

130.3.6

**RW/NH-36094/13/2025-S&R(A&CC) Comp. No. 262063**  
**Government of India**  
**Ministry of Road Transport & Highways**  
**Transport Bhawan, 1, Parliament Street, New Delhi - 110001**

Dated 16th June 2026

To,

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

**Subject: Guidelines regarding fixing of fee and schedule of payment to arbitrators in Ad-hoc Arbitrations reg.**

R/Madam/Sir,

It has been observed that in cases of ad-hoc arbitration involving the Ministry/State PWDs, there is a lack of uniformity regarding the fixation and release of fees to the Arbitral Tribunal. In several instances, the fee fixed is not in accordance with the **Fourth Schedule of the Arbitration and Conciliation Act, 1996**, or the release of payments is directed in a manner that leads to early release of the total fee payable.

2. To ensure financial prudence and uniformity, it has been decided that for all future and ongoing ad-hoc arbitration where the fee has not yet been fixed, the fee shall be strictly in accordance with the **Fourth Schedule of the Arbitration & Conciliation Act, 1996**. All Regional Officers of the Ministry must ensure that the fee of arbitrators in case of Ad-hoc arbitration is fixed in accordance with the Fourth Schedule of The Arbitration and Conciliation Act 1996.
3. Payment of fee payable to the Arbitrator(s) will be released stage-wise as per Annexure-1. The expenses such as traveling and lodging etc will be paid as per Annexure-2.
4. After appointment of the Arbitration Tribunal, an application before AT shall be made by RO/PWD for fixing fee as per the Fourth Schedule of the Arbitration and Conciliation Act and release of payment as per the stage suggested above.
5. For institutional arbitration under SAROD/DIAC/IIAC, the rule of the concerned institution shall be followed for fixing and release of the fee.
6. A sample calculation of arbitrators' fee, with 4 illustrations pertaining to different scenarios, along with calculation of liability of each party is enclosed herewith at Annexure-3.

7. This issues with the approval of Competent Authority.

Yours faithfully,

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

Copy to:

1. All ADGs/CEs, MoRTH HQ
2. All Technical Officers, MoRTH HQ
3. The Secretary General, Indian Roads Congress
4. The Director, IAHE, Noida, Uttar Pradesh
5. Technical circular file of S&R (P&B) section
6. NIC-for uploading on Ministry's website under "What's New"

Copy also to:

1. PS to Hon'ble Minister (RT&H)
2. PS to Hon'ble MOS (RT&H)
3. PSO to Secretary (RTH)
4. PSO to DG (RD) & SS
5. Sr. PPS to AS&FA/All AS/JS, MoRTH

**Annexure-1**

The Fee payable to the Arbitrator shall be disbursed stage/phase wise to the Arbitral Tribunal in the following Manner:-

S. No.	Stage of the case	Cumulative fee payable at each stage
1	Upon completion of pleadings	20% of total fee payable
2	Upon completion of Claimant's & Respondent's evidence and completion of Claimant's arguments	40% of total fee payable
3	In case respondent files its counter claims, thus after its arguments on claims & counter claims	50% of total fee payable
4	Upon completion of claimant's arguments on the respondent's counter claim and rejoinder arguments	60% of total fee payable
5	Upon completion of Respondent's rejoinder arguments if any	70% of total fee payable
6	Upon submission of written synopsis by the parties, if any	80% of total fee payable
7	After passing/publishing of award	100% of total fee payable

Note:-

i) Each slab in the above table shall apply only upon conclusion of the relevant stage and in case a particular stage is not concluded, the previous slab shall apply. Further, payment shall be released on the basis of the direction/orders of Ld. Arbitral Tribunal/Ld. Sole Arbitrator in pursuance to the payment mentioned in Table above

ii) It is further clarified that the remuneration fixed as per Arbitration & Conciliation Act 1996 shall be inclusive of reading charges, secretarial charges and declaration/publishing of award charges.

iii) Termination of Proceedings on settlement between the parties- in case of settlement between the parties to a dispute, the Arbitral Tribunal shall be paid minimum of 1/3rd of the total fee if such settlement is arrived.

iv) A substitute Arbitrator, in case appointed, shall be entitled to the same fees as payable to the rest of the Members of the Arbitral Tribunal on a particular stage.

**Annexure-2**

Other Miscellaneous Expenses of the Arbitrator's as per actual bills subject to ceiling given below:-

Sl. No.	Particular	Fees
1.	<b>Travelling Expenses</b>	Economy Class (by Air), First Class AC (by Train) and AC Car (by Road @ ₹ 13/- Km) (on actual bills)
2.	<b>Lodging and Boarding</b>	₹ 15,000/- per day (Metro Cities) or ₹ 8,000/- per day (in other Cities) or ₹ 5,000/- per day, if any Arbitrator makes own arrangement
3.	<b>Local Travel</b>	₹ 2,000/- per day (on actual bills)

**Note:**

1. The Arbitrators shall provide the actual bills in original for reimbursement of Traveling, Lodging and Boarding & Local Travel. If not, TDS as per provisions of I.T. Act, 1961 shall be deducted from the entire bill amount.
2. The Arbitration Tribunal shall generally convene at the capital city of the State where the contract has been awarded or in Delhi.
3. Lodging, Boarding and Traveling expenses shall be allowed only for the arbitrator who is residing 100 kms away from the venue of the meeting.
4. Delhi, Mumbai, Chennai, Kolkata, Bangalore and Hyderabad shall be considered as Metro Cities.

**Annexure-3****Illustration of fee calculation**

<b>CASE 1- SOLE ARBITRATOR - BOTH CLAIM AND COUNTER CLAIM</b>			
<b>A. Calculation of fee against claim and counter claim</b>			
Claim Amount (In INR)			18,78,00,000
Counter-Claim Amount (In INR)			10,33,00,000
<b>Description</b>	<b>Calculation</b>	<b>Fee against claim (Rs.)</b>	<b>Fee against counter-claim (Rs.)</b>
Base fee (INR)	Fixed fee for the first 10 Cr	12,37,500	12,37,500
Variable Fee (INR)	0.75% of the amount over Rs. 10 Cr	6,58,500	24,750
<b>Sub-Total (INR)</b>	Base + Variable	18,96,000	12,62,250

**B. Calculation of Party-Wise Liability**

Total Fee Payable = Fee against claim + fee against counterclaim+25% additional Fee for Sole Arbitrator

<b>Total Payable Fee</b>	39,47,812.50
<b>Share of Claimant</b>	19,73,906.25
<b>Share of Respondent</b>	19,73,906.25

<b>CASE 2- PANEL OF 3 ARBITRATORS - ONLY CLAIM AND NO COUNTERCLAIM</b>			
<b>A. Calculation of fee against claim and counter claim for each arbitrator</b>			
Claim Amount (In INR)	8,70,00,000		
Description	Calculation	Fee against claim (Rs.)	Fee against Counter claims
Base fee (INR)	Fixed fee for the first 1 Cr	3,37,500	0
Variable Fee (INR)	1% of the amount over Rs. 1 Cr	7,70,000	0
<b>Sub-Total (INR)</b>	Base + Variable	11,07,500	0

<b>B. Calculation of Party-Wise Liability</b>	
Total Fee Payable = Fee against claim	
<b>Total Payable Fee to each arbitrator</b>	11,07,500
<b>Share of Claimant to each arbitrator</b>	5,53,750
<b>Share of Respondent to each arbitrator</b>	5,53,750

**CASE 3- PANEL OF 3 ARBITRATORS - BOTH CLAIM AND COUNTER CLAIM**  
**(claim fee hitting maximum limit of 30 lakhs)**

<b>A. Calculation of fee against claim and counter claim</b>			
Claim Amount (In INR)	3,00,00,00,000		
Counter-Claim Amount (In INR)	19,00,00,000		
<b>Description</b>	<b>Calculation</b>	<b>Fee against claim (Rs.)</b>	<b>Fee against counter-claim (Rs.)</b>
Base fee (INR)	Fixed fee	19,87,500	12,37,500
Variable Fee (INR)	0.5% of the amount over 20 Cr/0.75% of the amount over 10 Cr.	1,40,00,000	6,75,000
<b>Sub-Total (INR)</b>	Base + Variable	1,59,87,500	19,12,500
<b>Statutory Ceiling</b>	Maximum fee allowed per arbitrator	30,00,000	NA

<b>B. Calculation of Party-Wise Liability</b>
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Total Fee Payable = Fee against claim (restricted to ceiling of Rs. 30 lakhs) + fee against counterclaim

<b>Total Payable Fee to each arbitrator</b>	49,12,500
<b>Share of Claimant to each arbitrator</b>	24,56,250
<b>Share of Respondent to each arbitrator</b>	24,56,250

**CASE 4- PANEL OF 3 ARBITRATORS - BOTH CLAIM AND COUNTERCLAIM**

<b>A. Calculation of fee against claim and counter claim</b>			
Claim Amount (In INR)	25,00,000		
Counter-Claim Amount (In INR)	1,50,00,000		
<b>Description</b>	<b>Calculation</b>	<b>Fee against claim (Rs.)</b>	<b>Fee against counter-claim (Rs.)</b>
Base fee (INR)	Fixed fee	97,500	3,37,500
Variable Fee (INR)	3% of the amount over 20 Lakh/1% of the amount over 1 Cr	15,000	50,000
<b>Sub-Total (INR)</b>	Base + Variable	1,12,500	3,87,500

**B. Calculation of Party-Wise Liability**

Total Fee Payable = Fee against claim + fee against counterclaim

<b>Total Payable Fee to each arbitrator</b>	5,00,000
<b>Share of Claimant to each arbitrator</b>	2,50,000
<b>Share of Respondent to each arbitrator</b>	2,50,000