



# भारतीय राष्ट्रीय राजमार्ग प्राधिकरण

(सड़क परिवहन और राजमार्ग मंत्रालय)

## National Highways Authority of India

(Ministry of Road Transport and Highways)

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24.05.2016

### POLICY MATTERS – ADMINISTRATION / FINANCE (176/2016)

(Decision taken in file no. NHAI/DR&A/ARB(Policy)/2011)

**Sub.: Fee of Arbitrators in case of Civil Engineering Construction Contracts / Supervision Consultant.**

In supersession of Policy Circular No. 62/2010 dated 13.01.2010, it has been decided that the fee and other charges payable to an Arbitrator in arbitration case shall be as given in the schedule below:-

S. No.	Particulars of fee and other charges	Schedule Amount payable per Arbitrator / per case
1.	Arbitrator fee	Rs. 25,000/- per day Or Rs. 7 lakhs (lump-sum) subject to publishing the Award within 6 months. Or Rs. 5 lakhs (lump-sum) subject to publishing the Award after 6 months but before 12 months. Note: - The amount of fees already paid for the days of hearing @ Rs. 25,000/- would be adjusted in the lump-sum payment.
2.	Reading Charges	Rs. 25,000/- per Arbitrator per case including counter claim.
3.	Secretarial Assistance and Incidental Charges (telephone, fax, postage etc.)	Rs. 20,000/-
4.	Charges for Publishing / declaration of the Award	Rs. 35,000/-
5.	Other expenses (As per actuals against bills subject to maximum of the prescribed ceiling given below)	
	Traveling Expenses	Economy class (by air), First class AC (by train) and AC car (by road)
	Lodging and Boarding	(a) Rs.15,000/- per day (Metro cities) (b) Rs.7,000/- per day (in other cities) (c) Rs.3,000/- per day, if any Arbitrator makes own arrangement.
6.	Local Travel	Rs. 1,500/- per day
7.	Extra charges for days other than hearing / meeting days (maximum for 2 days)	Rs. 5,000/- per day for outstation Arbitrator
Note:-	1. Lodging, boarding and travelling expenses shall be allowed only for those members who are residing 100 kms. away from place of meeting. 2. Delhi, Mumbai, Chennai, Kolkata, Bangalore and Hyderabad shall be considered as Metro Cities.	

*Sharma*

2. Since the fee structure has to be agreed to by both the parties (i.e. NHAI and the Contractors / Concessionaires/ Consultants, the above fee structure may also be got accepted by the respective Contractors / Supervision Consultants through Supplementary Agreement. It has also been decided that in exceptional cases, such as cases involving major legal implications / wider ramifications / higher financial stakes etc., a special fee structure could be fixed in consultation with the Contractor / Supervision Consultants and with the specific approval of the Competent Authority, NHAI before appointment of the Arbitrator.


3. An amendment to Arbitration and Conciliation Act 1996 has come into force w.e.f. 23.10.2015 wherein Section 29 (A) (1) provides that the Award shall be made within a period of 12 months from the date the Arbitral Tribunal enters upon the reference. Further vide sub-Section (2) if the Award is made within 6 months from the date the AT enters upon the reference, the AT shall be entitled to receive such amount of additional fee as the parties may agree. Sub-Section (3) provides that the parties may by consent, extend the period of 12 months for making Award for a further period not exceeding 6 months. Sub-Section (4) provides that if the Award is not made within the specified period or the extended period, the mandate of Arbitrator(s) shall terminate unless the Court has, either prior to or after the expiry of the period so specified, extended the period provided. While extending the period if the Court finds that the proceedings have been delayed for the reasons attributable to AT then, it may order reduction of fees of Arbitrator(s) by not exceeding 5% for each month of such delay.

4. A draft Supplementary Agreement incorporating the above provisions is enclosed as Annexure. The concerned CGM may ensure that this is strictly adhered to.

5. The above fee schedule shall be applicable to all arbitration cases where the earlier Supplementary Agreement has been signed, and, where the Supplementary Agreement has not been signed, the fee schedule shall be applicable w.e.f. the date of issue of this Circular.

6. In case of future contracts, the fee structure may be included as part of the Bidding Documents / Contract Documents and the acceptance of the above fee structure by the Contractors / Concessionaires/ Consultants may be kept as a precondition for signing the contract.

7. This issues with approval of the Competent Authority.

  
(N.K. Sharma)  
CGM (Coord.)

To,

All officers and employees at HQ/ROs/PIUs/CMUs