

ARBITRATION CLAUSE

1.00	ARBITRATION	All disputes or differences arising out of or in connection with the Contract shall be settled by bilateral discussions. Any dispute, disagreement or question arising out of or relating to the Contract or relating to construction or performance, which cannot be settled amicably, may be resolved through arbitration. The standard clause of arbitration will be applicable, depending on the type of Seller, as given below.
1.01	ARBITRATION - FOR INDIAN SUPPLIERS (OTHER THAN PUBLIC ENTERPRISES/ GOVT. DEPARTMENTS)	<p>(a) All the disputes and differences arising out of or in any way touching or concerning this agreement (except those for which specific provision has been made therein) shall be referred to Sole Arbitrator to be appointed by CMD/YIL. The Arbitrator so appointed shall be a Government servant who had not dealt with the matters to which this agreement relates and in course of his duties had not expressed views on all or any of the matter in disputes or differences for the time being or a Govt. Servant appointed by him the appointee shall not be Govt. Servant who had dealt with the matters to which this agreement relates and that in the course of his duties as Govt. Servant he had not expressed views on all or any of the matter in dispute or difference. The Award of the Sole Arbitrator shall be final and binding on the parties.</p> <p>(b) The Arbitration shall be as per Arbitration Act 1996 or any statutory modification thereof.</p> <p>(c) The venue of Arbitration shall be NAGPUR (MAHARASHTRA), INDIA</p>
1.02	ARBITRATION - FOR PUBLIC ENTERPRISES/ GOVT. DEPARTMENTS	In the event of any dispute or difference relating to the interpretation and application of the provisions of this contract, such dispute or difference shall be referred by either party for Arbitration to the Permanent Arbitration Machinery set up in the Department of Public Enterprises i.e. to the sole Arbitrator in the Department of Public Enterprises to be nominated by the Secretary to the Govt. of India in-charge of the Department of Public Enterprises. The Arbitration and Conciliation Act, 1996 shall not be applicable to arbitration under this clause. The award of the Arbitrator shall be binding upon the parties to the disputes to the disputes, provided however, any party aggrieved by such award may make a further reference for setting aside or revision of the award to the Law Secretary, Department of Legal Affairs, Ministry of Law and Justice, Government of India. Upon such reference the dispute shall be decided by the Law Secretary or the Special Secretary/ Additional Secretary, when so authorized by the Law Secretary, whose decision shall bind the Parties finally and conclusively. The Parties to the dispute will

		share equally the cost of arbitration as intimated by the Arbitrator. (Ref- Min. of HI & PE OM No. 1(24)/ 2005-DPE (PMA) dt. 22/01/2004)
1.03	ARBITRATION - FOR FOREIGN SUPPLIERS	ARBITRATION (for FOB Suppliers):- All disputes of differences arising out of or in connection with the present Contract, including the cases connected with the validity of the present Contract or any part thereof, shall be settled by bilateral discussions.
1.04		Any dispute, disagreement or any question arising out of or relating to the Contract or relating to the construction or performances (except as to any matters the decision or determination whereof is provided for by these conditions) which cannot be settled amicably shall within 60 days or such longer period as may be mutually agreed upon from the date on which either party informs the other in writing by a notice that such dispute, disagreement or question still exists will be referred to the Arbitration Tribunal consisting of three Arbitrators.
1.05		Within 60 (Sixty) days of the receipt of the notice, one Arbitrator shall be nominated in writing by the SELLER and one Arbitrator shall be nominated in writing by the BUYER.
1.06		The third Arbitrator, who shall not be citizen or domicile of the country of either of the parties or of any other country unacceptable to any of the parties, shall be nominated by mutual consent of the parties within 90 (Ninety) days of the receipt of the notice mentioned above failing which the third Arbitrator may be nominated by the President of the International Chamber of Commerce at the request of either party but the said nomination would be after consultation with both the parties and shall preclude any citizen or domicile of any country as mentioned above from being so nominated. The Arbitrator nominated under this clause 4 shall not be regarded nor would act as Umpire.
1.07		The Arbitration Tribunal shall have its seat in New Delhi or such other place in India as may be mutually agreed to between the parties.
1.08		The Arbitration proceedings shall be conducted in India in English language under the Indian Arbitration and Conciliation Act, 1996 and the award of such Arbitration Tribunal shall be enforceable in Indian Courts only.
1.09		The decision of the majority of the Arbitrators shall be final and binding on the parties to this contract.
1.10		Each party shall bear its own cost of preparing and presenting it's case. The cost of Arbitration including the fees and expenses of the third Arbitrator shall be shared equally by the SELLER and the BUYER.

1.11		In the event of a vacancy caused in the office of any of the Arbitrators, the party which nominated such Arbitrator, shall be entitled to nominate another in his place and the Arbitration proceedings shall continue from the stage they were left by the retiring Arbitrator.
1.12		In the event of one of the parties failing to nominate it's Arbitrator within 60 (Sixty) days as above or if any of the parties does not nominate another Arbitrator within 60 (Sixty) days of the place of Arbitrator falling vacant, then the other party shall be entitled after due notice of at least 30 (Thirty) days to request the President of the International Chamber of Commerce to nominate another Arbitrator as above.
1.13		If the office of the third Arbitrator falls vacant, his substitute shall be nominated according to the provisions herein above stipulated.
1.14		The parties shall continue to perform their respective obligations under this contract during the pendency of the Arbitration Proceedings except in so far as such obligations are the subject matter of the said Arbitration Proceedings.