



## Vivad se Vishwas - II

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### Why in News?

Recently, the Ministry of Finance launched the scheme, “**Vivad se Vishwas II**” 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.

### What is the Vivad Se Vishwas-II Scheme?

#### ▪ About:

- It is a **voluntary settlement scheme** to resolve long-standing contractual disputes involving government agencies.
- It is designed **specifically for disputes where the Arbitral Award** is under challenge in a court.
  - Arbitral Award is an award that brings **finality to the arbitral proceeding**.
- Under the scheme, standardised terms will be introduced, and **graded settlement options will be provided** based on the level of pendency of the dispute.

#### ▪ Objectives:

- The Scheme aims to provide a platform **for resolving contractual disputes** efficiently and promptly, promoting ease of doing business with the government and encouraging fresh investments in the country.

#### ▪ Implementation:

- It will be implemented through an online functionality on the [Government e-Marketplace \(GeM\) portal](#).

#### ▪ Coverage:

- The scheme will cover all disputes with Central government agencies, including autonomous bodies, public sector banks and financial institutions, central public sector firms, union territories, and the National Capital Territory of Delhi, along with their respective agencies.
- However, organizations such as metro corporations, where the **Centre holds a 50% stake**, can choose to opt out of the scheme at their discretion, provided they secure board approvals.

#### ▪ Settlement Amount:

- For cases involving Court awards, the settlement amount offered to the **contractor will be up to 85% of the net amount awarded** or upheld by the court, while the same threshold will be “up to” **65% of the net amount in case of arbitral awards**.

**Note:** Earlier, the Ministry of Finance launched the scheme, “**Vivad se Vishwas I - Relief to MSMEs**” for providing relief to [Micro, Small and Medium Enterprises \(MSMEs\)](#) for [Covid-19](#) period.

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