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Circular No.: 40 21st November 2026

To Members

1. Reference is invited to Circular No. 39 dated 20th November 2026, whereby the Minutes of the Council Meeting held on 28th September 2026 at Udman Hotels & Resorts, National Highway-8, Mahipalpur – Rangpuri Road, Near Shiv Murti, New Delhi, were circulated for the information and record of all concerned.

2. It has inadvertently come to notice that certain deliberations and discussion points were inadvertently omitted from the circulated Minutes of the Meeting. Accordingly, the omitted proceedings are hereby being circulated as an addendum, with the request that the same be incorporated after Page No. 79 and inserted as Page No. 80 onwards, in proper chronological sequence, so as to ensure completeness, accuracy and continuity of the official record.

Shri Manish Malik

Sh. Manish Malik brought to the attention of the forum a grave and deeply concerning incident that recently transpired in Pune, involving the demolition of contractors' stores that had been established and operational for nearly 15 years pursuant to allotments made by the Military Engineer Services (MES), with the approval of the Sub Area Headquarters.

He apprised the forum that, after the uninterrupted occupation and utilisation of these premises for approximately 15 years, the Defence Estates Officer (DEO) abruptly intervened, asserting ownership over the land and initiating demolition proceedings. The precise circumstances that precipitated this sudden intervention, including any jurisdictional or administrative dispute between the MES and the Defence Estates Department, remain unclear.

Mr. Ayush Tiwari, EE, IDSE, Garrison Engineer (South Pune) reportedly failed to communicate any timely or formal intimation to the affected contractors regarding the impending action. Despite repeatedly apprising the DEO that they were in possession of valid allotment letters and supporting documentary evidence issued by the competent MES authorities, the contractors were taken by surprise when the demolition team suddenly arrived at the site and razed the structures.

In the process, approximately five to six storage sheds, housing valuable materials and long-store sets belonging to different contractors, were demolished. The incident has reportedly inflicted colossal financial losses upon the affected contractors, collectively estimated at approximately Rs 2–3 crore. One of the affected contractors, Mr. Badri Mander, had also approached the competent court seeking appropriate relief. However, the interim protection granted was limited to a period of seven days. Regrettably, the MES authorities failed to extend any meaningful

was being pursued.

Most distressingly, on the very day of demolition, i.e., 25 August, the concerned officials became inaccessible, with their mobile phones reportedly switched off. On the morning of the demolition, the contractors had been informed that the matter had been discussed with the Sub-Area Commander and that an extension had been granted. Consequently, they were under the legitimate impression that the demolition had been deferred.

Sh. Malik categorically clarified that the contractors had never refused to vacate the premises. They were fully conscious of the procedural requirements and were willing to comply with the directions of the competent authorities. Their sole request was for a reasonable extension of time to facilitate the orderly relocation of materials and stores, thereby preventing avoidable financial losses and operational disruption. Despite this, the demolition was carried out without providing the requested opportunity.

He further highlighted that all affected contractors were holding valid allotment letters issued by the MES authorities. Nevertheless, no effective remedial action was taken by the department even after the demolition. On the contrary, the DEO has now initiated recovery proceedings against the contractors, demanding approximately Rs 2 crore from each affected individual in respect of the stores that had remained allotted to them for nearly 15 years. The apparent justification being advanced is that the GE had allegedly acted beyond his authority and that the contractors must bear the financial consequences of such alleged administrative irregularities.

More concerningly, the MES authorities have reportedly instructed the concerned GEs to ensure recovery of the demanded amounts from the respective contractors. The basis, methodology and legal rationale underlying such exorbitant recovery demands remain unexplained and have not been substantiated through any transparent assessment or reasoned calculation.

Sh. Malik also drew attention to the glaring in consistencies in the classification of the structures. Initially, the authorities classified the structures of all contractors as unauthorized / illegal and forcibly demolished them. Having taken that position, they cannot now seek to recover STR-based rent or occupation charges for the verysame land and period of occupation without first reconciling this fundamental inconsistency. The legality of such recovery cannot be presumed merely by invoking the STR rates; its independent legal basis must be established.

He further informed the forum that, following the incident, a new Standard Operating Procedure (SOP) has reportedly been introduced in Pune. Previously, the Sub Area Headquarters exercised supervisory control over the contractors' stores. Under the newly introduced arrangement, a designated storage location is to be earmarked for each project, and the Completion of Work Certificate shall be issued by the GE only after the contractor has completely vacated the allotted storage premises. This arrangement has been opposed by the contractors, as it imposes additional procedural and operational constraints. However, the authorities have directed its implementation, and the final outcome of the contractors' objections remains awaited.

In view of the gravity of the matter, Sh. Malik earnestly requested that the issue be taken up at the Headquarters level for an impartial examination and appropriate intervention, particularly in light of the complete absence of institutional support extended by the MES authorities to the affected contractors.

Elaborating further, Sh. Malik expressed serious apprehensions regarding the circumstances surrounding the demolition and the possibility of selective targeting of contractors. He stated that, during the month-long discussions preceding the demolition, on multiple occasions, in the course of discussions with Sh. Ayush Tiwari, IDSE, EE, GE (South), Pune, it was informally suggested to him that he distance himself from the collective matter, with an indication that his individual store would otherwise be protected. Sh. Malik, however, firmly declined to accept any such preferential treatment, maintaining that accepting individual protection while other contractors faced demolition would compromise the collective interests of the contracting fraternity. He stood by the principle that no contractor should be selectively spared while others were subjected to the same action, assuch a precedent could ultimately expose every contractor to similar treatment.

Sh. Malik further stated that, on multiple occasions when the contractors approached Sh. Ayush Tiwari, IDSE, EE, GE (South), Pune, to discuss the issue concerning their stores, the officer specifically named three contractors and made adverse remarks regarding their repeated resort to arbitration and judicial proceedings against the Department and its officials in the legitimate exercise of their contractual rights. He further stated that Mr. Badri Mander, a member of the Council, appeared to be a particular subject of the officer's displeasure, allegedly arising from personal reasons. These repeated remarks gave rise to serious apprehensions of selective targeting of the three contractors on account of their pursuit of legitimate contractual and legal remedies, rather than any objective or uniform assessment of their cases.

Sh. Malik emphasised that invoking arbitration or approaching a competent court constitutes a legitimate contractual and legal remedy available to every contractor. Any adverse administrative action ostensibly motivated by an individual's recourse to such lawful remedies would raise serious concerns regarding procedural fairness, institutional accountability and the possibility of vindictive action.

He further observed that it was difficult to comprehend how an individual Garrison Engineer, particularly an IDSE officer, could have facilitated or permitted suchanextensivedemolitionwithouttheknowledge,concurrenceortacitapprovalof higher departmental authorities. He questioned why the matter was not intervened in by the CWE or Chief Engineer (CE) or the Command Chief Engineer, despite the apparentavailabilityofsufficientadministrativechannelstopreventthesituationfrom escalating.

According to the information available to the contractors, the GE and the Commander Works Engineer (CWE) had reportedly met the Sub Area Commander and obtained an understanding that the proposed demolition would be deferred for approximately one month to allow the matter to be resolved administratively. Although an initial period of one week had reportedly been discussed, the subsequent understanding was that no demolition action would be taken for one

month, during which efforts would be made to resolve the issue through administrative channels. However, contrary to this understanding, the demolition was carried out on 25 August itself.

Sh. Malik expressed grave concern over the apparent breakdown of communication and accountability, particularly when the officials concerned became unreachable on the very day the demolition was executed. The contractors, who had relied upon the assurances extended to them by the authorities, were left without any effective recourse.

Sh. Malik categorically asserted that the affected contractors had no direct contractual arrangement with the DEO in respect of the allotment or occupation ofthe stores. The premises had been allotted to them by the MES authorities, and the contractors had consistently maintained that any dispute concerning the ownership, classification or administrative control of the land ought to have been resolved between the concerned government departments.

Upon receipt of the recovery notices, the contractors duly apprised the DEO that their occupation was based upon allotment letters issued by the MES and that the matter was already under discussion with the MES authorities. They accordingly requested that the DEO coordinate with the department responsible for the original allotment rather than unilaterally imposing substantial financial liabilities upon the contractors.

The underlying dispute reportedly pertains to the classification of the land as A-1 or A-2 category. Sh. Malik questioned how the alleged unauthorised occupation could have remained unnoticed for nearly 15 years, particularly when the premises were situated at a prominent location along a main road, barely 250 metres from the office of the Principal Director, Defence Estates. The prolonged administrative acquiescence, coupled with the existence of valid allotment documents, warrants a comprehensive examination of the circumstances in which the allotments were originally granted and subsequently permitted to continue.

He further expressed concern that, even after the demolition, neither the GE nor the CWE appears to have formally taken up the matter with the DEO to clarify that the premises had been allotted through the MES and that the contractors had occupied them pursuant to official authorisation. Instead, the concerned authorities appear to be distancing themselves from the entire episode, leaving the contractors to bear the consequences of an administrative dispute in which they were not the principal decision-makers.

To substantiate the contractors' bona fide position, Sh. Malik specifically referred to an important communication issued by the GE South Pune, Shri Ayush Tiwari, IDSE on 17 August, addressed to the Sub-Area Headquarters. Through this communication, the GE had recommended that the contractors be permitted to continue utilising the existing storage facilities. Alternatively, in the event that vacation of the premises became unavoidable, the GE had specifically recommended that adequate time be granted and an alternative storage location be provided to the affected contractors.

A copy of this communication has also been enclosed with the contractors' representation. Sh. Malik emphasised thatthis officialrecommendation, made barely eight days before the demolition on 25 August, clearly demonstrates that the department was aware of the issue and had itself acknowledged the necessity of providing reasonable time and alternative arrangements.

Despite the written recommendation and verbal communication with CWE, Pune, on the morning of 25 August, the demolition of the stores proceeded. More concerningly, once the demolition commenced, the concerned officials became unavailable and could no longer be contacted. The abrupt execution of the demolition, despite prior written and verbal interventions, followed by the disappearance of the concerned officials from the scene, raises serious questions regarding administrative coordination, accountability and the circumstances in which the demolition was carried out.

Request for Intervention at Headquarters Level.

Concluding his submission, Sh. Malik reiterated that the affected contractors have already suffered substantial and irreparable financial losses due to the demolition of their stores, and the subsequent demand for recovery of approximately Rs 2 crore per contractor has further compounded their hardship. He strongly urged that the matter be examined at the Headquarters level, with particular emphasis on the following:-

(a) Independent Investigation**.** A high-level and impartial inquiry into the circumstances leading to the demolition of the MES-allotted stores at Pune, including the roles and responsibilities of the officials concerned.

(b) Examination of Allotment Records**.** Verification of the validity of the allotment letters, departmental approvals and other documentary evidence under which the contractors were permitted to establish and operate thestores for nearly 15 years.

(c) Review of Recovery Proceedings**.** Immediate examination of the legal and administrative basis of the exorbitant recovery demands raised by the DEO and the subsequent directions issued by the MES authorities to recover such amounts from individual contractors.

(d) Fixation of Accountability**.** Determination of responsibility for the failure of coordination between MES, DEO and Sub-Area Headquarters, with particular emphasis on the role, actions and decisions of Sh. Ayush Tiwari, IDSE, EE, GE (South), Pune, including his handling of the matter, communications and assurances given to the contractors, the written recommendation dated 17 August, and the circumstances in which the demolition was nevertheless carried out on 25 August.

(e) Protection Against Arbitrary Action. Appropriate directions to ensure that contractors are not penalised for administrative decisions, departmental discrepancies or alleged irregularities attributable to the authorities responsible for granting the original allotments.

(f) Review of the New SOP**.** Reconsideration of the newly introduced procedure linking the issuance of Completion of Work Certificates with the vacation of designated storage premises, so that it does not impose unreasonable or impracticable obligations upon contractors.

(g) Interim Relief**.** Immediate withdrawal of all proposed recovery proceedings against the contractors, as their occupation of the land was pursuant to allotment by the GE, with the requisite permission obtained from Station Cell, HQ Pune Sub Area. Having occupied the land under departmental allotment and authorisation, the contractors cannot be held liable for unauthorised occupation or subjected to recovery of rent/occupation charges for the same.

Sh. Malik concluded by emphasising that contractors who have acted on the basis of official allotment letters and departmental assurances should not be made scapegoats for administrative lapses, interdepartmental disputes or decisions taken by the authorities themselves. The matter calls for urgent intervention, transparency and accountability to ensure that the contracting fraternity is not subjected to arbitrary treatment, unjustified financial exactions or retaliatory administrative action for exercising its legitimate contractual and legal rights.

President Sh. G.S. Mago expressed his deep concern over the substantial financial losses suffered by the contractors, amounting to several crores of rupees, particularly when the stores in question had been established pursuant to what the contractors maintain were valid and duly authorised allotments. He emphasised that the hardship being faced by the affected contractors was a matter of collective concern and warranted serious consideration and appropriate intervention.

He recalled that, when the issue initially surfaced, he had personally taken up the matter with the Chief Engineer and had assured the affected contractors that every possible effort was being made to address their grievances. Despite being unwell at the time, he continued to monitor the developments and personally conveyed the assurances to Sh. Pratik, Sh. Bera, Sh. Badri Mander and other concerned contractors, reiterating that the matter was being attended to and that necessary steps were being taken to safeguard their interests.

Subsequently, the Chief Engineer apprised him of a complaint allegedly lodged by one of the builders in Pune against the Defence Estates Officer (DEO), accusing the latter of having accepted illegal gratification in connection with the allotment of godowns to certain contractors. According to the information conveyed by the Chief Engineer, this complaint appeared to be the underlying trigger for the present controversy and the subsequent administrative action.

Sh.G.S Mago further recalled that the Chief Engineer had expressed his displeasure, observing that certain builders belonging to the same contracting fraternity were allegedly adopting contradictory positions, making representations on one hand while pursuing different courses of action on the other. Although the identities of the individuals concerned were known to the parties present, Sh.G.S Mago refrained from disclosing their names during the discussion, stating that the

specific allegations and the individuals involved could be deliberated upon separately, if required.

He further stated that, following the intervention and discussions at the departmental level, additional time had initially been granted to the affected contractors. He expressed satisfaction that some respite had been provided, particularly in view of the understanding that the contractors would be accommodated at the same location or provided with suitable alternative storage arrangements.

However, the subsequent development revealed a significant discrepancy between the assurances reportedly extended to the contractors and the actual accommodation provided. Instead of being allotted proper covered storage facilities or godowns, the contractors were reportedly offered only vacant or open land. This, he observed, was materially different from the arrangement that had originally been contemplated and communicated.

In this regard, Sh.G.S. Mago specifically drew attention to the provisions contained in **IAFW-2249**, which expressly stipulate a nominal rental charge of Rs 1.00 per unit in respect of open land, as applicable under the relevant provision. He indicated that this provision could be examined and relied upon while determining the appropriate rental liability and protecting the legitimate financial interests of the affected contractors.

He assured the contractors that the matter would be pursued with the assistance of experienced consultants, supported by their own professional knowledge and understanding of the applicable contractual and administrative provisions. He further requested the affected contractors to furnish the complete set of relevant documents, including allotment letters, departmental correspondence, notices, recovery demands and other supporting records, so that the matter could be examined comprehensively and appropriate guidance could be extended regarding the subsequent course of action.

Concluding his remarks, Sh.G.S. Mago assured the contractors of all possible assistance and emphasised that every effort would be made to ensure that their legitimate grievances were duly addressed and that justice was secured through appropriate administrative and legal recourse.



(Sandeep Srivastava)
Honorary General Secretary