

**GOVERNMENT OF INDIA**  
**MINISTRY OF FINANCE**  
**DEPARTMENT OF ECONOMIC AFFAIRS**

LOK SABHA

UNSTARRED QUESTION No. 3451

TO BE ANSWERED ON: Monday, December 20, 2021/Agrahayana 29, 1943 (Saka)

**REVIVAL OF CONSTRUCTION SECTOR**

**QUESTION**

**3451. SHRI A. RAJA:**

Will the Minister of FINANCE be pleased to state:

(a) whether the Cabinet Committee on Economic Affairs (CCEA) has approved initiatives to revive the construction sector in November, 2019;

(b) if so, the salient features of the revival policy for the construction sector; and

(c) the number of arbitration cases awarded by the courts which have been settled and the number of cases which are still pending as on 31.10.2021 on the new policy approved by CCEA in November, 2019?

**ANSWER**

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)**

(a) & (b) CCEA in its meeting held on 20.11.2019 approved certain measures for implementation of Initiatives to revive the Construction Sector which are as below:

(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 (AGI/SCI/ASGI) in consultation with D/o Legal Affairs as per the laid down procedure. D/o Legal Affairs to ensure that the process of soliciting & communicating the opinion of Law Officer is completed within 30 days 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.

(c) No such record is maintained by D/o Legal Affairs. However, number of cases wherein interim payment of 75% were given during the last two years by Ministries/departments are as below

<b>S. N.</b>	<b>Ministry</b>	<b>Number of cases wherein interim payment of 75% were given during the last two years</b>
1.	Ministry of Railways	5
2.	Ministry of Road Transport & Highways	1
3.	Ministry of Petroleum & Natural Gas	5
4.	Ministry of Housing & Urban Affairs	3
5.	Ministry of Steel	NIL
6.	Ministry of Civil Aviation	NIL
7.	Ministry of Port, Shipping & Waterways	NIL
8.	Ministry of Mines	NIL
9.	Department of Commerce	NIL
10.	Department of Telecommunications	NIL

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