AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED MEXICAN STATES AND THE GOVERNMENT OF THE REPUBLIC OF INDIA ON THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the United Mexican States and the Government of the Republic of India (hereinafter referred to as the "Contracting Parties");

DESIRING to intensify the economic cooperation for the mutual benefit of the Contracting Parties;

INTENDING to create and maintain favourable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party;

RECOGNIZING the need for encouragement and reciprocal protection of investments with the aim of fostering the flow of productive capital and economic prosperity;

HAVE AGREED AS FOLLOWS:

Chapter I. General Provisions

Article 1. Definitions

For the purposes of this Agreement, the term:

1. "disputing parties" means the disputing investor and the disputing Contracting Party;"disputing parties" means the disputing investor and the disputing Contracting Party;

2. "disputing party" means the disputing investor or the disputing Contracting Party;"disputing party" means the disputing investor or the disputing Contracting Party;

3. "enterprise" means any entity constituted or organized under the law of Contracting Party, whether or not for profit, and whether privately or governmentally owned, including any corporation, trust, partnership, sole proprietorship, joint venture or other association;

4. "ICSID" means the International Centre for Settlement of Investment Disputes;"

5. "ICSID Additional Facility Rules" means the Rules Governing the Additional Facility for the Administration of Proceedings by the Secretariat of the International Centre for Settlement of Investment Disputes, as may be amended;

6. "ICSID Convention" means the Convention on the Settlement of Investment Disputes between States and Nationals of other States, adopted in Washington on 18 March 1965, as may be amended;"

7. "investment" means the following assets established or acquired by an investor of one Contracting Party in accordance with the laws in force of the other Contracting Party in whose territory the investment is made, and involving the commitment of capital, expectation of gain or profit or an assumption of risk:"

(a) An enterprise having substantial business operations in the territory of the host Contracting Party;

(b) Shares, stocks and other forms of equity participation in an enterprise;

(c) Bonds, debentures and other debt security of an enterprise

(i) Where the enterprise is an affiliate of the investor, or

(ii) Where the original maturity of the debt security is at least three years,

But does not include a debt security, regardless of original maturity, of a Contracting Party or of a State enterprise;

(d) A loan to an enterprise

(i) Where the enterprise is an affiliate of the investor, or

(ii) Where the original maturity of the loan is at least three years,

But does not include a loan, regardless of original maturity, to a Contracting Party or to a State enterprise;

(e) Movable and immovable property as well as other rights such as mortgages, liens or pledges, acquired in the expectation or used for the purpose of economic benefit or other business purposes;

(f) Interests arising from the commitment of capital or other resources in the territory of a Contracting Party to economic activity in such territory, such as under

(i) Contracts involving the presence of an investor's property in the territory of the other Contracting Party, including turnkey or construction contracts,

(ii) Business concessions conferred by law or under contract, including concessions to search for and extract natural resources, or

(iii) Contracts where remuneration depends substantially on the production, revenues or profits of an enterprise;

(g) Intellectual property rights; and

(h) Claims to money involving the kind of interest set out in (a) to (g) above but no claims to money that arise solely from(a) to (g) above but no claims to money that arise solely from

(i) Commercial contracts for the sale of goods or services by a national or enterprise in the territory of a Contracting Party to an enterprise in the territory of the other Contracting Party, or

(ii) The extension of credit in connection with a commercial transaction, such as trade financing, other than a loan covered by subparagraph (d) above;

8. "investor of a Contracting Party" means:"investor of a Contracting Party" means:

(a) A natural person having the nationality or citizenship of a Contracting Party in accordance with its applicable laws, or

(b) An enterprise which is either constituted or otherwise organized under the law of a Contracting Party, and is engaged in substantive business operations in the territory of that Contracting Party;

Having an investment in the territory of the other Contracting Party;

9. "New York Convention" means the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards, adopted at the United Nations in New York on 10 June 1958, as may be amended;

10. "PCA Optional Rules" means the Permanent Court of Arbitration Optional Rules for Arbitrating Disputes between Two States, 20 October 1992, as may be amended;"

11. "territory" means:

(a) In respect of the United Mexican States: the territory of the United Mexican States including the maritime areas adjacent to its coast, i.e. territorial sea, the exclusive economic zone and the continental shelf, to the extent to which Mexico may exercise sovereign rights or jurisdiction in those areas according to International Law.

(b) In respect of India: the territory of the Republic of India including its territorial waters and the airspace above it and other maritime zones including the Exclusive Economic Zone and continental shelf over which the Republic of India has sovereignty, sovereign rights or exclusive jurisdiction in accordance with its laws in force, the 1982 United Nations Convention on the Law of the Sea and International Law.

12. "UNCITRAL Arbitration Rules" means the arbitration rules of the United Nations Commission on International Trade Law, as may be amended.

Article 2. Admission of Investments

Each Contracting Party shall admit the investments by investors of the other Contracting Party, in accordance with its applicable laws and regulations.

Chapter II. Protection of Investments

Article 3. National Treatment

1. Each Contracting Party shall accord to investors of the other Contracting Party treatment no less favourable than that it accords, in like circumstances, to its own investors with respect to the management, maintenance, use, enjoyment or disposal of investments.

2. Each Contracting Party shall accord to investments of investors of the other Contracting Party treatment no less favourable than that it accords, in like circumstances, to investments of its own investors with respect to the management, maintenance, use, enjoyment or disposal of investments.

Article 4. Most Favoured Nation Treatment

1. Each Contracting Party shall accord to investors of the other Contracting Party treatment no less favourable than that it accords, in like circumstances, to investors of any third State with respect to the management, maintenance, use, enjoyment or disposal of investments.

2. Each Contracting Party shall accord to investments of investors of the other Contracting Party treatment no less favourable than that it accords, in like circumstances, to investments of investors of any third State with respect to the management, maintenance, use, enjoyment or disposal of investments.

Article 5. Minimum Standard of Treatment

1. Each Contracting Party shall accord to investments of investors of the other Contracting Party fair and equitable treatment and full protection and security.

2. Each Contracting Party shall not deny justice to investments of investors of the other Contracting Party.

3. For greater certainty:

(a) The obligations set forth in paragraphs 1 and 2 above do not require treatment in addition to or beyond that which is required by the customary international law minimum standard of treatment of aliens; and

(b) A determination that there has been a breach of another provision of this Agreement, or of a separate international Agreement, does not establish that there has been a breach of this Article.

Article 6. Compensation for Losses

Investors of a Contracting Party whose investments suffer losses owing to war, armed conflict, a state of national emergency, insurrection, riot or any other civil disturbances in the territory of the other Contracting Party, shall be accorded, as regards the restitution, indemnification, compensation or other settlements, treatment no less favourable than the treatment the other Contracting Party accords to its own investors or investors of any third State.

Article 7. Expropriation

1. Neither Contracting Party may expropriate or nationalize an investment either directly or indirectly through measures tantamount to expropriation or nationalization (hereinafter referred to as "expropriation"), except:

(a) For a public purpose;

(b) On a non-discriminatory basis;

(c) In accordance with due process of law; and

(d) On payment of compensation in accordance with paragraph 2 below.

2. Compensation shall:

(a) Be equivalent to the fair market value of the expropriated investment immediately before the expropriation occurred. The fair market value shall not reflect any change in value because the intended expropriation had become publicly known earlier.

Valuation criteria shall include, without implying the exclusive validity of any single criteria, the going concern value, asset value, including declared tax value of tangible property, and other criteria, as appropriate, to determine the fair market value;

(b) Be paid without delay;

(c) Include interest at a commercially reasonable rate from the date of expropriation until the date of actual payment; and

(d) Be fully realizable and freely transferable.

3. An investor whose investment is expropriated shall have the right to a prompt review of its case by a court or by any other competent and independent authority, pursuant to the laws of the concerned Contracting Party, and to an assessment of such investment in accordance with the provisions set forth in this Article.

Article 8. Transfers

1. Each Contracting Party shall allow all transfers related to an investment of an investor of the other Contracting Party be made freely and without delay.

2. Each Contracting Party shall permit transfers to be made in a freely convertible currency at the market rate of exchange prevailing on the date of transfer. Such transfers shall include:

(a) Profits, dividends, interests, capital gains, royalty payments, management fees, technical assistance and other fees and amounts derived from the investment;

(b) Proceeds from the sale of all or any part of the investment, or from the partial or complete liquidation of the investment;

(c) Payments made under a contract entered into by the investor, or its investment, including payments made pursuant to a loan agreement;

(d) Payments arising from the compensation for expropriation;

(e) Payments pursuant to the application of provisions relating to the settlement of disputes;

(f) Payments arising from the compensation for losses under Article 6; and

(g) The earnings of citizens or nationals of one Contracting Party who work in connection with an investment in the territory of the other Contracting Party.

3. Notwithstanding paragraphs 1 and 2 above, a Contracting Party may prevent a transfer through the equitable, non-discriminatory and good faith application of its laws in the following cases:

(a) Bankruptcy, insolvency, or the protection of the rights of creditors, including social security, public retirement or statutory savings schemes, provident funds, retirement gratuity programme and employees' insurance programmes;

(b) Issuing, trading, or dealing in securities;

(c) Criminal or administrative violations; or

(d) Ensuring the satisfaction of judgments in adjudicatory proceedings.

4. In the event of serious balance of payments and external financial difficulties or threat thereof, a Contracting Party may adopt or maintain restrictions on payments or transfers related to investments, which shall :

(a) Be consistent with the Articles of Agreement of the International Monetary Fund;

(b) Avoid unnecessary damage to the commercial, economic and financial interest of the investor of the other Contracting Party;

(c) Not exceed those necessary to deal with the circumstances described in this paragraph;

(d) Be temporary and be phased out progressively as the situation specified in this paragraph improves;

(e) Be applied on an equitable, non-discriminatory and in a good faith basis; and

(f) Be promptly notified to the other Contracting Party.

The Contracting Party adopting any restrictions under this paragraph shall, upon request by the other Contracting Party, commence consultations with the latter in order to review the restrictions adopted by it.

Article 9. Subrogation

1. If a Contracting Party or its designated agency has granted a financial guarantee against non-commercial risks, and makes a payment under such guarantee, or acts under its rights as subrogor with respect to an investment made by one of its investors in the territory of the other Contracting Party, that other Contracting Party shall recognize the subrogation of any right, title, claim, privilege or actions existing or that might occur. The Contracting Party or its designated agency, as subrogors, shall not have rights more than those the original investor had.

10. In case a dispute arises, the Contracting Party which has been subrogated in the rights of the investor may not initiate or participate in proceedings before a national tribunal, nor submit the case to international arbitration in accordance with the provisions of Chapter III of this Agreement.

Article 10. Exceptions

The provisions of Articles 3 and 4 shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party and their investments, the benefits of any treatment, preference or privilege which may be granted by such Contracting Party by virtue of:

(a) Any existing or future regional economic integration organization, free trade area, customs union, monetary union or any other similar integration arrangement, of which one of the Contracting Parties is or may become a party; or

(b) Any rights and obligations of a Contracting Party resulting from an international agreement or arrangement relating wholly or mainly to taxation or from any domestic legislation relating wholly or mainly to taxation. In the event of any inconsistency between this Agreement and any other tax-related international agreement or arrangement, the latter shall prevail.

Chapter III. Dispute Settlement

Section 1. Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party

Article 11. Means of Settlement

1. This Section shall apply to disputes between a Contracting Party and an investor of the other Contracting Party arising from an alleged breach of an obligation set forth in Chapter II of this Agreement. Any dispute should, if possible, be settled by consultation. If it is not so settled within six months, the investor may choose to submit it for resolution:

(a) To any court or administrative tribunal of the disputing Contracting Party, or

(b) By arbitration in accordance with this Section.

2. If the investor, or an enterprise that an investor owns or controls, submits the dispute referred to in paragraph 1 above to any court or administrative tribunal of the disputing Contracting Party, the same dispute may not be submitted to international arbitration as provided in this Section.

Article 12. Notice of Intent, Consultation and Submission of a Claim to Arbitration

1. An investor of a Contracting Party may submit to arbitration a claim that the other Contracting Party has breached an obligation set forth in Chapter II of this Agreement, and that the investor has incurred loss or damage by reason of, or arising out of, that breach.

2. An investor of a Contracting Party, on behalf of an enterprise legally incorporated pursuant to the laws of the other Contracting Party, that is a legal person such investor owns or controls, may submit to arbitration a claim that the other Contracting Party has breached an obligation set forth in Chapter II of this Agreement, and that the enterprise has incurred

loss or damage by reason of, or arising out of, that breach.

3. Before a disputing investor submits a claim to arbitration, the disputing parties shall first hold consultations in an attempt to settle that claim amicably. Consultations shall be held upon submission of the notice of intent to submit the claim to arbitration. The place of consultation shall be the capital of the disputing Contracting Party, unless the disputing parties otherwise agree.

4. A disputing investor may submit a claim to arbitration only if:

(a) The investor consents to arbitration in accordance with the procedures set out in this Section;

(b) The investor has delivered to the Contracting Party written notice of its intention to submit a claim to arbitration at least 180 days prior to submitting the claim. Such notice shall specify:

(i) The name and address of the investor, and where the claim is made on behalf of an enterprise, the name and address of the enterprise;

(ii) The provisions of this Agreement alleged to have been breached and any other relevant provisions;

(iii) The factual and legal basis for the claim;

(iv) The relief sought and the amount of damages claimed; and

(v) Evidence establishing that it is an investor of the other Contracting Party and, when a claim is submitted on behalf of an enterprise, evidence that it owns or controls such enterprise;

(c) No more than three years have elapsed from the date on which the investor, or the enterprise that an investor owns or controls, first acquired, or should have acquired knowledge of the alleged breach and knowledge that the investor or the enterprise has incurred loss or damage thereby;

(d) The investor and, where the claim is for loss or damage to an interest of an enterprise that the investor owns or controls, the enterprise waive their right to initiate or continue before any administrative tribunal or court under the laws of a Contracting Party, or other dispute settlement procedures, any proceedings with respect to the measure of the disputing Contracting Party that is alleged to be a breach under Chapter II, except for proceedings for injunctive, declaratory or other extraordinary relief, not involving the payment of damages, before an administrative tribunal or court under the laws of the disputing Contracting Party;

(e) Where the claim is made by a disputing investor on behalf of an enterprise, both the investor and the enterprise shall consent and submit the waiver under subparagraphs (a) and (d) above; and

(f) The consent and waiver referred to in subparagraphs (a), (d) and (e) above shall be in writing, delivered to the disputing Contracting Party and included in the submission of a claim to arbitration.

5. A disputing investor who meets the conditions set forth in paragraph 4 above may submit a claim to arbitration under:

(a) The ICSID Convention, provided that both the disputing Contracting Party and the Contracting Party of the investor are parties to the ICSID Convention;

(b) The UNCITRAL Rules of Arbitration; or

(c) Any other arbitration rules, including the ICSID Additional Facility Rules, if both disputing parties so agree.

Article 13. Contracting Party Consent

1. Each Contracting Party hereby gives its unconditional consent to the submission of a dispute to international arbitration in accordance with this Section.

2. The consent under paragraph 1 above and the submission of a claim to arbitration by the disputing investor shall satisfy the requirements of:

(a) Chapter II of the ICSID Convention (Jurisdiction of the Centre); and

(b) Article II of the New York Convention for an "agreement in writing".

Article 14. Establishment of the Arbitral Tribunal

1. Unless the parties to the dispute agree otherwise, the arbitral tribunal shall be composed of three arbitrators. Each party to the dispute shall appoint one arbitrator and the disputing parties shall agree upon a third arbitrator who shall be the Chairman of the arbitral tribunal.

2. The arbitrators referred to in paragraph 1 above shall have experience in international law and investment matters.

3. If an arbitral tribunal has not been established within ninety days from the date on which the claim was submitted to arbitration, either because a disputing party failed to appoint an arbitrator or because the disputing parties failed to agree upon the Chairman, the President, the Vice-President or the next senior Judge of the International Court of Justice, who is not a national of either Contracting Party, upon request of either disputing party, shall appoint, at his own discretion, the arbitrator or arbitrators not yet appointed. Nevertheless, the President, the Vice-President or the next senior Judge of the International Court of Justice, when appointing the Chairman, shall ensure that he or she is a national of neither of the Contracting Parties.

Article 15. Consolidation

1. In accordance with the procedures set forth in this Article, the President, the Vice-President or the next senior Judge of the International Court of Justice, who is not a national of either Contracting Party, may establish a consolidation tribunal in accordance with the UNCITRAL Rules of Arbitration and shall conduct the proceedings in accordance with such Rules, except as modified by this Section.

2. In the interest of a fair and efficient resolution, and unless the interests of any party to the dispute are seriously prejudiced, a tribunal established under this Article may consolidate the proceedings when:

(a) Two or more investors in relation with the same investment submit a claim to arbitration under this Agreement; or

(b) Two or more claims arising from common legal or factual issues are submitted to arbitration.

3. Upon request of a disputing party, a tribunal established under Article 14 of this Agreement, pending the determination of the consolidation tribunal in accordance with paragraph 4 below, may suspend the proceedings that it had initiated.

4. A tribunal established under this Article, after hearing the disputing parties, may:

(a) Assume jurisdiction over, and hear and determine together, all or part of the claims;

(b) Assume jurisdiction over, and hear and determine one or more of the claims, provided that in doing so it would contribute to the settlement of the other claims.

5. A tribunal established under Article 14 of this Agreement shall lack jurisdiction to hear and determine a claim, or a part thereof, over which a consolidation tribunal has assumed jurisdiction.

6. A disputing party that intends consolidation of a claim under this Article, may request the President, the Vice-President or the next senior Judge of the International Court of Justice the establishment of a tribunal, and shall specify in its request:

(a) The name and address of the disputing Contracting Party or the disputing investors to be included in the consolidation process;

(b) The nature of the consolidation request sought; and

(c) The grounds on which the request is sought.

7. A disputing party shall deliver a copy of its request to the other disputing party or to any other disputing investor to the proceedings sought to be consolidated.

8. Within the sixty days after receipt of the request, the President, the Vice-President or the next senior Judge of the International Court of Justice shall establish a tribunal after having heard the views of the disputing parties. The tribunal shall be composed of three arbitrators. One arbitrator shall be a national of the disputing Contracting Party; the other arbitrator shall be a national of the Contracting Party whose investors are parties to the dispute. The third arbitrator, who shall be the Chairman of the arbitral tribunal, shall be a national of neither of the Contracting Parties.

9. Where a disputing investor has submitted a claim to arbitration under Article 12 of this Agreement but has not been mentioned in the consolidation request, the disputing investor or the disputing Contracting Party may request in writing the consolidation tribunal that the disputing investor be included in any order made under paragraph 2 above, and shall specify in the referred request:

(a) The name and address of the disputing investors;

(b) The nature of the consolidation request sought; and

(c) The grounds on which the request is sought.

10. A disputing investor referred to in paragraph 9 above shall deliver a copy of its request to the other disputing parties with a request pursuant to paragraph 6 above.

Article 16. Place of Arbitration

Unless the disputing parties have agreed upon the place of arbitration, such place shall be determined by the tribunal. Any arbitration under this Section shall be held in a State that is party to the New York Convention. For the purposes of Article 1 of the New York Convention, claims submitted to arbitration under this Agreement shall be considered to have arisen out of a commercial relationship or transaction.

Article 17. Indemnification

In an arbitration under this Section, a disputing Contracting Party shall not assert as a defence, counterclaim, right of setoff or otherwise, that the disputing investor has received or will receive, pursuant to an insurance or guarantee contract, indemnification or other compensation for all or part of its alleged damages.

Article 18. Applicable Law

1. A tribunal established in accordance with this Section shall decide the submitted issues in a dispute in accordance with this Agreement and other applicable rules and principles of international law.

2. An interpretation jointly formulated and agreed upon by the Contracting Parties with regard to any provision of this Agreement shall be binding on any tribunal established under this Section.

Article 19. Awards and Enforcement of Awards

1. Unless the disputing parties agree otherwise, an award which provides that a Contracting Party has breached its obligations pursuant to this Agreement may only award, separately or in combination:

(a) Monetary damages and any applicable interest; or

(b) Restitution in kind, provided that the Contracting Party may pay pecuniary compensation in lieu of restitution.

2. When a claim is submitted to arbitration on behalf of an enterprise:

(a) An award of restitution in kind shall provide that restitution be made to the enterprise;

(b) An award of monetary damages and any applicable interest shall provide that the sum be paid to the enterprise; and

(c) The award shall provide that it is made without prejudice to any right that any person may have in the relief under applicable domestic law.

3. Arbitral awards shall be final and binding solely between the disputing parties and with respect to the particular case.

4. The arbitral award shall be made public, unless the disputing parties agree otherwise.

5. A tribunal may not award punitive damages.

6. Each Contracting Party shall, within its territory, adopt all necessary measures for the effective enforcement of awards issued under this Section, and shall facilitate the enforcement of any award rendered within a proceeding to which it is a party.

7. A disputing investor may seek enforcement of an arbitral award under the ICSID Convention or the New York Convention if both Contracting Parties are parties to such treaties.

8. A disputing party may not seek enforcement of a final award until:

(a) In the case of a final award rendered under the ICSID Convention:

(i) 120 days have elapsed from the date in which the award was rendered and no disputing party has requested revision or annulment of the award; or

(ii) Revision or annulment proceedings have been completed; and

(b) In the case of a final award under the ICSID Additional Facility Rules, the UNCITRAL Arbitration Rules, or any other Arbitration Rules:

(i) Three months have elapsed from the date on which the award was rendered and no disputing party has commenced a proceeding to revise, set aside, or annul the award, or

(ii) A court has dismissed or allowed an application to revise, set aside, or annul the award and there is no further appeal.

9. A Contracting Party may not initiate proceedings in accordance with Section Two with regard to a dispute under this Section, unless the other Contracting Party fails to abide by or comply with a final award rendered in a dispute submitted pursuant to this Section.Section Two with regard to a dispute under this Section, unless the other Contracting Party fails to abide by or comply with a final award rendered in a dispute submitted pursuant to this Section.

Article 20. Interim Measures of Protection

An arbitral tribunal may order an interim measure of protection to preserve the rights of a disputing party, or to ensure that the arbitral tribunal's jurisdiction is made fully effective, including an order to preserve evidence in the possession or control of a disputing party or to protect the arbitral tribunal's jurisdiction. An arbitral tribunal may not order attachment or enjoin the application of the measure alleged to constitute a breach referred to in Article 12 of this Agreement. For purposes of this paragraph, an order includes a recommendation.

Section 2. Settlement of Disputes between the Contracting Parties

Article 21. Scope

This Section applies to the settlement of disputes between the Contracting Parties arising from the interpretation or application of the provisions of this Agreement.

Article 22. Consultations and Negotiations

1. Either Contracting Party may request consultations on the interpretation or application of this Agreement. The other Contracting Party shall give due consideration to the request.

2. If a dispute arises between the Contracting Parties on the interpretation or application of this Agreement, it shall, to the extent possible, be settled amicably through consultations and negotiation.

3. In the event the dispute is not settled through the means mentioned above within six months from the date such negotiations or consultations were requested in writing, either Contracting Party may submit such dispute to an arbitral tribunal established in accordance with the provisions of this Section or, by agreement of both Contracting Parties, to any other international tribunal.

Article 23. Establishment of the Arbitral Tribunal

1. Arbitration proceedings shall initiate upon written notice delivered by one Contracting Party (the requesting Contracting Party) to the other Contracting Party (the respondent Contracting Party) through diplomatic channels. Such notice shall contain a statement setting forth the legal and factual grounds of the claim, the requesting Contracting Party's intention to initiate proceedings under this Section of the Agreement, and the name of the arbitrator appointed by such requesting Contracting Party.

2. Within thirty days after the delivery of such notice, the respondent Contracting Party shall notify to the requesting Contracting Party the name of its appointed arbitrator.

3. Within thirty days following the date on which the second arbitrator was appointed, the arbitrators so appointed by the Contracting Parties shall appoint, by mutual agreement, a third arbitrator, who shall be the Chairman of the arbitral tribunal upon approval of the Contracting Parties.

4. If within the time limits set in paragraph 2 and 3 above, the required appointments have not been made or the required

approvals have not been given, either Contracting Party may invite the President of the International Court of Justice to appoint the arbitrator or arbitrators not yet appointed. If the President is a citizen or a permanent resident of either Contracting Party, or he or she is otherwise unable to act, the Vice-President shall be invited to make the said appointments. If the Vice-President too is a citizen or a permanent resident of either Contracting Party, or he or she is unable to act, the member of the International Court of Justice next in seniority who is not a citizen nor a permanent resident of either Contracting Party shall be invited to make the necessary appointments.

5. In case an arbitrator appointed under this Article resigns or becomes unable to act, a successor shall be appointed in the same manner as prescribed for the appointment of the original arbitrator, and he or she shall have all the powers and duties of the original arbitrator.

Article 24. Proceedings

1. Unless the Contracting Parties agree otherwise, the place of arbitration shall be determined by the tribunal.

2. The arbitral tribunal shall decide all questions relating to its competence and, subject to any agreement between the Contracting Parties, determine its own procedure, taking into account the PCA Optional Rules.

3. At any stage of the proceedings but before issuing any award or decision, the arbitral tribunal may propose to the Contracting Parties that the dispute be settled amicably.

4. At all times, the arbitral tribunal shall afford a fair hearing to the Contracting Parties.

Article 25. Award

1. The arbitral tribunal shall reach its decision by majority vote. The award shall be issued in writing and shall contain the applicable factual and legal findings. A signed award shall be delivered to each Contracting Party.

2. The award shall be final and binding on the Contracting Parties.

Article 26. Applicable Law

A tribunal established under this Section shall decide the issues in a dispute in accordance with this Agreement and other applicable rules and principles of international law.

Article 27. Costs

Each Contracting Party shall bear the costs of its appointed arbitrator and of any legal representation in the proceedings. The costs of the Chairman of the arbitral tribunal and of other expenses associated with the conduct of the arbitration shall be borne equally by the Contracting Parties, unless the arbitral tribunal decides that a higher proportion of costs be borne by one of the Contracting Parties.

Chapter IV. Final Provisions

Article 28. Application of the Agreement

The provisions of this Agreement shall apply to all investments made by investors of one Contracting Party in the territory of the other Contracting Party, whether made before or after the date of entry into force of this Agreement.

Article 29. Consultations

1. A Contracting Party may propose to the other Contracting Party to carry out consultations on any matter relating to this Agreement. These consultations shall be held at a place and at a time agreed by the Contracting Parties.

2. The Contracting Parties agree to consult each other on having a joint interpretation on Article 7 in accordance with paragraph 2 of Article 18 of this Agreement at any time after the entry into force of this Agreement.

Article 30. Entry and Sojourn of Personnel

Subject to its applicable laws relating to the entry and sojourn of non-citizens, a Contracting Party shall permit natural

persons of the other Contracting Party and personnel employed by enterprises of the other Contracting Party to enter and remain in its territory for the purpose of engaging in activities connected with investments.

Article 31. Security Exceptions

Nothing in this Agreement precludes the host Contracting Party from taking action for the protection of its essential security interests or in circumstances of extreme emergency in accordance with its laws normally and reasonably applied on a non discriminatory basis.

Article 32. Entry Into Force, Duration and Termination

1. The Contracting Parties shall notify each other in writing the fulfilment of their constitutional requirements in relation to the approval and entry into force of this Agreement.

2. This Agreement shall enter into force thirty days after the date of the final notification was communicated through the diplomatic channels.

3. This Agreement may be modified by mutual consent of the Contracting Parties, and the agreed modification shall come into effect pursuant to the procedures set forth in paragraphs 1 and 2 above.

4. This Agreement shall remain in force for a period of ten years. Thereafter it shall continue in force until the expiration of twelve months from the date on which either Contracting Party shall have given written notice of termination to the other.

5. With respect to investments made prior to the termination of this Agreement, the provisions of this Agreement shall continue to be effective for a period of ten years from the date of termination.

For the Government of the United Mexican States

Eduardo Sojo Garza Aldape

Minister of Economy

For the Government of the Republic of India

Palaniappan Chidambaram

Minister of Finances

Annex to article 12

1. The notice of intent referred to in Article 12 of this Agreement shall be delivered:

In the case of Mexico, at the Directorate General for Foreign Investment of the Ministry of Economy; and

In the case of India, at the Office of the Secretary, Department of Economic Affairs, Ministry of Finance.

Any change in the above mentioned addresses shall be published, in the case of Mexico, in the Official Gazette, and in the case of India, by a Press Release. Likewise, in case such a modification occurs, it shall be notified by the relevant Contracting Party to the other Contracting Party by means of a diplomatic note.

2. The disputing investor shall submit the written notice of intent referred to in Article 12.2 of this Agreement in Spanish or in English, as applicable, depending on the Contracting Party against which the claim is made. The corresponding translation, made by an expert, shall be included in case such notice of intent is submitted in any language other than the aforementioned.

3. In order to facilitate the process of consultation, the investor shall provide along with the notice of intent, copy of the following documentation:

(a) Passport or any other official document of nationality, where the investor is a natural person, or act of incorporation or document of incorporation or organization under the law of the non-disputing Contracting Party, where the investor is an

enterprise of such Contracting Party;

(b) Where an investor of a Contracting Party intends to submit a claim to arbitration on behalf of an enterprise of the other Contracting Party that is a legal person that the investor owns or controls:

(i) Act of incorporation or any other document of incorporation or organization, under the law of the disputing Contracting Party; and

(ii) Document proving that the disputing investor owns or controls the enterprise.

(c) Where applicable, power of attorney or the document proving that a person is duly authorized to act on behalf of the disputing investor.

In the case of Mexico, at the Directorate General for Foreign Investment of the Ministry of Economy; and

In the case of India, at the Office of the Secretary, Department of Economic Affairs, Ministry of Finance.