Arbitral Proceedings

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Abstract: The various increases within the economic development of states over the past decades have also been amid a notable increase within the amount of trade disputes. It results, alternative dispute resolution mechanisms, including arbitration, to become more crucial for companies working and operating in India additionally as those that do business with Indian companies to act more relevant. With the broader exploration between the quality of legal performance and process in mind, this text is an effort at an appraisal of arbitration in India as a legal institution. This paper discusses dominance in hand resolution. This paper reviews and assesses the international arbitration regime in India and also discusses the foremost important concepts like arbitrator, arbitration agreement, arbitral awards, foreign awards, public order, etc. This document also discusses recognition and enforcement of the award and identifies the Indian regime governing domestic and international commercial arbitration. In international commercial arbitration contracts, ADR techniques are often applied, particularly arbitration is taken into consideration because the resolution of arbitration as a non-public, independent and neutral system, advantages in terms of some time and costs which are considered to be the characteristics of arbitration. Arbitration is becoming increasingly popular among parties to resolve domestic and international business disputes. The aim of the ADR is to supply socio-economic and political justice and to stay up integrity in society enshrined within the preamble. The ADR also strives to urge the equality before the courts and also the legal aid provided for within the article 39A regarding the directive on the principle of the policy of the State. Courts have many reasons for using ADR processes. These motivations include increasing participant satisfaction, reducing time and saving money.

Keywords: arbitration and conciliation, arbitral award, foreign award, domestic arbitration, international commercial arbitration

Introduction
This document deals with the role of ADR within the scheme. The Arbitration Act is observed within the Arbitration and Conciliation Act 1996. It came into force on August 22, 1996. This Act includes domestic and international commercial arbitration yet because the execution of the awards of foreign arbitrators. Arbitration is that the settlement of a dispute between parties to a contract. By a neutral third party, arbitration is usually voluntary but is typically required by law. If both parties comply with be bound by the arbitrator's decisions, it becomes binding arbitration. The precise procedure must be followed in accordance with the arbitration laws. In recent times, the arbitration process has become a valuable tool for ending commercial disputes. The Arbitration and Conciliation Act 1996 (hereinafter named as “the Act”) was enacted to consolidate, codify and amend the law referring to international commercial arbitration and therefore the enforcement of foreign awards. The Act also codified laws referring to conciliation and related matters. The law guarantees the autonomy and confidentiality of the parties in matters of arbitration. There are few methods available to resolve a dispute between two parties. the primary and commonest method is that the dispute resolution by the courts when a dispute arises between two people belonging to the identical nation, the thanks to resolve the dispute is within the same way that the parties resolve their dispute by the recognized courts by the law of that country. This has been the foremost common and prominent method followed by the Indian citizen to settle the dispute together with his fellow citizens. Over time, it had been realized that our old-fashioned system had become obsolete which another mechanism was needed which might also support our judiciary as an auxiliary or substitute within the resolution of disputes between the peoples. Our judgement has certain disadvantages, such as: overloaded court, long, expensive and technical process, low ratio of judges to population.

The real purpose of the law was stated by Gandhi: “I realized that the important function of a lawyer was to unite the parties given below. The lesson has been so indelibly etched on me that the majority of my time within the twenty years of my practice as a lawyer has been concerned with achieving private compromises in many cases”. In doing so, he recognized that the smallest amount damaging thanks to resolve a dispute isn’t an extended and protracted legal battle within the courtroom, but rather an agreement by which each party can maximize its gains and minimize its losses and within the running. Legal setup round the world, alternative dispute resolution is that the very best choice to achieve this. Alternative dispute resolution is therefore an effort to style mechanisms capable of providing another to predictable methods of dispute resolution. ADR offers to resolve disputes, whether commercial or not, which cannot initiate any negotiation process and result in any transaction. This idea covers variety of dispute resolution methods that represent two broad categories: court-based options and community-based dispute resolution

1 http://www.ebc-india.com/lawyer/articles/2002v1a3.htm visited on 9th April at 15:04 p.m.
mechanisms. ADR in court includes mediation and conciliation during which a neutral third party helps litigants find a mutually acceptable solution. Proponents argue that such methods reduce litigation costs and delays, improve access to justice, and eliminate court backlogs, while preserving important social relationships for litigants. Community ADR is commonly seen as independent of a proper justice system which can be partial, expensive, remote or otherwise remote for a population. These include arbitration and negotiations. There are few accessible methods for settling a dispute between two parties. the primary and most typical method is dispute settlement by courts when disputes arise between two people belonging to the identical nation, the means of dispute settlement has the identical meaning there by the parties who resolve their dispute by the courts established by the law of this village. This has been the foremost common and important method followed by the Indian citizen to settle the dispute with others. Over time, it had been realized that our traditional scheme had become obsolete which another mechanism was needed that also supports our judiciary as a substitute or alternative within the settlement of disputes between peoples.

Our scheme has certain drawbacks like –
- Overcrowded court
- Waste of your time
- Expensive
- Technical process
- Low judges to population ratio
- Unfilled vacancies.
- Long procedure.
- Pending cases.

Evolution in India

About 40 years ago, the late Mr. M.C. Setalvad, the Attorney General of India, addressed the Bar Association of India and said: 'Without doubt nation administrative system was excellent and gave excellent results, but had its flaws that were accentuated in two ways: We are now a democratic and densely populated country. Nowadays, a radical change is therefore necessary within the mode of administration of justice.

The first step within the initiation of ADR mechanisms in India dates back to 1940, when the primary Arbitration Act was passed, but because of its insufficiency and loopholes, it had been never fully implemented. Several years later, in 1996, the Granted Law on Arbitration and Conciliation was passed, supported UNCITRAL, model, Article 30 of which inspires arbitrators, with the agreement of the parties, to use mediation, assembly or other procedures at any time during the arbitration process to push settlement.

The Legal Services Authority Act 1 led to the establishment of the Lok Adalat system for the settlement of disputes in an exceedingly competitive and expeditious manner and also in an exceedingly spirit of give and take negotiation. Further, Section 89 of the Code of Civil Procedure 1908, which relies on references made by the Law Commission of India and also the Malimath Committee, has made it mandatory for the Court to refer the dispute after the problems were formulated for resolution with the agreement. Parties through any ADR mechanism. If the parties were unable to resolve their differences through one amongst the ADR methods, the case would revert to the court within which it had been filed. India: aborning law, namely the Labor Disputes Act 1947, conciliation has been statutorily recognized as an efficient method of dispute resolution in respect of disputes between workers and management. The other area where alternative dispute resolution is recognized in India is family law. Sections 5, 6 and 9 of the Family Court Act 1984 require the govt. to encourage desperate parties to succeed in an agreement through the mix of welfare bodies, permanent advisers and I obligation for the court to figure out a settlement before taking evidence in court case.

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2 Dr. Anupam Kurlwal, An Introduction to Alternative Dispute Resolution System, edition 2011 page no.76 131

3 The United Nations Commission on International Trade Law (“UNCITRAL”)

4 Section 30 of Arbitration and Conciliation Act, 1996 – Settlement

5 Section 89 of Civil Procedure Code, 1908 – Settlement of disputes outside the Court by means of arbitration, conciliation, judicial settlement including settlement through Lok Adalat or mediation.

6 Section 5 of Family Courts Act, 1984 – Association of social welfare agencies, etc.; Section 6 of Family Courts Act, 1984 – Counsellors, officers and other employees of Family Courts.; Section 9 of Family Courts Act, 1984 – Duty of Family Court to make efforts for settlement.
We want a court that individuals can attend easily and at all-time low possible cost. It’s not only the speed of justice, but it's the straightforward approach and also the rapid elimination which are both necessary and which might only be achieved if the system is totally overhauled”. Judge R.C. Lahoti also noted that "working under conditions of considerable handicaps like insufficient funds, budgetary allocations for law and justice which aren’t a part of the plan expenditure, lack of resources, lack of personnel and infrastructure and also the Indian judiciary can always claim a higher position with the opposite wings of governance”.

**Important Prerequisites**

- **Arbitration Agreement**

  The requirements for an arbitration agreement are embarked on in Section 7 of the Act. The arbitration agreement should be in writing and duly signed by both of the parties. Contract or within the type of a separate contract. In *P.A.G Raju v. P.V.G. Raju (AIR 2000 SC 1886)*, the Honorable Supreme Court held that the arbitration agreement isn't a prerequisite to arbitration. Nothing prevents the court from referring the parties to arbitration. The parties can move for the arbitration. The important requirement is that the consent of the parties. In the case of Bihar *State Mineral Dev. Corp. v. Encon Builders (I) Pvt. Ltd. (AIR 2003 SC 3688)*, the court states the various essential features of an arbitration agreement which are as follows:

  1. Existence of present disputes or possibility of future disputes.
  2. Intention to settle disputes by arbitration.
  4. Consent ad idem.
  5. Consent entered into to submit the dispute to arbitration.

- **Notice required before referral of disputes**

  Notice by a celebration to a different party under section 21 of the Act is required before referral of disputes to arbitration. In 2017, the Delhi Supreme Court states in the case of *Alupro Building Systems Pvt Ltd v Ozone Overseas Pvt. Ltd.* considered whether notice under Article 21 is mandatory where the claimant has received notice from a sole arbitrator. The Respondent has appointed the only real true arbitrator and notified the Claimant through the only real Arbitrator that the disputes between them are arbitrated by him. The unilateral appointment of a sole arbitrator by a celebration was the grievance of the applicant. The judge, after hearing, observed that the easy reading of art. 21 provides for the beginning date of the arbitration proceedings confirmed by the receipt of the communication by the counterparty. A complaint is made via a notice must know what the complaints are. The basic purpose of notice under this provision is to attain consensus between the parties on the appointment of an arbitrator. Finally, the court explained the link between Section 11(6) and Section 21 of the Act where a celebration fails to go with the procedure for appointing an arbitrator. Therefore, Article 21 is mandatory because arbitration proceedings initiated abruptly aren't viable and don't go with the law.

- **Appointment of arbitrators**

  One of the benefits of arbitration is that it allows the parties to an arbitration agreement to submit a dispute to the courts of their choice. Under section 10 of the law, the parties don't seem to be required to work out an odd number of arbitrators. In cases where the parties fail to calculate the amount of arbitrators, the arbitral tribunal will bring with it a sole arbitrator. Pursuant to section 11 of the law, the parties are absorbed in agreeing on a procedure for appointing the arbitrator or arbitrators. But if the appointment of the arbitrator isn't consensual, the arbitrator doesn't have the ability to make an order or a binding award and if he makes a bequest, the award are going to be void. The designation of the arbitrator with celebration is completed only by its communication to the opposite party. Members involved within the procedure Arbitration is a procedure within which a dispute is submitted, by mutual agreement between the parties, to an arbitrator or to a multi-arbitral tribunal which renders a choice on the dispute between the parts. Section 7 of the law defines an arbitration agreement. It’s an agreement between the parties to resist arbitration of all or a part of the disputes that have arisen or may arise between them in reference to a defined legal relationship. The parties to the arbitration

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7 Dr. Anupam Kurlwal, An Introduction to Alternative Dispute Resolution System, edition 2011 page no.76

agreement under Section 10 of the Act are liberal to determine the quantity of arbitrators, but that number needn't be an honest number. The Arbitration and Conciliation Act doesn't give the arbitrator or the court the ability to order a 3rd party during a pending arbitration proceeding or to sit down with third parties without disclosing it to the parties. Inside Hussein Ebrahim v. Keshardeo Kanaria and Co. (AIR 1954 Cal 111), the arbitrators contacted a 3rd party, who wasn't a celebration to the arbitration agreement, by writing him a letter. They asked him for sufficient information associated with the arbitration procedure. The arbitrators also failed to discuss or disclose this information to the parties. The court found the referees guilty of misconduct. Therefore, the members involved in any arbitration proceeding are the parties to the arbitration agreement and a sole arbitrator, or a tribunal of several arbitrators.

**Arbitration Proceedings**

Section 21 of the law sets out the principles governing the opening of an arbitration procedure. It gives the parties the liberty to agree and determine when arbitration proceedings can formally begin. But within the absence of such an agreement or within the absence of agreement of the parties, the arbitration procedure may begin when a celebration notifies the opposite party in writing of its intention to submit the dispute to arbitration. Thus, within the case of a particular dispute, the arbitration procedure begins from the date on which the letter of invitation to come to a decision on the arbitration is received by the opposite party. To work out the date of receipt, the provisions of section 3 of the applicable law should be considered.

**Rules and Legislation**

- **Limitation Period**
  
  Section 43 of the Act provides that the limitation period of 1963 applies to arbitration because it applies to legal proceedings in courts except where expressly excluded by the law on arbitration and conciliation. Date of commencement of arbitration proceedings has relevancy in calculating the limit for arbitration proceedings under the Limitation Act 1963. Any arbitration proceeding initiated after the statute of limitations, i.e., three years from the date the explanation for action arose, is barred.

- **Equal treatment of the parties**
  
  Section 18 of the law lays down two fundamental principles. First, it requires that the parties to an arbitration proceeding be treated equally and, second, that every party run a full opportunity to present its case. This section is also a compulsory provision and therefore the arbitral tribunal must also befit it. The court should act impartially towards the parties and neither party should endeavor to get a contrary premium.

- **Procedure of the arbitration procedure**
  
  Section 19 of the law recognizes the correct of the parties to agree on the principles of procedure applicable within the conduct of the arbitration procedure. This provision enshrines the procedural autonomy of the parties. When the parties fail to agree on a procedure or to border the procedure, it gives the arbitral tribunal a large range of discretionary powers to limit the arbitration process. The law doesn't prescribe default rules governing the arbitration process. This provision also provides that the appliance of the Code of Civil Procedure 1908 or the Evidence Act 1872 to arbitration proceedings is further left to the discretion of the parties.

- **Place of arbitration**
  
  Section 20 of the law provides that the parties are absolve to agree on the place of arbitration and, failing agreement, the arbitral tribunal must determine the place of arbitration in such the simplest way very judicial, taking under consideration the circumstances of the case and also the convenience of the parties. Furthermore, the place of arbitration is of fundamental importance because the laws of the place of arbitration play a fundamental role within the arbitration process. Determines the substantive laws currently in effect in India.

- **Language to be employed in arbitration proceedings**
  
  Section 22 of the law deals with the language to be employed in arbitration proceedings. The parties to the arbitration agreement don't undertake to decide on the language or languages to be employed in the arbitration proceedings. In cases where the parties fail to succeed in such an agreement, it's up to the arbitral tribunal to work out the language or languages to be employed in the arbitral proceedings. The language also applies to any written statement of a celebration, to any hearing and to any arbitral award, decision or other communication from the arbitral tribunal. Where the arbitral tribunal has agreed on the language to be employed in the arbitral proceedings, it shall order any supporting documents to be translated into the agreed language. The arbitral tribunal must make sure that all parties are ready to follow and understand the proceedings.

- **Complaint and defense**
  
  Section 23 of the law provides for the submissions of the parties before the arbitral tribunal. Once the arbitral tribunal has been constituted, the common practice is to exchange and file your briefs before the tribunal. The plaintiff sets out the facts and other relevant elements, while the respondent opposes the facts and thus the assertions made within the petition and contests the remedy invoked by the plaintiff. The content of pleadings may vary from case to case betting on the facts and circumstances of every case. Within six months of the constitution of the arbitral tribunal, the act of petition and defense must be completed in accordance with this text.
• **Hearings and Written Proceedings**
Section 24 of the Act deals with the conduct of arbitration proceedings. Within the absence of prior agreement between the parties on this subject, the arbitral tribunal has the capacity to make your mind up whether the procedure takes place orally or on documents and other elements.

• **Default of Parties**
Section 25 of the Act deals with three situations within which the parties are in default. Firstly, the arbitral tribunal terminates the proceedings when the claimant, without giving sufficient reason, fails to present its claim under section 23(1). Secondly, the arbitral tribunal continues the proceedings when the defendant fails to present its defense under section 23, paragraph 1. Third, if there are sufficient grounds, the dismissal is lifted and also the procedure is reinstated.

• **Appointment of experts**
Section 26 of the law confers on the arbitral tribunal the facility to appoint one or more experts in line with the requirement or the request of the parties. It obliges the parties to produce the relevant information to the experts. Furthermore, the arbitral tribunal cannot appoint experts and delegate the task of settling the dispute.

• **Mutual assistance**
Section 27 of the law provides the arbitral tribunal with the framework to be used for legal assistance in obtaining evidence. People may also be found guilty and tried in court if they refuse to supply evidence or don't cooperate.

• **Termination**
The arbitration proceedings end either by the ultimate arbitration award or by an order of the arbitral tribunal terminating the arbitration proceedings. The arbitral tribunal terminates the arbitration procedure in any of the cases where:
1. the claimant withdraws its claim and also the respondent doesn't oppose it,
2. the 2 parties agree and undertake to terminate the arbitration proceedings, or
3. The continuation of the arbitration proceedings has become impossible or pointless visible of current events. In addition, the termination of the arbitral proceedings terminates the mandate of the arbitral tribunal and therefore the latter thus becomes functus officio. The term “functus officio” now means not exercising any official function or powers once a choice has been made.

**Analysis of Evaluation of Alternate Dispute Resolution Mechanism in Indian Judicial system**
It is that the foundation and purpose of any civil society. The pursuit of justice is a perfect that humanity has defended for generations altogether fields. Dispute resolution could be a major function of the Indian judicature and is very important for a stable society. Through the state, norms and institutions are created to make sure social order and achieve the goals of justice or a minimum of to form processes for resolving disputes. The Indian government operates through various organs and also the judiciary is that the one that's directly answerable for the administration of justice. In India, the judiciary is that the tangible delivery point of justice. Dispute settlement is one in every of the important factors for the peaceful survival of society. Arbitration, the ADR modality, is recognized by the Indian judiciary as a tool for resolving disputes. Arbitration was originally governed by the provisions of the Indian Arbitration Act, 1940. Arbitration. Constitution also aspiration as “social, economic and political justice”.

Article 39A of the Constitution provides for the guarantee of equal access to justice. The management of justice involves protecting the innocent; punishing the guilty and accepting the settlement of disputes. We all know that our Indian court system is extremely extensive, tiring, boring, dull and tiresome. Not only is that the legal process extremely rich for a standard person, but it also takes years and years to deliver justice.

In order to beat the much criticized delay within the administration of justice, the adoption of different Dispute Resolution (ADR) mechanisms like Lok Adalat, Arbitration, Mediation and Conciliation has been devised and practiced by the continued with commendable success. Although the choice mechanisms brought justice to the people quickly, the exercise nonetheless raised relevant questions from some legal luminaries. The Law Commission of Indian said that the rationale for the judicial adjournment wasn't the absence of clear procedural laws, but rather their poor execution, if not outright non-compliance. The Law Commission of Indian, in its Fourteenth Report, stated categorically that the delay didn't arise from the procedure provided for within the statutes but from the failure to accommodates many of its important provisions, especially those geared toward expediting the liquidation of the proceedings.

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9 **Law Commission of India, 77th Report, pr.4.1.**

10 **Brij Mohan Lal Vs. Union of India & Others (2002–4-Scale–433), May 6, 2002**
Given the large quantity of pending instances, the supremacy and administrative manage over judicial establishments thru guide approaches has grow to be extraordinarily difficult\textsuperscript{11}. The Supreme Court made it clear that this case should be addressed: “An unbiased and green judicial gadget is one amongst the first systems of our Constitution…It is our Constitutional responsibility to form sure that the backlog of instances is reduced and efforts are made to growth the disposal of instances. the govt. is likewise recognized to be an enormous contributor to delays, in subjects during which it's miles a celebration at diverse degrees from evading notices, replying to notices and replying with out utility of mind, unnecessarily attractive whether or not the legal guidelines are without a doubt in favor of the alternative side\textsuperscript{12}.

The fallacious control of Court diary, absence of strict obedience with the provisions of Code of Civil Procedure like, requirements of the Order 10 Code of Civil Procedure pertaining to exam of events sooner than framing issues, to create sure narrowing and focusing the situation of controversy, the laxity in imposing the provisions of Order 8, R 1, Code of Civil Procedure via way of means of means of permitting repeated adjournments with Order 17, Rule 1, Code of Civil Procedure to be study with the proviso to Order 17, Rule 2 during which Clause (b) for giving adjournments also are the outstanding individuals to the difficulty of delays and therefore the ensuing judicial arrears.

The statements in the Code of Civil Procedure (Amendment Act) 2002, Act No. 22 changed into sought to hold a extrude within side the method in fits and civil lawsuits via way of means of dipping delays and compressing them right into a year's time from group of healthy until the disposal and shipping of judgment, but the revised approaches are also now not strictly adhered to. As a result, the time taken within side the most recent elimination of the instances via way of means of the Courts nevertheless runs into years via way of means of unduly prolonged and winded inspection and cross-exam of witnesses\textsuperscript{13}, protracted arguments\textsuperscript{14}, the difficulty judicial postpone and judicial arrears are scattering like epidemic at each degree of the judicial gadget and accordingly it's miles a first-rate motive of problem for the very survival of the full method of litigation. Alternative dispute resolution decisions became at one factor of your time measured process to be a voluntary act at the side of the events which has received the statutory reputation in the phrases of the Code of Civil Procedure Amendment Act, 1999, The Arbitration and Conciliation Act, 1996, The Legal Services Authorities Act, 1997 and The Legal Services Authorities (Amendment) Act, 2002. The Parliament apart from litigants and also the overall public as additionally the luxurious government Like Legal Services Authority have now thrown the ball into the courtroom docket of the judiciary. Therefore, what's required now could be implementation of the Parliamentary object. The get entry to justice could be a human proper and honest trial is likewise somebody's proper. In a very few international locations trial inside a rational time is a component of the human proper legislation. But, in our country, it's miles a Constitutional duty in phrases of Article 14 and 21.

Maybe recourse to opportunity dispute decision as some way to possess entree to justice also additionally, therefore, ought to be taken into consideration as somebody's proper trouble. Considered therein context of the judiciary may have a critical function to play.

Even prior to the lifetime of Section 89 of the Civil Procedure Code, there had been diverse provisions that gave the energy to the courts to refer disputes to mediation, which miserably have now not simply been utilized. Such provisions, inter alia, are within side the commercial Trade Disputes Act, the Hindu Marriage Act and therefore the Family Courts Act and additionally found in an exceedingly completely nascent shape thru Section 80, Order 32 A and Rule five B of Order 27 of the Code of Civil Procedure. The Court may additionally adjourn the intending within the event that they thinks its suits to permit attempt to be made to impact a compensation within which there is also a reasonable opportunity of settlement. In discharge of this responsibility Court can even additionally take assist of welfare professional who's engaged in selling the welfare of the Society.

In ONGC v. Collector of Central Excise\textsuperscript{15}
The dispute was between the govt. department and therefore the PSU. The report was submitted by the cupboard Secretary under the Supreme Court's order that each one department had been instructed. It’s been considered the general public commitment to resolve disputes amicably by mutual consultation in or through good offices or authorized government agencies. Or arbitration by avoiding disputes. The Indian government has ordered to line up a committee made from representatives from different departments.

**Conclusion**

\textsuperscript{11} In all, 33, 79,033 cases are pending before the High Courts. As on December 31, 2004, the total number of civil cases pending before the subordinate judiciary is 82, 36,254 and criminal cases pending are 1, 95, and 85,776. The total pendency thus is 2, 78, and 22,030. This shows that out of the total national pendency at the subordinate Courts level, 70\% is criminal cases and the remaining is civil cases. The total number of district and subordinate Courts are 12,401. These Courts are located in 2,066 towns

\textsuperscript{12} Tamil Nadu Vs. Union of India (UOI), (2005) 6 SCC 344, paras 38, 39

\textsuperscript{13} The 14th and 77th Law Commission Reports.

\textsuperscript{14} 79th Law Commission Report (1979) on delays and arrears.

\textsuperscript{15} 1995 Supp4 SCC 541 (ONGC II)
The arbitration process is entirely supported the concept of party autonomy, within which both parties choose the procedure additionally because of the circumstances during which the arbitration is requested. The “rules of the game”, are like the applicable law, in the seat of arbitration, language of the proceedings, etc. they’re within the hands of the parties and arbitration proceedings also are usually conducted supported these rules. Thus, there’s no particular set of applicable rules and laws governing the arbitration process. However, the Arbitration and Conciliation Act 1996 limits judicial intervention and reinforces the importance of party autonomy, confidentiality and prompt completion of the arbitration process.

References