

Ministry of Finance



Government launches a one-time settlement Scheme Vivad se Vishwas – II (Contractual Disputes) to effectively settle pending contractual disputes, as announced in the Union Budget 2023-24

Last date for submitting claims under the scheme is 31.10.2023

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The Department of Expenditure, Ministry of Finance, has launched the scheme, “*Vivad se Vishwas II – (Contractual Disputes)*”, to effectively settle the pending contractual disputes of government and government undertakings. The scheme was announced in the Union Budget 2023-24 by the Union Finance Minister.

In Para 67 of the Union Budget speech, Union Finance Minister and Corporate Affairs Smt. Nirmala Sitharaman had announced:-

“To settle contractual disputes of government and government undertakings, wherein arbitral award is under challenge in a court, a voluntary settlement scheme with standardized terms will be introduced. This will be done offering graded settlement terms depending on pendency level of the disputes”

The Department of Expenditure, Ministry of Finance, had issued an order on 29.05.2023 indicating detailed guidelines of the scheme. The last date for submission of claims is 31.10.2023.

Cases satisfying the following criteria will be eligible for settlement under this scheme:

Status of dispute	The award shall have been issued upto the following date
Arbitral Award passed	31.01.2023

Court Award passed	30.04.2023
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The scheme will apply to all domestic contractual disputes where one of the parties is either the Government of India or an organisation working under its control.

Under the scheme, for Court Awards passed on or before 30.04.2023 the settlement amount offered to the Contractor will be up to 85% of the net amount awarded/ upheld by the court.

For Arbitral Awards passed on or before 31.01.2023, the settlement amount offered is up to 65% of the net amount awarded.

Government e-Marketplace (GeM) has developed a dedicated web-page for implementation of this scheme. Eligible claims shall be processed only through GeM. For non-GeM contracts of Ministry of Railways, contractors may register their claims on IREPS (www.ireps.gov.in).

The details of the scheme are available on the website of Ministry of Finance, Department of Expenditure.

PPG/KMN



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