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Contemporary Issues in International Commercial Arbitration in India Affecting the Nation's Financial Development

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Our nation India, presently has an ambition to ascend to a 7 trillion-dollar economy which is almost equivalent to Rs. 600 trillion within next 5 years by 2030, because the bigger the economy of a nation will be, the bigger will be the prosperity in every sector of the nation and the bigger the prosperity, bigger will be the possibilities and facilities for the citizens of the nation, and as such the Government of India has undertaken several measures including development of international trade and commerce landscape of the nation, liberalization of Indian market for foreign direct investment, exporting of domestic manufactured products, infrastructural development for ease of doing business to establish a strong international relations and transactions. But in this dynamic world of trade and commerce, disputes between parties are unavoidable specially in case of international trade which involves the traders belonging to different countries whose legal systems and procedures may differ in many ways to that of other as well as the Court of Law of each country have jurisdiction only within the territorial limits of the concerned Country thereby presenting a complicated and ever conflicting features. Arbitration has now become the first choice for resolving disputes between individuals, corporations and States in almost every facet of business, commerce and investments.

With its widespread significance in the country where the commercial sector demands a speedy and efficacious resolution of disputes, arbitration appears to be a perfect choice which is evident from the fact that many businesses or companies place heavy reliance on it by including arbitration clauses in almost all the agreements that they enter into but there are several issues in International commercial arbitration landscape in India which needs to be identified and sorted to raise the standard

of arbitration culture at par with Singapore, London and Hong Kong. The vision for the time is to make India a global hub of arbitration in order to elevate India to the third-largest economy by 2030.

Keywords: *international commercial arbitration, economy, trade & commerce, commercial sector, arbitration hub.*

INTRODUCTION

'The future of arbitration is bright, but only because the future of litigation is not.'[1]

- *Fali S. Nariman*

Arbitration is a consensual and private way of resolving disputes between parties. It is one of the approaches of the ADR mechanism that enables parties to choose a substitute forum other than the judiciary bodies for the resolution of their disputes. For a long time, this arbitration mechanism has been used in our Nation as well as internationally and in the present situation, this has become the primary method to resolve commercial disputes involving companies, individuals and States. The most vital factor behind the growth of arbitration is globalisation. Arbitration is considered to be the most flexible and simple way of resolving commercial disputes. In this mechanism, the parties submit their disputes before a person whom they appoint as an Arbitrator. The arbitrator, after hearing both parties, considering the evidence and records, passes a decision which is binding upon the parties. Such a decision is known as an Award, which is enforceable at Law. The cost of the proceedings is cheaper compared to litigation. The award passed by the Arbitrator is enforced in the same manner as an order of the Court would be.[2]

There are certain differences between Arbitration proceedings and court litigation. An arbitration hearing is informal as compared to Court hearings, as there is no requirement for Judges to sit on a dais, no requirement to wear black and white attire, gowns, bands, etc. In arbitration proceedings, the environment remains more comfortable and convenient for

[1]Aditi, 'The Future of Arbitration Is Bright, but Only Because the Future of Litigation Is Not: Fali S Nariman' *Bar and Bench* (03 September 2018) <https://www.barandbench.com/news/future-arbitration-bright-litigation-not-fali-nariman> accessed 05 June 2025

[2] Ronald Bernstein QC, *Handbook of Arbitration Practice* (9th edn, Sweet & Maxwell 1987)

parties as they can choose the avenue of Arbitration where the parties, along with their Counsels and Arbitrators, can sit around a long table.

BASIC FEATURES OF ARBITRATION

Substitute for Litigation: This feature helps the parties to escape the lengthy and rigid Court procedures. It is essentially an out-of-court procedure which involves an informal trial process to ensure that the designated arbitrators fairly adjudicate the matter, which ultimately results in a cost-effective method compared to litigation.

Confidential and Private Resolution Method: The arbitration procedure offers confidentiality and privacy to the parties. Any kind of documents exchanged, details of arbitration and arbitral awards cannot be disclosed to any third party until and unless the parties and the tribunal agree to the same.

Party Autonomy: The principle of party autonomy is one of the major reasons for the popularity of arbitration. It provides freedom to the parties to choose the law and proceedings to govern the arbitration. The arbitration agreement made between the parties determines the number of arbitrators, arbitrability of disputes, place of arbitration and other decisions regarding arbitration proceedings.

Neutrality: The Arbitrator must be an independent and impartial adjudicator. The present legal position is that a person interested in the outcome of the dispute must not appoint a sole arbitrator, and there is a prescribed format for disclosure by the arbitrator in accordance with Section 12(1) of the 1996 Act.

CLASSIFICATION OF ARBITRATION

Based on Jurisdiction –

Domestic Arbitration: This type of arbitration takes place when the dispute arises in India, wherein the parties are Indians and the matter is resolved as per the substantive and procedural Laws of India in the Indian territory itself. Part I of the Arbitration and Conciliation Act, 1996, applies to Domestic Arbitration. There are certain conditions for an arbitration to be termed as domestic, which have been mentioned in Section 2 of the Arbitration and Conciliation Act 1996 as follows:

1. The arbitration must take place in India
2. The parties to the dispute must be subject to Indian jurisdiction
3. The subject matter of the dispute must arise in India.

A more proper explanation of Domestic arbitration has been provided in the Indian Arbitration and Conciliation (Amendment) Bill, 2003, which states that Domestic arbitration means an arbitration relating to a dispute arising out of a legal relationship, whether contractual or not, where neither of the parties is:

1. An individual who is a national of, or habitually resident in, any country other than India;
2. A body corporate which is incorporated in any country other than India;
3. An association or body of individuals whose central management and control is exercised in any country other than India;
4. The Government of a foreign country.[3]

International Arbitration: This type of Arbitration has certain differences from domestic arbitration. This method may take place within or outside India, but here, one of the parties to the dispute must be from a foreign nation outside India. The parties choose a neutral seat of Arbitration. The seat of arbitration confers exclusive jurisdiction on the Court of that Country. Whereas International Arbitration is such a mechanism which has allowed parties from different legal and cultural backgrounds to resolve their disputes in a final and binding manner without the formalities of their legal systems. It allows the parties to design a customised arbitration procedure for the resolution of disputes.

The Paris Court of Appeal further reiterated international arbitration in the sense of economic transactions as:

The international nature of arbitration must be determined according to the economic reality of the process during which it arises. In this respect, all that is required is that the economic transaction should entail a transfer of goods, services or funds across national boundaries, while the nationality of the parties, the law applicable to the contract or the arbitration, and the place of arbitration are irrelevant.[4] The most common type of international arbitration

[3] Arbitration and Conciliation Act 1996, s 2(f)
[4] Gary Born, *International Commercial Arbitration* (1st edn, Kluwer Law International 2009)

presently in use at a large scale is International Commercial arbitration, wherein the dispute resolution clause of a contract between two parties highlights the seat of arbitration and specifies the substantive law to be used for governing the arbitration.

International Commercial Arbitration: This is a subset of international arbitration where the disputes arise out of a relationship that is considered commercial under the Law. As per the 1996 Act at least one of the parties to such arbitration must be an individual who is national of, or habitually resident in any country other than India; or, a body corporate which is incorporated in any country other than India; or, an association or a body of individuals whose central management and control is exercised in any country other than India; or, the Government of a foreign country.[5]

Foreign-seated Arbitration: In this type of arbitration, if an award is passed which is seated outside India, then such an award would be enforced under Part II of the 1996 Act. Choosing foreign Law to govern an arbitration, such an arbitration is a foreign-seated Arbitration.

Based on Procedure & Rules –

Institutional Arbitration: The dispute is administered by a specialised institution that has its own rules and regulations when it comes to resolving the dispute. Most of the institutions have their own set of Arbitrators as well, who have expertise in certain fields and can thus, potentially, be appointed as arbitrators in the disputes. In an institutional arbitration setup, they have their own rules regarding the constitution of the tribunal, the fees of arbitrators, challenge to arbitrators, the conduct of the proceedings, cost of arbitration, scrutinising the awards, consolidation of proceedings, etc. Whereas, Institutional arbitrations consist of specialised institutions which provide the facilities and infrastructure for the arbitral proceedings. The institutes contain their own special set of rules and regulations, based on which the proceedings are conducted. In addition to this, the parties have to adhere to strict contractual timelines within which the arbitration needs to be completed be it domestic or international arbitration. Most of these institutions also have a list of arbitrators from which the parties can choose to conduct the arbitral proceedings.

[5] Arbitration and Conciliation Act 1996, s 2(f)

Presently, India has approximately thirty-five arbitral institutions, but the Indian parties still prefer ad hoc arbitration over institutional arbitration. This is one of the main reasons why arbitration in India is not robust. This issue was highlighted in the report of the High-level Committee to review the Institutionalisation of Arbitration mechanism in India (Srikrishna Committee Report) released in 2017 under the chairmanship of Justice B.N. Srikrishna, and, as a result, vide Amendment of 2019, steps were taken to strengthen institutional arbitration and grading of arbitral institutions was introduced. The main reason behind the popularity of ad-hoc arbitration is a lack of awareness of the benefits that institutional arbitration entails through a user-friendly, comprehensive machinery already set up to make the process a success.

Ad Hoc Arbitration: In an ad hoc arbitration, the parties have the liberty to decide and choose all aspects of the arbitration. In the absence of any pre-decided rules and regulations, the parties have the choice of selecting any procedural rules. But in case of procedural issues like the constitution of the tribunal, fees of arbitrators, the challenge to arbitrators, etc., parties approach the concerned courts for resolving such issues. The culture of Ad Hoc arbitration has been popular in India for a very long time because one of its significant features is that the parties have the freedom to choose the details necessary for their proceedings to be successful; that is, they regulate the proceedings on their own. To make ad hoc arbitration proceedings a success, the parties to the dispute must have the requisite expertise to coordinate with each other while deciding the rules for arbitral proceedings.

Fast Track Arbitration: This concept was introduced by the Arbitration and Conciliation (Amendment) Act 2015, to save the cost and time of the parties. This type of Arbitration has shorter timelines for expeditious disposal of the case, and the award has to be passed within six months from the date of entering upon the reference. The Arbitrator decides the matter on the basis of the documents and pleadings filed by the parties, and no oral hearings take place. The time limit and procedure have been specified in sections 29A and 29B of the 1996 Act.[6]

Statutory Arbitration: This type of arbitration takes place when the parties to a dispute are referred to arbitration under the provisions of certain Central and State legislatures. The

[6] Law Commission, *Amendments to the Arbitration and Conciliation Act, 1996* (Law Com No 246, 2014)

provisions of the 1996 Act shall apply to such arbitration and shall also have an overriding effect in case any inconsistency arises.

Emergency Arbitration: In certain disputes, a party may seek emergency relief before the constitution of the arbitral tribunal, as it cannot wait for the constitution of the main tribunal, given the urgency involved.

Expedited Arbitration: In an expedited arbitration, usually preferred in cases with small claims, the parties prefer an expedited procedure prescribed by the chosen arbitral institutions. Shorter timelines and document-based conclusions are its key features. The arbitral tribunal in expedited arbitration is presided over by a sole arbitrator.

ARBITRABILITY SCOPE IN INDIA

Arbitrability Test: What does a Dispute mean in the context of Arbitration? This question needs to be addressed and analysed in the present time of growing importance of Commercial arbitration practice across the globe. International rules like the UNCITRAL Model Law and the New York Convention explained the term dispute in a way to denote those kinds of issues or conflicts which can really be settled by Arbitration, depending upon the nature and class of disputes. This explanation also gives rise to another notion that there are still some kinds of disputes which are incapable of being settled by arbitration, thereby creating a limitation in choosing the subject matters for adjudication. The concept of Arbitrability involves determining the kind of subject matters that can be brought under the purview of Arbitration and analysing the scope of the Arbitration agreement and the intention of the parties to refer the dispute to the Arbitration process, which is to be resolved by an Arbitrator.[7] Referred to as Objective arbitrability and Subjective arbitrability. Similarly, in India, the Arbitration & Conciliation Act, 1996, doesn't impose any specific restrictions mentioning particularly as to what kind of disputes may be referred to Arbitration. However, ambiguously, the Act stated that if an award is rendered in a matter not capable of being resolved by arbitration, then such an award may be set aside by the Court.[8] Therefore, the determination of arbitrability of a dispute is a vital aspect to be considered at the time of preparing an arbitration agreement, as well as before the commencement of the arbitration

[7] *Booz Allen and Hamilton Inc v SBI Home Finance Ltd and Ors* (2011) 5 SCC 532
[8] Arbitration and Conciliation Act 1996, s 34(2)(b)(i)

proceeding. The judgments of the Supreme Court of India in two important cases laid down the test of arbitrability.

Booz Allen Case: In the case of Booz Allen & Hamilton Inc. v SBI Home Finance Ltd & Ors,[9] the Supreme Court has dealt with various aspects of arbitrability and laid down three kinds of Tests to determine the arbitrability of a dispute, which are as follows:

Nature of Dispute: This kind of test is advised to determine whether a dispute matter should be decided in a public forum like a Court of Law or a private forum like arbitration. The Court stated that if the subject matter of dispute involves 'right in personam and further if the dispute is related to sub-ordinate rights in personam arising from rights in rem, then in both cases it would be considered to be arbitrable.

Remedy Test: This second kind of test laid down by the apex court is to focus on whether the relief sought by the parties is capable of being awarded by an Arbitrator. In this context, the court stated that the type of remedies which the arbitrator can award is limited by considerations of issues like public policy and by the fact that he is appointed by the parties and not by the state. For example, an arbitrator cannot impose a fine or a term of imprisonment, commit a person for contempt or issue a public order; nor can make an award which is binding on third parties or affects the public at large, such as a judgement in rem likes an assessment of the ratable value of land, a divorce decree, a winding-up order.

Jurisdiction Test: The third test laid down is to determine whether an exclusive jurisdiction has been vested by the statute upon a tribunal to deal with the adjudication of such disputes brought before arbitration. If any specific jurisdiction is bestowed upon a tribunal, then such disputes are also not arbitrable. Thus, it can be said that the Booz Allen case does not recognise only the nature of rights test.

Vidya Drolia Case: In the case of Vidya Drolia & others v Durga Trading Corporation,[10] the Supreme Court of India aimed to make the legal system a Pro-arbitration system to deal with the position of arbitrability of IP disputes. In this case, the Supreme Court propounded a

[9] *Booz Allen and Hamilton Inc v SBI Home Finance Ltd and Ors* (2011) 5 SCC 532
[10] *Vidya Drolia and Ors v Durga Trading Corporation* (2020) SCC OnLine SC 10

four-fold test for determining the circumstances of non-arbitrability of IP disputes, although the subject matter is mentioned in the arbitration agreement:

In case the cause of action and subject matter of the IP dispute relates to a right in rem, A right in rem is a right exercisable against the world at large[11]. Any judicial decision related to action in rem determines the status of a person or thing as a whole applicable to all, whether parties, privies or strangers of the matter decided.[12] Such a judgment settles the destiny of the res itself and binds all persons claiming an interest in the property, inconsistent with the judgment, even though pronounced in their absence.[13] But in the case of right in personam, an arbitrator whose powers are derived from a private agreement between the two disputing parties has no jurisdiction to bind anyone else apart from the disputing parties by a decision, for no one else has mandated him to make such a decision, and a decision which attempted to do so would be useless. In Suresh Dhanuka v Sunita Mohapatra,[14] it was held that a dispute concerning a right in rem shall be incapable of being arbitrated upon and shall lie under the exclusive jurisdiction of the courts of the land. The Supreme Court has enunciated that the right in rem includes the right in patent and copyright. In the case of Emaar MGF Land Ltd v Aftab Singh[15] categorically stated that disputes related to patents, copyright and other Intellectual Properties are beyond the scope of arbitration.

In Eros International v Telemax,[16] the issue was related to copyright infringement. The Court opined that where there are matters of commercial disputes and parties have consciously decided to refer these disputes arising from that contract to a private forum, no question arises of those disputes being non-arbitrable. Such actions are always actions in personam, one party seeking a specific, particularised relief against a particular defined party, not against the world at large.

In case the cause of action and subject matter of the IP dispute have an erga omnes effect. International Commercial Arbitration as a way of resolving IP disputes is not favourable when the subject matter of the dispute has an erga omnes effect, that is, it affects the rights and liabilities of persons who are not bound by that arbitration and its award. The court

[11] P Ramanatha Aiyar, *Advanced Law Lexicon* (3rd edn, Lexis Nexis 2024)
[12] *Booz Allen and Hamilton Inc v SBI Home Finance Ltd* (2011) MANU/SC/0533/2011
[13] GC Cheshire and PM North, *Private International Law* (12th edn, Butterworths 1992)
[14] *Suresh Dhanuka v Sunita Mohapatra* (2012) 1 SCC 578
[15] *Emaar MGF Land Ltd v Aftab Singh* (2019) 12 SCC 751
[16] *Eros International v Telemax* (2016) SCC OnLine Bom 2179

observed that certain intellectual property disputes, such as the grant and issue of patents and the registration of trademarks, were exclusive matters which fell within sovereign governmental functions and had an erga omnes effect. Since the grant of such rights conferred monopoly rights, they were non-arbitrable[17], and thus, it requires a centralised adjudication mechanism, and any sort of mutual adjudication like Arbitration would not be appropriate and enforceable. In case the cause of action and subject matter of the dispute relate to inalienable sovereign and public interest functions of the State, and hence, mutual adjudication would be unenforceable. In case the subject matter of the dispute is expressly or by necessary implication non-arbitrable as per mandatory statute(s).

INSTITUTIONAL ARBITRATION LANDSCAPE IN INDIA

It is extensively recognised that India favours ad hoc arbitration. However, various arbitral institutions have been set up in India, especially in the last five years, and ad hoc arbitration continues to be the favoured mode of arbitration. Furthermore, it is a serious matter of fact that a large number of international arbitrations concerning Indian parties are seated abroad and administered by foreign arbitral institutions. Thus, to endorse institutional arbitration in India, it is imperative that:

- Indian parties involved in domestic and international arbitrations are encouraged to shift towards institutionally administered arbitrations rather than recourse to ad hoc arbitrations; and,
- India has to become a preferred seat of arbitration for international arbitrations, at least for the parties belonging to India itself.

Institutional Arbitration versus Ad hoc Arbitration: Now, an important question that arises is, why should we resort towards Institutional arbitration over the ad hoc arbitration process? The answer lies in the benefits of resolving the commercial disputes through Institutional Arbitration in comparison to Ad-hoc Arbitration, which are illustrated as follows:

Arbitration services provided by Arbitral institutions are more efficient as they have a fixed set of rules, their experts and trained staff for administering the whole process smoothly and quickly. On the other hand, ad hoc arbitration presents a mix-and-match of complex and

[17] *Vidya Drolia v Durga Trading Corporation* (2020) MANU/SC/0939/2020

lengthy rules and procedures, as well as the parties to the dispute must agree with every decision; and the selection of an inexperienced arbitrator on the subject matter makes it more cumbersome.

Institutions providing arbitration services have their own predetermined procedural rules which is free from any uncertainties, and their experiences in handling multiple arbitrations regularly prepare them for any troubles, whereas, in Ad hoc arbitration, the parties have to approach the court for resolving every procedural issue that arises during an arbitration.

Institutions have a panel of arbitrators specialised in several subject matters with experience too, which makes it easier for the parties to choose arbitrators based on their needs. However, ad hoc arbitration does not provide a panel of arbitrators and the parties are required to choose an arbitrator upon mutual consent; otherwise, they need the help of a court for the appointment of an arbitrator.

The arbitrators of any institution have a fixed chart of fees set by the institute, whereas, in ad hoc arbitrations, the determination of fees is fixed by the negotiation skills of the parties.

Challenges to Institutional Arbitration –

The major concerns identified behind the cause for less preference for Institutional arbitrations in India are as follows:

Misconception: There are a few misguided findings relating to institutional arbitration that exist among parties. One of these is related to costs. Parties consider institutional arbitration to be considerably more costly than ad hoc intervention, fundamentally because of the administrative expenses payable to arbitral institutions.[18] But this perception is misconceived because of the following:

- Numerous arbitral institutions charge very reasonable fees.
- The use of an arbitral institution helps avoid disputes over procedural matters, resulting in cost savings; and

[18] 'The pros and cons of arbitration'' (*Mayer Brown International LLP*, 12 October 2012) <https://www.mayerbrown.com/-/media/files/news/2012/10/the-pros-and-cons-of-arbitration/files/practice-note_duncan_pros-cons-arbitration_oct12/fileattachment/practice-note_duncan_pros-cons-arbitration_oct12.pdf> accessed 05 June 2025

- The costs of a specially appointed arbitrator can, without much of a stretch, outperform the expenses of an institutional decision if there should be an occurrence of extra procedural hearings, dismissals, utilisation of per-hearing charges, suit arising from procedural shortcomings in spontaneous intrusions and so forth.

Governmental Backing for Institutional Arbitration: One of the reasons for a weak institutional arbitration system in India is the need for adequate governmental support for the same over a long time. Whereas the government is the foremost productive prosecutor in India, it can do more in this capacity to energise institutional arbitration. The common conditions of contract utilised by the government and public sector undertakings frequently contain arbitration clauses, but these clauses ordinarily do not explicitly provide for institutional arbitration.

Lack of Statutory Support for Institutional Arbitration: The Arbitration and Conciliation Act, 1996 has been major arbitration Law in India but without any arrangements especially featured towards progressing institutional arbitration which is completely different from neighbouring country like Singapore, where the Singapore International Arbitration Centre (SlAC) is the default institution where dispute will be referred under the International Arbitration Act, 1994 (IAA) which regulates international arbitration.

Problems with Delays and Excessive Judicial Involvement in Arbitration: Delays in Indian courts and extreme judicial involvement in arbitration proceedings have resulted in India not being favoured as a seat for arbitration, and accordingly, undersized the growth of international arbitration, including institutional arbitration, too, in India. Parties frequently delay arbitration procedures by starting court procedures before or during arbitration procedures, or at the enforcement stage of the arbitral award. For instance, an examination of the recent list of the Bombay High Court, for example, demonstrates that commercial division judges frequently hear things other than commercial matters, such as family law things, juvenile justice-related matters, etc. If commercial division judges are empowered to hear matters other than commercial matters, it would conflict with the legislative intent of the speedy disposal of commercial matters, including arbitration matters. Moreover, it is pointed out that the rotation policy of these High Courts was also pertinent to commercial division judges.

Fewer Number of Arbitrators: The number of Arbitrators available at present is insufficient to cope with the present growing trend of arbitration. It is highly required to have a high number of trained and expertise arbitrators who shall devote themselves to the adjudication of arbitration matters professionally. Arbitration institutions must come forward to solve this deficiency in the manner of providing training services to lawyers, judges, academicians and personnel from various professions through which they can be certified as professional Arbitrators. Arbitration institutions must provide an opportunity to professional arbitrators to get empanelled with the institution in part-time/full-time mode, which would encourage the arbitrators to get associated with the profession of Arbitrator seriously.

Limited Outreach Policy: The number of Arbitral institutions is very less compared to the topmost successful countries in arbitration like Singapore, Hong Kong, the UK, etc., and the few institutions which exist are concentrated in a few states in the Country, which becomes inaccessible for people belonging to different parts of the nation. Mostly, states like Delhi, Mumbai, Gujarat, Hyderabad have arbitral institutions of at least one whereas, whereas states like West Bengal, which was once the capital of India and the gateway for eastern India, do not have any reputed arbitral institutions like IIAM, IAMC, IIAC, MCIA and a few more. The eastern and north eastern parts of India highly require a good number of Arbitral institutions to culminate the growth of arbitration in the whole country.

CONCLUSION

The concept of arbitrability and the landscape of Institutional arbitration are the two factors discussed in this paper as the major concerns for the underdevelopment of the International commercial arbitration regime in India. As the concept of arbitrability is not legislatively defined in that case, we have to look at various judgments of the Courts that have provided a list of matters arbitrable and non-arbitrable. The main problem is that the test of arbitrability is different in different jurisdictions, and it is very much dependent on the public policy of the State.

The existing limitations and barriers in the adjudication of various disputes, though commercial, but still left outside the purview of the arbitration mechanism. Some of the kinds of commercial disputes related to public sector undertakings, consumer disputes, Trust disputes, Company act disputes, MSME disputes, Industrial disputes and Competition Act

disputes. The main philosophy should be not to avoid rather to adopt the arbitration process by leaving space for it in as many ways as possible.

On the other hand, over the last few years, we have been witnessing how the momentum towards arbitration has been increasing as the preferred method of commercial dispute resolution. The Indian parliament has also been trying to make arbitration arbitration-friendly environment in India, and as such, several amendments have been made successively to the Arbitration Law of India in the Acts of 2015, 2018, 2019, 2021, and the present amendment bill of 2024, each aimed to align legislation with global best practices.

Recently the former Chief Justice of India DY Chandrachud while addressing the English Supreme Court on the need for robust institutionalisation of arbitration to further the culture of arbitration in India and the Global South stated that the Indian Government's draft Arbitration and Conciliation (Amendment) Bill, 2024 similarly seeks to promote institutional arbitration in India and reduce judicial intervention in arbitral proceedings.[19] To strengthen the institutional arbitration landscape it is necessary to learn the lessons from the top arbitral institutions of the world like Singapore International Arbitration Centre (SIAC), London Court of International Arbitration (LCIA), Hong Kong international Arbitration centre (HKIAC), etc., about their administration process, arbitration rules, arbitrator appointment rules and every other processing details.

Therefore, realising the importance of International commercial arbitration in the business community of the whole world, it is highly required for India at present to adopt this adjudication process in order to build the confidence of foreign investors, resulting in a surplus in the financial position of the nation through trade and commerce. Besides the adoption of the mechanism, it is also necessary to uplift the standard of arbitration in India to such an extent that India may become the most preferred global hub of arbitration.

Developing nations like India have to put heavy reliance on business, trade and commerce to uplift the economic condition of the nation and provide ample opportunities to its people to raise their income scale through business, jobs, entrepreneurship, infrastructure,

[19] Arpan Banerjee, 'Guidelines for Arbitration and Mediation in Contracts of Domestic Public Procurement (2024): More Reasons for Institutional Arbitration' *Bar & Bench* (01 February 2025) <https://www.barandbench.com/columns/guidelines-for-arbitration-and-mediation-in-contracts-of-domestic-public-procurement-2024-more-reasons-for-institutional-arbitration> accessed 05 June 2025

industrialisation and many more ways. The government of India is striving hard to focus on international trade and commerce by maintaining a healthy relationship with several foreign countries, and several states of India are organising global business summits in order to attract foreign investment.

In this situation, it must be portrayed before the whole world that we have a strong infrastructure for arbitration, especially for institutional arbitration with a wider scope of arbitrability, so that any disputes arising out of commercial relationships between the two parties involving a foreign party may be resolved amicably in India through a standardised international process.