


प्रमुख अभियंता आवती स. 5837 दिनांक 18/6/2023 प्रमुख अभियंता निदेशक (क्रांतिक) निदेशक (अनु.) निदेशक (कार्य) उप सतर्कता अधिकारी प निदेशक (क्रांतिक/अनु./कार्य)	<p>लोक निर्माण विभाग सचिवालय PUBLIC WORKS DEPARTMENT SECRETARIAT, दिल्ली सरकार GOVT OF NCT OF DELHI, तृतीय तल, एमओ एस्टेट ओपन भवन, इंदिराप्रस्थ रामपदा, आईओ टीओ ओप, नई दिल्ली -02 3rd FLOOR, MSO BUILDING, IP ESTATE, ITO, NEW DELHI-02</p>	
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Date: 16/06/23

CIRCULAR

Subject: Compliance of Guidelines issued by Finance Department regarding Arbitration Cases-Reg.

The attention of all concerned is invited to the guidelines issued by the Finance Department regarding the treatment and processing of arbitration awards under the Arbitration and Conciliation Act, 1996. These guidelines are to be kept in view and followed appropriately until the Standard Operating Procedures (SOPs) on the subject are finalized by Finance Department.


The following key points, as issued by the Finance Department, are to be meticulously followed:-

- The Payment of awards by Arbitrators under Arbitration and Conciliation Act, 1996 will not be treated as 'Charged' expenditure (Para 2.13(1) of CPWD Works Manual 2022). The Payments made towards arbitration awards are charged to the work [SI.NO.11(ii) of sop 5/31 of CPWD Works Manual 2022].*
- The Payment made towards arbitration awards are charged to the work as per CPWD Works Manual and DFPR, the Heads of Department and Administrative Department/ Secretaries may exercise Powers to settle Arbitration Awards upto the extent of Powers delegated for " Administrative Approval and Expenditure Sanction to Works/Projects [SI.NO.11(c)]" by Finance Department vide OM dated 07.08.2019, subject to compliance of all codal formalities as provisioned in General Financial Rules, 2017; Arbitration & Conciliation Act, 1996, CPWD Works Manual 2022 including SOP, Manual for Procurement of Works, 2022, and other statutory provisions.*
- In all arbitration cases where awards of the Arbitrator go against the Department (whether, by upholding the claims of the contractors or by rejecting the counter claims of the Department), detailed reasons and lapses, if any, on the part of concerned officials due to which the awards have gone against the Department, should be gone into in detail by the Chief Engineer concerned. The Chief Engineer should send his recommendations the Administrative Secretary on the issue of fixing of responsibility and for taking action against the erring officers, where the amount of arbitral award exceeds 10% of the Works cost.*
- The arbitral award means the total award including the interest awarded by the Arbitrator. The amount of such interest is to be worked out upto the date specified in the award. Therefore, the Administrative Department should ensure that the amount of arbitral award including interest (whether accepted or challenged) has to be added in the Original*

works/project cost in which Arbitral Award has been ordered, while deciding the appropriate competent authority to accept/challenge of Arbitral Award as per FD's OM dated 07.08.2019.

- v) On receiving the arbitral award, where in the opinion of Government/Defence Counsel/ Engineer in Charge, there are good grounds to challenge the award, the opinion of Law Department, Govt. of Delhi, shall be obtained before accepting/challenging the award within stipulated time frame as given in the SOP No.5/31 of CPWD Works Manual 2022.
- vi) The payment should be made to the contractor as soon as the arbitration award has been accepted by the Competent Authority. Onus is on the department to make the payment within the time frame as mentioned in the arbitration award to avoid accrual of interest.
- vii) In case of delay resulting in accrual of interest and loss of exchequer to the Government, detailed reasons and lapses on the part of concerned officials taken to safeguard the Government interest.

This issues with the approval of Competent Authority.


AHC(PWD)/L.O.

No.:10(31)/2023/PWD-I/Court Matters/ 6796-6805

Dated: 16/06/25

Copy for information and compliance to:-

1. Addl. Chief Secretary (PWD), 3rd Floor, MSO Building, PWD, New Delhi.
2. Pr. Secretary (Finance), GNCTD, 'A' Wing, 4th Level, Delhi Secretariat, New Delhi.
3. E-in-C, PWD, 12th Floor, MSO Building, PWD, New Delhi.
4. Pr. Chief Engineer (Projects), 9th Floor, MSO Building, PWD, New Delhi..
5. Pr. Chief Engineer (Maintenance), 12th Floor, MSO Building, PWD, New Delhi.
6. All the Chief Engineers/Superintendent Engineers/Executive Engineers.
7. The COA, PWD, 13th Floor, MSO Building, PWD, New Delhi
8. The Director (Works), 3rd Floor, MSO Building, PWD, New Delhi
9. D8 (Works), PWD, 3rd Floor, MSO Building, PWD, New Delhi
10. M/s Calibre Pvt. Ltd. for updation on PWD FMS Portal.


AHC(PWD)/L.O.