

**SOCIETY FOR AFFORDABLE REDRESSAL OF DISPUTES (SAROD)****(An Initiative of NHAH and NHBF)****Regd. Office: G-5&6, Sector-10, Dwarka, New Delhi - 110075****Tel.: 011-25074100/4200 Extn: 2080 Website: [www.sarod.org.in](http://www.sarod.org.in);****E-mail: [secretariat.sarod@nhai.org](mailto:secretariat.sarod@nhai.org); [finance.sarod@nhai.org](mailto:finance.sarod@nhai.org)**

Ref: 33025/08/2022-SAROD/145234/02

Date: 29<sup>th</sup> January 2024**OFFICE ORDER****Sub: Fee payable to Arbitrators under SAROD Arbitration Rules (SAR) - Reg.**

The Arbitration Fee under SAR as per Schedule IV of the Arbitration & Conciliation Act, 1996 as amended from time to time is as under:-

Sl. No.	Sum in Dispute	Fee
1	Up to ₹5,00,000 (Five Lakh)	₹45,000
2	Above ₹5,00,000 (Five Lakh) and up to ₹20,00,000 (Twenty Lakh)	₹45,000 plus 3.5 per cent of the sum in dispute over and above ₹5,00,000 (Five Lakh)
3	Above ₹20,00,000 (Twenty Lakh) and up to ₹1,00,00,000 (One Crore)	₹97,500 plus 3 per cent of the sum in dispute over and above ₹20,00,000 (Twenty Lakh)
4	Above ₹1,00,00,000 (One Crore) and up to ₹10,00,00,000 (Ten Crore)	₹3,37,500 plus 1 per cent of the sum in dispute over and above ₹1,00,00,000 (One Crore)
5	Above ₹10,00,00,000 (Ten Crore) and up to ₹20,00,00,000 (Twenty Crore)	₹12,37,500 plus 0.75 per cent of the sum in dispute over and above ₹10,00,00,000 (Ten Crore)
6	Above ₹20,00,00,000 (Twenty Crore)	₹19,87,500 plus 0.5 per cent of the sum in dispute over and above ₹20,00,00,000 (Twenty Crore), with an overall ceiling of ₹30,00,000 (Thirty Lakh)

In the event, the arbitral tribunal is a Sole Arbitrator, she/he shall be entitled to an additional amount of twenty-five per cent, on the fee payable as per the above.

**Notes 1: As per Hon'ble Supreme Court Judgement dated 30<sup>th</sup> August 2023**

- Arbitrators do not have the power to unilaterally issue binding and enforceable orders determining their own fees.
- The term "sum in dispute" in the Fourth Schedule of the Arbitration & Conciliation Act refers to the sum in dispute in a claim and counter-claim separately, and not cumulatively. Consequently, arbitrators shall be entitled to charge a separate fee for the claim and the counter-claim in arbitration proceeding, and the fee ceiling contained in the Fourth Schedule will separately apply to both, when the fee structure of the Fourth schedule has been made applicable.

- The ceiling of ₹30,00,000 in the entry at Serial No 6 of the Fourth Schedule is applicable to the sum of the base amount (of ₹19,87,500) and the variable amount over and above it. Consequently, the highest fee payable shall be ₹30,00,000; and
- This ceiling is applicable to each individual arbitrator, and not the arbitral tribunal as a whole, where it consists of three or more arbitrators.

**Notes 2:**

1. The above fee would be made application for new arbitrations, and not the on-going arbitrations, unless the parties to the on-going arbitrations mutually agree to follow the aforementioned Schedule of Fees.
2. The above fee is payable to each arbitrator, to be shared equally by both the parties to the arbitration i.e. Claimant and Respondent. No separate fee for reading charges, declaration/publishing of award shall be payable by the parties/SAROD. Henceforth, the difference of fee in ongoing Arbitration matters shall be worked out by the SAROD Secretariat and difference amount if any will be considered accordingly subject to agreement between the parties. In other words, fee already paid shall be adjusted from the prescribed fee shown in the chart and balance amount, if any, shall be paid to the Arbitrator(s).
3. The payment of Arbitration fee to the Arbitrators shall only be routed through SAROD only and no direct payment shall be made to the Arbitrators by either parties. In case of direct payments, SAROD would not consider the said payments as being made towards the arbitrations proceedings.
4. Fees of Arbitrator(s) will be released stage-wise as per Annexure-A to this order.
5. The expenses such as travelling and lodging etc. will be paid as per Annexure-B to this order.
6. This Order will be applicable henceforth as on date.
7. The above is issued with the approval of the Governing Body.



(Pawan Kumar)  
Secretary

**SECRETARY**  
**SOCIETY FOR AFFORDABLE**  
**REDRESSAL OF DISPUTES**  
**NHAI-HQ, G-5&6, SECTOR-10,**  
**JWARKA, NEW DELHI-110075**

**To:**

- i. All Arbitrators of SAROD
- ii. DG, NHBF (for information)
- iii. All Members of SAROD

**Rules for Release of Fee of Arbitrators**

The Fees payable to the Arbitrator shall be disbursed stage/phase wise to the Arbitral Tribunal in the following manner:

Sl. No.	Stage of the Case	Fee payable
1	Upon completion of pleadings.	20% of the total fees payable.
2	Upon completion of Claimant's evidence and completion of Claimant's arguments.	20% of the total fees payable.
3	Upon completion of Respondent's evidence and completion of respondent's arguments and rejoinder arguments if any.	20% of the total fees payable.
4	After passing of Award.	40% of the total fees payable.

Note:

1. It is clarified that the each slab in the above table shall apply only upon conclusion of the relevant stage and in case a particular stage in not concluded, the previous slab shall apply.
2. Duly filled-in Invoice for "Arbitration Fees & other Expenses" in the format provided by the SAROD Secretariat will be submitted to Claim the fees after completion of every stage/phase.
3. 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 1/3<sup>rd</sup> of the total fees if such settlement is arrived.
4. A Substitute Arbitrator, in case appointed shall be entitled to the same fee as payable to the rest of the Members of the Arbitral Tribunal.



'Annexure-B'

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

Sl. No.	Particular	Fees
1.	Travelling Expenses	Economy Class (by Air), First Class AC (by Train) and AC Car (by Road @ ₹ 13/- Km) (on actual bills)
2.	Lodging and Boarding	₹ 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.	Local Travel	₹ 2,000/- per day (on actual bills)
4.	Extra Charges for days other than meeting days (Maximum for 2*1/2 days)	₹ 5,000/- per ½ day for outstation Arbitrator

Note:

1. The Arbitrators shall provide the actual bills in original for reimbursement of Travelling, Lodging and Boarding & Local Travel with SAROD Secretariat. If not, TDS as per provisions of I.T. Act, 1961 shall be deducted from the entire bill amount.
2. Lodging, Boarding and Traveling expenses shall be allowed only for the arbitrator who is residing 100 Kms away from the venue of the meeting.
3. Delhi, Mumbai, Chennai, Kolkata, Bangalore and Hyderabad shall be considered as Metro Cities.

