**COMPROMISE DEED BETWEEN THE PARTIES DURING ARBITRATION PROCEEDINGS**

**THIS MEMORANDUM OF SETTLEMENT** made the……………… day of…………… 20…………two thousand one……………between the X *Y & Co. Ltd.,* a Company incorporated under the Companies Act, 1956 and having its registered office at ................... ………………… (hereinafter called "the Employer") of the ONE PART and M/s. A B &, Co., a partnership firm carrying on the business of electrical contractors and having its office at……………(hereinafter called, "the Contractor") of the OTHER PART.

**WHEREAS**

1. By an agreement dated ………………between the Employer and the Contractor, the Contractor agreed to undertake electrical fitting and fixing electrical appliances like fans, tube lights, bulbs, etc. for, the Employer's factory at................ , ………………I upon and subject to the terms and conditions contained therein.

2. Under clause, ……………of the conditions of the aforesaid agreement, it is inter alia, provided that any dispute or difference arising out of or in connection with the Contract shall be referred to and settled by the Architect, who shall state his decision in writing and if any party is not satisfied with the Architects decision, he can refer such dispute to arbitration of an Arbitrator to be agreed upon and appointed by both the parties and in case of disagreement as to the appointment of the single Arbitrator, then to two Arbitrators, one to be nominated/ appointed by each party, and an Umpire to be appointed by both the Arbitrators.

3. During the settlement of bills submitted by the Contractor, certain disputes and differences have arisen between the Employer and the Contractor, the Contractor invoked the provisions of clause**................**of the agreement and thedisputesand differences were referred to the Joint Arbitrators, Shri ...... and..................... who have been appointed by the Employer and the Contractor, respectively. Both the Arbitrators appointed Shri.................................... as the Umpire.

4. The parties hereto filed their respective Statements of Claims and reply thereto before the Arbitrators, who heard the parties from time to time. However, the Arbitrators could not deliver the Award within a period of six months from the date of entering upon the reference-and as such, the parties extended the time by further six months to the Arbitrators to continue the arbitration proceedings and deliver award.

5. During, the arbitration proceedings, the parties have been making efforts to arrive at amicable settlement with a view to put an end to all proceedings before the arbitral forum. The Contractor has made certain proposals for compromise vide his letter dated and the Employer has accepted the said proposal on

**NOW THIS MEMORANDUM OF SETTLEMENT WITNESSES AS FOLLOWS:**

1. The Employer shall pay and the Contractor shall accept a sum of Rs . (Rupees only) in full and final settlement of the entire claim of-the Contractor 4rising out of or in connection with the contract referred the hereinabove.’

2. The Employer shall also withdraw all proceedings against the Contractor for black listing and will continue to consider the tenders of the Contractor and its associate concerns in future for electrical works.

3. The Contractor shall withdraw all proceedings before the arbitral forum and produce proof thereof to the Employer.

4. The Employer and the Contractor hereby confirm and declare that no amount is due and payable by the Employer to the Contractor- or from the' Contractor 'to the Employer on account of the 'aforesaid contract and any of them will not make any claim, demand, proceedings final or action against the other in respect of the same.

**IN WITNESS WHEREOF** the parties have executed these presents and the duplicate hereof the day and year first hereinabove written.

**WITNESSES**

1. The Common *Sea[ of X YZ Co. Ltd.* was pursuant to a resolution of its Board of Directors passed in that behalf on the day of …………20 ……….hereto affixed

2. Signed and delivered by M/s. A B & Co. through its partners