GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

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No.2003/CE-I/CT/4. New Delhi, dated 9.10-2003.

CORRECTION SLIP NO.3 TO G.C.C.

Addressed to :

As per list attached.

Sub: General Conditions of Contract – Amendments to Arbitration Clause No.63 and 64 of GCC.

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Ministry of Railways (Railway Board) have decided that Clause 63 and 64 of the General Conditions of Contract may be added/deleted/modified as shown in the enclosed Correction Slip No.3.

This issues with the concurrence of Finance Directorate of Ministry of Railways.

Receipt of this letter may please be acknowledged.

DA : As above.

(Parmod Kumar)
Executive Director Civil Engineering(G)
Railway Board.

Advance Correction Slip No.3 to General Conditions of Contract

Note : (i) Deletion from existing clause are shown in ***Italic***.
(ii) Additions to existing clause are **<u>underlined</u>**.

Existing Clause	Revised Clause
63 - **Matters finally determined by the Railway** – All disputes and differences of any kind whatsoever arising out of or in connection with the contract, whether during the progress of the work or after its completion and whether before or after the determination of the contract, shall be referred by the contractor to the *Railway* and the *Railway* shall within 120 days after receipt of the Contractor's representation make and notify decisions on all matters referred to by the contractor in writing provided that matters for which provision has been made in clauses 8, 18, 22(5), 39, 43(2), 45(a), 55, 55-A(5), 57, 57A, 61(1), 61(2) and 62(1) to (xiii)(B) of General Conditions of Contract or in any clause of the special conditions of the contract shall be deemed as 'excepted matters' and decisions of the Railway authority, thereon shall be final and binding on the contractor; provided further that 'excepted matters' shall stand specifically excluded from the purview of the arbitration clause ***and not be referred to arbitration.*** **Note : Existing Clause be read with Correction Slip No.2 issued vide Board's letter No.96/CE-I/CT/29 dated 22-2-2001.**	63 - **Matters finally determined by the Railway** – All disputes and differences of any kind whatsoever arising out of or in connection with the contract, whether during the progress of the work or after its completion and whether before or after the determination of the contract, shall be referred by the contractor to the **<u>GM</u>** and the **<u>GM</u>** shall within 120 days after receipt of the Contractor's representation make and notify decisions on all matters referred to by the contractor in writing provided that matters for which provision has been made in clauses 8, 18, 22(5), 39, 43(2), 45(a), 55, 55-A(5), 57, 57A, 61(1), 61(2) and 62(1) to (xiii)(B) of General Conditions of Contract or in any clause of the special conditions of the contract shall be deemed as 'excepted matters' **<u>(matters not arbitrable)</u>** and decisions of the Railway authority, thereon shall be final and binding on the contractor; provided further that 'excepted matters' shall stand specifically excluded from the purview of the arbitration clause.

Existing Clause	Revised Clause
64(1)(ii) - The demand for arbitration shall specify the matters which are in question, or subject of the dispute or difference as also the amount of claim itemwise. Only such dispute(s) or difference(s) in respect of which the demand has been made, together with counter claims or set off, shall be referred to arbitration and other matters shall not be included in the reference.	64(1)(ii) - The demand for arbitration shall specify the matters which are in question, or subject of the dispute or difference as also the amount of claim itemwise. Only such dispute(s) or difference(s) in respect of which the demand has been made, together with counter claims or set off, **given by the Railway,** shall be referred to arbitration and other matters shall not be included in the reference.
64(3)(a)(i) – In cases where the total value of all claims in question added together does not exceed Rs.10,00,000/- (Rupees ten lakhs only), the Arbitral tribunal consist of a sole arbitrator who shall be ***either the General Manager or*** a gazetted officer of Railway not below ***the grade of*** JA grade, nominated by the General Manager ***in that behalf***. The sole arbitrator shall be appointed within 60 days from the day when a written and valid demand for arbitration is received by ***Railway***.	64(3)(a)(i) – In cases where the total value of all claims in question added together does not exceed Rs.10,00,000/- (Rupees ten lakhs only), the Arbitral tribunal **shall** consist of a sole arbitrator who shall be a gazetted officer of Railway not below JA grade, nominated by the General Manager. The sole arbitrator shall be appointed within 60 days from the day when a written and valid demand for arbitration is received by **GM**.

Existing Clause	Revised Clause
64(3)(a)(ii) – In cases not covered by clause 64(3)(a)(i), the Arbitral Tribunal shall consist of a panel of three Gazetted Rly. Officers not below JA grade, as the arbitrators. For this purpose, the Railway will send a panel of more than 3 names of Gazetted Rly. Officers of one or more departments of the Rly., to the contractor ***who*** will be asked to suggest to General Manager upto 2 names out of the panel for appointment as contractor's nominee. The General Manager shall appoint at least one out of them as the contractor's nominee and will, also simultaneously appoint the balance number of arbitrators either from the panel or from outside the panel, duly indicating the 'presiding arbitrator' from amongst the 3 arbitrators so appointed. While nominating the arbitrators it will be necessary to ensure that one of them is from the Accounts department. An officer of Selection Grade of the Accounts Department shall be considered of equal status to the officers in SA grade of other departments of the Railway for the purpose of appointment of arbitrators.	64(3)(a)(ii) – In cases not covered by clause 64(3)(a)(i), the Arbitral Tribunal shall consist of a panel of three Gazetted Rly. Officers not below JA grade **or 2 Railway Gazetted Officers not below JA Grade and a retired Railway Officer, retired not below the rank of SAG Officer**, as the arbitrators. For this purpose, the Railway will send a panel of more than 3 names of Gazetted Rly. Officers of one or more departments of the Rly. **which may also include the name(s) of retired Railway Officer(s) empanelled to work as Railway Arbitrator** to the contractor **within 60 days from the day when a written and valid demand for arbitration is received by the GM. Contractor** will be asked to suggest to General Manager upto 2 names out of the panel for appointment as contractor's nominee **within 30 days from the date of dispatch of the request by Railway.** The General Manager shall appoint at least one out of them as the contractor's nominee and will, also simultaneously appoint the balance number of arbitrators either from the panel or from outside the panel, duly indicating the 'presiding arbitrator' from amongst the 3 arbitrators so appointed. **GM shall complete this exercise of appointing the Arbitral Tribunal within 30 days from the receipt of the names of contractor's nominees.** While nominating the arbitrators it will be necessary to ensure that one of them is from the Accounts department. An officer of Selection Grade of the Accounts Department shall be considered of equal status to the officers in SA grade of other departments of the Railway tor the purpose of appointment of arbitrators.

Note : (3) Other sub-clauses of Clause 64 remain unaltered.

(Authority : Railway Board's letter No.2003/CE-I/CT/4 dated 9.10.2003).