

ARBITRATION TERMS

In the event of any dispute and / or difference arising between the Bidder/purchaser/Buyer and / or their Agent as to the construction, interpretation and / or execution of the contract and / or the respective rights and liabilities of the parties, such disputes and / or differences shall be referred to the Arbitration. The procedures to be followed for such Arbitration is as follows:-

(a) If the Bidder is a PSE :- In the event of such dispute or difference, the same shall be referred by either party to the Arbitration of one of the Arbitrators in the Department of Public Enterprises. The Arbitration and Conciliation Act 1996 shall not be applicable to the Arbitration to this clause. The award of the Arbitrator shall be binding on the parties to the dispute 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, Govt. 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 decisions shall bind the parties finally conclusively. The parties in the dispute will share equally the cost of Arbitration as intimated by the Arbitrator. The procedure to be adopted in the case of arbitration shall be in accordance with the Circulars/Guidelines as may be issued by the GoI from time to time.

(b) If the Bidder is Private Contractor [Other domestic Contractors]: - The parties agree to use reasonable efforts to resolve all disputes equitably and in good faith. If any dispute between the parties arises it shall in the first instance be referred in writing to the (NLC) Corporation who shall endeavor to resolve the dispute amicably and render a decision within 30 days. The period of 30 days shall be reckoned from the date of receipt of the intimation of the dispute by the Corporation. Save as herein under provided, in respect of a dispute so referred, the decision of the Corporation shall be final and binding upon the parties until completion of the contract and shall forthwith be given effect to by both parties. If either party is dissatisfied with the decision rendered by the Corporation or if the Corporation omits or declines to render a decision within the stipulated period of thirty days, then within a further period of thirty days the dissatisfied party may require by a notification that the dispute shall be referred to Arbitration in the manner herein after provided. Such a notification shall be in writing and it shall be duly served on the other party. Failure to invoke the Arbitration within the time stipulated shall debar the party from seeking reference to Arbitration. Except as otherwise provided in this clause, any dispute arising out of or relating to this contract or the breach, termination or the validity thereof, shall be finally settled by Arbitration in accordance with the Arbitration and Conciliation Act 1996. The Arbitration shall be held at Neyveli/Chennai, Tamil Nadu. The Arbitration proceedings shall be conducted and the award shall be rendered in English. The award shall state the reason upon which it is based. There shall be three arbitrators of whom each party shall appoint one. The party requesting that the dispute be referred to arbitration shall, within thirty days of the notification in terms of provision as stated above, appoint an Arbitrator as also call upon the other party to appoint an Arbitrator within 30 days. The two Arbitrators so appointed shall within 30 days of the date on which the second of them is appointed agree on the third Arbitrator who shall act as the Presiding Arbitrator of the Tribunal. This agreement and the rights and obligations of the parties, shall remain in full force and effect and shall, if reasonably possible, continue till the passing of the Award. For the purpose of this clause, the terms Dispute shall include a demand or difference of any kind whatsoever, arising out of the contract and respecting the performance, of the contract, whether during the Contract Period including extensions if any, or after completion, and whether before or after Termination, Abandonment or Breach of the Contract [Except as to any matter, the decision of which is specifically otherwise provided for in Contract].
