



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण
(सड़क परिवहन और राजमार्ग मंत्रालय)
National Highways Authority of India
(Ministry of Road Transport and Highways)
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No.11041/217/2007-Admn.

14.3.2013

POLICY MATTERS – ADMINISTRATION / FINANCE (107/2013)

[Decision taken on File No.NHAI/Legal/ISAC/2013]

**Sub: Constitution of Independent Settlement Advisory Committee (ISAC)-
Dispute Resolution Mechanism.**

There are number of pending claims, arbitration matters and litigations before the various Courts of Law in respect of disputes raised by Contractors/Concessionaires. As per the provisions of the Contract/Concession Agreements, the settlement of disputes is done through the Dispute Resolution Board (DRB)/Disputes Resolution Expert (DRE) mechanism and finally by arbitration through its awards as per the Arbitration and Conciliation Act, 1996. The awards of Arbitral Tribunals (ATs) are often challenged before the Courts of Law which are pending adjudication. Consequently, the pendency of disputes and delay in settlement of the claims result into huge financial liabilities on NHAI including substantial interest component awarded by the ATs in their awards.

2. The settlement process which has now been evolved shall have three steps:-
 - (i) The initial negotiation shall be carried out by a Committee of 3 CGMs to be nominated by the Chairman. After the initial negotiation by 3 CGMs Committee, the matter will be placed before an Independent Settlement Advisory Committee (ISAC) consisting of a Retired High Court Judge and two other Members having sufficient experience in administration/finance and technical field.
 - (ii) The ISAC can agree with the 3 CGMs Committee or if need be, can call the Contractor/Concessionaire for clarification/negotiations.
 - (iii) The recommendation of the ISAC shall be placed before the Board of the NHAI for approval. If no negotiable settlement is arrived, the matter shall continue to be pursued legally as per the contract.
3. Now, the Independent Settlement Advisory Committee (ISAC) has been constituted and is as follows:-

(a) Hon`ble Justice Ms Rekha Sharma (Retd), Delhi High Court Judge	Head
(b) Sh. A K Upadhyay, Secretary (Retd) MoRT&H	Member
(c) Sh A V Sinha, DG (RD) & SS (Retd), MoRT&H	Member
4. The Terms of Reference for ISAC would be broadly to examine in detail the recommendations of report finalized by three CGMs (Tech) Committee already constituted and in place for negotiation /settlement of disputes. The ISAC would also examine the technical and financial aspects of each case, for arriving at an amicable settlement in the best interest of NHAI by taking holistic and pragmatic approach. The

ISAC may also seek clarifications and /or negotiate with the parties on any specific issue/claim, if felt necessary.

5. In order to make ISAC operational, all the Technical Divisions at HQ are requested to examine and evaluate the cases which are required to be referred to three CGM's Committee first for negotiation/settlement etc. The ISAC shall be serviced by the Legal Cell, HQ.

6. This issues with the approval of Chairman.

4
14/03

(V.K.Sharma)

Chief General Manager (Coord./LA)

To,

All officers at HQs/ROs/SLOs/PIUs/CMUs/Site Offices