CONCILIATION AND ARBITRATION

Before resorting to arbitration as per the clause given below, the parties if they so agree may explore the possibility of conciliation as per the provisions of part-II of the Arbitration and Conciliation Act. 1996. When such conciliation has failed. The parties shall adopt the following procedure for arbitration:

1. Except where otherwise provided for in the contract, any disputes and differences relating to the meaning of the specifications, designs, drawings and instructions herein before mentioned and as to quality of workmanship or materials used or as to any other question, claim, right, matter or thing whatsoever in any arising out of or relating to the contract, designs, drawings, specifications, estimates, instructions or these conditions or otherwise concerning the works or the executions or failure to execute the same whether arising during the progress of the work or after the completion or abandonment thereof shall be referred to the Sole Arbitration of the Chairman and Managing Director (CMD) of Engineering Projects (India) Limited(EPI), or any other person discharging the functions of CMD of EPI and if CMD or such person discharging the functions of CMD of EPI is unable to act, to the Sole Arbitration of some other person appointed by the CMD of EPI or such other person discharging the functions of CMD of EPI. There will be no objection if the arbitrator so appointed is an employer of Engineering Projects (India) Limited. However, such an employee shall not have directly dealt with the said contract or the works there under on behalf of EPI. Such Arbitration shall be appointed within 30 days of the receipt of letter of invocation of arbitration duly satisfying the requirements of this clause.

2. If the arbitrator so appointed resigns his appointment is unable or unwilling to act due to any reason whatsoever, or dies, the Chairman & Managing Director aforesaid or in his absence the person discharging the duties of the CMD of EPI may appoint a new arbitrator in accordance with these terms and conditions of the contract, to act in his place and the new arbitrator so appointed may proceed from the stage at which it was left by his predecessor.

3. It is a term of the contract that the party invoking the arbitration shall specify the dispute/differences are questions to be referred to the arbitrator under this clause together with the amounts claimed in respect of each dispute.

4. The arbitrator may proceed with the arbitration ex-parte if either party in spite of a notice from the arbitrator ends to take part in the proceeding.

5. The work under the contract shall continue, if required, during the arbitration proceedings.
6. The Arbitrator shall make speaking Award and give reasons for his decision in respect
of each dispute/claim alongwith the sums awarded separately on each individual item of
dispute or difference or claim. The Arbitrator shall make separate award on each
reference made to him.

7. The award of the arbitrator shall be final, conclusive and binding on both the parties.

8. Subject to the aforesaid, the provisions of the Arbitration and Conciliation Act, 1996 or
any statuary modifications or re-enactment thereof and the Rules made there under and
for the time being in force shall apply to the arbitration proceedings and Arbitrator shall
publish his Award accordingly.

Note: Notwithstanding anything contained here in above, this clause shall not be
applicable where the dispute is between EPI and another Public Sector Enterprise or
Govt. Department for which a separate Arbitration Clause is provide vide Clause No. A
given below: -

A. ARBITRATION BETWEEN PUBLIC SECTER ENTERPRISES
INTERSE/GOVERNMENT DEPARTMENTS.

1. In the event of any dispute or difference relating to the Interpretation and application of
the provisions of the contract, such dispute or difference shall be referred by either party
to the arbitration as per the Instruction (Office Memorandums/Circulars) issued by Govt.
of India from time to time with regard to arbitration between one Govt. Deptt and
another, one Govt. Deptt and a Public Sector Enterprise and Public Sector Enterprises
interse.

2. Subject to any amendment that may be carried out by the Government of India from
time to time, the procedure to be followed in arbitration shall be as is contained in D.O.
No. DPE/4(10)/2001-PMA-GLI dated 22/01/2004 of Department of Public Enterprises.
Ministry of Heavy Industries and Public Enterprises or any modification issued in this
regard.