

**TO ALL MEMBERS OF THE ASSOCIATION:**

**Sub. : Services of Institutional Arbitration to  
Resolve Payment Default Disputes**

**Dear Sir,**

We are pleased to inform you that with a view to render the Services of Institutional Arbitration to Resolve Payment Default Disputes between our Members as well as between our Members and Outside Parties, the Association has entered into a Memorandum of Understanding (MOU) with Indian Merchants' Chamber (IMC) for rendering Services of Institutional Arbitration to Resolve Payment Default Disputes.

As you are aware, we have been rendering Services to you for Settlement of Payment Disputes between Member Manufacturers and Retailers / Dealers through our Payment Default Sub-Committee. This Service is in the nature of Conciliation / Mediation by which effort is made by the Association to try to talk to the Disputing Parties and amicably settle the Matter. However, if the efforts of Payment Default Sub-Committee does not fructify in persuading the Parties for arriving at a Settlement amicably then Members were left to resort to either litigation in Court or to ad hoc Arbitration and the Association was not able to offer any further help in the matter.

The Association was keen to render further Services to you but was not having any Machinery so far for rendering the Services of Institutional Arbitration which requires Panel of Arbitrators consisting Persons with knowledge of the Trade as well as knowledge of Law competent to hear the Matters in accordance with Principles of natural Justice and give the Award. The Association has therefore entered into a Memorandum of Understanding with Indian Merchants' Chamber of which we are also a Member with a view to provide a Machinery for resolving Commercial Disputes between the Members as well as between Members and Outsiders, which are not settled by Direct Discussion and by Conciliation / Mediation.

..2/-

**THE CLOTHING MANUFACTURERS ASSOCIATION OF INDIA**

902, Mahalaxmi Chambers, 22 Bhulabhai Desai Road, Mumbai – 400 026

Tel : +22-2353 8245, 2353 8986, 2352 5168 • Fax : +22-2351 5908

Email : cmai@hathway.com, cmai@vsnl.com • Website : www.cmai.in

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As per the Memorandum of Understanding signed by the CMAI & IMC, a Panel of Arbitrators has been constituted taking Businessmen and Industrialists from The Clothing Manufacturers Association of India as well as Indian Merchants' Chamber who have the knowledge of the Trade and Industry to which you belong and also from Legal Faculty who are Advocates, Counsel and / or Solicitors.

We would like to inform you that the Indian Merchants' Chamber has got the complete Infrastructure for rendering Services of Institutional Arbitration under which if the Dispute is not Resolved by you through Payment Default Sub-Committee of the Association by Conciliation and / or Mediation then the Dispute could be referred to Indian Merchants' Chamber under the Rules of Arbitration of Indian Merchants' Chamber. The Rules of the Arbitration of Indian Merchants' Chamber is on CMAI website: [www.cmai.in](http://www.cmai.in) or IMC website: [www.imcnet.org](http://www.imcnet.org) under the title 'Court of Arbitration'. The said Rules will be applicable to you for utilizing the Services of Institutional Arbitration of Indian Merchants' Chamber except the Rules and Annexures to the Rule, pertaining to fees payable to Arbitrators and to the Indian Merchants' Chamber for rendering Services of Institutional Arbitration.

### **CMAI – IMC – PANEL OF ARBITRATORS**

#### **Businessmen / Industrialists**

1. **Mr. Suresh Kotak**  
Chairman & Managing Director  
Kotak & Co. Ltd.
2. **Mr. Rajesh Masand**  
Vice President, CMAI  
Partner of M/s. Gambit Clothing Pvt. Ltd.
3. **Mr. Dinesh Nandu,**  
Member, CMAI  
Partner of M/s. Aari
4. **Mr. Amit Ruparellia**  
Dy. Chairman,  
Textile Export Promotion Council,  
Chairman of Trend Setters

..3/-

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5. **Mr. Pawan Sanghai**  
Managing Director  
R.J. Knitwears Ltd.
6. **Mr. Ashok Shah**  
Chairman, Membership Development Sub-Committee, CMAI  
Partner of M/s. Jeneration
7. **Mr. Hiten Shah**  
General Secretary, CMAI  
Proprietor of M/s. Heena Apparels
8. **Mr. S.L. Shah**  
Trade Redressal Sub-Committee, CMAI  
Proprietor of the Out Post
9. **Mr. Paresh Vora,**  
Member, CMAI  
Partner of M/s. Unity Traders

#### **Advocates / Counsel / Solicitors**

1. **Mr. Nusrat Hassan,**  
Advocate,  
Partner of D H Law Associates, Advocates & Solicitors
2. **Mr. Tushar Mavani,**  
Co-Chairman, IMC Court of Arbitration & Conciliation Committee,  
Partner, Amarchand Mangaldas, Advocates & Solicitors
3. **Mr. Gautam Mehta,**  
Counsel
4. **Ms. Renu Parekh,**  
Advocate  
Partner of ALMT Legal, Advocates & Solicitors
5. **Mr. Prathamesh Popat,**  
Co-Chairman, Law: Review, Reforms & Rationalisation Committee, IMC  
Counsel, Arbitrator & Mediator

..4/-

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For utilizing the Services of Arbitration, it is absolutely necessary that there is an Agreement between the Disputing Parties to refer the matter to Arbitration, if it is not Resolved through Conciliation / Mediation in accordance with Rules of the Association through Payment Default Sub-Committee hence **it would be mandatory to print the following Para in all your Commercial Contracts such as Purchase Order and Invoice.**

**“Any Disputes or Difference whatsoever arising between the Parties relating to this Contract shall be Subject to Jurisdiction of Payment Default Sub-Committee for Settlement in accordance with Rules for Conciliation of The Clothing Manufacturers Association of India and if not Resolved then shall be referred to Arbitration in accordance with the Rules of Arbitration of the Indian Merchants Chamber as per M O U between CMAI and IMC and Award made in pursuance thereof shall be Final and binding on the Parties”.**

**We advise all Members to ensure that the above Details are printed on the relevant Documents, otherwise it will be difficult for the Association to assist you in Resolving the Payments due from the Retailers.**

Members are further advised to submit the following Documents alongwith the Complaint Form available in our Website.

- i) Complete Address of the Defaulter with Telephone / Mobile Nos. of Proprietor / Directors / Partners
- ii) Payment Terms agreed to
- iii) Proof of Goods Dispatched / Accepted
- iv) Value of Goods Returned
- v) Total Amount Received towards the Invoice
- vi) Balance Amount to be Received
- vii) Interest Amount if any
- viii) Name of the Agent (if any) with Address & Telephone No.
- ix) Copy of all Correspondence with the Retailer
- x) Name / Address / Tel. No. of other Manufacturers dealing with the Retailer.

Upon receipt of the above information, the Association will place your Case before the Conciliation & Arbitration Sub-Committee of the Association. After making due efforts by the Sub-Committee, if the Case is not Resolved then the Matter will be referred to the CMAI – IMC Conciliation & Arbitration Panel for Final Redressal.

..5/-

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With a view to provide Services of Institutional Arbitration to you a Special Package of Fees to be paid to the Arbitrators and to the Indian Merchants' Chamber towards Administrative Services has been prepared for enabling you to avail of the Services of Institutional Arbitration of Indian Merchants' Chamber at a very low cost. List of Panel of Arbitrators are as under :

Arbitrators' Fee (for each Arbitrator) and Administration Fee will be fixed separately with regard to the amount in dispute in each case as under and will be shared equally by both the Parties.

Claim Amount	Arbitrator's Fees (Rs.)	IMC Processing Fees (Rs.)
Upto Rs.2.00 Lacs	2,000.00	2,000.00
Over Rs.2.00 Lacs upto Rs.5.00 Lacs	7,500.00	3,000.00
Over Rs.5.00 Lacs upto Rs.10.00 Lacs	15,000.00	6,000.00
Over Rs.10.00 Lacs	20,000.00	8,000.00

Members are further advised to note that once the Award is given by the Arbitrators, it is like a Decree of the Court which can be executed through the Court of Law for Realizing your Dues.

Members are, therefore advised to follow the above strictly so that in the eventuality of any Dispute, the same can be referred for Arbitration.

Thanking you and assuring of our best Services.

Yours truly,



**P. Chandrasekharan**  
**Secretary**

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