

ENGINEERS INDIA LIMITED CONCILIATION RULES, 2012
Rules for Speedier, Cost-effective, Out-of-Court, Out-of-Arbitration
Amicable Dispute Settlement through Conciliation

Whereas Part-III of the Indian Arbitration and Conciliation Act, 1996 makes elaborate provisions for Alternate Dispute Resolution through Conciliation, which is emerging as an effective Dispute Resolution Mechanism for Public Sector Units in India.

Whereas Engineers India Limited desires to approach Conciliation as a Dispute Resolution Mechanism and hereby frames the present Rules in conformity with/supplementary to Part - III of the Indian Arbitration and Conciliation Act, 1996 for speedier, cost-effective and amicable settlement of disputes through Conciliation.

RULE 1: SHORT TITLE

These Rules shall be called the Engineers India Limited Conciliation Rules, 2012.

RULE 2: DEFINITIONS

- (a). **"EIL"** shall mean Engineers India Limited, having its registered office at 1, Bhikaji Cama Place, R.K.Puram, New Delhi - 110066.
- (b). **"Panel of Conciliators"** shall mean the list of eligible persons maintained by EIL's Legal (Commercial) and approved by the Chairman & Managing Director of EIL to act as Conciliators in Conciliation proceedings under these Rules.

Proposals initiated by Legal (Commercial) for empanelment of such Conciliators shall be approved by Director (Commercial) and Director (Finance) before the same is approved by Chairman & Managing Director of EIL.

- (c). **"Party"** means a Party to a defined legal relationship, whether contractual or otherwise or a Party to a Conciliation proceeding under these Rules.

- (d). **"Rules"** shall mean the Engineers India Limited Conciliation Rules, 2012.
- (e). **"Outside Experts Committee"** shall mean the Committee of Conciliators appointed under Rule 5 (g) of these Rules.
- (f). **"Working Day"** shall mean any of the Five days from Monday to Friday, excluding holidays declared by Engineers India Ltd.

RULE 3: APPLICATION OF RULES

- (a). The Engineers India Limited Conciliation Rules, 2012 shall apply to any dispute, arising out of or relating to a contractual or defined legal relationship in the form of a contract or otherwise, involving Engineers India Limited as a Party where the parties seeking an amicable settlement of their disputes have agreed that Engineers India Limited Conciliation Rules, 2012 apply.
- (b). The scope of Conciliation under these Rules shall encompass both domestic and international disputes of a private law nature, whenever a settlement is possible.
- (c). Pendency of Arbitral or Judicial proceedings shall not constitute any bar on commencement of Conciliation proceedings under these Rules, even if the proceedings under these Rules are on the same subject matter/issue as the Arbitral or Judicial proceedings. However, in such case, the parties shall put such arbitral/judicial proceedings on hold to facilitate the Conciliation Proceedings.
- (d). These Rules shall not, however, apply to dispute(s) which, by virtue of any law for the time being in force in India, may not be submitted to Conciliation.
- (e). These Rules shall be subordinate to and supplementary to Part-III of the Indian Arbitration and Conciliation Act, 1996 and the latter would prevail over the former to the extent of inconsistency, if any.

- (f). These Rules are broad standard Conciliation Procedures for a flexible, systematic, expedient and amicable settlement of disputes and Parties may mutually agree to make appropriate adjustments and such mutually agreed departures/deviations from any of these Rules shall not in any circumstance render a Conciliation Proceeding or any Settlement Agreement reached pursuant thereto void Ab-Initio.
- (g). Subject to subsequent Agreement between/amongst the Parties, Conciliation under these Rules may be invoked, even if Conciliation is not the prescribed Dispute Settlement Mechanism or these Rules are not the prescribed Conciliation Rules under the relevant Contract/Agreement or any form of defined legal relationship.
- (h). Raising of any issue or point of dispute by any Party - factual or otherwise - in writing or otherwise in any earlier communication (electronic or otherwise) between or amongst the Parties (without resolution) shall not be considered 'Conciliation' or part thereof under these Rules, unless such Conciliation proceedings are formally invoked under these Rules.

RULE 4: PANEL OF CONCILIATORS

- (a). Legal (Commercial) shall, for the purpose of appointing the Conciliator between the Parties, shall prepare and maintain a Panel of Conciliators, consisting of persons of unquestionable integrity and good public standing within sixty days of coming into force of these Rules in accordance with clause 2 (b) above.
- (b). Conciliators in the Panel of Conciliators, maintained by EIL, shall be Independent persons, who are neither employees nor Consultants/ Advisors of Engineers India Limited. However, the ex-employees of EIL are in no manner precluded from being included in such panel, provided they do not draw any benefits from Engineers India Limited during the span of such proposed inclusion in the panel.
- (c). The consent of the persons whose names are included in the panel shall be obtained before empanelling them.

- (d). The panel shall contain an Annexure, giving details of the qualifications of the conciliators and their professional or technical experience in different fields.
- (e). The panel of Conciliators appointed under Clause (a) shall normally be for a period of three years from the date of appointment and further extension of the panel of Conciliators shall be at the discretion of the Chairman & Managing Director of Engineers India Limited.
- (f). The following persons shall be eligible for consideration for empanelment in EIL's Panel of Conciliators:
- i. Retired Secretary/Additional Secretary of Govt. of India or any equivalent post thereof.
 - ii. Retired Chairman-cum-Managing Director/Functional Directors of any Central Public Sector Enterprise in India.
 - iii. Retired Independent Directors who have served on the Board of any Central Public Services Enterprise.
 - iv. Independent Experts registered with the Indian Council of Arbitration.
 - v. Retired officials of not less than the rank of Executive Director of any Central Public Sector Enterprise.
- (g). Any person in the Panel of Conciliators maintained by EIL shall not be entitled to any monetary benefit or remuneration/fees or other facility(ies) only by virtue of his/her name being in such a Panel, except when he/she is actually appointed as a Conciliator for specific Conciliation proceedings under these Rules vis-a-vis any specific issue(s) or Dispute(s) referred for Conciliation.
- (h). The Chairman & Managing Director of EIL is empowered to approve, add or delete any name from the list of panel of Conciliators.
- (i). Removal of a person from EIL's Panel of Conciliators shall not have the automatic effect of removal/withdrawal of the said person from an existing Outside Experts Committee in relation to specific Dispute(s) referred for Conciliation, unless the Parties thereto agree on such removal/ withdrawal.

(j). Disqualifications of persons appointed as Conciliators

The following persons shall be deemed to be disqualified for being empanelled as Conciliators:

- i. Any person who has been adjudged as insolvent or persons
 1. against whom criminal charges involving moral turpitude are framed by a criminal court and are pending; or
 2. who have been convicted by a criminal court for any offence involving moral turpitude.
- ii. Any person against whom disciplinary proceedings have been initiated by the appropriate disciplinary authority which are pending or have resulted in a punishment.
- iii. Any person who is interested or connected with the subject-matter of dispute(s) or is related to any one of the Parties or to those who represent them, unless such objection is waived by all the parties in writing. A Member of Outside Experts Committee before entering into a reference for conciliation shall give an undertaking in the manner prescribed in **Schedule - A**.
- iv. Any legal practitioner who has or is appearing for any of the Parties in any suit or in other proceedings(s).

RULE 5: CONCILIATORS - NUMBER & APPOINTMENT

- (a). There shall be one Conciliator in cases where claim value does not exceed Rs. 2 Crores. However, in case the amount involved is more than Rs. 2 Crores, the same will be settled by a panel of three Conciliators one each from Technical, Finance/Commercial and Legal fields. All such Conciliators will be outside experts appointed by Chairman & Managing Director of EIL from the panel of Conciliators being maintained by EIL.

- (b). The Conciliator(s), as and when appointed by the Parties for a specific Conciliation proceeding, shall constitute and function by the name and style of "Outside Experts Committee" in regard to the dispute(s) referred for Conciliation and shall conduct Conciliation proceedings under these Rules.
- (c). If a Conciliator withdraws himself or herself or is removed by the Parties from a Conciliation Proceeding on the ground of continued absence for at least three scheduled meetings/hearings or is otherwise unavailable for the Conciliation proceeding for no justifiable reason(s), the Parties may appoint another Conciliator in the same manner contemplated herein.

RULE 6: INITIATION OF CONCILIATION

- (a). EIL or any Party to a defined legal relationship with EIL - Contractual or otherwise, wishing to settle any issue with the other Party(ies), shall serve the other Party(ies) with a Written Notice/Invitation for initiation of Conciliation Proceedings under these Rules, preferably after exhausting the normal official avenues of communication for resolving the issue proposed to be referred to conciliation.
- (b) In case EIL desires to initiate the Conciliation Proceedings, the concerned group executing the project, shall first obtain the consent of the other Party.

Thereafter the case shall be moved by the aforesaid project group for approval of Director (Projects), Director (Commercial), Director (Finance) and Chairman & Managing Director for referral to conciliation by constitution of expert committee called 'Outside Experts Committee'.

- (c). A Written Notice/Invitation for initiation of Conciliation proceedings shall, inter alia; contain the following details:
 - i. Issue(s) in dispute - Factual or Otherwise
 - ii. Identity of the Party (ies) - Name, Official Address, Contact E-Mail Address, Telephone Number(s), Official Representative etc.
 - iii. Consent of the Party serving Notice of Conciliation under these Rules
 - iv. Any other term and condition for conciliation, consistent with the Indian Arbitration and Conciliation Act, 1996

- (d). The Party(ies), receiving Written Notice(s)/Invitation(s) for Conciliation under Sub-Rule (a) shall, within 30 days of receipt of Written Notice/Invitation for Conciliation, intimate its/their consent for Conciliation Proceedings under these Rules and the Chairman and Managing Director of EIL shall appoint the Conciliator from the panel of Conciliators being maintained by EIL.
- (e). If no Reply(ies) under Sub Rule (c) is/are received from the other Party(ies), on whom Written Notice(s)/Invitation(s) for Conciliation under Sub-Rule (a) has/have been served, within 30 days of Invitation or within such period prescribed in the Written Notice/Invitation for Conciliation, whichever is longer, the Invitation for Conciliation may be treated as 'Rejected'.
- (f). Conciliation proceedings under these Rules shall be deemed to commence on the day the Party, receiving Invitation for Conciliation, intimates in writing its acceptance of such an invitation. For Conciliation proceedings with more than two Parties, such proceedings shall be deemed to commence on the day the last intimation of acceptance of Invitation for Conciliation is received from a Party.
- (g). If the Parties fail to agree on appointment of Conciliator(s) and constitution of Outside Experts Committee within 90 days of receipt of Reply(ies) from the other Party(ies) under Sub-Rule (e) or such extended time-period, as agreed between/amongst the Parties, whichever is longer, the efforts at dispute settlement through Conciliation shall be treated as 'failed'.

RULE 7 - CONCILIATION PROCEEDINGS

- (a). The Outside Experts Committee, within 7 working days of its constitution, may request the Parties to file a brief Written Statement, describing the general nature of the dispute(s) and points at dispute. Any other document may also be filed, if a Party so desires.

- (b). The Outside Experts Committee may also request the Parties to submit further Written Statements of the concerned Parties' position and facts and grounds in support thereof, supplemented by any document(s) and other evidence that such a Party deems appropriate. The Parties may also be asked to furnish copies of relevant earlier communications exchanged amongst themselves, if any, on the issue of dispute.
- (c). It shall be open to the Parties to make any proposal for amicable settlement of dispute and the Outside Experts Committee shall hear the other party on the said proposal.
- (d). The Outside Experts Committee shall make best endeavour to settle the dispute(s) through proposals of the Parties only, before making any Proposal(s) itself first. Nevertheless, as and when it is deemed extremely important or on joint request of the Parties, the Outside Experts Committee at any point of time during the Conciliation proceeding make any proposal - oral or otherwise.
- (e). The first meeting of the Parties shall be called by the Outside Experts Committee, after consulting the Parties involved, at a convenient date and time, within 10 working days of receipt of documents mentioned in the preceding Sub-Rule (a).
- (f). During the first meeting, a tentative time-frame and broad work-Schedule of the Conciliation proceedings may be finalized after due consultation with and consent of the Parties.
- (g). The Outside Experts Committee shall be free to communicate in whatever manner it deems fit with any Party to furnish any kind of information or document(s) relevant for the purpose of the Conciliation proceeding.
- (h). The Outside Experts Committee shall, as much as possible, proceed with the Conciliation proceeding on issue-by-issue basis, but after proper identification of relevant issues with the consent of the Parties.

- (i). The Outside Experts Committee, with the consent of the Parties, may also call for material witness(es) to assist the Committee in reaching an amicable solution of the dispute(s) referred.
- (j). Each Party shall send a copy of its brief Statement and every other document(s) filed before the Outside Experts Committee to the other Party(ies).
- (k). The Outside Experts Committee shall encourage the Parties to meet and discuss amongst themselves for an amicable settlement of the dispute(s) referred.
- (l). The Outside Experts Committee may also provide opportunities for oral hearing and make suggestions - oral or in writing - at any appropriate stage of the Conciliation proceeding, as contemplated by Section 67 of the Indian Arbitration and Conciliation Act, 1996.

RULE 8: REPRESENTATION, VENUE & OTHER BROAD PRINCIPLES

- (a). Advocates shall not be allowed to participate in Conciliation Proceedings under these Rules and Parties shall plead their own cases.
- (b). Parties shall, however, be free to be represented by their duly authorized officers/ in-house Law Officers to argue their own cases.
- (d). Conciliation Proceedings under these Rules shall be held in the office of Engineers India Limited at 1, Bhikaji Cama Place, R.K.Puram, New Delhi - 110066.
- (g). Equal Opportunity shall be given to the Parties to express their views before the Outside Experts Committee and the said Committee shall make utmost effort to ensure that the Conciliation proceedings are conducted in a friendly and conducive manner.
- (h). Representation of the Parties may be oral or in writing and unless otherwise decided by the Parties, Minutes of the Meetings/Hearings may be recorded

briefly in broad general terms, without, however, recording adversarial submissions/developments, if any. Copies of such minutes of meetings, if recorded in writing, shall be sent to the Parties within 3 working days of each such Meeting/Hearing.

- (i). Best efforts shall be made to ensure that Conciliation proceedings are conducted in a time-bound manner, without, however, diluting procedural flexibility of such proceedings.

RULE 9: ROLE OF THE OUTSIDE EXPERTS COMMITTEE

- (a). The Outside Experts Committee shall attempt to facilitate voluntary resolution of the dispute(s) by the Parties, and communicate the view of each party to the other(s), assist them in identifying issues, reducing misunderstandings, clarifying priorities, exploring areas of compromise and generating options in an attempt to solve the dispute(s), emphasizing that it is the responsibility of the Parties to take a final decision; he/she/they shall not impose any terms of settlement on the Parties.
- (b). The Outside Experts Committee shall be guided by the principles of objectivity, fairness and justice and shall assist the Parties in an independent, impartial and dignified manner to reach amicable settlement of dispute(s).
- (c). The Outside Experts Committee shall conduct conciliation proceedings in conformity with Part – III of the Indian Arbitration and Conciliation Act, 1996 and these Rules to the optimum extent possible, but shall be flexible with appropriate adjustments, whenever required or whenever the Parties make joint request.
- (d). The broad approach of the Outside Experts Committee shall be speedy, efficient and amicable settlement of disputes, without, however, diluting objectivity of approach, principles of Natural Justice and established principles of law.

- (e). The Outside Experts Committee shall act more as facilitators, rather than as Judges/Umpires/Arbitrators and shall not impose any view on any of the Parties involved.

RULE 10: TIME FRAME

- (a). The total number of hearings/meetings of the Outside Experts Committee as Conciliators in a Conciliation proceeding shall be not more than 5, but the same may be extended in consultation with and with the mutual consent of the Parties.
- (b). The Outside Experts Committee as Conciliator(s) shall attempt to dispose of the entire Conciliation proceeding within a time-frame of four months, but the same may be extended in consultation and with the consent of the Parties, but not beyond the sixth month.
- (c). Notwithstanding the above, a Settlement Agreement signed after the 6 Months period stipulated above shall not become void or unenforceable only because of such an Agreement having been signed after the stipulated Six Months period.

RULE 11: REMUNERATION & COST

- (a). For each hearing/meeting, a Conciliator shall be paid a sum of Rs.10,000/-. For Secretarial Services, a lump sum amount of Rs. 10,000/- (Rupees Ten Thousand Only) shall be paid by the Parties for the whole Conciliation proceeding.
- (b). Apart: from hearing/meeting fees and Secretarial Services fees, expenses incurred on Railway/Air fare, accommodation, local travel of Conciliator(s) for the purpose of the Conciliation proceeding, if any, shall also be borne by the Parties.
- (c). Subject to Sub-Rule (c), the cost of Conciliation, mentioned in Sub-Section (2) of Section 78 of Part - III of the Indian Arbitration and Conciliation Act, 1996, including Conciliators' Fees and other expenses incurred by the Outside Experts Committee relating to a Conciliation proceedings and the

Settlement Agreement, shall be equally borne by the Parties, unless the Outside Experts Committee, with the consent of the Parties, provides for a different apportionment of cost with reasons thereof.

- (d). Cost of preparing Settlement Agreement shall be fixed by the Outside Experts Committee in the Settlement Agreement, as required by Section 78 of Part - III of the Indian Arbitration and Conciliation Act, 1996.
- (e). The cost of Conciliation as determined by the Outside Experts Committee as per Part - III of the Indian Arbitration and Conciliation Act, 1996 and these Rules shall be paid by the Parties within 30 working days of signing the Settlement Agreement.
- (f). The Outside Experts Committee, in the alternative, may require the Parties to deposit the required fees and expenses in advance in the manner prescribed by Section 29 of the Indian Arbitration and Conciliation Act, 1996.

RULE 12: DISCLOSURE OF INFORMATION

When a Party to a Conciliation proceeding provides any information concerning any issue of dispute to the Outside Experts Committee, subject to a specific condition that such an information is to be treated confidential, the Outside Experts Committee shall not disclose that information to the other Party(ies).

RULE 13: CO-OPERATION OF PARTIES

- (a). The Parties shall in good faith co-operate with the Outside Experts Committee and, in particular, will endeavour to comply with any request of the Outside Experts Committee to submit written materials, provide evidence, give clarification, attend meetings/hearings etc.
- (b). Conciliation being an amicable Dispute Settlement Mechanism, the Parties shall not take adversarial roles, but instead make every possible effort to accommodate the other Party's/Parties' viewpoints, without, however, diluting the correct legal position.

- (c). The Parties shall make every possible effort to render optimum co-operation for a speedy, efficient and yet mutually acceptable & amicable resolution of disputes.
- (d). The Parties shall not in any manner make any attempt to unduly influence the Conciliation process or the Outside Experts Committee or the Conciliator(s) by way of inducement in any form or manner and shall conduct themselves with full dignity, honesty and integrity.

RULE 14: SETTLEMENT AGREEMENT

- (a). After discussing with and hearing all the Parties involved, the Conciliator(s) shall formulate the draft terms of a possible settlement and submit the same to the Parties for their consideration/observations/comments.
- (b). If any part of the draft Terms of Settlement is not acceptable to any of the Parties, further meetings/hearings shall be held for possible resolution till a final mutually acceptable Conciliation Agreement emerge.
- (c). When a consensus can be arrived at only in regard to any one or some of the issues referred for Conciliation, a Settlement Agreement may be signed in regard to the said Issue(s), which shall not be non-binding only because the Parties have failed to reach a similar Settlement in regard to the rest of the other issue(s) referred for Conciliation.
- (d). A Settlement Agreement shall contain a statement to the effect that each of the person(s) signing thereto (i) is fully authorized by the respective Party(ies) he/she represents, (ii) has fully understood the contents of the same and (iii) is signing on the same out of complete freewill and consent, without any pressure, undue influence.
- (e). When a Settlement Agreement is signed, the same shall be final and binding on the Parties and the persons claiming under/through them respectively.

- (f). The Conciliator(s) shall authenticate the Settlement Agreement and make as many original copies of the same as there are parties and every Party shall be given an Original Copy of the signed Original Agreement.

RULE 15: CONFIDENTIALITY & ADMISSIBILITY OF EVIDENCE

- (a). The Outside Experts Committee or any of the Conciliators (in case of multi Conciliator Committee) and the Parties shall keep confidential all information furnished, documents filed, evidence produced/adduced during the course of Conciliation proceedings. Confidentiality must extend to the settlement agreement, except where its disclosure is necessary for purposes of implementation and enforcement.
- (b). Confidentiality under this Rule shall extend to Proposals, Alternative Proposals, Communications exchanged between/amongst the Parties, Communications exchanged between any of the Parties and the Outside Experts Committee or any of the Conciliators (in case of multi Conciliator Committee), Minutes of Meeting/Hearings, draft Settlement Agreement(s), Expert Opinions, Evidence of Witnesses etc.
- (c). No part of any information furnished to the Outside Experts Committee, documents filed, evidence produced, communication exchanged, views expressed, suggestions/admissions made, the factum of expression of willingness to accept a proposal by any Party during the course of the Conciliation proceeding shall be used as any form of evidence in any Arbitral or Judicial proceeding.
- (d). The above provisions on Confidentiality and Admissibility of Evidence shall also extend to even Arbitral and Judicial proceedings relating to disputes; which are not the subject matters of the same Conciliation proceedings.
- (e). No Conciliator shall be held liable for anything bonafide done or omitted to be done by him/her during the conciliation proceedings for civil or criminal action nor shall he/she be summoned by any Party to any suit or proceedings to appear in a Court of law to testify in regard to information received by him/her or action taken by him/her or in respect of drafts or

records prepared by him/her or shown to him/her during the conciliation proceedings.

RULE 16: ARBITRAL OR JUDICIAL PROCEEDINGS

- (a). During the course of/pendency of Conciliation proceedings under these Rules, the Parties shall not initiate or take any step to initiate any Arbitral or Judicial proceedings in respect of a dispute, which is a subject matter of the pending conciliation proceedings.
- (b) The Parties shall be at liberty to approach the Conciliation proceedings during any stage of arbitral/judicial proceedings and to facilitate such conciliation proceedings, the parties shall, with mutual consent put on hold such arbitral/judicial proceedings.
- (b). Subject to the above Sub-Rule (a), reference of any Dispute to Conciliation under these Rules shall be without any prejudice to any of the Rights and interest of the Parties involved, more particularly the rights of the Parties to resort to other Dispute Resolution mechanisms such as Arbitration, Litigation etc.

RULE 17: APROVAL OF SETTLEMENT AGREEMENT

- (a). Once the Parties come to a consensus and the draft Settlement Agreement is prepared by the Outside Experts Committee, the draft Settlement Agreement shall be placed before the Competent Authority for consideration and approval .

RULE 18 -TERMINATION OF CONCILIATION PROCEEDINGS

- (a) The conciliation proceedings are terminated:
 - i. By the signing of the Settlement Agreement by the parties, on the date of the Agreement; or

- ii. By a written declaration of the Outside Experts Committee, after consultation with the Parties, to the effect that further efforts at Conciliation are no longer justified, on the date of the declaration; or
- iii. By a written declaration of the Parties addressed to the Outside Experts Committee to the effect that the conciliation proceedings are terminated, on the date of the declaration; or
- iv. By a written declaration of a Party to the other Party(ies) and the Outside Experts Committee, if appointed, to the effect that the conciliation proceedings are terminated, on the date of the declaration.

RULE 19: MISCELLANEOUS

- (a). None of the Conciliators shall act as a representative or counsel of a Party in any arbitral or judicial proceeding in respect of a dispute that is the subject of the conciliation proceeding. Similarly, none of the Parties or their Authorized Representative(s) shall act as the Representative or Counsel of the Conciliator(s) in any Alternate Dispute Resolution proceeding or Judicial proceeding of any kind.
- (b). The Parties shall not present a Conciliator as witness in any Alternate Dispute Resolution or Judicial proceedings.
- (e). The official language of Conciliation proceedings under these Rules shall be English, unless the Parties agree on some other language.

lli

SCHEDULE- A

**DECLARATION OF ACCEPTANCE AND INDEPENDENCE BY MEMBERS OF
SETTLEMENT ADVISORY COMMITTEE**

I, the undersigned, do hereby agree to serve as a member of the Outside Experts Committee in the instant case and hereby make the following declarations:

- i. I am familiar with requirements of law, particularly the Arbitration and Conciliation Act of 1996 and Engineers India Limited Conciliation Rules, 2012.
- ii. I am available to serve as a Member of the Outside Experts Committee and I am independent of any of the Parties involved in the instant Conciliation proceeding and have no interest - financial or otherwise - in any part of the Contract under reference or subject matter of the Conciliation proceeding.
- iv. I have not dealt earlier with the contract under reference or the subject matter of the conciliation proceeding in any manner or capacity, which could compromise my ability/independence to impartially resolve the dispute(s).
- v. The fees and other facilities for conciliation, offered to and accepted by me, will remain fixed and under no circumstances will there be any demand from me for any alteration/change therein.

(Signature)

Name:

Address:

Date:

Shw

Operating Methodology for functioning of Outside Experts Committee

The methodology for functioning of Outside Experts Committee (OEC) of EIL is solely based on the Conciliation Rules of EIL. These rules define the constitution, method of selection, functioning, time frame and conclusion of the Outside Experts Committee as well as methodology for acceptance of the settlement agreement reached through this mechanism. The broad features of this methodology are captured as follows:

- Panel of Conciliators belonging to Technical, Finance/ Commercial, Legal fields to be maintained by EIL
- Party wishing to settle issue through OEC to serve written notice on the other party. Notice to include issues in dispute, identity of parties, consent to enter settlement under DEC Rules of EIL and any other terms.
- Party receiving notice to respond within 30 days.
- Upon intimation of acceptance of invitation for conciliation, Chairman & Managing Director of EIL to appoint conciliator(s). One conciliator to be appointed wherein claim value does not exceed Rs. 2 Crore and three conciliators where claim value exceeds Rs. 2 Crores.
- Outside Experts Committee within 7 days of its constitution to request parties to file a brief written statement.
- Outside Experts Committee to make endeavour to settle disputes through proposals of parties only before making any proposals itself first.
- Outside Experts Committee may call for material witnesses with consent of parties to reach amicable solution of disputes.
- Parties to plead their own cases and advocates not allowed to participate in proceedings.
- Representations can be oral also, with minutes to be recorded.

thi

- Outside experts Committee to be guided by principles of objectivity, fairness and justice.
- Total number of hearings to be not more than 5, but to be extended with mutual consent, however overall time frame of disposal being 4-6 months.
- Parties to share the fee of Conciliators, secretarial services, expenses incurred on railway/ air fare, accommodation, local travel etc.
- Parties not to adopt adversarial roles, but to make effort to accommodate other party's view points, without diluting the correct legal position.
- After discussions, conciliator to formulate draft terms of possible settlement for observation/ comments/ consideration of parties.
- Settlement once signed to become final & binding on the Parties. EIL's acceptance of settlement agreement subject to consideration and approval of EIL's Committee of Functional Directors.
- Arbitral/judicial proceedings to be put on hold during pendency of conciliation proceedings
- Reference to Conciliation without prejudice to rights of parties to resort to other dispute resolution mechanism

The above features are designed to reflect impartial exercise of fairness in the proceedings which strike equilibrium with the acceptability quotient of the settlement proposal from a commercial angle. It also seeks to gain an edge over the existing dispute resolution mechanism in terms of speedy disposal as well costs involved.

thi