

भारत सरकार GOVERNMENT OF INDIA  
रेल मंत्रालय MINISTRY OF RAILWAYS  
( रेलवे बोर्ड RAILWAY BOARD

No. 2009/CE-I/CT/40

New Delhi, dated 23.4.2010.

The Principal Chief Engineers & FA & CAOs  
All Indian Railways.

The CAO/Cs & FA & CAO/Cs  
All Indian Railways.

**Sub:-** Out- of - Court settlement of Arbitration awards related to  
contract matters.

In a case investigated by Vigilance, in one of the Railways, it was found that the Railway concerned had gone for out-of-court settlement of arbitration awards related to contractual matters. The existing rules/instructions and the GCC do not empower the Zonal Railways for any such out of court settlements and hence Zonal Railways are advised not to resort to any such out - of -court settlement of arbitration awards related to contractual matters.

These instructions, however, do not preclude constitution of departmental committees (before the case is referred to arbitration) to discuss the problems in a contract with a view to resolving the issues to the extent possible which result not only in expeditious resolution of disputes in contracts, but may also result in reduction in the number of cases being referred to arbitration.

This issues with the concurrence of Finance Directorate of the Ministry of Railways.

Please acknowledge receipt.

  
( T. Gupta )

Exe. Director Civil Engineering (G),  
Railway Board.