



भारत सरकार **Government Of India**  
रेल मंत्रालय **Ministry Of Railways**  
(रेलवे बोर्ड) **(Railway Board)**

No. 2016/CE-I/CT/ARB/3(Niti Aayog)/Pt

New Delhi, dated 05.05.2020

To,  
**As per list attached.**

**Sub-Measures to revive the Construction Sector**

Ref- (i) Board's letter of even number dated 08.11.2016

(ii) Board's letter of even number dated 08.03.2017-SOP reg.

(iii) NITI Aayog's O.M.No.N-14070/14/2016-PPPAU dated 28.11.2019  
(copy enclosed)


1. NITI Aayog vide its Office Memorandum under reference (iii), has conveyed the decision taken by the Cabinet Committee on Economic Affairs (CCEA) regarding the 'Measures to revive the Construction Sector' for effective implementation of CCEA's decision dated 31.08.2016. These measures include provisions related to arbitration and Arbitration Award such as:

- (i) With respect to arbitral awards decided in favour of the contractors/concessionaires, the concerned Government Entity will take the decision to initiate proceedings for setting aside of the arbitral award, and any appeal(s) thereto, with the opinion of a Law Officer-Attorney-General for India / the Solicitor-General for India / the Additional Solicitor-General for India-in consultation with the Department of Legal Affairs ("DOLA") at the Ministry of Law & Justice as per the procedure laid down in this respect. DOLA is to ensure that the aforementioned process of soliciting and communication the opinion of Law Officer to the concerned Government Entity is completed within 30 (thirty) days of the receipt of request.
- (ii) In cases where the Government Entity has challenged the arbitral award, and, as a result, the amount of the arbitral award has not been paid, 75% of such award will be paid by the Government Entity to the contractor / concessionaire against a bank guarantee only for the said 75% and not for its interest component. With respect to the interest payable to the Government Entity; should the subsequent court order require refund of the said 75%, payment of the same will be as per the court order, non-compliance of which by the contractor / concessionaire would be a contempt of court. And, the concerned Government Entity

will have the right to recover the said interest by way of legal / judicial remedies. In cases where bank guarantee for the interest component has already been submitted by the contractor / concessionaire, the same will be returned by the concerned Government Entity. Should the court order prescribe a rate of interest, the same will prevail.

2. All concerned are advised to ensure compliance to above decision of CCEA.
3. This issues with the concurrence of Finance Dte. of Ministry of Railways.

DA: as above

 05/05/20  
(गौरव)

निदेशक सिविल इंजी.(जी)/रेलवे बोर्ड

[Phone: 030-47598(Rly) : 011-23047598(MTNL)]

No. 2016/CE-1/CT/ARB/3(Niti Aayog)/Pt.

New Delhi, dated 5<sup>th</sup> May, 2020

**Copy forwarded for information to :**

- (i) FA&CAOs, All Indian Railways.
- (ii) The Dy. Comptroller and Auditor General of India (Railways), Room no. 224, Rail Bhawan, New Delhi



**For Financial Commissioner / Railways**

66/ Sw-6  
SAC

N-14070/14/2016-PPPAU  
Government of India/ भारत सरकार  
NITI Aayog/ नीति आयोग  
(PPP/PAMD Vertical)

(सरकारी निजी कंपनी भागीदारी/ परियोजना मूल्यांकन और प्रबंधन प्रभाग)

NITI Bhawan, New Delhi-1  
Dated: 28<sup>th</sup> November, 2019

Office Memorandum

**Subject: Initiatives to revive the Construction Sector - Implementation of CCEA decision dated 31 August 2016 - regarding**

The Cabinet Committee on Economic Affairs ("CCEA") had, pursuant to a proposal put forward by NITI Aayog, on 31 August 2016 approved various short-term and long-term measures for relieving liquidity constraints in the construction sector. The approved measures *inter alia* include partial (75%) interim payment of challenged arbitral awards by Government Entities to contractors / concessionaires against a bank guarantee. Follow-up instructions to the said CCEA decision were issued vide NITI Aayog O.M. of even number, dated 5 September 2016, and D.O. Letter of even number dated 16 November 2016.

2. Implementation of the CCEA decision has, however, been impeded by insistence on bank guarantee for the interest component on the aforementioned 75%. Resultant of which, the sector continues to be marred by financial stress with ripple effect throughout the financial ecosystem and the broader economy. In view of the above, NITI Aayog placed a proposal before the CCEA for its consideration, suggesting certain measures for the effective implementation of CCEA's decision of 31 August 2016.

3. The CCEA considered the proposal of NITI Aayog in its meeting held on 20 November 2019, and approved the following:

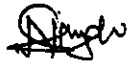
- (i) With respect to arbitral awards decided in favour of the contractors / concessionaires, the concerned Government Entity will take the decision to initiate proceedings for setting aside of the arbitral award, and any appeal(s) thereto, with the opinion of a Law Officer - Attorney-General for India / the Solicitor-General for India / the Additional Solicitor-General for India - in consultation with the Department of Legal Affairs ("DOLA") at the Ministry of Law & Justice as per the procedure laid down in this respect. DOLA is to ensure that the aforementioned process of soliciting and communicating the opinion of Law Officer to the concerned Government Entity is completed within 30 (thirty) days of the receipt of request.
- (ii) In cases where the Government Entity has challenged the arbitral award, and, as a result, the amount of the arbitral award has not been paid, 75% of such award will be paid by the Government Entity to the contractor / concessionaire against a bank guarantee only for the said 75% and not for its interest component. With respect to the interest payable to the Government Entity, should the subsequent court order require refund of the said 75%, payment of the same will be as per the court order, non-compliance of which by the contractor / concessionaire would be

a contempt of court. And, the concerned Government Entity will have the right to recover the said interest by way of legal/ judicial remedies. In cases where bank guarantee for the interest component has already been submitted by the contractor/ concessionaire, the same will be returned by the concerned Government Entity. Should the court order prescribe a rate of interest, the same will prevail.

(iii) The concerned Ministries shall issue instructions to the respective Government Entities for taking necessary action on the aforesaid measure expeditiously.

4. This is applicable to Government Entities i.e. all Public Sector Undertakings (PSUs) of the Central Government / Autonomous Organisations of the Central Government/ Special Purpose Vehicles (SPV) where 50% (fifty per cent) or more of the paid-up share capital is held by the Central Government / Central Government Departments.

5. The CCEA approved measures as contained in para 3 hereinabove are in continuation of and for the effective implementation of the CCEA decision dated 31 August 2016. NITI Aayog communications in relation thereto (as mentioned in para 1) shall stand modified to the above extent.

  
(Niraj Singh)  
Under Secretary (PAMD)  
Ph:23096766

**To:**

1. Secretaries of all the Ministries / Departments of Government of India.
2. Shri Anoop Kumar Mendiratta, Secretary, Department of Legal Affairs, Ministry of Law and Justice, Shastri Bhawan, New Delhi 110001.
3. Ms. Rachna Shah, Additional Secretary, Cabinet Secretariat, Rashtrapati Bhawan, New Delhi 110001.
4. Shri Arvind Shrivastava, Joint Secretary, PMO, South Block, New Delhi 110001.

**Copy for information to:**

1. PS to Vice Chairman / PS to MoS(I/C) / PS to all Members.
2. Sr. PPS to CEO / PPS to Special Secretary.

**LIST FOR DISTRIBUTION (Letter No. 2016/CE-I/CT/ARB/3(Niti Aayog)/pt dated 05.05.2020)**

1. General Managers, All Indian Railways & Production Units
2. General Manager (Con), N.F. Railway, Guwahati
3. General Manager /CORE, Allahabad.
4. Chief Administrative Officers (Con), All Indian Railways (Except N.F. Railway)
5. Principal Chief Engineers, All Indian Railways
6. FA&CAOs, All Indian Railways

**(A)**

1. CAO, COFMOW, Tilak Bridge, New Delhi
2. Principal CAO, Diesel Loco Modernisation Works, Patiala (Punjab)
3. CAO (Workshop Projects), Chamber Bhawan, Judge's Court Road, Anta Ghat, Patna-800001, Bihar

**(B)**

1. Director General, RDSO, Manak Nagar, Lucknow
2. Director General, NAIR, Vadodara
3. Director, IRICEN, Pune – 411 001 (Maharashtra)
4. Director, IRIEEN, PB No.-233, Nasik Road-422101 (Maharashtra)
5. Director, IRISSET, Taa Naka Road, Lalla Guda, Secunderabad-500017
6. Director, IRIMEE, Jamalpur Distt-Jamalpur, PIN-811214 (Bihar).
7. Director, IRITM, Sarwati Residential Estate, IRITM Campus, Manak Nagar, Lucknow

**(C)**

1. MD, CONCOR, Concor Bhawan, C-3, Mathura Road, Opp. Apollo Hospital, New Delhi- 110076.
2. IRCON International Limited, C-4, District Centre, Saket, New Delhi- 110017
3. MD, RITES Ltd., RITES Bhawan, Plot No.1, Sector-29, Gurgaon.

4. CMD, RVNL, August Kranti Bhawan, Plot No.25, 1<sup>st</sup> Floor, Bhikaji Cama Place, New Delhi.
5. MD, MRVC Ltd., Churchgate Station Bldg, Mumbai- 400020
6. CMD, KONKAN Railway Corporation Ltd, Rail Bhawan, New Delhi- 110001.
7. MD, DFCCIL, 5<sup>th</sup> Floor, Pragati Maidan Metro Station Building Complex, New Delhi-110001
8. MD, RLDA, Near Safdarjung Railway Station, Moti Bagh, Phase-I, New Delhi- 110021
9. MD, CRIS, Chanakyapur, New Delhi.
10. CMD, RailTel Corporation of India Ltd. Plot No. 143, Institutional Area, Sector-44, Gurgaon – 122003.
11. CME, IROAF, 12<sup>th</sup> Floor, Core-1, Scope Minar, Distt. Centre, Laxmi Nagar, Delhi- 110092
12. Managing Director, IRFC Limited, UG Floor, East Tower, NBCC Place, Bhisham Pitamah Marg, Lodhi Road, Pragati Vihar, New Delhi.
13. CMD, IRCTC Ltd., B-148, 11th Floor, Statesman House, Barakhamba Road, New Delhi 110001

**Copy to:**

**(A)**

1. General Secretary, IRCA, DRM Office, New Delhi.
2. General Secretary, AIRF, Rail Bhawan, New Delhi
3. General Secretary, NFIR, Rail Bhawan, New Delhi
4. General Secretary, IRPOF, Rail Bhawan, New Delhi
5. General Secretary, FROA, Rail Bhawan, New Delhi
6. General Secretary, AIRPA, Rail Bhawan, New Delhi
7. General Secretary, AISC & STREA, Rail Bhawan, New Delhi
8. The Secretary, RBSS, Group (A) Offices Association, Rail Bhawan
9. The Secretary, RBSS, Group (B) Offices Association, Rail Bhawan
10. General Secretary, RBSSS Association, Rail Bhawan
11. The Secretary, RBMSA, Rail Bhawan
12. The Secretary, Railway, Group (D) Employees Association, Rail Bhawan

(B)

1. Concerned PSO for kind information of CRB, ME, MTR, MRS, FC, MS, MST, MMM.
2. Chief Vigilance Officers, All Indian Railways.
3. CEO, NITI Aayog, New Delhi.
4. DG(RHS), DG(RPF), AM(CE), AM(Works), AM(B), AM(Elec.), AM(RS), AM(ME), AM/Tele, AM/C&IS, AM/Sig., AM(Plg.), PED/SDE, PED(Bridges), PED(Vigilance), PED/Transformation, EDCE(G), EDCE(P), EDTK(M), EDTK(MC), EDTK(P), EDCE(B&S), EDF(X)-I, EDF(X)-II, ED(Works), EDW(Plg.), ED/Project(Mon.), ED(L&A), ED/SDE, ED(PSU), EDVE, ED(Safety), ED (Sig. Dev.), ED( Tele), EDRS(G), EDRE, EDEE(G), EDFE, EDE(N), ED(Accounts), ED/T&MPP, EDME(Chg.), EDME(Frt.), ED/Plg., ED/MTP, JS(conf), JS(P), JS(G), JS(D), Vigilance-III, Vig(Conf) of Railway Board.