

# Amendment of IRS Condition of Contract: Para 2900 (Modified Arbitration Clause)

## ANNEXURE

### Changes in Indian Railways Standard Conditions of Contract (Supply contract), 1997 - (Clause 2900)

Clause No.	Existing Clause	Revised Clause No.	Revised Clause
2900 (a)	<p>In the event of any question, dispute or difference arising under these conditions or any special conditions of contract, or in connection with this contract (except as to any matters the decision of which is specially provided for by these or the special conditions) the same shall be referred to the sole arbitration of a Gazetted Railway Officer appointed to be the arbitrator, by the General Manager in the case of contracts entered into by the Zonal Railways and Production Units; by any Member of the Railway Board, in the case of contracts entered into by the Railway Board and by the Head of the Organisation in respect of contracts entered into by the other Organisations under the Ministry of Railways.</p> <p>The Gazetted Railway Officer to be appointed as arbitrator however will not be one of those who had an opportunity to deal with the matters to which the contract relates or who in the course of their duties as railway servant have expressed views on all or any of the matters under dispute or difference. The award of the arbitrator shall be final and binding on the parties to this</p>	2900 (a) (i)	<p>In the event of any question, dispute or difference arising under these conditions or any special conditions of contract, or in connection with this contract [except as to any matters the decision of which is specially provided for by these or the special conditions, i.e., <del>excepted</del> matters (non-arbitrable)] the same shall be referred to the sole arbitration of an Arbitrator in terms of the Arbitration and Conciliation Act, 1996 as amended by Arbitration and Conciliation (Amendment) Act, 2015.. Arbitrator shall be a person possessing qualifications laid down in para 2900 (a) (ii) and shall be appointed by the General Manager in the case of contracts entered into by the Zonal Railways and Production Units; by any Member of the Railway Board/Director General (Railway Stores), in the case of contracts entered into by the Railway Board and by the Head of the Organisation in respect of contracts entered into by the other Organisations under the Ministry of Railways.</p>
		2900 (a) (ii)	<p><b>Qualification for appointment as Sole Arbitrator:</b></p> <p>(a) Retired Railway officer not below SAG level 3 years after his date of retirement.</p> <p>(b) Age of Arbitrator at the time of appointment shall not exceed 70 years.</p>

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	contract.	2900 (a) (iii)	An Arbitrator may be appointed notwithstanding the total no. of arbitration cases in which he has been appointed in the past. Retired Railway officer being appointed as arbitrator, however, will not be one of those who had an opportunity to deal with the matters to which the contract relates or who in the course of their duties as railway servant have expressed views on all or any of the matters under dispute or difference.
		2900 (a) (iv)	The award of the arbitrator shall be final and binding on the parties to this contract.
2900 (b)	In the event of the arbitrator dying, neglecting or refusing to act or resigning or being unable to act for any reason, or his award being set aside by the court for any reason, it shall be lawful for the authority appointing the arbitrator to appoint another arbitrator in place of the outgoing arbitrator in the manner aforesaid.	2900 (b) (no change)	In the event of the arbitrator dying, neglecting or refusing to act or resigning or being unable to act for any reason, or his award being set aside by the court for any reason, it shall be lawful for the authority appointing the arbitrator to appoint another arbitrator in place of the outgoing arbitrator in the manner aforesaid.
2900 (c)	It is further a term of this contract that no person other than the person appointed by the authority as aforesaid should act as arbitrator and that if for any reason that is not possible, the matter is not to be referred to 'arbitration at all.	2900 (c) (no change)	It is further a term of this contract that no person other than the person appointed by the authority as aforesaid should act as arbitrator and that if for any reason that is not possible, the matter is not to be referred to 'arbitration at all.
2900 (d)	The arbitrator may from time-to-time with the consent of all the parties to the contract enlarge the time for making the award.		Deleted
2900 (e)	Upon every and any such reference, the assessment of the cost incidental to the reference and award respectively shall be in the	2900 (e) (i)	The cost of arbitration shall be borne by the concerned parties in terms of section 31 (A) of Arbitration and Conciliation Act, 1996 as amended by Arbitration and

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	discretion of the arbitrator.		Conciliation (Amendment) Act, 2015. The cost shall <i>inter-alia</i> include fee of the Arbitrator, as per the rates fixed by Railway Board from time to time. Further, the fee payable to the Arbitrator would be governed by instructions issued on the subject by Railway Board from time to time irrespective of the fact whether the Arbitrator is appointed by the Railway administration under this clause or by any court of law unless specifically directed by Hon'ble court otherwise on the matter.
		2900 (e) (ii)	Arbitrator shall be entitled to 50 percent extra fee, if award is made within 6 months in terms of provisions contained in section 29(A) (2) of the Arbitration and Conciliation Act, 1996 as amended by Arbitration and Conciliation (Amendment) Act, 2015.  Besides above, Arbitrator shall also be entitled for this extra fee, in cases, where Fast Track Procedure in terms of section 29 (B) of the Arbitration and Conciliation Act, 1996 as amended by Arbitration and Conciliation (Amendment) Act, 2015, is followed.
2900 (f)	Subject as aforesaid, the Arbitration Act, 1996 and the rules there under and any statutory modifications thereof for the time being in force shall be deemed to apply to the arbitration proceedings under this clause.	2900 (f)	Subject as aforesaid, the Arbitration and Conciliation Act, 1996 as amended by Arbitration and Conciliation (Amendment) Act, 2015 and the rules there under and any statutory modifications thereof for the time being in force shall be deemed to apply to the arbitration proceedings under this clause.
2900 (g)	The venue of arbitration shall be the place from which the acceptance note is issued or such other place as the arbitrator at his discretion may determine.	2900 (g)	The venue of arbitration shall be the place from which the acceptance note is issued or such other place as the arbitrator at his discretion may determine in terms of section 20 of the Arbitration and Conciliation Act, 1996

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			as amended by Arbitration and Conciliation (Amendment) Act, 2015.
2900 (h)	In this clause the authority, to appoint the arbitrator includes, if there be no such authority, the officer who is for the time being discharging the functions of that authority, whether in addition to other functions or otherwise.	2900 (h) (no change)	In this clause the authority, to appoint the arbitrator includes, if there be no such authority, the officer who is for the time being discharging the functions of that authority, whether in addition to other functions or otherwise.
		2900 (i) (new clause added)	It is further a term of this contract that where the arbitral award is for the payment of money, no interest shall be payable on whole or any part of the money for any period till the date on which the award is made in terms of Section 31 (7) (a) of the Arbitration and Conciliation Act, 1996 as amended by Arbitration and Conciliation (Amendment) Act, 2015.

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