



भारतीय राश्ट्रीय राजमार्ग प्राधिकरण  
(मडक परिवहन और राजमार्ग मंत्रालय)  
**National Highways Authority of India**

(Ministry of Road Transport & Highways)  
G-5 & 6, Sector-10, Dwarka, New Delhi-110075

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No. 11041/21/2002-Admn.

31<sup>st</sup> May, 2004

**POLICY MATTER – ADMINISTRATION/FINANCE (86/2004)**

[Decision taken on DR&QA Cell File No. NHA/DR&QA Cell/G-1/2003]

**Sub.: Fee of Arbitrators in the cases of Civil Engineering Construction Contracts / Supervision Consultancies.**

In supersession to our Policy Circular No. 37/2003 dated March 27, 2003 on the above subject, it has now been decided that the maximum limit for payment of fee in Arbitration cases shall be as indicated below:

Sr.	Particulars	Maximum amount payable per Arbitrator
1	Arbitrator fee	Rs.5,000/- per day subject to a maximum of Rs.1.50 lacs per case.
2	Reading Charges	Rs.6,000/- per arbitrator per case.
3	Secretarial Assistance	Rs.5,000/- per arbitrator per case.
4	Incidental Charges (telephone, fax, postage etc.)	Rs.6,000/- per arbitrator per case.
5	Charges for Publishing/declaration of the Award	Maximum of Rs. 10,000/-
6	Other expenses (actuals against bills subject to the prescribed ceiling) – applicable for the days of hearing only.	Maximum ceilings.
i)	Traveling Expenses	Economy class (By Air), First class AC (By train) and AC car (By road).
ii)	Lodging and Boarding	a)Rs.8,000/- per day (in metro cities) b)Rs.5,000/- per day (in other cities) c)Rs.2,000/- per day, if any Arbitrator makes their own arrangement.
iii)	Local Travel	Rs.700/- per day

2. Since the fee structure has to be agreed to by both the parties (i.e. NHA and the Contractor / Supervision Consultant), 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 Chairman, NHA before appointment of the Arbitrator.

Contd..

.. 2 ..

3. A draft supplementary agreement incorporating the above provisions is enclosed as Annexure. The concerned Member/CGM may ensure that this is adhered to strictly.
4. 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 / Supervision Consultants may be kept as a pre-condition for signing the contract.
5. This issues with the approval of Chairman.



**(V.K. Sharma)**  
General Manager (Admn.)

1. All Members/CGMs
2. All GMs/DGMs/Managers
3. All PDs of PIUs/CMUs

## SUPPLEMENTARY AGREEMENT

This Supplementary Agreement is made on this .....day of .....2004 between the National Highways Authority of India (hereinafter referred to as the NHAI), a body corporate constituted under Sec. 3 of the National Highways Act, 1988, which expression shall, unless repugnant to the context, include its successors, administrators having its office at G5 & 6, Sector-10, Dwarka, New Delhi – 110 045.

AND

M/s .....Public Ltd. Co. / Pvt. Ltd. Co. / Joint Venture, Partnership Concern, having its office at ..... , which expression shall, unless, repugnant to the context, include its successors, administrators, assigns and heirs (hereinafter referred to as the CONTRACT / SUPERVISION CONSULTANT).

WHEREAS, NHAI has entered into an Agreement dt..... with the CONTRACTOR/ SUPERVISION CONSULTANT for *[give details of the project]* (hereinafter referred to as the CONTRACT).

AND WHEREAS, the said CONTRACT contains an arbitration clause for referring the dispute between the parties arising out of the said contract to the Arbitral Tribunal for resolution in accordance with the procedure laid down therein.

AND WHEREAS, the said arbitration Clause does not contain any provision regarding the remuneration to be paid to the Arbitrators by the parties thereby leaving the matter at the discretion of the Arbitral Tribunal.

AND WHEREAS, the parties are desirous that the remuneration and other expenses payable to the Arbitrators should be fixed by the parties by mutual consent.

NOW THEREFORE, the parties have mutually agreed as follows:

1. That the maximum limit for fee payable to each Arbitrator per day shall be Rs. 5000/- subject to a maximum of Rs. 1.5 lacs per case.
2. That each Arbitrator shall be paid a reading fees of Rs. 6000/- per case.
3. That, each Arbitrator shall be paid Rs. 5000/- by way of secretarial assistant per case.
4. That, each Arbitrator shall be paid Rs. 6000/- per case towards incidental charges like telephone, fax, postage etc.

5. That other expenses based on actual against presentation of bills, shall also be reimbursed to each Arbitrator subject to the following ceiling (applicable for the days of hearing only).
- (i) Traveling expenses – Economy class (By Air), First class AC (By train) and AC car (By road).
  - (ii) Lodging and boarding – Rs. 8000/- per day in Metro cities (Delhi, Mumbai, Chennai & Kolkata), Rs. 5000/- per day in other cities OR Rs. 2000/- per day if any Arbitrator makes his own arrangement.
  - (iii) Local travel – Rs. 700/- per day.
6. Charges for publishing the Award – Maximum of Rs. 10,000/-.
7. That in exceptional cases, such as cases involving major legal implication / wider ramification / higher financial stakes etc. a special fees structure could be fixed in consultation with the Contractor / Supervision Consultant and with the specific approval of the Chairman, NHAI before appointment of the Arbitrator.
8. That this Supplementary Agreement shall be deemed to be an integral part of the contract as if the parties had signed the same at the time of signing the main Contract.

IN WITNESSES WHERE OF the parties have signed this Supplementary Agreement on the date above mentioned in the presence of the witnesses.

For and on behalf of NHAI

For and on behalf of CONTRACTOR /  
SUPERVISION CONSULTANT

Signature

Signature

Witnesses:

Witnesses:

1.

1.

2.

2.