



No. RW/NH-36094/07/2026-S&R (A&CC) (Comp no 265094)
 Government of India
 Ministry of Road Transport & Highways
 (Arbitration & Conciliation Cell)
 Transport Bhawan, 1, Parliament Street, New Delhi-110001

Dated: 10th March, 2026

Office Memorandum

Subject:- Standard Operating Procedure for one time settlement through the scheme "Vivad se Vishwas III (Contractual Disputes)" reg.

Ministry has notified Vivad se Vishwas-III (Contractual Disputes) scheme vide O.M. No. NH-24036/06/2023-H(Part-I) (Comp. No. 230852) dated 13.02.2026 (Copy enclosed), which is modelled on the Vivas se Vishwas-II scheme earlier notified vide Ministry of Finance, Department of Expenditure O.M No F.1/7/2022-PDD dated 29.05.2023. The claims under this scheme can be submitted upto 31.03.2026. For smooth implementation of the scheme, the Procedure as below shall be followed: -

- i. Government e-Market Place (GeM) has provided a dedicated link on their portal (<https://gem.gov.in>) for implementation of the scheme. Contractors are to register themselves on the portal through their authorized personnel.
- ii. Arbitral Awards up to 31.10.2025 and Court Orders (Section 34/37) up to 30.11.2025 will be eligible for settlement under this scheme.
- iii. Award by Court/ Arbitral Tribunal (AT) for monetary value (only) will be eligible for settlement under this scheme. In case the award stipulates specific performance of contract (either fully or partially), such awards will not be eligible for settlement through this scheme.
- iv. The Contractors shall submit the eligible disputes on the GeM portal upto 31.03.2026. The Contractor may reduce the amount claimed, under this scheme, from the award amount while submitting their disputes for settlement on the portal.
- v. Contractor's submission on GeM portal shall be notified to the Nodal Officer for Roads Wing [SE(A&CC)], who shall forward the same to the concerned Project Zone.
- vi. Project Zone shall evaluate the settlement amount within one week after receipt from the Nodal Officer and the same shall be forwarded to the Committee headed by DG(RD)&SS, AS&FA and ADG (A&CC) for concurrence of settlement amount. The settlement amount under VSV-III cannot exceed the amount that would have been eligible under VSV-II for awards predating the VSV-II cut-off.
- vii. The Committee shall examine and provide its concurrence/consent to the proposal submitted by project zone.
- viii. Project Zone will forward the concurred proposal to Secretary (RT&H) for approval.
- ix. Project Zone, after having approval of the settlement amount, offer the same to the Contractor for acceptance on GeM Portal through Roads Wing Nodal Officer

[SE(A&C)], normally within two weeks of receiving the claim on the portal from the Contractor.

- x. On the Portal, the Contractor shall accept or otherwise, the offer within 30 days. Immediately upon acceptance of the offer by the Contractor, an acknowledgement through e-mail shall be automatically generated and sent to both the parties from the portal. Prior to acceptance of Contractor and generation of e-mail, Roads Wing has option to amend the offer. However, once the offer is accepted by Contractor and the e-mail is generated, Roads Wing cannot amend/ withdraw the offer. If the Contractor does not accept the offer, the ongoing litigation process may continue.
 - xi. Once the acknowledgement e-mail is generated, the Project Zone shall write to the Contractor to withdraw ongoing court case or litigation, if any. Contractor shall be given 45 days (longer period may be given with the approval of competent authority) for the same from the date of acknowledgement email as indicated in para xi above. However, only after the contractor uploads the document indicating that the court has permitted to withdraw the case, if applicable, should the settlement agreement under this scheme be executed, within 30 days, and payments made by the procuring entity.
 - xii. Similarly, if Roads Wing had filed a case, Roads Wing shall make an application to court for withdrawal of the case. In this situation, it is not required to wait for permission of the Court and sign the settlement agreement within 30 days.
 - xiii. Copy of the settlement agreement entered between the parties shall also be submitted to Nodal Officer.
 - xiv. The scheme does not apply to cases where parties have already reached a settlement through Conciliation Agreement.
2. The proposal submitted by project zone before the Committee as per para (vii) above should be supported by following documents:
- (a) **Duly filled & signed standard format as per Appendix-I authenticated on each page by zonal head/RO.**
 - (b) **A short Brief containing litigation status of cases filed by respective parties in respect of the AT Award may be submitted (e.g. Appeal filed by the Authority against AT Award or Court Case filed by Contractor for enforcement of Award in either full or part thereof) accompanied with copy of Court Orders in respect of such cases filed by either parties may be submitted. In addition, interim Orders passed by the Court in such cases granting any kind of relief to either party, if any, may also be submitted.**
 - (c) **Copy of Arbitration Award (including any Supplementary Award passed by AT making corrections / modifications in the earlier Award) as well as copy of Court Orders as mentioned in (ii) above (if applicable) are to be authenticated by RO on each page.**



- (d) Copy of note sheet of the concerned file of Project Zone / RO / State PWD dealing with arbitration either for challenging before the court of law or acceptance of the same or part thereof or for any other action taken in respect of the said arbitration award either by State PWD or MORTH (RO/Project Zone) may be submitted. In case such records are not available, RO shall certify the same at the time of submission of documents to the committee members.
- (e) Any other documents presented by Zonal Head / RO before the Committee to be duly authenticated by Project Zone / RO.
3. In case the award is less than Rs 500 crores, the settlement amount shall be calculated as per the percentage given in the circular dated 13.02.2026 (For the, award amount more than Rs. 500 Cr., the contractor/claimant may like to surrender award amounts exceeding Rs. 500 Cr. and may settle the claims treating award amounts as Rs. 500 Cr. Only).
4. Model settlement agreement has been issued by the Ministry vide Circular No RW/NH-36094/12/2025-S&R(A&CC) Comp No 261507 dated 25.02.2026 has been customized specific to settlement under VSV-III. The draft settlement agreement is attached at **Appendix- II** for ready reference.
5. This issues with the approval of Competent Authority.



(Akil Ahmad)
Superintending Engineer
Arbitration & Conciliation Cell

Encl.: As stated above

To,

- i) All Zonal Heads, MoRTH, New Delhi
- ii) All Regional Officers, MoRTH
- iii) NIC for uploading on website

Copy to:

- (i) DG(RD)&SS
- (ii) AS&FA
- (iii) AS (Highways)
- (iv) All ADG
- (v) Advisor Cost
- (vi) Joint Secretary (Toll)

Copy for information to:

- (i) PS to Hon'ble Minister
- (ii) PS to Hon'ble MOS, RTH
- (iii) PPS to Secretary (RT&H)
- (iv) PPS to DG(RD)&SS

Format for processing Vivad Se Vishwas II (VSV II) proposals by Zonal Heads of Roads Wings

Basic details of the project / work to which the disputes relate:

- A. Name of the Work:
- B. Date of Sanction:
- C. Date of award:
- D. Present Status of the work:
- E. Name of the Contractor:
- F. Date of filing of claims by contractor on GeM portal:.....
(Present cutoff date for filing on GeM portal by Contractors is 31.03.2026)

Assessment of settlement amount:

1. Total amount of claims of the Contractor in Rs:

2. Total amount of claims of the Contractor proposed for settlement under the above scheme by Contractor on GeM portal. (For the award amounting to more than Rs 500 crores, the contractor can raise the claim by restricting the award amount to Rs 500 crores only) in Rs:.....

3. Is the conciliation in respect of Arbitral Award or in respect of Court Award:

4. Is any specific performance either fully or partially specified in the Arbitral award or Court order (Yes or No):

5. Date of passing of Arbitral Award:..... (If not applicable, write NA. Present cutoff date is 31.10.2025)

6. Date of passing of Court Order u/s 34 of Arbitration & Conciliation Act 1996:..... (If not applicable, write NA. Present cutoff date is 30.11.2025)

7. Date of passing of Court Order u/s 37 of Arbitration & Conciliation Act 1996:..... (If not applicable, write NA. Present cutoff date is 30.11.2025)

8. Whether the Arbitration is Domestic or International:....

9. Whether the Arbitration Award is interim or Final:.....
(Interim Award under section 9 of Arbitration and Conciliation Act 1996 is not admissible Under Vivad-Se- Vishwas III)

Strike out SI No 9 or SI No 10 whichever is not applicable

10. Arbitration Award Category

(i) Amount of Arbitration Award in Rs:.....

(If Arbitration Award amount is calculated as per stipulations of award the calculations are to be attached at Appendix-A)

(ii) Date of passing of Arbitration Award:.....

- (iii) Stipulated period in Arbitration Award (for payment of Awarded amount) in days:.....
- (iv) Appendix- 'A' is attached or not (Yes/No):.....
- (v) Amount admissible as per stipulated under Vivad Se Vishwas III [0.45*{(i)-(vi)}] in Rs:
- (vi) Amount due to procuring agency as per Arbitration Award if any in Rs:.....
- (vii) Amount already paid, if any, to the Contractor against the Arbitration Award in Rs:.....
- (viii) Net principle amount admissible in Rs Crore [(v) - (vii)]:....
- (ix) Date from which Simple Interest @ 9% per annum upto date of acknowledgement is applicable:.....
- (x) Value of the Bank Guarantee with procuring entity if any Rs:.....
- (xi) Amount to be paid by Contractor, if any, while returning back the Bank Guarantee by procuring entity (for cases where amount becomes payable to procuring entity due to payments already made to Contractor against BG etc.):.....

11. Court Award Category

- (i) Amount of Court Award in Rs:....
- (If Court Award amount is calculated as per stipulations of award the calculations to be attached at Appendix-A)
- (ii) Date of passing of Court Award:....
- (iii) Stipulated period in Court Award (for payment of Court Award amount) for payment in days:.....
- (iv) Appendix- 'A' is attached or not (Yes/No):.....
- (v) Amount admissible as per stipulated under Vivad Se Vishwas III [0.65*{(1)-(vi)}] or [0.70*{(1)-(vi)}], as applicable in Rs:.....
- (vi) Amount due to procuring agency as per Court Award if any in Rs:.....
- (vii) Amount already paid, if any, to the Contractor against the Arbitration/ Court Award in Rs:.....
- (viii) Net principle amounts admissible in Rs Crore [(v) - (vii)]:.....
- (ix) Date from which Simple Interest @ 9% per annum upto date of acknowledgement is applicable:.....
- (x) Value of the Bank Guarantee with procuring entity if any Rs:.....
- (xi) Amount to be paid by Contractor if any while returning back the Bank Guarantee by procuring entity (for cases where amount becomes payable to procuring entity due to payments already made to Contractor against BG etc.):



(xii) if, the calculated settlement exceeds what would have been paid under the older VSV-II scheme for awards that predated those cut-offs, then it must be capped at the VSV-II level.

Further operating actions to implement above Settlement

- After approval of Committee, Settlement amount and date from which Simple Interest 9% per annum upto date of acknowledgement is applicable is to be offered to Contractor (generally within 2 weeks from the date of Contractor's uploading of Claims on GeM Portal. In case this period has elapsed, at the earliest feasible).
- Contractor to give acceptance on portal within 30 days of offer by the procuring entity on GeM portal (No Extension of time for Acceptance on any account is admissible to the Contractor).
- On acceptance of the offer by the Contractor on GeM portal, an acknowledgement mail gets automatically generated and will get transmitted to both the parties. The date of the e-mail is the acknowledgment date.
- If Contractor does not accept the offer within the stipulated time, litigation shall Continue and VsV-III becomes inapplicable.
- Contractor & procuring entity to file application for withdrawal of all pending cases before any of the courts within 45 days of Acknowledgement mail.
- Contractor to upload document indicating permission of court to withdraw the Cases -"X"
- Settlement agreement to be digitally signed within 30 days of date of uploading of "X" or filing of withdrawal application in Court by the procuring agency whichever is later.
- Stamp duty to be borne by the Contractor for signing of Settlement agreement.
- Payments by procuring entity to the Contractor or vice versa to be made within 30 days of digital signing of Settlement agreement.



SETTLEMENT AGREEMENT

This Settlement Agreement (“**Settlement Agreement**”) is executed on this ____ day of [Month]^[1], [Year], at [Place], in connection with the work titled [Name of the Work] (“**Project**”) located at State of [Name of State], between:

1. The Authority [2]

(Hereinafter referred to as the “**Authority**”, which expression shall include its administrators, successors, and assigns). AND

2. The EPC Contractor

M/s [Name of firm], having its registered office at [Address of firm] (hereinafter referred to as the “**EPC Contractor**”, which expression shall include its successors and permitted assigns).

The **Authority** and the **EPC Contractor** are collectively referred to as the “**Parties**”.

RECITALS

Whereas, the Project titled “[Name of Work]” was awarded to the **EPC Contractor** on [Date of LOA], pursuant to which a Contract Agreement dated [Date of Agreement] (“**Contract Agreement**”) was executed;

Whereas, the Appointed Date was declared on [Date], with a completion period of [Nos] days, making the Scheduled Completion Date [Date];

Whereas, the details about the dispute, its background and details of the litigation/court cases/arbitration proceedings, etc., pending between the parties (for and in connection with which this Settlement Agreement is being executed) are given at **Annexure-I**;

Whereas Ministry has notified Vivad se Vishwas-III (Contractual Disputes) scheme vide O.M. No. NH-24036/06/2023-H(Part-I) (Comp. No. 230852) dated 13.02.2026;

Whereas, the EPC Contractor being satisfied with the VSV-III scheme has submitted its offer with eligible proposal on the GeM portal on [Date] ;

Whereas, the settlement proposal of EPC contractor has been evaluated by the Ministry and the eligible settlement amounts has been concurred by a Committee of MoRTH constituted for this purpose and the offer of settlement amount has been approved by the competent authority in MoRTH;

Whereas the offer of eligible settlement amount has been placed on the GeM portal on [Date];

Whereas, the offer of settlement amount has been accepted by the EPC contractor on GeM portal on [Date];

Whereas, the contractor/ Authority has withdrawn all the pending disputes vide [Letter no. with date];

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **Effective Date**

This Settlement Agreement becomes effective upon signature by both Parties ("**Effective Date**").

2. **Full and Final Settlement Amount**

2.1 The amounts specified in the **Annexure-2** constitute the full and final settlement of all disputes, till Effective Date, relating to the **Project**.

2.2 The computation is based on the agreed settlement terms between the **Parties** and forms an integral part of this Agreement.

3. **Conditions of Settlement**

3.1 The Authority shall release the settlement amount within [Days] days of the Effective Date, subject to submission of a No Claim Certificate (**NCC**).

3.2 All disputes stand fully and finally settled. No Party shall initiate any proceeding or continue any proceeding underway before any court, tribunal, or arbitration forum. Pending matters in any court, tribunal, or arbitration forum or in any judicial or quasi-judicial forum related to all disputes in reference to the Contract Agreement shall be withdrawn by **Parties** before release of payment.

4. **Representations and Warranties**

Each Party confirms that:

- It is duly authorized to execute this Agreement.
- The signatories are competent and empowered to sign this Agreement.
- No claim has been assigned to any third party.
- The Agreement is voluntary and free from coercion.
- Execution of this Agreement does not violate any law or contractual obligation.
- The Agreement has not been entered into duress.

5. Governing Law and Jurisdiction

This Agreement is governed by Indian law. Courts at [Delhi] shall have exclusive jurisdiction limited to cases of violation/breach of this **Agreement**.

6. Taxes and Deductions

Statutory deductions including TDS, GST adjustments, or other levies shall apply as per law.

7. Costs and Expenses

Each Party shall bear its own costs relating to this Agreement.

IN WITNESS WHEREOF, the **Parties** sign this **Settlement Agreement** on the date first written above.

For **EPC Contractor** ^[3]

Name:
Designation:
Signature:

For **Authority**

Name:
Designation:
Signature:

Witnesses:

- 1.
- 2.

Details of the dispute and its background

(to be added)

Details of pending litigation/court cases/arbitration proceedings for and in connection with which this Settlement Agreement is being executed

(to be added)

A handwritten signature in blue ink, consisting of stylized initials, located at the bottom center of the page.

ANNEXURE-2

FINAL SETTLEMENT AMOUNT

Sl. No.	Claim Description	Amount Claimed (Rs.)	Settled Amount (Rs.)
1			
2			
Total			

[1] Relevant project specific details to be filled and square brackets opened

[2] The President of India through the Ministry of Road Transport & Highways (MoRTH), Govt. of India, represented by the Chief Engineer (National Highway Wing) Government of [Name of State]

OR The Public Works Department, Government of [Name of State] , represented by its [Name of State office]

OR Governor of [Name of State] represented by [Name of State office]

OR Executive Engineer, NH Division, [Name of district, State]

[3] CEO of the firm or authorised signatory for the settlement on behalf of the contractor/concessionaire (i) in case of a company, should have the authorisation granted by the Board of Directors of the company with the settlement agreement also approved by the Board of Directors; (ii) in case of a single owner or joint ownership or partnership, the owner or owners or partners should be joint signatories.

COVERING LETTER

To
The _____
(Address)

Subject: Submission of Signed Settlement Agreement

Sir/Madam,

Please find enclosed the duly signed Settlement Agreement dated _____ for
the Project “_____”.

Enclosures:

1. Settlement Agreement
2. Board Resolution/Authorization
3. Withdrawal Application

Kindly process the settlement amount as per Clause 3.1 of the Agreement. Yours

faithfully,
For M/s _____
Authorized Signatory
Date: _____



[Company Letterhead]

BOARD RESOLUTION / AUTHORIZATION

“RESOLVED THAT the consent of the Board of Directors of the Company be and is hereby accorded to authorize **Mr./Ms. [Name of Authorized Person], [Designation]** of the Company, to act as the Authorized Representative of the Company to sign and execute the Settlement Agreement dated _____, and all related documents on behalf of the Company in respect of all disputes, claims, and differences arising out of or in connection with the contract(s) entered into with the **Ministry of Road Transport and Highways (MoRTH)** for the project titled **“[Name of the Project/NH Section]**

RESOLVED FURTHER THAT all acts, deeds, and things done by Mr./Ms. [Name of Authorized Person] in connection with the aforementioned dispute resolution shall be binding on the Company and are hereby ratified and confirmed.

Certified True Copy

For M/s _____

(Signature)

[Name of Company Secretary/Authorized signatory] [Designation]

DIN (if Director): [Number]

Date: _____

Place: _____

Mobile No.: _____



WITHDRAWAL APPLICATION (For court/arbitration)

IN THE COURT OF _____ / BEFORE THE ARBITRAL TRIBUNAL
OF _____

Case No.: _____

APPLICATION FOR WITHDRAWAL OF PROCEEDINGS

The Applicant respectfully submits that the disputes relating to the Contract Agreement dated _____ have been amicably settled through a Settlement Agreement dated _____, executed under Indian Contract Act/ Section 73 of the Arbitration and Conciliation Act, 1996.

Accordingly, the Applicant prays that the present proceedings be permitted to be withdrawn and disposed of as settled.

Applicant

Through Authorized Signatory

Date: _____

