that we are planning to organize a similar demonstration. All concerned members from across India, along with members from various branches should participate in large numbers so that our unity and concerns are strongly conveyed.

Sh Naresh Vij. In my branch, only one member has not been renewed, while all others have already been renewed. First of all, exact data must be collected from all branches regarding the members whose renewals are still pending, as at present we do not have accurate and complete information. The list of such pending cases should be obtained from every branch and compiled properly. This consolidated list should also be brought to the notice of the JE-in-C, as in many such cases even the entry passes of the concerned members have been stopped.

Sh Lakhbir Singh. I have carefully heard the suggestions and views expressed by everyone. Now I would like to discuss the matter point by point. The first issue before us is whether the Association should approach the Court collectively or not. In my opinion, individual cases should be filed instead of the Association approaching the Court as a whole. Policy letters and enlistment related orders have already been issued and thereafter several representation files have been submitted in the JE-in-C's office. The Chief Engineer, Western Command has categorically stated that there is no policy which prohibits renewal in WLR cases. Even the letter referring to Clause 7 (a) was interpreted and circulated by certain officials in their own manner.

If you carefully examine the reference letter issued in January 2020, it becomes clear that there is no proper understanding or coordination at the higher levels. Officials at the E-in-C's office, Joint DG and DGW are not on the same page not only on this particular issue but on several other matters as well, largely due to differing approaches of some senior officers. One Jt DG informed me that all Commands had already forwarded their recommendations on this matter to the E-in-C's office nearly four months ago. When I personally visited the office, the file concerning the proposed policy was shown to me. On examining it, I noticed that there was no specific mention regarding cancellation of contracts or contractor defaults. I suggested that if there is any default by a contractor, it may be treated separately as cancellation.

This file kept moving between the Jt DG, DGW and E-in-C's office for almost four months. It was returned multiple times and eventually a Board was constituted in the E-in-C's office to examine the issue. The Board cleared all observations within about 15-16 days and submitted its report. Thereafter, the final noting sheet was forwarded for approval. However, until the policy letter is finally signed and issued, the matter may again be referred for further opinions.

At this stage, if the Association as a whole approaches the Court, it may not be beneficial. Once a collective petition is filed, the authorities may simply wait for the Court's final decision before issuing any policy clarification, which could unnecessarily delay the matter for years. Therefore, I do not consider it advisable for the Association collectively to file a case. Instead, individual contractors should approach the Courts in their respective matters, especially in cases where enlistment has not been renewed despite WLR status continuing. Since these are individual cases, the authorities will not be able to indefinitely delay the matter.

At present, most of the affected cases belong to D to S Class contractors. However, one must also consider what will happen when the same issue arises for E-Class contractors. If such policy is extended further, thousands of contractors across India may be affected. It is neither reasonable nor legally sustainable to apply one policy to one category of contractors and a different approach to another category. Simultaneously, our President Sir has already written letters to the Hon'ble Defence Minister Sh Rajnath Singh, the CDS and the Defence Secretary, with copies endorsed to the E-in-C's office, requesting necessary directions in this matter. The response and action taken by the E-in-C's office in the coming weeks will determine the future course of action. In my view, we should continue creating constructive pressure while remaining legally and technically correct. From our experience over the last 20-25 years, we know that whenever Headquarters issues instructions to branches, Vice Presidents or members, 100% participation is rarely achieved. Even achieving 40% effective participation requires proper planning and a clear roadmap.

We have witnessed similar situations earlier, Particularly during the issue of rising steel rates, when a large gathering of nearly 3,250 members assembled for protest. Even then, many members from across India could not participate despite supporting the cause. Therefore, expecting all members and office bearers from across the country to assemble in Delhi at once may not be practical. Instead, instructions should be issued to all branches that members should gather peacefully outside their respective Chief Engineer offices for one or two hours, conduct demonstrations and circulate photographs and reports of their protests.

The first phase should begin with all contractors wearing black badges in protest. Any member visiting MES offices should wear black badges to demonstrate peaceful opposition. At the regional level, members should convey that the present actions are against the principles of natural justice. Cancellation of a contract is one issue but preventing a person from earning his livelihood is entirely different. Even under the General Financial Rules, no contractor can be blacklisted indefinitely without specifying a defined period under the relevant provisions.

Thereafter, a proper roadmap should be prepared. Protests can be organized at Command and Chief Engineer offices, followed by larger demonstrations at authorized places like Ramleela Ground or Janter Mantar in Delhi after obtaining due permission. Simultaneously, a press conference may also be organized, similar to the one previously held at the Press Trust of India premises, which received television coverage.

In such press conferences, we need not speak against any individual or authority. We should simply and clearly present the facts that there is no explicit policy prohibiting such renewals and that the present interpretation is causing hardship to contractors and their families. This is ultimately a matter concerning livelihood and natural justice. I request all of you to seriously deliberate upon these points and prepare a proper roadmap for future action. Court cases will continue separately in individual capacities but collectively we must rise above politics and persona egos and work unitedly for the welfare of all builders and contractors.

Thank you all.

Sh Sandeep Srivastava. We also held a meeting with our team and discussed the matter in detail through our WhatsApp group discussions. What you have suggested is good and the points have been presented in very refined and balanced words. However, the situation on the ground still remains serious. We have already submitted a letter to the DGW requesting that a meeting be convened within the next week. Otherwise, we will be compelled to proceed with prolonged strike and a press conference. This letter itself will serve as a clear indication to the department that the and contractors are taking this issue very seriously.

It is evident that many affected members are expressing their concerns and frustrations in different ways because they are under tremendous pressure. However, the real issue is that these concerns are not being properly conveyed to the Headquarters. We must collectively place these matters before the DGW in a strong and organized manner. At the same time, I fully agree with the views expressed by all of you that court proceedings are lengthy and time consuming and probably nobody wants the matter to remain pending indefinitely. Therefore, when you meet the DGW, it should be clearly conveyed that if a meeting is arranged within the next 7-10 days, it will be appreciated and may help resolve the matter amicably. Otherwise, we will have no option but to proceed with our proposed course of action. Now, President Sir may kindly share his final remarks on the issue.

Sh Balasatish. Even if we succeed in our efforts, we should remember that proper representation through the appropriate channels is equally important. Instead of bypassing senior authorities and public representatives, we should place our issues before them in a systematic manner so that our concerns receive the necessary attention and support. In my opinion, this approach may help in resolving the matter more effectively. At the same time, the pending issues should be addressed immediately and prioritized without unnecessary delay. Merely fixing ambitious targets or limiting ourselves to sitting at Jantar Mantar and holding press conferences may not by itself produce the desired results. Our approach should be strategic and focused so that the matter reaches the E-in-C authorities directly and sufficient administrative as well as political pressure is created for an early and positive resolution of the issue.

Sh Sandeep Srivastava. I have already briefly informed you that Defence Minister Sh Rajnath Singh who is also the Member of Parliament from Lucknow, has already been approached through a representation submitted to him. He is expected to visit Lucknow shortly for the inauguration of two MES projects and there may be a possibility of arranging a meeting around that period, subject to availability and convenience. Our effort is that if we receive information at least two

days in advance, then President Sir along with other office bearers can coordinate and participate in the meeting. However, that would be a separate matter altogether and while such an interaction may help in presenting our concerns effectively, it cannot be assured at this stage whether an immediate solution to our problems will emerge from it.

Sh G.S Mago. I do not even know how to properly express the pain and frustration we are going through. The situation has reached such a stage that even the people sitting at the highest levels appear concerned about the negative attitude prevailing in the E-in-C's office. The main point conveyed to us regarding approaching the Court through the Association was about the disadvantages involved. One of the major concerns explained was that if an individual contractor files a case, the Advocate can specifically seek relief for that individual matter. However, if the Association collectively approaches the Court, then the issue may become much larger in scope and the final outcome could take a very long time. Nobody can predict when the matter will ultimately be decided and the process itself may continue for one year or even longer. Therefore, it was felt that such a course may not be fruitful at this stage.

Accordingly, the view expressed was that individual contractors should file their respective cases before the Court so that specific relief may be obtained in individual matters. The Headquarters has already submitted a detailed representation consisting of 61 pages, enclosing relevant Apex Supreme Court judgments, various rulings and detailed legal references supporting our stand. Anyone who carefully examines the representation will clearly understand that our case has been strongly and properly presented. Our respected Past President has also highlighted the relevant provisions of the General Financial Rules, which clearly indicate that if any contractor is to be banned, it can only be for a specified and limited period.

At present Central Command and Southern Command have not removed even a single affected case. However, Central Command and Southern Command have extended the validity up to 30th June 2026, whereas earlier it was only up to April 2026. They have clarified that the extension will continue until further instructions are received from the E-in-C's office. A similar stand has also been taken by Southern Command, Pune. In the meantime, I have also received calls from Visakhapatnam and Kolkata and copies of the relevant letters issued by Central Command and Southern Command have been shared with them as well. As per senior who has advised that the Association should preferably not approach the Court collectively and that individual contractors may pursue their own cases separately. As regards the suggestion of organizing a press conference, a decision will be taken after the Minutes of Meeting are circulated and examined. The final course of action will thereafter be communicated to all Vice Presidents, Chairmen and Honorary Secretaries.

It is also a matter of concern that many branches have not responded to the Headquarters' request for submitting the list of members whose renewals are pending due to cancellation of contracts. As a result, Headquarters is unable to place complete and accurate data before the higher authorities. Therefore, I request all office bearers and branches to take responsibility, come forward actively and provide the required inputs to Headquarters so that the issues of our builders and contractors can be effectively represented before the competent authorities for an early resolution. After the Court hearing scheduled on 19th May 2026, one more meeting will be conducted to take a final decision regarding the future course of action in this matter.

Thank you all for patiently hearing me. Now I request Sh Sandeep Srivastava to kindly proceed further with the agenda.

Item 2 (b) of agenda. To discuss and decide the action plan for the difficulties being faced by Contractors due to the prevailing International Conflicts.

Sh Sandeep Srivastava. As all of you are aware, the ongoing tensions and war like situation between America and Iran have significantly affected the market conditions worldwide. From the

inputs we have received, the prices of essential construction materials such as tiles, PVC pipes, fittings, copper, aluminum, steel and other related items have already increased by nearly 25-30 percent. The price of bitumen, which was earlier around Rs 40,000/- per tone before the conflict, has now reportedly crossed Rs 80,000/- per tone. Petroleum companies are also said to have suffered losses of nearly Rs 30,000/- crore. It appears that the Government may presently be waiting for the elections in Assam and West Bengal to conclude, after which there is every possibility that the prices of petrol and diesel may also increase further in the coming weeks.

Overall, the market is already witnessing a cost escalation of nearly 25-30 percent. However, the response time of MES with regard to escalation, extensions and related relief measures has become extremely slow. Yesterday, I spoke with the Command authorities and requested them that at least a few deserving cases should be recommended and forwarded. The officer concerned also admitted that our concerns were genuine. I further pointed out that when the Ministry of Finance itself has issued provisions regarding extension and relief measures, why is MES reluctant to consider the prevailing market conditions? The Ministry of Finance, though its letter dated 29.04.2026, has already acknowledged that the prevailing situation is akin to war like circumstances. Despite this, the practical experience with MES is that little consideration is being given to the hardship faced by builders and contractors. The attitude appears to be that once a builder has quoted rates, he is bound to complete the work within the same rates and stipulated time, irrespective of extraordinary market fluctuations. Neither are rates being revised, nor are extensions being readily granted nor are the actual market conditions being properly acknowledged.

Today, almost every machinery and industrial activity depends upon fuel and gas. Naturally, when fuel prices rise sharply, the cost of every activity increases and the entire industry comes under severe pressure. Therefore, we must collectively deliberate on how a practical solution can be found to this situation. If the E-in-C authorities are not willing to properly hear our concerns, then perhaps the only remaining option would be to seek a meeting with Sh Rajnath Singh, Defence Minister and place all our issues before him directly. We can only hope that he will understand the seriousness of the situation and either intervene personally or issue suitable directions to the E-in-C authorities for resolution of these issues.

It is unfortunate that an organization handling projects worth nearly Rs 25,000/-Crore is presently not willing to hold even one-to-one discussions with the builders and contractors who are actually executing the works. At the same time, we are also in a difficult position because abandoning works or stopping activities altogether may create even more complications. Therefore, I request all of you to kindly share your suggestions and guidance so that together we may find a practical and constructive way out of this difficult situation.

Sh Peeyush Mishra. According to me, both the issues are interconnected. The letters being issued by the GE offices and CWE offices clearly state that they have not received any instructions from higher authorities regarding grant of extensions, enhancement of rates, or relief measures. On the contrary, if the progress of work slows down, notices are issued asking why action should not be taken against contractor for delay. The stand being taken at the GE and Chief Engineer level is very straightforward that once the work has been accepted, it must be completed within the stipulated time irrespective of the prevailing market conditions. In reality, this appears to be a time when higher authorities are trying to suppress or discourage every activity and representation being made by builders and contractors.

Since we are now functioning as an organized Association, it is important that we create systematic and continuous pressure within the department without unnecessarily waiting time. Even small efforts, when carried out collectively, eventually become major efforts. If required, branches may organize limited protests, symbolic work slowdown or coordinated activities for a few days in order to send a strong and clear message. If branches across the country collectively convey that work may be affected for a week due to these unresolved issues, then the seriousness of the matter will certainly reach the highest authorities. Merely submitting repeated requests and representations without any visible action may not produce the desired results. As Sh Vivek ji rightly pointed out, only around 70-80 people have actively participated so far and because of this a sense of negativity and disappointment is gradually developing among builders. Many members are beginning to feel that the Association is not taken sufficiently strong action. Therefore, it has become extremely important to keep the members motivated, united and actively engaged.

Every Vice President is responsible for nearly 8-9 branches and should remain in regular contact with the Chairmen and those branches. If any branch is not cooperating or supporting the movement, the matter should immediately be informed to Headquarters so that further discussions and coordination can be undertaken. Without creating organized and collective pressure, it will be very difficult to achieve any meaningful result.

Sh Gurvinder Singh Oberoi. Certainly, the present situation is very alarming. However, with due respect, I would also like to point out that despite such steep escalation in market prices, tenders are still being quoted at prevailing and highly competitive rates. In many cases, builders themselves are quoting rates as low as 30% below the estimated cost. We have discussed and analyzed many issues within our Association but when it comes to tender quoting, contractors continue to quote aggressively at unrealistic and unmanageable rates. Therefore, the solution does not lie entirely with the department alone, we as builders and contractors must also introspect and act more responsibly. We cannot place the entire blame on the department for every issue. At some stage, we must also examine our own practices and shortcomings. Unless we ourselves become more mature, disciplined and practical in quoting rates and executing works, it will be difficult to overcome these challenges effectively.

Sh Naresh Vij. Sir, today I wish to speak very frankly and honestly. My words may sound bitter to some people and perhaps may not be appreciated by everyone but I feel it is important to speak the truth openly. When the situation in Iran escalated and the international market started getting affected, many builders approached our Association expressing serious concern regarding the rising rates of materials and execution costs. At that time, I clearly stated that the rates had already moved far beyond manageable levels. Initially, some departmental officials themselves suggested that the affected contractors should submit representations regarding these issues. GE also advised that such representations should be routed through the Association. Accordingly, I submitted a letter to the Association around 3rd-4th April, after which certain tenders were postponed for about a week. However, on 19th April, the same tenders which had earlier been postponed were suddenly reissued and opened again. The surprising part was that despite all the discussions regarding escalation and market instability, contractors again participated and quoted aggressively in those tenders. Naturally, the question arises what happened to the stand taken by the Association and the concerns we had collectively raised. As Sh G.S Oberoi rightly pointed out, we ourselves also need to improve and act more responsibly. The unfortunate reality is that many builders are still quoting unrealistic rates. In Nagpur itself, the market trend was already around minus 15% and after the international conflict it further deteriorated towards nearly minus 30%.

I even discussed the matter with the Chief Engineer of Bhopal Zone and expressed concern over such irrational quoting. The response given was very straightforward, if builders themselves continue quoting at such low and impractical rates, then how can the department be expected to

intervene or control the situation?. This is exactly the issue we need to seriously introspect upon. Repeatedly blaming only the department will not solve the problem unless we ourselves act with unity, discipline and practical understanding. Therefore, this is a matter on which all builders and contractors must seriously reflect instead of avoiding discussion on it.

Sh Anil Tomar. We must first improve ourselves and maintain discipline within our own system. As Sh Naresh Vij has rightly pointed out, representations and letters have been submitted repeatedly regarding unrealistic and uneconomical tender rates. However, the important question is what effective action has been taken thereafter?. Ultimately, it is the responsibility of the department to examine such cases seriously, because situations of extremely low and impractical quoting often arise due to unhealthy competition and local understandings at certain levels. Whenever tenders are quoted at abnormally low rates repeatedly, there should be proper scrutiny and enquiry into such cases.

We cannot expect improvement unless strict and consistent action is taken. Over the years, people have become accustomed to functioning without accountability and mere discussions alone will not change the situation. Therefore, we must remain firm and united on this issue. If any contractor is found quoting unrealistic or manipulated rates that adversely affect the entire fraternity, then such cases should be properly investigated and, wherever wrongdoing is established, appropriate action should be taken against the concerned persons. Only then can discipline and balance be restored in the system.

Sh G.S Mago. It is now the responsibility of all Chairmen, Secretaries and Vice Presidents to actively monitor and pursue these matters in their respective areas. The letter issued on 14th March clearly stated that all tenders quoted at rates 30% below the estimated cost should be subjected to 100% scrutiny and checking. As an Association, we have the authority and the platform to continuously raise these issues through proper correspondence. Therefore, we should repeatedly write letters seeking feedback and clarification regarding the action being taken. We should specifically ask when the scrutiny is being conducted, how it is being conducted and what the final outcome of such investigations is?. If we consistently follow up on these matters, it will certainly create pressure on the authorities to act more responsibly and transparently. Letter writing is a very effective tool available with us and we should utilise it properly and persistently by continuously referring to the earlier communications and demanding accountability.

Sh Abhitap Bedi. Sir the issue of unrealistic tender rates has been raised repeatedly on several occasions but till now no concrete or effective result has emerged. Neither the Headquarters nor the local branches appear to be receiving any clear response from the department on this issue. There were discussions earlier about introducing a policy for strict scrutiny of tenders quoted below 15% but we still do not know what progress has actually been made on that matter. Headquarters has continuously requested that maximum pressure should be created for implementation of such policies, because only then may there be some hope of achieving meaningful results. Now, when we refer to the letter dated 13th March, we are repeatedly taking up the matter with the authorities and requesting them to come forward and address the issue seriously. However, this has now become a difficult task, particularly in view of the present market conditions. At this stage, nobody can accurately predict where the market will move in the coming months. We have already suffered significant losses due to the prevailing rates and there is every possibility that the situation may become even more difficult in the coming weeks.

Therefore, I once again request Headquarter to seriously pursue this policy matter with the authorities. At the same time, there is also a major issue concerning E-Class contractors. Unlike higher categories, there is no escalation clause available for them despite the severe market fluctuations and unprecedented increase in material costs. Relief measures should therefore be considered for all categories of contractors, whether SS Class or E-Class, because the impact of

market escalation is affecting everyone equally. It has also been pointed out that MES has already awarded tenders worth nearly RS 25,000 crore. Even if there is an average variation of 20%, the financial implication may rise to nearly Rs 5,000 crore. Naturally, because of such huge financial implications, the authorities may not be willing to address this issue quickly or easily. Therefore, we must continue to pursue the matter seriously and collectively.

Sh Gurivinder Singh Oberoi. Sir, merely writing letters to higher authorities alone may not be sufficient to resolve these issues. Ultimately, all of us will have to address these matters seriously at our personal and individual levels as well. Unless builders and contractors themselves act responsibly and collectively, it will be difficult to achieve any meaningful improvement in the present situation.

Sh Naresh Vij. Sir, I personally discussed this issue with several contractors in Nagpur. Most of them expressed the view that there may not be any major increase in rates. According to their assessment, either there will be no increase at all or, at most, only a marginal increase of around 1-2 percent.

Sh Peeyush Mishra. The tenders that have been submitted at such low rates represent only a small section of our members. Nearly 90% of our members are sitting without work because they are either unable to obtain work at reasonable rates or are unwilling to execute works at impractical and loss making rates. Because of the actions of hardly 10% of the contractors, we cannot allow the interests of the remaining 90% members to suffer. A small group of people, in collaboration with the department, continues quoting unrealistic rates and disturbing the overall environment, then the entire contractor fraternity should not be blamed for it.

We always end up blaming our own members, but we must also look at the issue from the department's perspective. The department too has responsibility in maintain healthy and practical tendering conditions. If unrealistic and unhealthy rates continue without any corrective measures, then the department must also share responsibility for the present situation. Market conditions are changing rapidly and in such circumstances it is difficult to expect stability in rates within just a few days. Therefore, both the Association and the department must work together responsibly to ensure fair practices and sustainable execution of works.

Sh V.P Sanjeev. Two days ago, we had a meeting with CWE Ranchi where this issue was specifically discussed. We questioned the authorities regarding the action being taken against tenders quoted at more than 30% below the estimated rates. I clearly stated in the meeting that if any contractor repeatedly takes 10-12 contracts in the same division at unrealistic and uneconomical rates, then strict action, including banning, should be considered against such contractors. After the meeting, I received calls both from the concerned GE's office and from the contractor involved. They suggested holding a detailed discussion on the matter. I informed them that if such a meeting is held, then the concerned contractor, our Honorary Secretary and the members who were present during the discussion should also be included so that everything remains transparent and there is no misunderstanding regarding my statement. As rightly pointed out earlier, if the Chairmen and Secretaries of branches remain strong and united, then effective action can certainly be taken in such matters. Immediate action is necessary because today only around 20-25% of contractors are getting workable projects, while nearly 75% contractors are sitting without work. Our responsibility is towards the majority of builders and contractors, not just a small minority.

Sh Vivek Manghnani. Whenever we raise these issues before senior authorities, the usual reply is that even now tenders are being quoted at 15-20% below rates, as happened yesterday also. They point out that quality checks are being carried out by the quality check department, completion certificates are being issued, and in many cases no recoveries are pending. The

difficulty is that all such contractors are also members of our own Association and branches. Therefore, if a Secretary receives complaints against any contractor, the matter becomes sensitive because the concerned person also belongs to the same branch.

Earlier, one policy proposal suggested that if there is a variation beyond 10% below rates, then additional security deposit should be imposed. In my opinion, the percentage of additional deposit should further increase with the extent of negative quoting. For example, if any contractor quotes 30-40% below the estimated rates, then a substantial additional security deposit should be taken. This will block excessive working capital and discourage contractors from taking an unreasonable number of tenders at unrealistic rates. I believe this could be one of the most practical solutions to control unhealthy competition.

Sh Vinay Saini. In view of the recent Office Memorandum issued by the Ministry of Finance, Government of India, regarding invocation of the Force Majeure Clause due to the prevailing war like and unprecedented international circumstances, it is expected that all concerned authorities, including the E-in-C's office should consider the matter in its true spirit. The memorandum clearly recognizes that delays, disruptions and non performance arising out of such extraordinary situation are beyond the control of contractors and therefore should not attract punitive action, denial clauses, or financial penalties. Accordingly, suitable extensions of time should be granted and no penal action should be initiated against contractors who are compelled to withdraw from tenders or are unable to fulfill contractual obligations due to these exceptional conditions. At present, a practical, balanced and contractually fair approach is the need of the hour. Simultaneously, there is also an urgent requirement to review and revise the existing methodology for calculating escalation and compensation mechanisms, as the old system is not longer practical or sufficient under the present volatile and unprecedented market condition.

Sh Monoj. The most ironic part of the entire situation is that only the contractors are being blamed. I would like to ask one simple question is it possible to execute contracts at such unrealistic rates without the involvement or knowledge of the department?. For the last three years, there have been repeated discussions on abnormally low rates and several policy letters regarding 15% and 30% below rates have also been issued. If such unhealthy rates continued despite these instructions, then did the authorities not know what was happening or were these measures simply not implemented effectively?

Whenever a contractor commits even a small mistake, immediate notices are issued and actions like cancellation of contracts are initiated. But is the department not prepared to take any responsibility on its own side? Can such practices continue without departmental support or negligence? Therefore, while contractors may be blamed, the department must also accept its share of responsibility. Unless corrective action is taken at both levels, it will be very difficult to bring tender rates and market practices back to normal and practical level.

Sh G.S Mago. I want to make my position absolutely clear to everyone, including Headquarters and ourselves. We have repeatedly taken up these issues with the E-in-C authorities and have written letters to all concerned officials from time to time. However, it is equally our responsibility to ensure accountability in implementation. Whenever works are completed, proper satisfaction and completion certificates are being issued by the department and therefore we must continuously monitor how these policies are actually being enforced. Whether it relates to the 15% category or the 30% category of below rate tenders, we have repeatedly sought clarification regarding how many cases have actually been checked and what results or actions have emerged from those checks. Our stand remains clear. Headquarters will continue to pursue these matters at every appropriate level. At the same time, we must also honestly acknowledge that only a small percentage of contractors, perhaps around 5% are continuously quoting unrealistic and uneconomical rates. Because of the actions of this small group, the entire

contractor community is suffering. Many genuine builders are sitting idle at home because they are unable or unwilling to quote at such impractical rates.

Therefore, instead of encouraging unhealthy competition, we should make such contractors understand that their actions are harming the entire fraternity. I have said this many times before, rather than taking 10 or 11 works at unworkable rates, it is far better to take even two works at proper and sustainable rates. Contractors can perform better, maintain quality and survive financially only when projects are executed at workable rates.

Sh Sandeep Srivastava. As of today, the department has started seriously considering solutions to these issues and certain changes may be introduced shortly. One of the proposed measures is that if any contractor quotes more than 10% below the tendered amount, additional security deposit may have to be submitted. The second proposal under consideration is enhancement of performance security requirements.

However, in my opinion, these measures alone may not bring any major improvement in the prevailing tender rates. We have seen similar expectations in the past as well. For example, when GST was introduced and later when performance security provisions were implemented, it was believed that tender rates would stabilize and improve. But in practical terms, there has been very little difference despite these measures. Therefore, unless there is a broader and more practical approach involving both the department and the contractors, the problem of unrealistic tender quoting is unlikely to be resolved effectively.

Item 2 (c) of agenda : To discuss about the running Court Cases and its solutions.

Sh Sandeep Srivastava. At present, there may not be much benefit in discussing this issue in detail during the meeting. It may simply be recorded that a total of Six cases are presently pending before the Hon'ble Delhi High Court and two cases are pending in other courts. If any favourable decision emerges after the next hearing scheduled on 19th May 2026, it will certainly be a positive development. However, if no concrete outcome is achieved, then thereafter President Sir, Past Presidents and other concerned office bearers may sit together and decide the future course of action.

At this stage, there is an urgent and collective need for all of us to rise above personal differences and egos, because the Association is passing through one of the most difficult phases in its 30 years distinguished history. Such a challenging situation has never arisen before. We do not want any further disturbance or complications in the functioning of the Association. Therefore, after the Court hearing on 19th May, a meeting of around 15-20 concerned members, including Headquarters representatives and past Presidents, may be convened to deliberate upon the matter calmly and work out an appropriate solution collectively.

Sh G.S Mago. Apart from the cases already filed, there is also a matter pending before the Bhopal Sessions Court. In addition, legal notices have also been issued through Advocate Sh Rishikesh Jagdish Sharma, Bombay High Court on behalf of Sh Harendra B Tulsani in connection with related issues. Thus, several legal proceedings and developments are simultaneously taking place at different levels. At the same time, some important developments have also taken place during the last few days. Certain very senior authorities, who are fully empowered to deal with these matters are now actively looking into the issue. Therefore, after the Court hearing scheduled on 19th May 2026, we should immediately sit together and take an appropriate collective decision so that further action can be initiated in a coordinated manner.

I believe that if we proceed with mutual understanding, unity and proper coordination, we will be able to move forward positively. I am feeling hopeful and optimistic about the developments ahead.

Sh N Thilak Naraan. Problems and challenges will always continue to arise and discussions on these matters will also go on from time to time. Whatever situations are emerging, we will continue making every possible effort to resolve them. However, my main concern at present is that the Association itself must remain **strong** and united, because only then can we effectively safeguard the interests of our fraternity. The developments and uncertainty prevailing over the last one year have created a very difficult situation and presently there appears to be very little hope regarding the conduct of elections. Therefore, something concrete and practical must now be done in this regard so that stability, confidence and proper functioning of the Association can be maintain.

Sh G.S Mago. Headquarters has always made every possible effort from time to time, whether through representations at Headquarters level, through Court proceedings or through mutual understanding and coordination among builders and senior members of the fraternity. Whenever required, senior builders have also taken initiative to organize meetings and discussions in a positive and constructive manner. Our approach has always been based on mutual understanding and a positive attitude towards resolving issues collectively. Certain representations were also discussed during the last meeting of the Delhi Branch. However, despite those discussions and efforts, the expected progress and outcomes have still not materialized.

Sh Gurvinder Singh Oberoi. I would like to place on record my appreciation for the collective efforts made by the President and Headquarters in a positive and constructive manner. However, I sincerely feel that if the steps being discussed today had been initiated a year earlier, the situation would perhaps not have become so serious. I have raised this point earlier as well during Headquarters meetings and I would like to repeat it once again today, unless positive and strong leadership emerges from the Headquarters level, the organization will not gain the required strength and confidence to overcome the present challenges.

At this stage, we should not allow ourselves to be divided into groups or categories that are not compatible with the larger interests of the Association. Instead, all members must sit together, deliberate collectively and work in unity. Unless we come together with a common understanding and dedicate sufficient time to resolving these issues, a practical solution will not be possible.

Sh Sandeep Srivastava Matter related to elections cannot be discussed more than this in the meeting. We do not want to file contempt to court. Our genuine concerns and practical difficulties should also be understood in the proper spirit. Unfortunately, even small internal issues are not immediately turning into legal disputes and the very next day advocate notices start being issued.

Item 2 (f) of agenda To discuss action plan undertaken to pursue pending issue with MoD.

Sh Sandeep Srivastava. We would also like to discuss another important issue regarding escalation in contracts. At present, MES generally provides escalation benefits only in contracts where the completion period exceeds two years. In many cases, contracts are deliberately structured for 18-20 months so that escalation provisions can be avoided. As a result, contractors are compelled to execute works without any protection against rising market prices. In today's circumstances, where the price of materials, fuel, labour and other essential inputs are continuously increasing, our clear demand should be that escalation must form an integral part of every contract, irrespective of the duration of the contract. Whether the contract period is for six months, one year, or two years, a fair and practical escalation clause should be incorporated in all

contracts. Price escalation is a universally accepted mechanism in the construction industry, particularly in developing economies where market fluctuation and inflation are common phenomena. Therefore, the existing system requires serious review so that contractors are not forced to bear the entire burden of unprecedented market increases on their own.

The scale of development work and the number of infrastructure projects currently underway across the country are unprecedented. Various studies and reports, including papers published by reputed institutions such as NHA have already highlighted the continuous rise in construction costs. Labour rates under different state Governments are increasing regularly, labour escalation is being recognized and material costs are also rising sharply. In addition to this the ongoing international tensions, including the conflict involving Iran, have further aggravated market instability and price escalation. Earlier, there were contractual provisions under which, in case of unprecedented price rise, contractors could claim reimbursement by producing proper vouchers and supporting documents. However, despite such provisions existing in principle, the benefit is practically not being extended to contractors.

The unfortunate reality is that the E-in-C authorities still do not appear ready to properly acknowledge or address the genuine difficulties being faced by builders and contractors. Today, the situation has become so serious that many contractors have already invested huge amounts from their own resources. There are builders who have deposited security amounts running into crores of rupees, yet their issues remain unresolved and their financial condition is deteriorating day by day. Therefore, the matter requires immediate and serious consideration so that practical relief measures can be provided before the situation worsens further.

Sh G.S Mago. I would like to place on record that escalation provisions should be made applicable to all contracts irrespective of their value or completion period, because the market situation today has become extremely unpredictable. Prices are fluctuating so rapidly that market conditions can change completely within a matter of days. Contractors in the e-Class category generally quote at lesser negative percentages and therefore may not immediately feel the same pressure regarding escalation. However, as an Association, we have been continuously pursuing the issue of escalation for many years. Personally, this November I will complete nearly 50 years as a member of the Association and throughout this period we have consistently made efforts to strengthen and improve escalation provisions to safeguard builders against sudden market fluctuations.

One important development took place when MES shifted from SSR to DSR and officially adopted the Delhi Schedule of Rates (DSR). Since 1st April, tenders are being floated on the basis of DSR rates. Once DSR was adopted, several related circulars and policy directions were also issued. After issuance of such policy letters, the authorities received greater powers for implementation without repeatedly referring every issue to the Ministry.

Accordingly, references have also been made from Headquarter to the E-in-C's office highlighting that since DSR has been adopted, the related policies regarding security deposits and escalation should also be aligned with the CPWD practices. In CPWD, contracts having a duration of even one year are eligible for escalation provisions, whereas in MES the requirement still remains two years. Therefore, we have strongly demanded that this condition should immediately be revised from two years to one year.

Now, while issuing fresh NITs, the department itself has started recognizing the prevailing market instability. In view of the current economic and market conditions, escalation clause are reportedly being incorporated in the certain tenders irrespective of their value. This itself indicates that the authorities are aware of the seriousness of the situation. We have therefore written to the authorities that all future NITs must necessarily include escalation clauses. Further, for running

contracts also, if escalation provisions are not already part of the agreement, then suitable escalation benefits should automatically be incorporated from a notified date considering the extraordinary market conditions. It has also come to my notice that the proposal for granting escalation relief under the Force Majeure provisions for a period of four months has already been forwarded by the MES authorities to the E-in-C's office for consideration.

Now, if anyone would like to share their views or suggestions on this important issue, they are most welcome to do so. Jai Hind Jai MES BAI.

Sh. H.C. Bhatia. The powers which DGW Sir has on behalf of CPWD are not available to our MES. All our issues go to the ministry or it takes a lot of time. If any amendment has to be made then DGW of CPWD can do it but we have to take permission from the ministry.

Item 3 of Agenda Administrative matters

Sh. Sandeep Srivastava. We will discuss this matter in the next meeting after Court hearing on 19th May 2026.

Sh. G.S. Mago. Administrative matters is deferred for the next meeting.

Sh. Rajeev Chowdhary. Sir I had shared a agenda point to discuss in this meeting.

Sh. G.S.Mago. We will discuss on this matter in the next meeting.

Final Remarks of President

Sh. G.S. Mago. I sincerely thank everyone for sparing their valuable time and for giving their valuable inputs during this meeting. A total of 39 members actively participated in the deliberation, while the overall participation in the VC meeting was around 70 members.

Frankly speaking, I was expecting participation of more than 100 members. Later on, many people tend to blame Headquarters by saying that Headquarters is not doing enough. However, all of you are equally a part of Headquarters, because headquarters derives its strength from the active support, participation and unity of its members.

Therefore, the limited participation in such a important VC meeting was not a healthy sign for the Association. If we truly want to resolve our issues collectively, then greater involvement, responsibility and participation from all branches and members will be essential.



(Sandeep Srivastava)
Hony. Gen. Secretary
HQ, MES BAI