

AMENDED RULES
**The Madhya Pradesh Arbitration Centre (Domestic and
International) Rules, 2019**

1[PREAMBLE

WHEREAS, the establishment of the Arbitration Centre Madhya Pradesh (Domestic & International) is an initiative of the High Court of Madhya Pradesh.

AND, WHEREAS, these Rules are framed and duly approved by the High Court of Madhya Pradesh.

Where parties have agreed to refer their disputes to the MPAC for arbitration (whether before or after a dispute has arisen), the parties shall be deemed to have agreed that the arbitration shall be conducted and administered in accordance with these Rules or (unless the parties have agreed otherwise) such amended rules as the MPAC may have adopted hereafter and may be in effect on the date commencement of the arbitration, and that such Rules have been incorporated by reference into their agreement. If any of these Rules are in conflict with a mandatory provision of law applicable to the arbitration or the arbitration agreement from which the parties cannot derogate, that mandatory provision shall prevail.]

RULES

PART-I

PRELIMINARY

- 1. Short Title:-** These rules shall be called The Madhya Pradesh Arbitration Centre (Domestic and International) Rules, 2019.
- 2. Commencement:-** These rules shall come into force from the date of their publication in the "Madhya Pradesh Gazette".

3. Definitions:-

- (1) In these rules, unless the context otherwise requires:-
- (a) "**Act**" means the Arbitration and Conciliation Act, 1996 (26 of 1996); and the amendments thereto or any re-enactment thereof and other expressions not defined herein shall carry the same meaning as they do under Section 2 of the Act;
 - (b) "**Arbitral Award**" means and includes an interim, a partial, a preliminary or final award;
 - (c) "**Arbitrator**" means a person appointed as an Arbitrator in terms of the Act and rules made there under;
 - (d) "**Board of Governors**" means the Board of Governors constituted under Rule 4 of these rules;
 - (e) "**Centre**" means the Madhya Pradesh Arbitration Centre (Domestic and International) at Jabalpur and its Benches at Indore and Gwalior and at such other places where Centres may be established by order issued from time to time by Competent Authority;
 - (f) "**Chief Justice**" means Chief Justice of High Court of Madhya Pradesh who shall be Patron-in-Chief;
 - (g) "**Competent Authority**" means the Patron-in-Chief;
 - (h) "**Confirming Party**" means a party to an arbitration agreement who has signed the Joint Memorandum as provided in Schedule-I;
 - (i) "**Director**" and "**Deputy Director**" means the persons appointed under Rule 6 of these rules;
 - (j) "**Directorate**" means the body constituted under Rule 6 of these rules;
 - (k) "**Dispute**" includes the differences arising out of an agreement containing an arbitration clause;
 - (l) "**Expert**" a person who is specialized in a particular subject or field, appointed under these rules to assist the Tribunal;
 - (m) "**Joint Memorandum**" means a memorandum jointly signed by the parties in the format as provided at Schedule-I;

- (n) "**Panel of Arbitrators**" means the Panel of Arbitrators constituted under Rule 9 of these rules;
 - (o) "**Pleading**" shall include statement of claim, counter claim, rejoinders and additional statement of claim and counter claim, supplementing the original claim and the counter claim and reply statements, as may be permitted by the Tribunal;
 - (p) "**President**" means a sitting Judge of the High Court of Madhya Pradesh nominated by the Chief Justice of the High Court of Madhya Pradesh under these rules;
 - (q) "**Pro-Bono Arbitrators' Services**" means service rendered by an Arbitrator in an arbitration proceedings, where the claim does not involve sum exceeding Rs. 5,00,000/- and where one of the parties is indigent and unable to pay the fees of the Arbitrator;

 - (r) "**Research Assistant**" means a person holding a Degree in Law from a recognized University and enrolled as an advocate under the Advocates Act, 1961 and who has been in practice for not less than three years and chosen to assist the Directorate and the Arbitrators;
 - (s) "**Request**" means a written communication to the Centre to initiate the arbitration proceedings in accordance with these rules;
 - (t) "**Rules**" means the Madhya Pradesh Arbitration Centre (Domestic and International) Rules, 2019
 - (u) "**Tribunal**" means an Arbitral Tribunal consisting of one or more odd number of Arbitrators not exceeding five, chosen from the panel constituted under Part-III Rule 9 of these rules;
- (2) The words and expressions used herein but not defined shall have the same meaning as assigned to them in the Act respectively.

PART-II
BOARD OF GOVERNORS

4. Board of Governors:-

(1) Constitution:- The Board of Governors shall consist of the following, namely:-

1.	One Judge of the High Court to be nominated by the Chief Justice	President
2.	Four Judges of the High Court to be nominated by the Chief Justice	Members
3.	Director	Member Secretary

(2) Meeting of the Board:-

¹**[(a)]** The Board of Governors shall meet as and when required but ²**[generally]** once in two months;

¹**[(b)]** The Director shall convene the meetings of the Board of Governors as may be directed by the President or the senior most Governor in the absence of the President;

¹**[(c)]** The meetings of the Board of Governors shall be presided over by the President;

¹**[(d)]** The Member Secretary shall not have voting rights.

5. Powers of the Board of Governors:-

- (1) To take all such decisions as may be warranted for the smooth and effective functioning of the Centre;
- (2) To formulate rules for the internal management of the Centre, to frame guidelines generally to monitor and oversee the administration of the Centre;
- (3) To recommend any amendment to these rules.
- (4) To constitute the Panel of Arbitrators;
- (5) To fix or revise the Arbitrators' fees, the fees payable to Arbitrators and the administrative and miscellaneous expenses payable in respect of any proceedings;

1. Renumbered by Notification published in M.P. Gaz 4(Ga), dt. 04.02.2022. Page 107.
2. Substituted by Notification published in M.P. Gaz 4(Ga), dt. 04.02.2022. Page 107.

- (6) To remove an Arbitrator from the Panel if:
- (a) any complaint of breach of duty or misconduct is received against him and the Board of Governors is of the opinion that it would be expedient and in the interest of the Centre not to continue such person on its Panel of Arbitrators;
 - or
 - (b) he is declared to be of unsound mind or becomes incapacitated;
 - or
 - (c) he has incurred any disqualification under the Act;
 - or
 - (d) he is appointed or nominated to any post or office of profit;
 - or
 - (e) for any other reason or reasons as may be found by the Board of Governors;
- (7) To appoint as many Research Assistants as may be necessary in order to assist the Directorate and the Arbitrators and to fix their tenure and for valid reasons to terminate their services before the expiry of the tenure and to decide the honorarium to be paid;
- (8) To consider the request of any other Arbitration Centre or Institution established under the aegis of the Supreme Court of India or the High Court of any other State, to hold the sittings of arbitration proceedings pending before such institutions at the Centre on such terms and conditions and on a reciprocal basis, without, however, dislocating any prior commitment of the Centre;
- (9) To appoint persons from the panel of Arbitrators to deal with matters enumerated under sub-section (4) or sub-section (5) or sub-section (6) of Section 11 of the Act.

PART-III
THE DIRECTORATE

6. The Directorate:-

There shall be a Directorate to supervise and manage the day-to-day affairs of the Arbitration Centre which shall consist of the following:-

- (1) A serving or retired District Judge of the Madhya Pradesh Judicial Service, to be appointed by the Chief Justice, who shall be in-charge of the Centre and act under the supervision of the Board of Governors;
- (2) Not more than two serving Judicial Officers of Madhya Pradesh Judicial Service in the cadre of Senior Civil Judge or Civil Judge, to be appointed by the Chief Justice, as Deputy Directors. They shall work under the supervision of the Director;
- (3) Such staff as may be appointed or deputed by the Chief Justice;
- (4) Such number of Research Assistants as may be appointed by the Board of Governors to assist the Directorate and the Arbitrators;

7. Duties and responsibilities of the Director:-

- (1) The Director shall be responsible for the day-to-day functioning of the Centre and shall be the custodian of the Centre.
- (2) The Director shall,
 - (a) initiate action in respect of any request for Arbitration of disputes when referred to it in accordance with these rules;
 - (b) notify the parties to comply with the requirements of filing of the request and reply and the submission and payment of Arbitrators' fees and miscellaneous expenses, within the prescribed time;
 - (c) maintain and update from time to time a profile of each Arbitrator on the Panel, and make it available in the public domain;

- (d) maintain a fact sheet of each arbitration case on the basis of the order sheet maintained by the Tribunal;
 - (e) call upon the parties to deposit the assessed Arbitrator's Fee and all other costs and expenses of the Centre;
 - (f) assess the cost to be awarded by the Tribunal;
 - (g) take steps as may be necessary for timely completion of Arbitration proceedings;
 - (h) carry out any directions given by the Board of Governors from time to time;
 - (i) organize workshops, conferences, symposia, seminars, etc., in the field of Alternative Dispute Resolution Mechanism and to promote the use of the Centre for resolution of the disputes on the directions of the Board of Governors; and
 - (j) do such other functions as may be assigned by the Board of Governors.
- (3) The Director is, hereby, authorised to sue or be sued on behalf of the Centre.
- (4) All correspondence and communications to the Centre shall be addressed to the Director and all correspondence and communications on behalf of the Centre shall be made by the Director.

8. Duties of Research Assistants:-

- (1) Research Assistants shall carry out the duties as may be fixed by the Board of Governors.
- (2) The Research Assistants shall work under the supervision of the Director and the Deputy Directors. On appointment he shall submit curriculum vitae in Schedule IV.

PART-IV
PANEL OF ARBITRATORS

9. Panel of Arbitrators:-

- (1) The Board of Governors shall constitute a Panel of Arbitrators from amongst persons who are eligible and willing to act as Arbitrators. All such persons are required to furnish a full curriculum vitae in the form prescribed in Schedule-III.
- (2) The Directorate shall maintain a Panel of Arbitrators together with information as to their qualifications, experience and current availability.
- (3) The Board of Governors may, at any time, add any new names to the Panel or remove the name of any person from the Panel, either at the request of any such person or for any reasons contemplated in sub-rule (6) of rule 5 of these rules.

¹[9A. Eligibility criteria for empanelment of Pro-Bono Arbitrators in the Centre:-

- (1) **Advocates:** The Advocates should fulfil the following minimum criteria:-
 - (a) 5 years standing at the Bar with experience in the field of commercial and arbitration laws.
(The applicant will give list of commercial and arbitration cases handled and argued by him/her during last three years along with copies of three judgments in cases argued by him/her in preceding 24 months)

1. Added by Notification published in M.P. Gaz 4(Ga), dt. 24.06.2022. Page 356-358.

- (b) Applicant should be Income-tax payer, with declared professional income of Rs. 6 lacs per annum or more for the preceding two assessments years. (Proof be submitted along with the application)
- (c) Selection would be made from the Advocates, who fulfill the aforesaid criteria.

(2) Retired Judges: The retired Judges should fulfill the following minimum criteria:-

- (a) Retired High Court Judges or Chief Justice or Supreme Court Judges or 5 years experience as a Judge in HJS Cadre or above.
- (b) Selection would be made from the Judges, who fulfill the aforesaid criteria.

9B. Eligibility criteria for empanelment of other than Pro-Bono Arbitrators in the Centre-

(1) Advocates: The Advocates should fulfill the following minimum criteria:-

- (a) 5 years standing at the Bar with experience in the field of commercial and arbitration laws.

(The applicant will give list of commercial and arbitration cases handled and argued by him/her during last three years along with copies of three judgments in cases argued by him/her in preceding 24 months)

- (b) Applicant should be Income-tax payer, with declared professional income of Rs. 6 lacs per annum or more for the preceding two assessments years. (Proof be submitted along with the application)
- (c) Selection would be made from the Advocates, who fulfill the aforesaid criteria.

(2) Retired Judges: The retired Judges should fulfill the following minimum criteria:-

- (a) Retired High Court Judges or Chief Justice or Supreme Court Judges or 5 years experience as a Judge in HJS Cadre or above.
- (b) Selection would be made from the Judges, who fulfill the aforesaid criteria.

(3) Chartered Accountants, Bureaucrats, Engineers, Architects, Professors etc.: The Chartered Accountants, Bureaucrats, Engineers, Architects, Professors should fulfill the following minimum criteria:-

- (a) Chartered Accountants, Bureaucrats, Engineers, Architects, Professors etc. desirous of empanelment will be required to submit details relating to their work experience, whether they have earlier acted as arbitrators, or associated with arbitration cases, with details of the present work/job. Retired Government Servants or public sector employees shall inform, whether any departmental

proceedings are pending against them or whether any punishment was imposed during their service.

- (b) Selection would be made from the Chartered Accountants, Bureaucrats, Engineers, Architects, Professors etc., who fulfill the aforesaid criteria.]

PART-V

ARBITRATION PROCEDURE

10. Reference to Arbitration:-

- (1) Where parties to a contract have agreed that any dispute or difference which may arise or has arisen, out of or in relation to a contract, shall be referred to Arbitration in accordance with these rules, the same shall be referred accordingly.
- (2) These rules shall also be applicable where the parties sign a joint memorandum agreeing that their dispute shall be referred to Arbitration in accordance with these rules or when the same is so referred through any proceedings in any Court, including:
 - (a) under section 89 of the Code of Civil Procedure, 1908;
 - (b) these rules shall also apply where the Chief Justice or his designate or any court, whether Supreme Court or as the case may be, the High Court or any person or institution designated by such court, appoints Tribunal and directs that the arbitration shall be conducted under the aegis of the Centre or in accordance with these rules; and
 - (c) where the parties to any International contract, have agreed to submit their disputes or differences to Arbitration in accordance with these rules.

11. Procedure for Arbitration:-

- (1) Any person desirous of initiating arbitration under these rules, shall submit his request with statement of claim to the Directorate with a copy marked to the opponent.

- (2) The statement of claim shall contain the following:-
- (a) name in full, description, contact details, including mobile number(s), if any, and address of each of the parties, complete details including e-mail addresses, if any;
 - (b) a brief description of the nature and circumstances of the dispute giving rise to the claim;
 - (c) statement of the relief sought, including an indication of any amount claimed along with supporting documents, if any;
 - (d) relevant agreements and, in particular, an extract of the written arbitration clause or the deed of arbitration agreement, if separately contained;
 - (e) provisional Terms of Reference and the issues to be adjudicated;
 - (f) all relevant particulars concerning the Arbitrators, their number, qualifications, if any, prescribed in the arbitration agreement on which parties have already agreed in writing;

¹[fa] unless the parties have agreed otherwise or an arbitrator has been named by the Court, the nomination of an arbitrator, if the arbitration agreement provides for three arbitrators, or a proposal for a sole arbitrator if the arbitration agreement provides for a sole arbitrator;

Explanation: In any event, the party making a request for arbitration shall inform the centre in writing of the name of arbitrator(s) not later than 21 days from the date of the first submission of the request for arbitration.]

- (g) statements as to the applicable rules or laws, or trade usages applicable to the transaction, if any, and the language in which the arbitration is to be conducted; and
 - (h) the order of the Court, if any, passed in proceedings referred to in these rules.
- (3) The party making request to initiate Arbitration shall file his statement of claim, along with the request but in any event, shall do so within thirty days thereof or within such time, as may be specified by the Director:
- Provided that where the Supreme Court or the High Court as the case may be, or any person or institution designated by such Court appoints an Arbitrator under section 11 of the Act and directs the Arbitration to be conducted under the aegis of the Centre, the Claimant shall file his statement of claim within thirty days from the date of receipt of official communication from the Centre under rule 19 or with in such time as may be specified by the Director.
- (4) On receipt of the request of the party, the Directorate shall scrutinize the same and if found in order, shall treat it as the statement of claim.
 - (5) The Claimant shall submit sufficient number of copies of the request and the statement of claim being one copy for the Centre, one copy for each Arbitrator (if the number of Arbitrators is mentioned in the arbitration agreement) and one copy for each Respondent.
 - (6) The Claimant shall also make a tentative advance payment of his share of the administrative and miscellaneous expenses and also the Arbitrator's fee, as the Director may indicate.
 - ¹[(a) the claimant shall confirm that the requisite administrative charges have been paid;
 - (b) party making request for Arbitration may also file statement of claim alongwith the request;

- (c) subject to rule 12A, the party to arbitration can amend their respective pleadings.]
- (7) In the event the Claimant fails to comply with any of the aforesaid requirements, the Director may fix a time limit within which the Claimant shall comply, failing which, the file shall be deemed to be closed. However, it is open for the Claimant to submit the claim afresh in accordance with law.
- (8) The Director shall send a copy of the Request, Statement of Claim and the documents annexed thereto, to the Respondent for filing his reply within thirty days from the date of receipt of notice or within such time as extended by the Director.
- (9) Any person who is not a party to the arbitration agreement shall not be entitled to participate in the proceedings before this Centre, unless he has obtained leave of the Court to do so. In that event such a party shall also be subject to these rules.

12. Filing of Response:-

- (1) On receipt of the statement of claim from the Centre, the respondent shall submit his written response to the Directorate within 30 (thirty) days or within such time as may be extended by the Director as per sub-rule (2) alongwith the following:
- (a) his name in full, description, contact details, including mobile number(s), e-mail address, if any and address;
 - (b) confirmation or denial of all or part of the Claim made by the Claimant in the Statement of claim;
 - (c) comments in response to the nature and circumstances of the dispute giving rise to the Claim contained in the request;
 - (d) response to the relief sought in the Request;
 - (e) statement describing the nature and circumstances giving rise to any Counter-claim, if any, including all relevant or supporting documents; or a set-off, if any, which shall be adjudicated upon by the tribunal, if

- such counter claim or set-off falls within the scope of the arbitration agreement;
- (f) provisional "Terms of Reference" and the issues to be adjudicated;
 - (g) comments, if any, concerning the number of Arbitrators and their choice in the light of the Claimant's proposals; and
 - ¹[(i) where the arbitration agreement provides for a sole arbitrator, the party may concur or otherwise propose the name of his choice to act as a sole arbitrator;
 - (ii) where the arbitration agreement provides for three or five members Tribunal, the nomination of arbitrator shall be as envisaged in such agreement.]
 - (h) statements, if any, as to the applicable rules or law and the language to be used in conducting the arbitration proceedings;
 - ¹[(i) confirmation that copies of the Response and the documents relied on have been served simultaneously on all the parties, with the proof of service to the satisfaction of the Director;
 - (j) confirmation that the requisite administrative charges have been paid.]
- (2) The Director may, on sufficient grounds in writing explaining the delay, grant an extension of time for filing the reply and Counter-claim, if any, to the Respondent, upon payment of such costs as may be deemed appropriate and within such time as may be specified:
- Provided, that the request for extension of time shall be entertained only once and such extension shall not exceed thirty days. If the Respondent fails to file his reply and Counter-claim, if any, the Director shall proceed further in accordance with these rules.

- (3) Failure of the Respondent to file his Reply and Counter-claim, if any, within the time stipulated or the extended time shall constitute a waiver of the Respondent's opportunity to file the Reply.
- (4) Copies of the Reply and Counter-claim, if any, shall be supplied to the Directorate in sufficient number, namely, one copy for the Centre, one copy to each Arbitrator (if the number of Arbitrators is mentioned in the arbitration agreement) and one copy to each of the other party or parties.
- (5) In the event of Respondent making a Counter-claim, he shall make an advance payment of his share of Arbitrator's fee and administrative and miscellaneous expenses, as the Director may determine.
- (6) A copy of the Reply and Counter-claim, if any, and the documents annexed thereto shall be communicated by the Director to the claimant.
- (7) The Claimant shall file a reply to the Counter-claim, if any, within 30 (thirty) days from the date of receipt of the Counter-claim or the claim for set-off.
- (8) The Director may, for reasons assigned, grant extension of time to the claimant to file a Reply and on payment of such costs as may be deemed appropriate:

Provided, that the request for extension of time shall be entertained only once and such extension shall not be beyond 30 (thirty) days. In exceptional cases, the President in consultation with the Board of Governors, may exercise discretion to extend the time.
- (9) Failure of the Claimant to file any Reply to the Counter-claim within the time stipulated or the extended time shall constitute a waiver of the claimant's opportunity to file the same.

¹[12A. Amendments to the Statement of claim or defence:-

- (1) A party may amend or supplement its pleadings with the leave of the Tribunal on such terms as the Tribunal may determine.

1. Inserted by Notification published in M.P. Gaz 4(Ga), dt. 04.02.2022. Page 109-110.

The Tribunal shall decide the application considering it is necessary for adjudication of the matter and is not causing any prejudice to the other party. However, no amendment can be allowed which may cause the claim outside the purview of arbitration agreement:

Provided that no application for amendment shall be allowed after the hearing has commenced, unless the Tribunal comes to the conclusion that in spite of due diligence, the party could not have raised the matter before the commencement of hearing.

- (2) The Director may adjust, reduce or enhance, as the case may be, the Tribunal's fees and the MPDIAC's charges in consonance with the amended pleadings.
- (3) All statements, documents or other information supplied to the Tribunal and the Director by one party shall simultaneously be supplied to the other party.
- (4) The Tribunal may after completion of pleadings and before framing the issues, if considers it appropriate, require the parties to furnish proposed issues.]

13. Discovery and Inspection of Documents:-

The parties are entitled to seek discovery and inspection of documents by making an application at the earliest to the Director and on such application being filed, the Director may call upon the other party to produce such document for inspection which shall be done within 15 (Fifteen) days from the date of the receipt of such direction unless the party has a good reason for non-production of the document. The time prescribed for filing of pleadings as provided herein above shall stand extended by the time taken for discovery and inspection.

14. Authority to represent and assist the party:-

- (1) Each party shall advise, in writing, the other party and the Director of:
 - (a) the name and address of the person who will represent or assist him or her, and
 - (b) the capacity in which such person will act.

- (2) Once the Tribunal has been established, the parties or their representatives shall communicate in writing directly with the Tribunal, with a copy of the communication addressed to the Directorate, for information, wherever necessary.

15. Notices and Communications:-

¹[(1)] All notices or communications from the Director and the Tribunal shall be in writing and deemed to have been duly delivered when sent to the last known address of the party or the duly notified representative of the parties. Such notice or communication may be made by any one of the following modes, namely, delivery against receipt, registered post, courier, facsimile transmission, telex, telegram or any other means of verifiable electronic communication that provides a record of such communication.

²[(2)] It shall be deemed to have been received if it is delivered to -

- (a) the addressee personally;
- (b) the addressee's habitual residence, place of business or address as specified in the agreement.

(3) If none of the places referred to in sub-rule (2) above can be found after making a reasonable inquiry, a written communication shall be deemed to have been received if it is sent to the addressee's last known place of business, habitual residence or mailing address by registered post or by any other means which provides a record of attempted delivery.

1. Renumbered by Notification published in M.P. Gaz 4(Ga), dt. 04.02.2022. Page 110.

2. Added by Notification published in M.P. Gaz 4(Ga), dt. 04.02.2022. Page 110-111.

- (4) In the case of electronic communication, it will be deemed to have been delivered when transmitted, with reference to the recipient's time zone.
- (5) For the purposes of calculating any period of time under these rules, such period shall begin to run on the day following the day when a written communication or proposal is received or deemed to have been delivered. When the day next following such date is a non-business day, in the place of receipt, the time period commences on the first following business day. If the last day of such period is a non-business day at the place of receipt, the period is extended until the first business day which follows. Non-business days occurring during the running of the period of time are included in calculating the period.
- (6) After the constitution of the Tribunal, where any party delivers any written communication to the Tribunal, it shall simultaneously deliver a copy to each arbitrator, all other parties, the Director and shall confirm in writing to the Tribunal that it has been done.]

PART-VI
COMPOSITION OF ARBITRAL TRIBUNAL

16. Appointment of Arbitrator(s):-

The parties to a dispute are free to determine the number of arbitrators, provided that such number shall be an odd number.

17. Where the number of arbitrators is specified in the agreement:-

(1) Where the agreement provides for the appointment of a sole arbitrator, the parties shall appoint such arbitrator within thirty days or as per terms of the agreement from the date of intimation/notice. Where the parties fail to agree upon the sole arbitrator within the said period, the President, in consultation with the Board of Governors, shall appoint arbitrator(s).

(2) Where the agreement provides for appointment of three arbitrators the Claimant and the Respondent each shall appoint an arbitrator within thirty days, who shall appoint the Presiding Arbitrator:

Provided that in the event of failure of any or both the parties to appoint an Arbitrator, the President, in consultation with the Board of Governors, shall appoint an Arbitrator from the Panel:

Provided further that in the event of failure of the named Arbitrators to appoint the Presiding Arbitrator, the President, in consultation with the Board of Governors, shall appoint an Arbitrator from the Panel.

(3) In a case of International Arbitration the third Arbitrator shall not be of the nationality of either of the parties.

(4) The parties shall be entitled to select an Arbitrator from the Panel. The appointment, however, shall be subject to the consent and availability of such Arbitrator. No Arbitrator shall be so appointed if he is already engaged in six or more arbitrations.

(5) Sub-rules (1) to (3) shall also apply *mutatis mutandis* to the appointment of Arbitrators in a dispute referred by any authority.

18. Appointments in the case of Multi-party Arbitration:-

- (1) Where disputes arise amongst more than two parties out of a defined legal relationship or out of a series of interconnected contracts (including "chain" or "string" contracts), the parties may agree that the Tribunal shall consist of three members, one to be nominated by each of the parties (supporting parties will be grouped together and treated as one party for the purpose of such nomination of the arbitrator) and the third arbitrator shall be appointed by the President, who shall chair the Tribunal.
- (2) If the parties to a dispute are required to be grouped in three groups, each such group will nominate one arbitrator each and the three members of the Tribunal shall nominate one out of themselves to Chair the Tribunal. If the members fail to so nominate, the President shall nominate anyone of them to chair the Tribunal within fifteen days of the constitution of the Tribunal.
- (3) If the parties to a dispute are required to be grouped in four groups, each of such groups shall nominate one Arbitrator. The President shall appoint an independent Arbitrator from the panel. The Arbitrator appointed by the President shall chair the Tribunal.
- (4) If the parties to a dispute are required to be grouped in five groups, each of such groups shall nominate one Arbitrator each and those five members shall nominate one out of themselves to chair the Tribunal. If the members fail to so nominate the Chairman, President shall nominate anyone of them to chair the Tribunal, within fifteen days of the constitution of the Tribunal.
- (5) All efforts shall be made to ensure that such grouping of parties shall not exceed five. In case the groups are more than five, the President shall adopt such procedure for the appointment of arbitrators as may be deemed appropriate, in view of the facts and circumstances of the case but in no case shall the number of arbitrators comprising the Tribunal shall exceed five.

19. Consent of Arbitrators:-

- (1) Soon after the selection of Arbitrators, the Director shall send an official communication to that effect to the parties and to the Arbitrators. The Arbitrators so chosen shall give their consent in writing to the parties with a copy to the Centre, which in turn, shall communicate the same to the parties.
- (2) An objection regarding appointment of an Arbitrator can be raised in writing before the Directorate within seven days from the date of receipt of communication mentioned under the preceding rule, which shall be placed before the Board of Governors. The Board, in turn, shall consider the same and pass appropriate orders expeditiously.
- (3) In the event of any circumstance not being provided for herein above, the President, in consultation with the Board of Governors and after hearing the parties, shall nominate such Arbitrators from the panel, as he may deemed fit.

¹[19A. Grounds of objection:-

- (1) Any arbitrator may be challenged if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence, or if the arbitrator does not possess any requisite qualification which the parties have previously agreed, or if the arbitrator becomes *de jure* or *de facto* unable to fulfil his functions or is not fulfilling those functions in accordance with the rules or within the prescribed time limits.
- (2) A party may challenge the arbitrator nominated by him only for reasons of which he becomes aware after the appointment has been made.

1. Inserted by Notification published in M.P. Gaz 4(Ga), dt. 04.02.2022, Page 111-113

- (3) Subject to rule 18, a party who intends to challenge an arbitrator shall send a notice of challenge within 14 days after the receipt of the notice of appointment of the arbitrator who is being challenged or within 14 days after the circumstances mentioned in rule 20A (2) become known to that party.
- (4) The notice of challenge shall be submitted to MPDIAC and simultaneously shall be sent to the other party, the Arbitrator(s) being challenged and the other members, if any, of the tribunal. The notice of challenge shall be in writing and shall state the reasons for the challenge. The MPDIAC may request comments on the challenge from the parties, the challenged arbitrator and the other members of the Tribunal (or if the Tribunal has yet not been constituted, any appointed arbitrator) within a period of 10 days from the date of such request.
- (5) The notice of challenge duly submitted as per rule 19A (1) shall be deposited by the President within a period of 30 days from the date of receipt of notice in terms of the Rules:

Provided that however, the time for deciding the challenge can in no circumstance exceed a further period of 30 days.

Explanation: Notice of challenge shall not be acted upon and shall not be treated as received by MPDIAC unless the party submitting such notice deposits a sum of Rs.10,000/- towards processing costs which shall not be refundable under any circumstances. The time for making

the Award, for the purposes of section 29A of the Act, shall stand extended by the period spent between the date of receipt of the application for the challenge and its disposal by the President. The period shall be deemed to be an extension under section 29A (3) of the Act.

- (6) If the President sustains the challenge, a substitute arbitrator shall be appointed in accordance with the procedure referred to in rule 19 (3). The time limits provided in rule 20A shall commence from the date of the Director's notification to the parties of the decision by the President.
- (7) The President shall have the discretion to impose such costs as may be deemed appropriate in the event that the challenge fails, which shall be recoverable from the party instituting the challenge.
- (8) The Centre shall forthwith communicate to the parties whether the challenge has been sustained or overrules.]

20. Confirmation of Arbitrators:-

- (1) Soon after the arbitrator(s) has been appointed, the Directorate shall send an official communication to that effect to the parties and to the arbitrator(s).
- (2) The arbitrator(s) so appointed shall give a declaration in the format prescribed in Schedule II of the rules ¹[as required under section 12 of the Act]²[:]

¹[Provided that the parties may, subsequent to disputes having arisen between them, waive the applicability of sub-section (5) of section 12 of the Act by an express agreement in writing.]

1. Added by Notification published in M.P. Gaz 4(Ga), dt. 04.02.2022, Page 113-114
2. Substituted by Notification published in M.P. Gaz (4Ga), dt. 04.02.2022, Page 113.

¹[20A. Termination and Substitution:-

- (1) An arbitrator may be replaced on the grounds specified in Section 14 of the Act, either on an application by the party or otherwise, if in the opinion of the President he is not fulfilling those functions in accordance with the Rules or within the prescribed time limits.
- (2) In the event of death, resignation, withdrawal or removal of an arbitrator during the course of arbitral proceedings a substitute arbitrator shall be appointed in accordance with the procedure applicable to the appointment of the arbitrator.
- (3) When, on the basis of information that has come to the attention, the President considers, applying Rule 20A (1), shall decide on the matter after providing an opportunity to comment in writing within a reasonable period of time to the arbitrator concerned, to the parties and any other members of the Tribunal. But before deciding such comments shall be communicated to the parties and to the Tribunal.
- (4) Further proceedings before the reconstituted Tribunal shall commence from the stage at which they were prior to such reconstitution.

20 (B). Jurisdiction:-

- (1) Any objection by a party to the existence or, to the competence of the MPDIAC to administer an arbitration, before the appointment of Tribunal, shall be placed in the first instance before the President.

1. Inserted by Notification published in M.P. Gaz 4(Ga), dt. 04.02.2022, Page 114-115.

- (2) If the President sustains the objection, the proceedings shall be terminated. In all other cases, the Tribunal shall decide such objection in accordance with Section 16 of the Act.]

21. Terms of Reference and Arbitration Schedule:-

- (1) On constitution of Tribunal, the Directorate shall compile the pleadings and provisional Terms of Reference, if any, furnished by the parties, and send it to the Tribunal. The Tribunal shall draw up the term of reference. Thereafter, in consultation with the Directorate it shall prepare the time-table for conduct of the arbitration and communicate it to the parties. The time-table shall specify:-
 - (a) the period within which the parties would file statement of witnesses by way of affidavit which shall be treated as their depositions made in examination-in-chief;
 - (b) the dates when the Tribunal shall record oral evidence to be adduced by the parties by way of cross-examination of the witnesses who tendered their affidavit evidence and such other oral depositions as the Tribunal may permit;
 - (c) the dates when the parties would address their arguments before the Tribunal.
- (2) The time-table so fixed shall remain firm and binding on all concerned.
- (3) The Tribunal shall communicate the time-table through the Director and also the time period for publication of the Award.
- (4) In the absence of any specific provision in the rules, the parties are free to agree on the procedure to be followed by the Tribunal in conducting its proceedings.
- (5) Failing any agreement between the parties about the procedure to be followed, the Tribunal may conduct the proceedings in the manner it considers appropriate.

- (6) The power of the Tribunal includes the power to determine the admissibility and relevancy of any evidence.
- (7) The Tribunal may, where necessary, secure agreement of parties to dispense with formal proof of documents, except in case of questioned documents.

22. Consolidation of proceedings:-

The Tribunal with the consent of the parties may direct the consolidation of two or more arbitration proceedings before it, if the dispute or differences therein are identical between the parties having common interest or where such dispute arises out of separate contract but relates to the same transaction.

23. Joinder of Additional Parties:-

- (1) Tribunal may implead a party to the arbitral proceedings with the written consent of all the parties to the arbitration agreement.
- (2) The proportionate administrative costs and Tribunal's fee prescribed in the respective schedule shall be payable by the newly added party as determined by the Tribunal.

24. Hearing Procedure:-

- (1) Unless agreed between the parties in writing, the Tribunal shall hold oral hearings:-

Provided that, the Tribunal shall, as far as possible, conduct arbitral proceedings for the presentation of evidence or for oral argument on day-to-day basis, and shall not grant any adjournments unless sufficient cause is made out, and may impose costs, including exemplary costs, on the party seeking adjournment without any sufficient cause:-

Provided further that, if parties to agreement agree in writing to have their dispute resolved by fast track procedure as specified in section 29B of the Act, the Tribunal shall conduct arbitration proceedings as contemplated in sub-section (3) of section 29B of the Act.

- (2) Unless the Tribunal decides to undertake site inspection or holds hearings in such other place for any reason as it may deem necessary, all hearings shall take place in the Centre

at Jabalpur or any other Centre established as per the rules.

- (3) All meetings and hearings shall be in camera unless the parties desire otherwise or the Tribunal directs otherwise.
- (4) After the conclusion of evidence and hearing, the Tribunal shall pronounce the award on a date which shall be intimated through the Directorate.

25. Settlement of dispute:-

- (1) The Tribunal may encourage amicable settlement of the dispute with the agreement of the parties.
- (2) The parties are free to opt for either mediation or conciliation at any time during the pendency of the proceedings before the Tribunal. In such event, the matter may be referred to mediation or conciliation at the discretion of the Tribunal.
- (3) If, during the arbitration proceedings, the parties settle the dispute, the Tribunal shall terminate the proceedings and pass award in terms of the settlement.

¹[25A. Interim relief:-

- (1) A party may, during the arbitral proceedings apply to the Arbitral Tribunal for an interim measure of protection in respect of the subject matter of the dispute as it may consider necessary as specified in section 17 of the Act.
- (2) The Arbitral Tribunal may modify, suspend or terminate an interim measure granted by it, upon an application by a party if the circumstances so warrant.]

PART-VII
TIME SCHEDULE FOR THE ARBITRATION

26. Duration of arbitral proceedings and time limit for arbitral award:-

The duration of arbitration proceeding, time limit for the arbitral award and the consequences for non-adherence thereof shall be as prescribed under section 29A of the Act:

Provided that, the parties to an Arbitration Agreement may choose to adopt fast track procedure contemplated under section 29B of the Act.

PART-VIII
RULES OF PROCEDURE

27. Default of parties:-

If a party to an arbitration agreement fails to participate at any stage before the signing of terms of reference, such party shall be proceeded ex-parte and a notice to this effect shall be sent to all the parties including the defaulting party. However, the defaulting party shall not be precluded from participating at subsequent stage of proceedings of the Arbitration with the leave of the Tribunal, on such terms as it may impose.

28. Default of Arbitrators:-

After the constitution of the Tribunal, if Arbitrator fails to participate in two successive hearings without sufficient cause, his mandate to act as an Arbitrator, subject to discretion of the Board of Governors, shall stand terminated. In the event of termination, a new Arbitrator shall be appointed by the Board of Governors in consultation with the parties. The newly appointed Arbitrator shall continue the proceedings from that stage.

29. Appointment of Experts:-

(1) The Tribunal may, unless otherwise agreed by the parties in writing:

- (a) appoint one or more experts to report to it on specific issues to be determined by the Tribunal; and
 - (b) require a party to give the expert any relevant information or to produce, or to provide access to, any relevant documents, goods or other property for inspection.
- (2) The expert, on the request of a party, shall make available to that party, for inspection all documents, goods or other property in possession of the expert to prepare the report.
 - (3) Tribunal of its own or on the request of the party may direct such expert to be cross examined in respect of the opinion, given by him.
 - (4) The fees and costs of any expert appointed by a party shall be borne by the party appointing him. If the expert is appointed by the Tribunal, the fees and costs of such appointment, unless otherwise directed by the Tribunal, shall be shared equally by all the parties. On appointment he shall submit curriculum vitae in schedule V.

30. Adjournments:-

- (1) Any party (including the Union or the State Government or its instrumentalities) seeking adjournment shall file a written request, supported by sufficient and cogent reasons and necessary documents.
- (2) The Tribunal may grant adjournment after recording its reasons in writing and subject to payment of costs at the rate of a minimum of Rs. 3,000/- (Rupees three thousand only) per day, which shall be payable by such party to the Arbitration Centre.
- (3) The Tribunal shall however keep in view the time schedule fixed for completion of the arbitration proceedings while considering the prayer for adjournment.

31. Deposits:-

- (1) The Director may require the Parties, before referring the case to the Tribunal, to deposit in advance in one or more instalments, such sums of money as he deems necessary to defray miscellaneous expenses and Arbitrator's Fee.
- (2) The Deposits shall be called for in equal shares from the parties. The Director may during the course of arbitration

proceedings, require further sum to be deposited by the parties or anyone of them to meet the costs of the Arbitration. ¹[The Director may fix separate advances on costs for Claims and Counter-Claims, respectively.]

¹[(2a) Where the amount of the Claim or the Counter-Claim is not quantifiable at the time payment is due, a provisional estimate of the costs of the arbitration shall be made by the Director. Such estimate may be based on the nature of the controversy and the circumstances of the case. This may be adjusted in light of such information as may subsequently become available.]

- (3) When one of the parties neglects or refuses to make the deposit, the Director may require such deposit, whether in relation to a claim or a counter-claim, to be made by the other party to the dispute (Claimant or Respondent .as the case may be). Costs so deposited shall follow the cause. In default, the consequences as provided in second proviso to section 38(2) of the Act shall be followed.

¹[(3a) If a party fails to make the deposits as directed within 30 days from the date on which it is due, the Director may, after consulting the President and the parties, direct the Tribunal to terminate the work. If the payment is not made within 30 days, the relevant claims or counter-claims shall be considered as withdrawn without prejudice to the party reintroducing the same claims or counter-claims in another proceeding.

- (3b) If the arbitration is settled or disposed of without hearing or in terms of rule 25 (3), the costs of arbitration shall be finally determined by the Director.

The Director shall have regard to all the circumstances of the case, including the stage of proceedings at which the arbitration is settled or disposed or terminated under rule 25(3). In the event that the costs of arbitration determined are less than the deposits made, the surpluses shall be refunded to the party (s) in such proportions as the President may decide.

- (3c) All deposits shall be made to and held by the MPDIAC. The interest, if any, which may accrue on such deposits shall be retained by the MPDIAC.]
- (4) All deposits towards miscellaneous expenses and fees shall be made with the Centre and no payment shall be released to the Arbitrators directly by the parties. The deposit made by the parties shall be taken into account by the Tribunal in apportioning the costs while making the Arbitral award.
¹[* * *]
- (5) The Centre shall have a lien on the Arbitral award for any unpaid costs of the Arbitration including adjournment cost, miscellaneous expenses and the fees of the Arbitrator and the award shall not be notified to the Parties unless all such costs have been fully paid to the Centre by the Parties or by one of them.
- (6) All the deposits towards the administrative expenses, other expenses and the Arbitrator's fee shall be paid by the parties in the form of Demand Draft or Bankers Cheque or Pay Order or in any Electronic mode drawn in favour of the Director, Madhya Pradesh Arbitration Centre (Domestic and International) at Jabalpur.

1. Deleted by Notification published in M.P. Gaz 4(Ga), dt. 04.02.2022, Page 117-118.

(7) The Director shall decide any dispute, as between the parties, regarding the quantum; the liability or any other issue regarding the deposit of the Arbitrators fee, administrative and miscellaneous expenses and the decision by the Director shall be final.

32. Arbitrator's Fee:-

Sum in dispute	Model Fee
UptoRs.10,00,000/- (Rupees Ten Lakh only)	Rs.50,000/-(Rupees FiftyThousand only)
UptoRs.10,00,001/- (Rupees Ten Lakh and one only) up to Rs. 40,00,000(Rupees forty Lakh and one only)	Rs.1,10,000/-(Rupees One LakhTen Thousand only)
Above Rs. 40,00,001/- (Rupees Forty Lakh and One only) upto Rs. 1,00,00,000/- (Rupees One Crore only)	Rs.1,10,000/- (Rupees One Lakh Ten Thousand only) plus 1 percent of claim amount over and above Rs. 40,00,000/- (Rupees Forty Lakh only) subject to ceiling cap of Rs.1,45,000/- (Rupees One Lakh Forty Five Thousand only)
Above Rs. 1,00,00,001/- (Rupees One Crore and One only) uptoRs.10,00,00,000/- (Rupees Ten Crore only)	Rs. 1,45,000/- (Rupees One Lakh Forty Five Thousand only) plus 1percent of claim amount over and above Rs.1,00,00,000/- (Rupees One Crore only) subject to ceiling cap of Rs. 5,80,000/- (Rupees Five Lakh Eighty Thousand only)

Above Rs.10,00,00,001/- (Rupees Ten Crore and One only) upto Rs.20,00,00,000/- (Rupees Twenty Crore only)	Rs. 5,80,000/- (Rupees Five Lakh Eighty Thousand only) plus 1 percent of claim amount over and above Rs. 10,00,00,000/- (Rupees Ten Crore only) subject to ceiling cap of Rs. 8,70,000/- (Rupees Eight Lakh Seventy Thousand only)
Above Rs.20,00,00,001/- Twenty Crore and One only)	Rs. 8,70,000/- (Rupees Eight Lakh Seventy Thousand only) plus 1 percent of claim amount over and above Rs. 20,00,00,000/- (Rupees Twenty Crore only) subject to ceiling cap of Rs. 12,00,000/- (Rupees Twelve Lakh only)

Note:

- (1) Any claim or dispute which is not valued in terms of money, shall attract a minimum fee of Rs.1,00,000/- (Rupees One Lakh only), any fee in excess of the same shall be as agreed upon by the parties.
- (2) In the event of claim and counter-claim, the Arbitrator's fee shall be calculated on the aggregate of the claim and counter-claim.
- (3) The fee fixed above is in respect of a single Arbitrator. The fee at the same rate shall be payable to any additional Arbitrator.
- (4) In the event of an Arbitrator chosen from the Panel of Arbitrators is from a place other than Jabalpur, the party nominating such Arbitrator, shall alone bear all expenses of such Arbitrator, apart from the fee payable as per the schedule, for his participation in the arbitration proceedings.
- (5) In the event, the tribunal is a sole arbitrator, he shall be entitled to an additional amount of twenty-five percent on the fee payable as per the table set out above.
- (6) In the event of termination of arbitral proceedings;
 - (a) before filing of written statement, the Arbitrator's shall be paid 30% of the fee calculated as above.

- (b) after framing of issues or terms of reference and before cross examination of any witness (including the parties), the Arbitrator's shall be paid 50% of the fee calculated as above.

33. Administrative Expenses:-

Each party shall deposit administrative expenses at the rate of Rs.5,000/- (Rs. Five Thousand only) in case of claim amount is not more than Rs. 10 Lakhs and Rs. 10,000/- (Rs. Ten Thousand only) if the claim amount is more than Rs. 10 Lakhs before the dispute is referred to the Tribunal which may be revised from time to time by the Board of Governors.

Note: Any Claim or dispute which is not valued in terms of money, shall attract a minimum deposit of Rs. 20,000/- (Rs. Twenty Thousand only).

In addition to the administrative expenses as above, the parties shall also pay a sum of Rs. 2,000/- (Rs. Two Thousand only) per day (irrespective of the duration of the sitting on a given day) for the use of the facilities of the Centre on the days the Tribunal holds its sittings. This expense shall be shared by all the parties, equally.

The Government of India and the Government of Madhya Pradesh are exempted from payment of administrative expenses and other miscellaneous expenses. The Board of Governors, at their discretion, may exempt such other entity from payment of the above expenses.

¹[33A. Parties to share equally Administrative Cost and the fees of the Arbitrator :-

- (1) The Administrative Cost and the Arbitrators' fees set forth in these Rules shall be initially shared equally by the parties, subject to the cost of arbitration as may be finally determined by the Arbitral Tribunal.

- (2) The fee, costs and expenses, determined by the Centre, shall be payable entirely in advance.

33B. Miscellaneous Expenses:-

Miscellaneous expenses likely to be incurred during arbitration shall be determined by the Director and shall be paid equally by the parties.

33C. Accounts:-

The Director may maintain an account of the Administrative Cost, miscellaneous expenses and for which the Director shall be entitled to open and operate a bank account with a scheduled nationalized bank. The Chief cashier shall maintain accounts book of the centre under the supervision of the Director.

33D. Administrative cost, miscellaneous expenses and Arbitrators' fees when proceedings terminate:-

- (1) Arbitrators' fees shall be payable when proceedings are terminated, withdrawn or settled.
- (2) Subject to rule 32(6) and rule 49(6) of these rules in the event of the arbitration being terminated, withdrawn or settled, the Director, in consultation with the President shall fix the quantum of fees payable to the arbitrator(s). The Director shall take into account the stage at which the arbitration proceedings stood terminated and the extent of work done or time spent by the Arbitrator (s) on the matter:

Provided that no separate fee or charges shall be payable to the Arbitral Tribunal in relation to any Application under section 17 or Section 33 of the Arbitration and Conciliation Act, 1996.

- (3) Unless otherwise directed by the Court or except in case of *de novo* trial directed by the Court, the Arbitral Tribunal shall not be entitled to fresh fee in the event the

award is set aside and remanded to the same Arbitral Tribunal for consideration.

- (4) The Administrative Cost and miscellaneous expenses paid by the parties shall not be refundable, under any eventuality.]

34. Pro-Bono Arbitrator:-

In the event of availment of Pro-Bono Arbitrator's service, the parties are exempted from paying Arbitrator's fee. However, the Administrative and miscellaneous expenses are minimized by fixing the consolidated sum as hereunder-

If the value of the claim or dispute does not exceed Rs. 3,00,000/- (Rupees Three Lakh only)	Rs. 3,000/- (Rupees Three Thousand only)
If the value of the claim or dispute is between Rs. 3,00,001/- (Three Lakh One Rupee only) to Rs. 5,00,000/- (Rupees Five Lakh only)	Rs. 5,000/- (Rupees Five Thousand only)

Note: In case where the claim or dispute is not quantifiable, the administrative and miscellaneous expenses shall be determined by the Board of Governors.

35. Additional Fees and Expenses:-

- (1) The Tribunal shall allow fees and expenses of witnesses, carriage of sample and examination of goods, if required, conveyance, hire, cost of legal or technical advice or proceedings in respect of any matter arising out of the arbitration incurred by the Tribunal, and any other incidental expenses and charges in connection with or arising out of the reference or award as the Tribunal shall, in its absolute discretion, think fit and the same shall form part of the Arbitral Award.
- (2) If any party to the arbitration proceedings seeks relief as provided under Section 17 of the Act, after passing of the award and before its enforcement, the fee and expenses payable in respect of such additional proceedings shall

be as determined by the Board of Governors on a case to case basis.

36. Form and contents of Arbitral Award:-

- (1) An arbitral award shall be made in writing and shall be signed by the members of the Tribunal.
- (2) For the purposes of sub-rule (1), in arbitral proceeding with more than one arbitrator, the signatures of the majority of all the members of the Tribunal shall be sufficient so long as the reason for any omitted signature is stated.
- (3) The arbitral award shall state the reasons upon which it is based, unless the award is an Arbitral Award on agreed terms.
- (4) The Arbitral Award shall state its date and the place of arbitration and the award shall be deemed to have been made at that place.
- (5) After the Arbitral Award is made, a signed copy shall be delivered to each party.
- (6) The Tribunal may, at any time during the arbitral proceedings, make an interim Arbitral Award on any matter with respect to which it, may make a final Arbitral Award.
- (7) In case of monetary claims, the award shall specify the amount awarded.
- (8) The costs of Arbitration shall be determined by the Tribunal in accordance with Section 31A of the 'Act'.
- (9) Unless otherwise agreed to by the parties, -
 - (a) the costs of an arbitration shall be fixed by the Arbitral Tribunal;
 - (b) the Tribunal shall specify:-
 - (i) the party entitled to costs;
 - (ii) the party who shall pay the costs;

- (iii) the amount of costs or method of determining that amount; and
- (iv) the manner in which the costs shall be paid.

¹[(9a) In addition to the powers specified in these rules, and not in derogation of the mandatory rules of law applicable to the arbitration, the Tribunal shall have the power to -

- (a) order the preservation, storage, sale or disposal of any property or item which is or forms part of the subject matter of the dispute;
- (b) issue an award for unpaid deposits towards the costs of the arbitration where a party to the arbitration has paid the non-paying party's share of the deposits on behalf of the non-paying party;
- (c) direct any party -
 - (i) to ensure that the assets of such party are not encumbered, alienated or dissipated in any manner so as to frustrate the Award;
 - (ii) to provide security for legal or other costs in any manner the Tribunal thinks fit;
 - (iii) to provide security for all or part of any amount in dispute in the arbitration.]

(10) On termination of the proceedings, the Arbitrator may pass a direction and hand over the original record alongwith the proceedings, to either of the parties, as he may deem fit and proper, subject to submission of digitized version of the entire record and proceedings by the concerned party, one copy each, for the Arbitrator, for the Centre and for the other party(ies). Such copies shall be signed digitally.

Explanation:-

For the purpose of clause (a) of sub-rule (9), costs means reasonable costs relating to:

- (1) the fees and costs of the arbitrators and witnesses;
- (2) legal fees and expenses;
- (3) the Miscellaneous Expenses;
- (4) any other expenses incurred in connection with the arbitral proceeding and the arbitral award.

37. Termination of Proceedings:-

- (1) The Arbitral proceedings shall be terminated by the final Arbitral award or by order of the Tribunal under Sub-rule (2).
- (2) The Tribunal shall issue an order for the termination of the Arbitral proceedings where:
 - (a) the Claimant withdraws his claim, unless the Respondent objects to the order and the Tribunal recognizes a legitimate interest on his part in obtaining a final settlement of the dispute;
 - (b) the parties agree on the termination of the proceedings; or
 - (c) the Tribunal finds that the continuation of the proceedings has, for any other reason, become unnecessary or impossible.
- (3) Subject to rule 25 of these rules and sub-section (4) of section 34 of the Act, the mandate of the Tribunal shall be terminated with the termination of the Arbitral proceedings.

38. Decision making by Arbitral Tribunal:-

In arbitral proceedings with more than one arbitrator, any decision of the Tribunal shall be made by a majority of its members.

39. Interest on sums awarded:-

- (1) Unless otherwise agreed to by the parties, where and in so far as a Arbitral award is for the payment of money, the Tribunal may include in the sum for which the award is made interest, at such rate as it deems reasonable, on the whole or any part of the money, for the whole or any part of the period between the date on which the cause of action arose and the date on which the Arbitral Award is made. The Arbitral Award shall also provide the rate of interest to be paid from the date of the award till the date of payment.
- (2) The Tribunal shall have the power to award simple interest subject to the contract to the Contrary.

PART-IX

MEDIATION ARBITRATION

40. Reference to Med-Arb:-

- (1) Parties to an arbitration agreement may, at any time before the commencement of the arbitration proceedings or while the arbitration proceedings are in progress, opt for mediation, and request the tribunal to put the arbitration proceedings on hold to enable the parties to resolve their disputes amicably.
- (2) The parties shall convey their request to the Tribunal, or if the tribunal is not in session, to the Director.
- (3) The tribunal shall accept the request of the parties and keep in abeyance the arbitration proceedings, while relegating the parties to Med-Arb.
- (4) The Mediators on the panel shall be deemed to be the mediators for the purpose of the reference to Med-Arb. The parties shall have liberty to appoint the mediator of their choice and proceed with the mediation proceedings expeditiously.
- (5) The mediation proceedings shall be conducted in accordance with the mediation rules of the Madhya

Pradesh High Court, which shall be deemed to have been incorporated herein and shall be an integral part of these rules.

41. Place of Arbitration:-

Ordinarily the place of Arbitration shall be Jabalpur, Indore and Gwalior and the venue shall be High Court of Madhya Pradesh Arbitration Centre in respective Benches. In case of imminent exception, the Board of Governors shall be discretion to decide the place and venue.

42. Correction and Interpretation of Award; additional Award:-

- (1) Within thirty days from the receipt of the Arbitral Award, unless another period of time has been agreed upon by the parties:
 - (a) a party, with notice to the other party, may request the Tribunal to correct any computation errors, any clerical or typographical errors or any other errors of a similar nature occurring in the Award;
 - (b) if so agreed by the parties, a party, with notice to the other party, may request the Tribunal to give an interpretation of a specific point or part of the Award.
- (2) If the Tribunal considers the request made under sub-rule (1) to be justified, it shall make the correction or give the interpretation within thirty days from the receipt of the request and the interpretation shall form part of the Arbitral Award.
- (3) The Tribunal may correct any error of the type referred to in Sub-rule (1) clause (a) on its own motion, within thirty days from the date of the Arbitral Award.
- (4) Unless otherwise agreed to by the Parties, a Party with notice to the other Party, may request, within thirty days from the receipt of the Arbitral Award, the Tribunal to make an additional Arbitral award as to claims presented in the Arbitral proceedings but omitted from the Arbitral Award.

- (5) If the Tribunal considers the request made under sub-rule (4) to be justified, it shall make the additional Arbitral Award within sixty days from the receipt of such request.
- (6) The Tribunal, for the reasons to be recorded in writing, may extend the period of time for correction, interpretation or additional Arbitral Award under Sub-rules (2) or (5), as the case may be.
- (7) Rule 36 of these rules shall apply to a correction or interpretation of the Arbitral Award or to an additional Arbitral Award made under these rule.

43. Waiver:-

Party which proceeds with the arbitration without raising any objection as to non-compliance any of the provision of these Rules, or any other rules applicable to the proceedings, any direction given by the Tribunal, or any requirements under the arbitration agreement relating to the constitution of the Tribunal, or to the conduct of the proceedings, shall be deemed to have waived its right to object.

44. Amendment of Rules:-

These Rules may be amended by the High Court of Madhya Pradesh.

PART-X
INTERNATIONAL ARBITRATIONS

45. Laws applicable to the substance of the dispute:-

The Arbitration Tribunal shall decide the dispute in accordance with the rules of law designated by the parties as applicable to the substance of the dispute failing such designation by the parties; the Tribunal shall apply the law which it determines to be appropriate.

46. Laws applicable to the arbitration proceedings:-

Unless otherwise agreed by the parties the law governing the arbitration proceedings shall be the laws in force in India.

47. Language:-

- (1) The parties are free to agree upon the language or languages to be used in the arbitration proceedings.
- (2) Failing any agreements referred to in sub rule (1), the tribunal shall determine the language or languages to be used in the arbitration proceedings.
- (3) The tribunal may order that any pleadings or other documentary evidence shall be accompanied by a translation into the language or languages agreed upon by the parties or determined by Tribunal.

48. Place of Arbitration:-

The place of arbitration shall be as agreed by the parties. Failing such agreement, the place of arbitration shall be as per rule 41.

49. Arbitrators' fee in International Arbitration:-

Sum in Dispute (US \$ or equivalent in Rupees)	Arbitrator's fees
Up to \$ 50,000 or equivalent in Rupees	Rs. 2,00,000/-

From \$ 50,001 to 1,00,000 or equivalent in Rupees	Rs. 2,00,000/- plus 6% of the fee over & above \$ 50,000 or equivalent in Rupees
From \$ 1,00,001 to 5,00,000 or equivalent in Rupees ,	Rs. 4,01,000/- plus 6 % of the fee over& above 3 1,00,000 or equivalent in Rupees
From \$ 5,00,001 to 10,00,000 or equivalent in Rupees	Rs. 20,09,000/- plus 4% of the fee over & above \$ 5,00,000 or equivalent in Rupees
From \$ 10,00,001 to 20,00,000 or equivalent in Rupees	Rs. 33,49,000/- plus 2% of the fee over & above \$ 10,00,000 or equivalent in Rupees
From \$ 20,00,001 to 50,00,000 or equivalent in Rupees	Rs. 53,59,000/- plus 1% of the fee over & above \$ 20,00,000 or equivalent in Rupees
From \$ 50,00,001 to 1,00,00,000 or equivalent in Rupees	Rs. 70,34,000/- plus 0.50% of the fee over & above \$ 50,00,000 or equivalent in Rupees
From \$ 1,00,00,01 to 5,00,00,000 or equivalent in Rupees	Rs. 1,37,34,000/- plus 0.25% of the fee over & above \$ 1,00,00,000 or equivalent in Rupees
From \$ 5,00,00,01 to 8,00,00,000 or equivalent in Rupees	Rs. 1,87,59,000/- plus 0.25% of the fee over & above \$ 5,00,00,000 or equivalent in Rupees
From \$ 8,00,00,01 or equivalent in Rupees	Rs. 2,07,69,000/- plus 0.1% of the fee over & above \$ 8,00,00,000 or equivalent in Rupees subject to a ceiling of Rs. 2,20,00,000/-

¹[* Conversion rate as on date of deposit shall be applicable.

* Deposit in INR only.]

Note:

- (1) Any Claim or dispute which is not valued in terms of money, shall attract a minimum fee of Rs. 5,00,000/- (Rupees Five Lakh only), any fee in excess of the same shall be as agreed upon by the parties.
- (2) In the event of claim and counter-claim, the Arbitrator's fee shall be calculated on the aggregate of the claim and counter-claim.
- (3) The fee fixed above is in respect of a single Arbitrator. The fee at the same rate shall be payable to any additional Arbitrator.
- (4) In the event of an Arbitrator chosen from the Panel of Arbitrators or nominated, who is not in the panel is from a place other than the place as mentioned in Rule 41, the party nominating such Arbitrator, shall bear all expenses of such Arbitrator, apart from the fee payable as per the schedule, for his participation in the Arbitration proceedings.
- (5) In the event of claim or counter claim having more than one relief, the arbitrator's fee shall be calculated as follows:
 - (a) In any claim or counter claim, in which separate and distinct reliefs based on the same cause of action are sought, the arbitrator's fee shall be determined on the aggregate value of the reliefs:

Provided that, if any relief is-sought only as ancillary to the main relief the arbitrator fee shall be determined on the value of the main relief.
 - (b) Where reliefs are sought in the alternative in any claim/Counter claim, the arbitrator's fee shall be determined with the highest of the fees on the reliefs.
- (6) In the event of termination of Arbitral proceedings;
 - (a) Before filing of written response, the Arbitrator's shall be paid 30% of the fee calculated as above.
 - (b) After framing of issues or terms of reference and before cross examination of any witness (including the parties), the Arbitrator's shall be paid 50% if the fee calculated as above.

50. Administrative Expenses in International Arbitration:-

The parties shall deposit Administrative Expenses as indicated below, before the dispute is referred to the Tribunal:-

Sum in Dispute (in Rupees or equivalent in US \$)	Administrative Expenses
If the value of the claims/disputes does not exceed \$1,00,000/- or equivalent in Rupees	Rs. 20,000/- (Rupees Twenty Thousand only) or equivalent in US \$
If the value of the claims/disputes is between \$ 2,00,001/- to \$ 5,00,000/- or equivalent in Rupees	Rs.30,000/-(Rupees Thirty Thousand only) or equivalent in US \$
If the value of the claims/disputes exceeds \$ 5,00,001/- or equivalent in Rupees	Rs. 40,000/- (Rupees Forty Thousand only) or equivalent in US \$ of the value of the claims/disputes does not exceed \$ 1,00,000/- or equivalent in Rupees.

Note: Any Claim or dispute which is not valued in terms of money, shall attract a minimum deposit of Rs. 30,000/- (Rupees Thirty Thousand only) or equivalent in US \$.

In addition to the Administrative Expenses as above, the parties shall also pay a sum of Rs. 3,000/- (Rupees Three Thousand only) or equivalent in US \$ per day (irrespective of the duration of the sitting on a given day) for the use of the facilities of the Centre on the days the Tribunal holds its sittings. The above expenses shall be shared by all the parties, equally.

The Government of India and the Government of Madhya Pradesh are exempted from payment of Administrative Expenses and Other Miscellaneous Expenses. The Board of Governors, at their discretion, may exempt such other entity from payment of the above expenses.

¹[50A.Arbitrators' fees:-

- (1) The fees payable to the Arbitrators shall be determined in accordance with the scales specified in rule 32 and 49 of these rules.
- (2) The fee shall be determined and assessed on the aggregate amount of the claim(s) and counter claim(s):

Provided that in the event of failure of party to arbitration to pay its share as determined by the centre, on the aggregation of claim(s) and counter claim(s), the centre may assess the claim(s) and counter claim(s) separately and demand the same from the parties concerned :

Provided further that for the purposes of valuation or quantification of the Claims, the Centre shall be governed by the laws of India, and the principles governing the valuation of claims before the Courts of Civil Jurisdiction.

Provided also that in case of undervaluation or where the value is not determinable in pecuniary terms, the Director would be entitled to assess and demand the revised fee on the basis of assessment and to decide the objections, if any, relating to the quantification or valuation.]

1. Inserted by Notification published in M.P. Gaz 4(Ga), dt. 04.02.2022, Page 121-122.

PART-XI
GENERAL PROVISIONS

51. Accounts of the Centre:-

Accounts of the Centre shall be maintained as per the Income Tax Act, 1961 as amended from time to time and Rules and Circulars issued there-under and by the Central Government.

52. Interpretation and Scope of the Rules:-

In the event of any doubt arising with regard to interpretation of the Rules, the decision of the Board of Governors shall be final.

¹[53. Exclusion and waiver of liability -

The MPDIAC, Board of Governors including the President, directors, officers, employees or any Arbitrator or any Committee or Sub-Committee, shall not be liable to any person for any negligence, act or omission in connection with any arbitration governed by these Rules.

54. Decisions of the Board of Governor and the Directorate:-

(1) Subject to rule 21(5), the decisions of the Board of Governors and the Directorate with respect to all matters relating to an arbitration shall be conclusive and binding upon the parties and the Tribunal. The President and the Directorate shall not be required to provide reasons for such decisions.

1. Added by Notification published in M.P. Gaz 4(Ga), dt. 04.02.2022, Page 122-123.

- (2) In all matters not expressly provided for in these rules, The President, the Directorate and the Tribunal shall act in the spirit of these rules and shall make every reasonable effort to ensure fair, expeditious and economical conclusion of the arbitration and the enforceability of any Award.
- (3) The MPDIAC may from time to time issue Practice Notes to supplement, regulate and implement these rules for the purpose of facilitating the administration of arbitrations governed by these rules.

55. Residuary Provisions:-

The President may take appropriate decisions, as it considers necessary in respect of all matters, which are not specifically provided in these Rules.]

* * * * *

SCHEDULE – I
[See Sub- Rule (1) (m) of Rule 3]
JOINT MEMORANDUM OF THE PARTIES TO THE ARBITRATION

We hereby agree that the dispute, which has arisen between us in respect of our contract _____ (given details) dated _____ is hereby referred to arbitration in accordance with “The Madhya Pradesh Arbitration Centre (Domestic and International) Rules, 2019”.

In Witness Whereof, this Agreement has been signed on this _____ Day of _____ Month of _____ (year) at _____ by:

Parties:

1. _____
2. _____

¹[SCHEDULE-II

**[See sub-rule 2 of Rule 20 and Section 12 read with
Schedule V & VI of the Arbitration & Conciliation Act, 1996]**

ARB.P. No. :

**ARBITRATOR'S DECLARATION OF ACCEPTANCE AND
STATEMENT OF INDEPENDENCE**

I, the undersigned

Last Name: _____ First Name _____



ACCEPTANCE

Hereby, declare that I accept to serve as arbitrator under the Rules of the Madhya Pradesh Domestic & International Arbitration Centre in the instant case. In so declaring, I confirm that I have familiarized myself with the requirements of the rules of the Centre and I am capable and available to serve as an arbitrator in accordance with all of the requirements of the Rules of the Centre and accept to be remunerated in accordance therewith. I accept that the obligation to disclose any facts or circumstance which may call into question my independence or impartiality in the eyes of any of the parties shall remain binding on me till the arbitration proceedings are finally concluded.

1. Substituted by Notification published in M.P. Gaz 4(Ga), dt. 04.02.2022, Page 123-125.

Please tick the boxes below as may be applicable:

I am independent of each of the parties and intend to remain so; to the best of my knowledge, there are no facts or circumstances, past or present, that need be disclosed for they might be of such nature as to call into question my independence or impartiality in the eyes of any of the parties.

Or

I am independent of each of the parties and intend to remain so, however I wish to call your attention to the following facts or circumstances which I hereafter disclose because they might be of such a nature as to call into question my independence or impartiality in the eyes of any of the parties. (Please use separate sheet if necessary).

NON-ACCEPTANCE

Hereby declare that **I decline** to serve as arbitrator in the subject case. (If you wish to state the reasons please do so.)

Kindly provide us the following details.

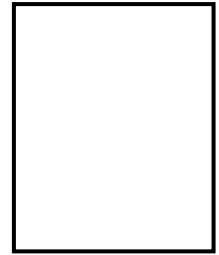
Date: _____ Signature _____

Mob.: _____ E-mail : _____

Land Line No.: _____

PS/ Secretary: _____]

SCHEDULE – III
[See Sub-Rule (1) of Rule 9]
CURRICULUM VITAE
(ARBITRATOR)



(Stamp Size Photograph)

For use of The Arbitration Centre Madhya Pradesh (Domestic and International) at Jabalpur and its Benches at Indore and Gwalior and at such other places where Centres may be established.

Mr.

Mrs.

Ms.

Last Name : _____

First Name : _____

Date of Birth : _____

Personal Address: _____

Telephone : _____

Tele-fax : _____

E-Mail : _____

Office Address (including Company or Firm name where applicable):

Telephone : _____

Tele-fax : _____

E-Mail : _____

Please indicate the address preferred for correspondence

Personal

Office

Qualification and Experience:

1.

2.

3.

4.

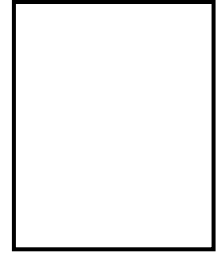
(Please indicate if any assistance of a translator or an interpreter is required during the course of arbitration.)

Place : _____

Date : _____

Signature : _____

SCHEDULE – IV
[See Sub-Rule (2) of Rule 8]
CURRICULUM VITAE
(RESEARCH ASSISTANT)



(Stamp Size Photograph)

For use of The Arbitration Centre Madhya Pradesh (Domestic and International) at Jabalpur and its Benches at Indore and Gwalior and at such other places where Centres may be established.

Mr.

Mrs.

Ms.

Last Name : _____

First Name : _____

Date of Birth : _____

Personal Address: _____

Telephone : _____

Tele-fax : _____

E-Mail : _____

Office Address (including Company or Firm name where applicable):

Telephone : _____

Tele-fax : _____

E-Mail : _____

Please indicate the address preferred for correspondence

Personal

Office

Qualification and Experience:

- 1.
- 2.
- 3.
- 4.

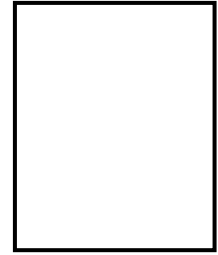
(Additional Information, if any, may be supplemented)

Place : _____

Date : _____

Signature : _____

SCHEDULE – V
[See Sub-Rule (4) of Rule 29]
CURRICULUM VITAE
(EXPERT)



(Stamp Size Photograph)

For use of The Arbitration Centre Madhya Pradesh (Domestic and International) at Jabalpur and its Benches at Indore and Gwalior and at such other places where Centres may be established.

Mr.

Mrs.

Ms.

Last Name : _____

First Name : _____

Date of Birth : _____

Personal Address: _____

Telephone : _____

Tele-fax : _____

E-Mail : _____

Office Address (including Company or Firm name where applicable):

Telephone : _____

Tele-fax : _____

E-Mail : _____

Please indicate the address preferred for correspondence

Personal

Office

Qualification and Experience:

1. Area of Expertise :

2. Qualification and Experience :

3. Academic Degrees :

4. Present Professional Activities :

(Additional Information, if any, may be supplemented)

Place : _____

Date : _____

Signature : _____

SCHEDULE – VI
MODEL ARBITRATION CLAUSE

Any dispute or difference or claim arising out of, or in connection with, or relating to the present contract or the breach, termination or invalidity thereof, shall be referred and settled under The Madhya Pradesh Arbitration Centre (Domestic and International) Rules, 2019 by one or more arbitrators appointed in accordance with its rules.

Note: Parties may add the following:

- a) The number of arbitrator(s) shall be
- b) The language of the Arbitration Proceedings shall be
- c) Specific qualifications of the arbitrator(s) including language, technical qualifications and experience, if any.
- d) Laws applicable to the substance of the dispute.
