AGREEMENT BETWEEN THE GOVERNMENT OF THE ORIENTAL REPUBLIC OF URUGUAY AND THE GOVERNMENT OF THE REPUBLIC OF INDIA CONCERNING THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Oriental Republic of Uruguay and the Government of the Republic of India, hereinafter referred to as "Contracting Parties",

Desiring to create favorable conditions for increasing investments made by investors of one State in the territory of the other State,

Recognizing that the reciprocal promotion and protection of such investments within the framework of an international agreement will stimulate individual commercial initiatives and the prosperity of both States,

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

(a) "Company" means corporation, firm or association incorporated or constituted under the law in force of either of the contracting parties;

(b) "investment" means any kind of assets acquired or established, including changes in the form of investment in accordance with the national laws of the Contracting Party in whose territory the investment was made, including, inter alia:

(i) Movable and immovable property as well as other rights such as mortgages, liens and pledges;

(ii) Stocks, shares, debentures of companies or any other form of participation in companies;

(iii) Rights related to claims to money or to any performance of contracts involving an economic value;

(iv) Intellectual property rights, such as copyrights, patents, technical processes, trade marks, industrial designs, trade names, know-how and keys, subject to the laws of the contracting parties;

(v) Business concessions conferred by law or under contract, including concessions to search for mining and oil and other minerals;

(c) "investors" means a national or company of a Contracting Party, bearing in mind that a natural person who is a dual national shall be deemed to be exclusively a national of the State in respect of which it is dominant and effective nationality.

(d) "national" means:

(i) In respect of India: natural persons whose status is Indian nationals

Under the law in force in India;

(ii) In relation to Uruguay: natural persons who have Uruguayan nationality in accordance with the laws of that country.

(e) "proceeds" means the amounts yielded by an investment interests, such as profits, capital gains, dividends, royalties and fees;

(f) "territory means:

(i) In respect of India: the territory of the Republic of India including its territorial waters and superjacent airspace and the other maritime zones including the exclusive economic zone and the continental shelf over which the Republic of India

exercises sovereignty or sovereign rights or exclusive jurisdiction in accordance with its laws, to the United Nations Convention on the Law of the sea and international law.

(ii) Uruguay: in respect of its territory, as well as the exclusive economic zone, the seabed and subsoil over which Uruguay exercises sovereign rights or jurisdiction in accordance with its laws in force and international law.

Article 2. Scope

1. This Agreement shall apply to all investments made by investors of either Contracting Party in the territory of the other Contracting Party and which are accepted as such in accordance with its laws and regulations, have been adopted before or after the Entry into Force of this Agreement. However, it shall not apply to any act or fact that took place or any situation that ceased to exist before the date of Entry into Force Agreement.

Article 3. Promotion and Protection of Investments

1. Each Contracting Party shall promote and create favourable conditions for investors of the other contracting party to make investments in its territory, and shall accept such investments in accordance with its laws and policies.

2. Returns of investments and investors of each Contracting Party shall at all times fair and equitable treatment in the territory of the other contracting party.

Article 4. National Treatment and Most Favoured Nation Treatment

Favoured

1. Each Contracting Party shall accord to investments of investors of the other Contracting Party A treatment no less favourable than that accorded to investments of its own to investors or investments of investors of third countries.

2. In addition, each Contracting Party shall accord to investors of the other contracting party, including in respect of their returns on investments, a treatment no less favourable than that accorded to the investors of third countries.

3. The provisions of paragraphs 1 and 2 above shall not entail any obligation, for one contracting party to extend to the investors of the other. the treatment of any benefit or privilege, preference by virtue of any nature;

(a) Customs union or any similar international agreement, existing or future, which is or may become a party, or

(b) Any matter relating wholly or mainly to taxation.

Article 5. Expropriation

1. Investments of investors of either Contracting Party shall not be subjected to nationalised, expropriated or having measures in the territory of the other Contracting Party has an effect equivalent to nationalization or expropriation (hereinafter referred to as "" expropriation), with the exception of cases involving a public purpose in accordance with laws based on a non-discriminatory basis and against fair and equitable compensation. Such compensation shall correspond to the market value of the expropriated investment immediately before the expropriation or before the impending expropriation was publicly known as that has first been verified. The compensation shall include interest at a fair and equitable rate until the date of payment, in a currency conversion of free, and shall be paid without undue delay. It shall be effectively realizable and freely transferable.

2) The Investor affected shall have a right, under the laws of the Contracting Party who carry out the expropriation, a review by judicial or other independent authority of that Contracting Party and to their investments are evaluated in accordance with the principles set out in this paragraph. The contracting party making the expropriation shall carry out their best efforts to ensure that such review is carried out promptly. Once the Competent Authority adopt its final decision, the investor shall not be entitled to submit claims according to article 9.

3. If one of the Contracting Parties expropriate the assets of a company incorporated according to its laws in force in any part of its own territory, and in which investors of the other contracting party own shares, it shall ensure that the provisions of paragraph (1) of this article, to the extent necessary to ensure fair and equitable compensation to such investors of the other Contracting Party, owners of those shares.

(* for greater certainty, on article "" expropriation shall be interpreted in accordance with annex I)

Article 6. Compensation for Losses

Investors of either Contracting Party whose investments in the territory of the other contracting party suffer losses owing to war or other armed conflict, as well as to situations of national emergency or riot shall be accorded by the latter Contracting Party and in relation to restitution, indemnification, compensation or other settlement, a treatment no less favourable than that which provides that contracting party to its own investors or to investors of third States. Resulting payments shall be freely transferable.

Article 7. Investments and Repatriation of Profits

(1) Each Contracting Party shall permit all funds of an investor of the other contracting party relating to investments in its territory to be freely transferred without unreasonable delay and on a non-discriminatory basis. Such funds may include:

(a) Capital and additional capital used to maintain and increase investments;

(b) Net operating profits including dividends and interest in proportion to their shares;

(c) Any loan repayments of including the respective interests relating to investments;

(d) Payment of royalties and fees for services related to investments;

(e) The proceeds from sales of their shares;

(f) The proceeds received by investors from the total or partial sale or liquidation;

(g) The earnings of nationals / nationals of one Contracting Party who work in relation to investments in the territory of the other contracting party.

(2) The provisions of paragraph (1) of this article shall not in any way affect the transfer of any compensation under article 6 of this Agreement.

(3) The Contracting Party shall ensure that the transfers referred to in paragraph (1) of this article shall be carried out in a currency conversion of free, without restriction or delay of any kind, at the market exchange rate applicable on the date of transfer.

Article 8. Subrogation

If a contracting party or their representatives are given guarantees for the payment of any compensation against non-commercial risks in connection with any of its investments of investors in the territory of the other Contracting Party and has made payment to those investors linked to their claims under this Agreement, the other Contracting Party shall accept that the Contracting Party has first referred to, or their representatives may, by virtue of subrogation to exercise the rights and fulfil the claims of those investors. The rights or claims so subrogated shall not exceed the original rights or claims of the investor.

Article 9. Settlement of Disputes between an Investor and a

(1) Any dispute between an investor of one Contracting Party and the other contracting party in connection with an investment of the former under this Agreement shall be settled as far as possible, amicably through negotiations between the parties to the dispute.

(2) If a dispute cannot be settled amicably within six (6) months from the date when it was raised by either party may be submitted for resolution;

(a) In accordance with the laws of the Contracting Party accepting the investment before competent judicial, arbitral or administrative authorities of that Contracting Party; or

(b) Under international conciliation under the Conciliation Rules of the United Nations Commission on International Trade Law.

(3) If either party has recourse to the procedures mentioned in paragraphs 2 (a) or 2 (b), this shall include the preclusion of subsequently adopting another form of reparation. However, in the framework of the procedure referred to in

Paragraph 2 (b), if the conciliation ends without the conclusion of an agreement to resolve the matter, the dispute may be

referred to arbitration. The arbitration procedure shall be as follows:

(a) If the contracting party of the investor and the other contracting party are parties to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States and the 1965 investor consents in writing to the submission of the dispute to the International Centre for the settlement of disputes, the dispute shall be referred to the Centre; or

(b) If both parties to the dispute so agree, in accordance with the procedures relating to the additional facility for the administration of fact-finding or conciliation and arbitration;

(c) Before an ad hoc arbitral tribunal by either party to the dispute, in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law 1976 subject to the following modifications:

(i) The appointing authority under Article 7 of the rules shall be the President, the Vice-President or the judge of the International Court of Justice, provided more seniority who is not a national of either of the Contracting Parties. The third arbitrator shall not be a national of the Contracting Parties.

(ii) The Parties shall appoint their respective arbitrators within two months.

(4) The arbitral tribunal shall reach its decision in application of the provisions of this Agreement and, if necessary, in accordance with the laws of the Contracting Party, which is a party to the dispute including its rules on the Conflict of Laws, as well as any specific agreement on investment in question in accordance with the principles of international law.

(5) The arbitrators' decisions shall be final and binding on both parties to the dispute.

(6) Neither Contracting Party shall conduct an international claim concerning a dispute has been submitted to the procedures of this article unless the other contracting party has failed to comply with the ruling of the arbitral tribunal or the judicial authorities of the latter Contracting party has breached an international standard, including the denial of justice or the provisions of this Agreement.

(7) The arbitral tribunal shall state the basis of its decision and explain if so requested by any of the Parties.

Article 10. Disputes between the Contracting Parties

(1) Disputes between the contracting parties concerning the interpretation or application of this agreement should, if possible, be settled through negotiation.

(2) If a dispute between the contracting parties cannot be settled within a period of six (6) months from the date when the dispute arose, be submitted to an arbitral tribunal at the request of either of the Contracting Parties.

(3) The arbitral tribunal shall be constituted for each individual case in the following way: within two (2) months from the date of receipt of the request for arbitration, each Contracting Party shall appoint one member of the Tribunal. Those two members shall then a national of a third State who on approval of the two Contracting Parties shall be appointed as Chairman of the Tribunal. The Chairman shall be appointed within two (2) months from the date of appointment of the other two members.

(4) If within the periods specified in paragraph (3) of this article the appointments have not been made, either Contracting Party may, in the absence of any other agreement, request the President of the International Court of Justice to make the necessary appointments. If the President is a national of either of the contracting parties or if another impediment to fulfil this role, the Vice-President shall be convened to make such appointments. If the Vice-President is also a national of either of the contracting parties or if any impediment to fulfil this role, shall be convened to make the necessary appointments the member of the International Court of Justice, provided in the nearest seniority who is not a national of one of the Contracting Parties.

(5) The arbitral tribunal shall reach its decision by majority vote. Such decision shall be binding on both contracting parties. Each Contracting Party shall bear the costs of its own arbitrator and its representation in the arbitral proceedings. The costs of the Chairman and other that have been made, will be borne in equal parts by the contracting parties. The Tribunal may, however, in its decision that a higher proportion of costs be covered by one of the Contracting Parties, and this award shall be binding on both contracting parties. The tribunal shall determine its own procedure.

Article 11. Temporary Entry and Stay of Personnel

(1) A Contracting Party, in accordance with its legislation shall, at times, in the framework of the rules of admission and

residence of non-nationals, to natural persons of the other Contracting Party and personnel employed in companies of the other contracting party to enter and to remain in its territory for the purpose of engaging in activities associated with investments.

(2) A Contracting Party, in accordance with its legislation, shall, at times to investors of the other Contracting Party that has incurred

Investments in the territory of the first, used in their territories of key managerial and technical personnel, regardless of nationality.

Article 12. Applicable Law

(1) Except as otherwise provided in this Agreement, all investments shall be governed by the laws in force in the territory of the Contracting Party in which such investments are made.

(2) Notwithstanding paragraph (1) of this article, no provision of this agreement precludes the host contracting party to take measures 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 13. Implementation of other Rules

If the legislation of either Contracting Party or obligations under international law existing at the date or future between the Contracting Parties in addition to the present Agreement contain rules whether general or specific, which authorize a more favourable treatment than that provided for by this Agreement to investments made by investors of the other contracting party those provisions shall prevail over this agreement to the extent that they are more favourable to the investor.

Article 14. Entry Into Force

This agreement is subject to ratification and shall enter into force on the date on which the exchange of instruments of ratification.

Article 15. Duration and Termination

(1) This agreement is concluded for a period of ten (10) years and shall continue after this deadline automatically unless either contracting party notifies the other in writing of its intention to terminate the agreement. The Agreement shall be terminated one year after the date of receipt of such written notice.

(2) Notwithstanding termination of this Agreement pursuant to paragraph (1) of this article, the Agreement shall remain in force for a further period of fifteen years from the date of its termination in respect to investments made or acquired prior to the date of termination of this Agreement.

In WITNESS WHEREOF, the undersigned, duly authorized thereto by their respective Governments, have signed this Agreement.

Done at Montevideo, on 11 February 2008, in two originals in English, Hindi and English languages, all texts as being authentic.

In case of divergence of interpretation, the redacted version shall prevail in the English language.

(signature).

1. Article 5 (expropriation) is intended to reflect customary international law linked to the obligation of States with respect to expropriation.

2. The action or series of actions by a party cannot constitute an expropriation unless it interferes with a tangible or intangible property right or property interest related to an investment.

3. Article 5 (expropriation) refers to two situations. The first direct expropriation is known as the expropriated investment nacionaliza directly or through other modality through formal transfer of title or confiscation in absolute terms.

4. The second situation referred to in article 5 (expropriation) is known as indirect expropriation, an action or by that series of actions by a Party has an effect equivalent to expropriation without direct formal transfer of title or confiscation in absolute terms.

(a) The determination of whether an action or series of acts in fact constitutes a specific situation, an indirect expropriation requires a case by case basis, investigation based on data which, among other factors, take into account:

(i) The economic impact of the Government Action although the action or series of actions by a Party has an adverse effect on the economic value of an investment that does not only an indirect expropriation has occurred;

(ii) The extent to which the Government Action interferes with distinct and supported by reasonable expectations and investments;

(iii) The character of the Government action.

(b) With the exception of unusual circumstances non-discriminatory regulatory done by a Party to be identified and applied to protect legitimate public welfare objectives including, inter alia, public health, safety, the environment and the promotion of consumer welfare do not constitute indirect expropriation.

(c) Actions and awards rendered by judicial authorities of a Party shall identify, applied or are issued in public interest including, inter alia, to public health, safety, environmental and consumer protection, do not constitute an indirect expropriation.