



# IDAC INDIA'S MARITIME ARBITRATION RULES - 2020



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## **Article 1 - Objectives:**

These Rules shall be called IDAC India's Maritime Arbitration Rules according to which the conduct for Domestic and International Maritime Arbitrations shall be governed.

## **Article 2 - Definitions:**

- 1) IDAC India means International and Domestic Arbitration Centre (India) Vadodara
- 2) 'Committee' means the IDAC India's Maritime Arbitration Committee.
- 3) 'Registrar' means the 'Registrar' of IDAC India Vadodara.
- 4) 'Maritime Arbitrators Panel' means the Panel of such Arbitrators maintained by the IDAC India's Committee.
- 5) Any individual, Firm, Company, and Government Organizations or Government Undertakings can be a party to the maritime disputes.

## **Article 3 - IDAC's Maritime Arbitration Committee:**

- 1) The above committee shall consist of the nominees of following. The number of committee members will be eleven:
  - I. IDAC India Vadodara Representative
  - II. Shipping Corporation
  - III. Representative of Law & Justice Government of Gujarat
  - IV. Representative of Gujarat Maritime Board
  - V. Representative of Adani Port
  - VI. Representative of Kandla Port
  - VII. Representative of Mundra Port
  - VIII. Representative of Dahej Port
- 2) Chairman of the IDAC's Maritime Arbitrations Committee shall be the Director of IDAC India the Convener of the Committee shall be the person nominated by IDAC India. The Committee shall meet as and when required but at least once in a year.

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#### **Article 4 - IDAC India's Maritime Arbitration Committees Functions:**

The functions of the Committee shall be as follows:

- 1) Empanelment of arbitrators;
- 2) Provision of guidance to arbitrators and parties in the general conduct of arbitration;
- 3) Publication of arbitration awards;
- 4) In case of doubt, decide the applicability of these rules in relation to a dispute referred to it;
- 5) Appointment of the Arbitrator / Presiding Arbitrator when required;

The progress of Maritime Arbitration cases shall be reviewed every six months and wherever necessary corrective steps will be taken in the Interest of Justice.

#### **Article 5 - Law to Apply:**

Any arbitration conducted under these rules shall be governed by the provisions of the Arbitration and Conciliation Act, 1996 as amended by Arbitration and Conciliation (Amendment) Act 2015 or any re-enactment thereof.

#### **Article 6 - Panel of Arbitrators:**

- 1) The Committee shall prepare a Panel of IDAC's Maritime Arbitrators who have practiced in Maritime field, have knowledge of Maritime & Shipping laws and are persons of repute and integrity.
- 2) Any panel member, of IDAC's maritime arbitrator's panel on attaining the age of 80 years shall ipso facto cease to be member of the Panel of Maritime Arbitrators. However, person who has been appointed as Arbitrator before attainment of the age of 80 years his panel membership will continue till the pronouncement of the Award in pending arbitration matters referred to him.

#### **Article 7 - Scope of Application:**

These rules shall apply to maritime disputes generally in respect of the following or any inter connected matter:

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- 1) Carriage of goods by sea;
- 2) Marine salvage, towage of vessels or other floating objects;
- 3) Damages arising out of collisions, groundings, fire or any such accidents whether in port or at sea, including damage to fix or floating objects at ports;
- 4) Ownership of vessels and aspects relating to lines and mortgages;
- 5) General Average, particular average and matters arising out of contracts of marine insurance;
- 6) Wreck removal and marine pollution;
- 7) Interpretation of charter party, any contract of affreightment and bills of lading;
- 8) Interpretation of any shipping documents;

### **Article 8 - Commencement of Maritime Arbitration:**

Any of the parties who have entered into an agreement for resolving dispute by arbitration under these rules should submit an application requesting for arbitration to the IDAC India containing following particulars.

- I. The names and full communication addresses of the parties to the maritime disputes;
- II. Copies of the contract in which the arbitration clause is contained;
- III. The Statement of facts containing claim(s) and facts supporting the claim and relief or remedies sought with other details of the Claimant's case with all other relevant details;
- IV. The details of such matters as to the seat of Arbitration, the name(s) of Arbitrators on which the parties to the disputes have pre-agreed to the conduct of arbitration, or any other proposal which the requesting party(s) wish to make;
- V. If the arbitration agreement provides for nomination of arbitrators by the parties, the name, address, telephone and fax number of the party requesting for appointment of maritime Arbitrator.
- VI. Non-refundable Registration fee of Rs. 10000/- plus applicable GST for claims up to Rs. One Crore and Rs. 20000/- plus applicable GST for claims more than Rs. One Crore. The party requesting for the appointment of Maritime Arbitrator shall confirm at the time of

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making the request that any statutory liability arising out shall be solely borne by the requesting party.

### **Article 9 - Nomination / Appointment / Removal of IDAC's Maritime Arbitrators:**

- 1) The appointment of an arbitrator under this rule means nomination of the arbitrator by the party or parties or IDAC India and acceptance thereof by the arbitrator.
- 2) The number of arbitrators to hear dispute under these rules, if to be nominated by IDAC India shall be determined as under:-
  - a) Where the claim does not exceed Rs. One Crore and the Arbitration Agreement does not specify otherwise, the reference shall be deemed to be with a Sole Arbitrator.
  - b) Where the claim exceeds Rs. One Crore and the Arbitration Agreement does not specify otherwise, the dispute will be heard and determined by three arbitrators, unless the parties to the dispute subsequently agree to refer the dispute to a sole arbitrator within 30 days from the date of notification of the request for arbitration.
- 3) In case a Sole Arbitrator has to be appointed, the IDAC India shall, by a notice in writing, call upon the parties to the dispute to forward the name of an agreed arbitrator from among the Maritime Panel of Arbitrators. The said notice shall specify the period within which the nomination shall be made which shall not be more than thirty days from the date of the said notice to the respective parties. If the parties fail to agree on the person to be appointed as sole arbitrator within the time granted by IDAC India, IDAC India in consultation with the member(s) of the Maritime Arbitration Committee shall appoint the sole arbitrator from among the IDAC's Maritime Panel of Arbitrators. The sole arbitrator so nominated shall constitute the arbitral tribunal to hear the dispute and shall be appointed as such in writing by IDAC India.
- 4) Where the reference is to three arbitrators, IDAC India shall in the first instance call upon the parties to nominate one arbitrator each from among the IDAC's Maritime Panel of Arbitrators by a notice in writing, sent to them. The said notice shall specify the period within which the

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nomination shall be made which shall not be more than 30 days from the date of the said notice to the respective Parties. If a Party to the dispute refuses or neglects to appoint an arbitrator on his behalf within the period specified or if he requests IDAC India to nominate an arbitrator on behalf of that party, IDAC India in consultations with member(s) of the IDAC's Maritime Arbitration Committee shall appoint the arbitrator from the IDAC's Maritime Panel of Arbitrators on behalf of that party.

- 5) The two Arbitrators, as appointed aforesaid shall appoint within a period of 30 days, the Third Arbitrator who shall act as the Presiding Arbitrator. If the two Arbitrators, appointed by the parties, fail to agree on the Third Arbitrator, the Third Presiding Arbitrator shall be appointed by IDAC India in consultations with member(s) of IDAC's Maritime Arbitration Committee to act as the Presiding Arbitrator. The consent of Presiding Arbitrator, so appointed shall be obtained beforehand.
- 6) The parties will obtain the consent from the persons nominated by them respectively as IDAC's Maritime Arbitrator and intimate the IDAC India accordingly. In case the parties fail to do so, IDAC India will then obtain the consent from the persons nominated by the parties as their respective arbitrators. After a person gives his consent for appointment as arbitrator, he will be duly intimated about his appointment to decide the dispute by a memo in writing by IDAC India about the constitution of the arbitral tribunal. The appointment of the arbitrator will take effect from the date of such intimation about the constitution of arbitral tribunal.
- 7) While giving his consent for appointment as arbitrator, he shall disclose in the prescribed form of IDAC any circumstances such as financial or personal interest in the outcomes of the award, likely to disqualify him as an impartial or independent arbitrator. Upon receipt of such information, IDAC India shall disclose it to the parties, who if willing to proceed under the circumstances disclosed, shall advise the IDAC India accordingly. If either party declines to waive such disqualification within 15 days of the receipt of such information from IDAC India, the prospective arbitrator shall be disqualified from acting as arbitrator and the vacancy so created shall be filled in accordance with these rules.

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- 8) Any party shall have the right to challenge the appointment of an arbitrator on receipt of the notice of his appointment for reasons which disqualify him as an impartial or independent arbitrator. The challenge of an arbitrator shall be made within 30 days after his appointment has been communicated to the challenging party or within 30 days after his becoming aware of the reasons for which the other party and the arbitrator. The Maritime Arbitration Committee shall be the sole judge of the grounds of challenge and its decision shall be final and binding on the parties as well as the arbitrator.
- 9) In case of resignation, death or termination of authority of an arbitrator, a new arbitrator or arbitrators will be appointed in his place by IDAC India, in case they had appointed the original arbitrator. Where the appointment was made by the parties, IDAC India shall call upon the party who had appointed the arbitrator to nominate another arbitrator in his place. If any party refuses or neglects to nominate an arbitrator within 15 days of the date of notice requiring him to nominate the arbitrator or within such extended time not exceeding 30 days, IDAC India shall nominate the arbitrator on behalf of that party from among the panel of IDAC's Maritime arbitrators.
- 10) Removal of Arbitrator :
- a) The Maritime Arbitration Committee of IDAC India may in its discretion, direct the removal of an arbitrator, who refuses or fails to act or becomes de jure or de facto unable to perform his functions or if he is not fulfilling his functions in accordance with the IDAC's Maritime Arbitration Rules and its Code of Conduct and Guidelines for Arbitrators or is adjudged insolvent or convicted of an offence involving imprisonment.
  - b) In the event of such removal, the arbitrator or arbitrators as the case may be and whose authority has been terminated by the decision of the IDAC's maritime Arbitrators Committee, shall not be entitled to any fee.
- 11) Before any action is taken, an opportunity will be given by the IDAC's maritime Arbitrators Committee, to the concerned arbitrator to be heard

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and the decision of the Maritime Arbitration Committee shall be final and binding on the arbitrator as well as the parties. In case of the removal of arbitrator, IDAC India will inform him accordingly.

### **Article 10 - Submission of the case to the Arbitral Tribunal:**

- 1) IDAC India shall send copies of claim statement, defense statement if any, counter claim if any, and other documents received under Rule 8 from the parties to the dispute to the arbitrator(s) with a request to proceed with the arbitration and the arbitrator(s) under intimation to the parties to disputes. The arbitrator shall be deemed to have entered upon the reference on the day on which claim statement, defense statement, counter-claim, replies if any, documents as referred to above etc. have been dispatched to them.
- 2) When the party instituting a case desires to withdraw it before an arbitral tribunal has been constituted, the IDAC India shall return to him any deposits made by him, after deducting such charges as he might have incurred in connection with the cases. The registration fee, however, shall not be refundable.
- 3) If the arbitration is terminated by the act or default of any parties and/or the claims or disputes are resolved and/or settled after constitution of the arbitral tribunal and before the award is made, any fee, charges and expenses deposited or incurred by the parties shall not be refunded or reimbursed and the arbitrators fees so deposited shall be paid to the arbitrators and the administrative charges shall be appropriated by IDAC India.

### **Article 11 - Statement of Defense and Counter Claim by the Opposite party:**

On receipt of the statement of claim from IDAC India, the Respondent may make a defense/counter claim against the claim provided that the counter claim arises under the same transaction as that of the statement of claim to the Arbitrator(s) under intimation to IDAC India. The Respondent shall submit such statement of defense and counter claims with full details supported by all documents within a period of 30 days

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from receipt of the statement of claims or within such extended period not exceeding another 15 days. The Arbitrator(s) appointed to adjudicate upon the original claim shall also adjudicate upon the counter claim.

### **Article 12 - Venue of Arbitration:**

The Parties are free to agree on a place of arbitration within India when seat of arbitration is not specified in the arbitration agreement between the parties. If parties do not agree to the place of arbitration among themselves, the arbitral tribunal may decide the place of arbitration having regard to the circumstances of the case including the convenience of the parties, witnesses, experts etc...

The arbitral tribunal will, however be free to visit any other place than the place of arbitration as decided above for inspection of any documents, goods/or property relevant to the case with the consent of parties in the dispute.

### **Article 13 - Language of proceedings:**

All arbitration proceedings shall be conducted in English language. If assistance of the interpreter during the proceedings is required, party concerned shall bear the costs. The interpreter shall be an independent person to be appointed by the IDAC India.

### **Article 14 - Power of Arbitrators:**

- 1) Unless contrary intention is expressed in any arbitration agreement, the powers of the arbitrators shall include :
  - a) To call for all documents within the possession of the Claimant and Respondent which may be required for this purpose;
  - b) To examine any witness on oath or affirmation;
  - c) To call for giving evidence by affidavits, if necessary;
- 2) If the parties have reached an amicable settlement of the dispute or on any part thereof during the arbitration proceedings, and if such parties request the arbitrator(s) to pronounce an award in terms of the amicable settlement, the arbitrator(s) shall give an award accordingly.

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3) Interim Measures :

- a) The arbitrators upon notice to parties may issue such interim orders or directions as they may deem necessary for securing the amount in dispute in the arbitration or safeguarding, interim custody, interim injunction, preservation, protection, storage, sale or disposal of the whole or part of the subject matter of the dispute or for its inspection or sampling.
- b) The arbitrators may order the party requesting interim relief to provide appropriate security in connection with the relief sought.
- c) The arbitrators may modify, suspend or terminate an interim measure granted by them, upon an application by a party if the circumstance so warrants.

**Article 15 - Appointment of Emergency IDAC's Maritime Arbitrator:**

- 1) If a party is in requirement of urgent interim or conservatory measures, that cannot await formation of the Tribunal, it may make an application for emergency interim relief. The party shall notify to IDAC India with a simultaneous copy thereof to the other parties to the arbitration agreement for such measures.
- 2) The party making such an application shall :
  - a) Describe the circumstances and the nature of the urgency and the measures sought
  - b) File proof of service of such application upon the opposite parties.
- 3) The party invoking the provision of Emergency Arbitrator shall deposit the necessary fees, administrative charges and expenses decided by IDAC India within 7 days from the date of demand made by IDAC India.
- 4) The IDAC India shall appoint the Emergency Arbitrator as soon as possible but not later than seven days from the date of receipt of the fee as above.
- 5) The Emergency Arbitrator so appointed shall schedule a hearing including filing of pleadings as soon as possible but not later than seven days of his appointment. The Emergency Arbitrator shall provide reasonable opportunity of being heard to all the parties and upon being satisfied shall have the power to pass an interim order as provided under Rule 14(3).

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- 6) The IDAC India shall ensure that the entire process from the appointment of the Emergency Arbitrator to making the Order shall be completed within thirty days (excluding public holidays).
- 7) The Emergency Arbitrator shall become Functus-Officio after the Order is made and shall not be a part of the Tribunal.
- 8) The order for urgent interim or conservatory measures passed by the Emergency Arbitrator shall not bind the Tribunal on the merits of any issue or dispute that the said Tribunal may be required to determine.
- 9) An order pursuant to the appointment of Emergency Arbitrator shall be binding on the parties when rendered. By agreeing to arbitration under these Rules, the parties undertake to comply with such an order or award without delay.
- 10) The order passed by the Emergency Arbitrator shall remain operative unless modified, substituted or vacated by the Tribunal.

#### **Article 16 - Conduct of Arbitration Proceedings:**

Arbitration proceedings can be conducted on the basis of pleadings, documents and affidavits filed by the parties in dispute unless one of the parties expresses its desire in writing that the parties may be given an opportunity of appearance either personally or through their representatives / attorneys.

##### **1) Timings of the Arbitration session :**

The date, time and place of the first hearing shall be fixed by the arbitrator(s) by giving a written notice of at least two weeks to the parties. Notice of the next hearing can however be given at the time of the hearing itself. The arbitration session will go on day to day basis from 11:00 a.m. to 05:00 p.m. on working days including Saturday once the hearing begins after completion of all the formalities. The arbitral tribunal shall not ordinarily adjourn a hearing at the request of any party, except where the circumstances are beyond the control of the adjournment are justified. While granting an adjournment, the arbitral tribunal may make such orders regarding payment of costs by the parties in dispute, as it deems fit and reasonable. The timings may be altered only on written consent of the parties in dispute.

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- 2) Evidence : Every party in arbitration shall have a right to prove or substantiate his contentions through evidence, documentary or otherwise. If arbitrator(s) consider(s) necessary submission of additional evidence by the parties, they may issue directions accordingly. Witnesses produced by a party may be examined / cross examined. The parties may request the arbitrators to allow them to submit the evidence / statements of witnesses by way of affidavits.

### **Article 17 - Optional Conciliation:**

The parties may opt for conciliation and request the arbitral tribunal before the commencement of the arbitration proceedings unless they have already agreed otherwise to settle their dispute through conciliation.

### **Article 18 - Fast Track Arbitration**

The parties may opt for fast track arbitration and request the arbitral tribunal to decide the reference in a fixed time frame of 3 to 6 months or any other time agreed between the parties, according to the Fast track arbitration, as under :

- 1) The arbitral tribunal will be authorized to decide the dispute on the written pleadings, documents and written submission filed by the parties without any oral hearing.
- 2) The arbitral tribunal shall have power to call for any further documents filed by them.
- 3) An oral hearing may be held if the parties in dispute make a joint request or if the arbitral tribunal considers an oral hearing necessary in any particular case.
- 4) If an oral hearing is held the arbitral tribunal may dispense with any technical formalities and adopt such procedures as it deems appropriate and necessary for economic and expeditious disposal of the case.
- 5) The arbitral tribunal may proceed with the reference notwithstanding any failure by a party to comply with any of the directions of the arbitral tribunal or in the absence of any of the parties in dispute who fail or neglect to attend at the time and place appointed by the arbitral tribunal, in spite of due notice of default.

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### **Article 19 – Arguments:**

The parties shall be permitted to submit oral or written arguments to substantiate their claim or defense. Written arguments shall be submitted within the time stipulated by arbitrators.

### **Article 20 - Failure of the parties:**

The arbitral tribunal may, by the ruling/order, dismiss the reference as under:

- a) If the Claimant does not prosecute the arbitration proceedings or file the papers within the time granted.
- b) Or neglects or refuses to pay the dues or deposits ordered to be paid by the arbitral tribunal or IDAC India.

### **Article 21 - Ex-Party Award:**

The arbitral tribunal may deliver an ex-parte award:

- a) If the defendant neglects or refuses to appear or make his defense or fails to file the papers within the time granted.
- b) Or neglects or refuses to pay the dues or deposits ordered to be paid by the arbitral tribunal or IDAC India.

### **Article 22 - Award:**

- 1) The Arbitral Tribunal shall make the award as expeditiously as possible, preferably within six months from the date of the reference subject to the maximum limit of one year from the date of commencement of reference. The Arbitral Tribunal only in case of extreme necessity may request the IDAC India to extend the time to make the award and the IDAC India may extend the time for period not exceeding one year, if such request is found to be reasonable and bona fide.
- 2) After the conclusion of the hearing of arguments and submission of documents including written arguments, if any, by the parties, the arbitrator(s) shall submit their award to the IDAC India as early as possible as but not later than 60 days from the date of closing of

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the hearing. The arbitrator(s) shall state no reasons are required or the award is a compromise award. The arbitrator shall endeavor to render unanimous or majority award.

- 3) The arbitrator(s) may at their discretion pronounce an interim award indicating the necessity for the same.
- 4) When an award has been made, IDAC India shall furnish a true copy of the award to the parties by registered post provided the arbitration costs including stamp duties have been fully paid to the Council by the parties or by one of them.
- 5) The IDAC India will be free to publish or otherwise circulate any award made under this rule in any Arbitration Journal, Magazine, and Report etc.

### **Article 23 - Arbitration Fees & Other Expenses:**

- 1) The Registration fee, Administrative charges and Arbitrator's fee shall be as per the scale prescribed by the IDAC's Maritime Arbitration Committee from time to time.
- 2) IDAC India on receipt of the Statement of Claim and/or Counter Claim, if any, shall indicate the amount of arbitration fee to be deposited by the Claimant and Respondent on provisional basis. The fees shall include registration fee, arbitration fee and the administrative charges. The parties will be required to deposit the arbitrator's fees and administrative charges within 30 days of the receipt of the intimation for making such deposit with the IDAC India. The period of 30 days may be extended by the IDAC India at the request of the party for a further period not exceeding 30 days. The arbitrator(s) shall not proceed with arbitral proceedings till receipt of arbitration and administrative charges and other related expenses by IDAC India.
- 3) The Arbitrators' fees and the Administrative charges shall be borne by the parties in equal share. In the event the Claimant fails to make payment of his share of Arbitrators and Administrative charges and expenses on

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the basis of the claim made in the statement of Claim within the prescribed period, IDAC India shall close the case and not further proceed with the arbitration. In the event the Respondent fails to make the payment of his share of Arbitrators fee and Administrative charges on the Statement of Claim, IDAC India shall then call upon the Claimant to pay the Respondent's share of the Arbitrators fee and Administrative charges including expenses and in default of payment thereof, IDAC India shall close the case and not further proceed with the arbitration.

In the event the Respondent fails to make the payment of his share of Arbitrators fee and Administrative charges on the Counter Claim, such Counter Claim shall not be entertained by the Arbitrators and in the event the Claimant fails to pay his share of Arbitrators fee and Administrative charges on the Counter Claim made by the Respondent, in that event IDAC India may call upon the Respondent to pay the Claimant's share of the Arbitrators fee and Administrative charges and expenses on the Counter Claim and upon such deposit being made, IDAC India shall proceed with the arbitration with respect to the Counter Claim and in default of such payment by the Respondent, his counter claim shall not be entertained.

4) Maritime Arbitration Clause :

All parties desirous of making reference for IDAC India maritime arbitration under these

Rules may provide following arbitration Clause in their contracts / agreements:

“All disputes arising under this charter shall be settled in India in accordance with the provisions of the Arbitration & Conciliation Act, 1996 (No. 26 of 1996), as amended and in force from time to time, to be administered by the International and Domestic Arbitration Centre, India (IDAC India - Vadodara) in accordance with the IDAC India's

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Arbitration Rules for the time being in force, without recourse to the ordinary courts of law. The Arbitrator(s) shall be appointed from among the IDAC's Maritime Panel of Arbitrators.

The Tribunal shall consist of one/three arbitrator/s and shall be seated at Vadodara. The Arbitration Proceedings will be held at Vadodara or any other place mutually decided by parties. The language of the arbitration shall be English. The Procedural and substantive law applicable to the dispute is Indian Law."

Notwithstanding the aforesaid it is open to parties, to make a reference to IDAC India by any other suitable provision in the contract, or by mutual consent or agreement for arbitration under these Rules. Scale of Arbitrator's Fee and Administrative Charges prescribed by the IDAC India Maritime Arbitration Committee under these Rules of IDAC India's Maritime Arbitration Rules.

(1) Registration / Filing Fee:

The Registration fee shall be payable with regard to the amount in dispute in each case as under. The registration fee shall not be refunded and becomes the property of IDAC India.

(a) Rs. 10,000/- plus applicable GST and other statutory levy up to Rs. One Crore Claim

(b) Rs. 20,000/- plus applicable GST and other statutory levy for more than Rs. One Crore Claim

(2) IDAC's Maritime Arbitrator's Fee and Administrative Charges OF IDAC India:

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The IDAC's Maritime Arbitrator's fee and Administrative charges of IDAC India will be as per following schedule for claim and counter claim including interest claimed in each case.

**IDAC India's Maritime Fee Schedule**

Sum in dispute	Model fee	Filing Fees	Administrative Fees
Up to Rs. 5,00,000/-	Rs. 45,000/-	Rs. 10,000/-	2.5% of the Claim Amount
Above Rs. 5,00,000/- and up to Rs. 20,00,000/-	Rs. 45,000/- plus 3.5 per cent. Of the claim amount over and above Rs. 5,00,000/-	Rs. 10,000/-	2% of the Claim Amount
Above Rs. 20,00,000/- and up to Rs. 1,00,00,000/-	Rs. 97,500/- plus 3 per cent. of the claim amount over and Rs. 20,00,000/-	Rs. 10,000/-	1.5% of the Claim Amount
Above Rs.1,00,00,000/- and up to Rs. 10,00,00,000/-	Rs. 3,37,500/- plus 1 per cent. Of the claim amount over and above Rs. 1,00,00,000/-	Rs. 20,000/-	1% of the Claim Amount
Above Rs.10,00,00,000/- and up to Rs. 20,00,00,000/-	Rs. 12,37,500/- plus 0.75 per cent. Of the claim amount over and above Rs. 1,00,00,000/-	Rs. 20,000/-	0.5% of the Claim Amount
Above Rs.20,00,00,000/-	Rs. 19,87,500/- plus 0.5 per cent of the claim amount over and above Rs. 20,00,00,000/- with a ceiling of Rs. 30,00,000/-	Rs. 20,000/-	0.25% of the Claim Amount

NOTE: The above charges are liable to be revised at IDAC India's option.

(3) In addition to the above

- (a) The IDAC India will be entitled to receive a Special Fee of Rs. 5,000/- per hearing for providing facilities of hearing rooms, for arbitration hearing and secretarial assistance etc. at the arbitration hearing.
- (b) Other expenses: The arbitrator may be paid an amount of Rs. 1,500/- towards local conveyance for attending each arbitration hearing in the city of his residence. In respect of joint trial, the hearing will be treated as one irrespective of

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the number of cases. Any traveling and other expenses incurred by the arbitrator or IDAC India for attending the arbitration hearings in a city other than the place of residence shall also be reimbursed to him as provided hereinafter. All the above expenses shall from part of the arbitration costs.

- (c) An arbitrator who has to travel shall be paid traveling expenses by air or rail (air conditioned wherever available) or car (when neither air nor rail transport is available) at actual. In addition, he may be paid out-of-pocket expenses at actual for boarding, lodging and local transport subject to maximum of Rs.20,000/- per day in metropolitan cities and Rs. 12,000/- in all other cities. An arbitrator who makes his own arrangements for boarding, lodging, local transport etc. may be paid out of pocket expenses at the rate of Rs. 10,000/- per day, without production of vouchers. The limits for stay of the officials will be of those applicable to arbitrators.
- (d) The cost to be incurred on payment of expenses to an arbitrator nominated by a party will be borne and paid by the party nominating the arbitrator. However, if an appointed arbitrator changes his residence after his nomination by a party, he will not be entitled to reimbursement of any enhanced expenses for attending the arbitration hearing, unless the party nominating him agrees to reimburse the same to him. The expenses payable to the Sole Arbitrator or Arbitrator(s) will be borne and paid by the parties in dispute in equal proportion or in such other manner as may be determined by the Arbitral Tribunal.

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## **Article 24 - Advance Cost / Deposits:**

- 24.1 IDAC India may direct the parties to deposit certain amounts towards the cost of the arbitration in advance. Such deposits shall be held by IDAC India and shall be released towards payments accrued during the course of the arbitration.
- 24.2 The Arbitral Tribunal's reasonable out-of-pocket expenses necessarily incurred and other allowances shall be borne equally by the parties in dispute.
- 24.3 The total cost of the arbitration shall be equally borne by the parties to the arbitration.
- 24.4 Failure by the Claimant to deposit the required fee within the time stipulated by IDAC India shall amount to withdrawal of the claim.
- 24.5 Failure by the respondent to deposit the required fee within the time stipulated by IDAC India shall amount to withdrawal of the counter claim, if any.
- 24.6 In case, if the respondent does not deposit the fee within time stipulated by IDAC India towards the claim amount, the claimant has to deposit the same with IDAC India as and when called upon to do so and include the amount in their claim at any stage of the proceedings.
- 24.7 IDAC India may direct the parties to pay further deposits as and when required during the course of the arbitral proceedings. IDAC India may direct the Tribunal to suspend proceedings if the Parties fail to pay the deposits on time
- 24.8 All deposits shall be made to and held by the IDAC India and no payment shall be made to the Arbitrator(s) directly by the Parties. Any interest which may accrue on such deposits shall be retained by the IDAC India.
- 24.9 If the arbitration is settled or disposed of without a hearing, the costs of arbitration shall be finally determined by IDAC India. IDAC India shall have regard to all the circumstances of the case, including the stage of proceedings at which the arbitration is settled or disposed. In the event

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that the costs of arbitration determined are less than the deposits made, there shall be a refund in such proportions as the parties may agree, or failing an agreement, in the same proportions as the deposits were made.

24.10 If the arbitration is either withdrawn or terminated by the act or default of any parties after constitution of the arbitral tribunal, any fee, charges, deposited by the Parties shall not be refundable.

#### **Article 25 - Amendment of the Rules:**

The Committee may review these rules and recommend amendments. The Council shall adopt recommended amendments in consultation with the Ministry of Shipping.

#### **Article 26 - Indemnity:**

- 1) The IDAC India, the Committee, the Chairman / Director, IDAC India and the Arbitrators shall not be liable for any act or omission in whatever capacity they may have acted in connection with or in relation to an arbitration under these Rules. Parties are themselves required to contest the proceedings regarding the validity of the arbitration agreement before any court of law.
- 2) No party shall bring or prosecute any suit or proceedings whatsoever against the Tribunal or any member thereof, for or in respect of any matter or thing purporting to be done under these Rules.

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