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RW/NH-36094/03/2025-S&R(P&B) Comp. No. 255491
Government of India
Ministry of Road Transport & Highways
Transport Bhawan, 1, Parliament Street, New Delhi - 110001

Dated 9th April 2026

OFFICE MEMORANDUM

Subject: Instructions regarding Settlement of Disputes through Pre-Conciliation mechanism/VsV-III and streamlining of conduct of Arbitration Proceedings - reg.

The status of pending arbitration and court cases pertaining to projects entrusted to State PWDs, RCDs, and BRO was reviewed by Ministry in March 2026. To ensure strict adherence to the Ministry's Arbitration SoP dated 22.07.2025 and to mitigate mounting interest liabilities on the exchequer, the following instructions are hereby issued for immediate and strict compliance:

1. **Vivad se Vishwas-III:-** All implementing agencies (PWDs/RCDs/BRO) and Regional Officers (ROs) are directed to discuss and make aware the contractors/consultants about benefits of settlement of disputes under the Vivad se Vishwas-III (VsV-III) scheme. Small-value cases (claims up to Rs 100 crore and cases up to Rs 200 crore decided in District Courts but pending in High Courts) may be dealt on priority. The last date for submission of claims under VsV-III on GeM Portal is extended upto 15.04.2026.
2. **Pre- Conciliation Mechanism:-** The pre-conciliation mechanism may be actively utilized to facilitate the settlements of the cases. Awards exceeding Rs 100 crore and those less than Rs 5 crore shall be specifically scrutinized to explore the possibility of immediate settlement.
3. It has been observed that several arbitration matters are pursued by State agencies without the consultation or knowledge of the Ministry's Regional Officers. This often results in financial implications becoming a *fait accompli* for the Central/State Governments. Therefore, it is directed that ROs must be kept in the loop for all stages of disputes, arbitration, and court matters as per SoP dated 22.07.2025. Any arbitration/legal proceeding pursued without the explicit involvement of the RO shall be viewed adversely and consequences may lead to recovery of financial losses from the defaulting officials/agencies in such cases.
4. **Timely Appointment of Arbitrators:** Inaction regarding the nomination of Ministry-authorized arbitrators has frequently led to contractors approaching Courts for the appointment of sole arbitrators. ROs are directed to maintain a close watch on ongoing disputes and ensure the timely nomination of arbitrators as per the SoP sated 22.07.2025 to prevent the loss of the Ministry's right to appoint a nominee Arbitrator.
5. **Extension of Mandate of Arbitral Tribunal:** In accordance with **Section 29A** of the Arbitration and Conciliation Act, the mandate of an Arbitral Tribunal is twelve (12) months, which may be extended by mutual consent of the parties for a

period not exceeding six (6) months. Failure to issue an award within this time-frame results in the termination of the mandate unless further extended by a Court of Law. To prevent the automatic termination of proceedings, all ROs must ensure that proposals for the extension of the Arbitral Tribunal are submitted at least 45 days prior to expiry, for necessary approval, as per Para 3.2, Annexure-I of the SoP dated 22.07.2025.

2. This issues with the approval of Secretary (RT&H).

(Kusum Ghangas)
Executive Engineer (Arbitration & Conciliation cell)
For DG (RD) & SS

To:

1. The Principal Secretaries /Secretaries of all States/UTs Public Works Department dealing with National Highways, other Centrally Sponsored Schemes and State Schemes.
2. Director General (Border Roads), Seema Sadak Bhawan, Ring Road, New Delhi-110 001.
3. All ADGs/CEs, MoRTH HQ
4. All Regional Officers, MoRTH
5. All Project Directors, Project Implementation Units, MoRTH

Copy for information to:

1. PSO to Secretary (RTH)
2. PSO to DG (RD) & SS