INVITING COMMENTS ON THE DRAFT ARBITRATION AND CONCILIATION (AMENDMENT) BILL, 2024

The Government of India has taken several steps to strengthen the dispute resolution environment in the country and to promote Ease of Doing Business and enforcement of contracts inter-alia through legislative interventions from time to time. The Department of Legal Affairs is presently in the process of considering further amendments in the Arbitration and Conciliation Act 1996.

2. The aim and purpose is to provide further boost to institutional arbitration, reduce court intervention in arbitrations and ensuring timely conclusion of arbitration proceedings.

3. In view thereof, the Arbitration and Conciliation (Amendment) Bill, 2024 and a tabular statement depicting existing provision and proposed amendment have been prepared.

4. The Department, now invites comments/feedback from the public as part of the public consultation exercise on the draft amendments. Comments on the draft Bill may be sent by email on avnit.singh@gov.in and ndiac-dla@gov.in latest by **03.11.2024**.

	THE ARBITRATION AND CONCILIATION (AMENDMENT) BILL, 2024	
	A BILL	
	further to amend the Arbitration and Conciliation Act, 1996.	
	BE it enacted by Parliament in the Seventy-Fifth Year of the Republic of India as follows:-	
	1. (1) This Act may be called the Arbitration and Conciliation (Amendment) Act, 2024.	Short title and commencement.
	(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act and any reference any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.	
	2. In the Arbitration and Conciliation Act, 1996 (26 of 1996) (hereinafter referred to as the principal Act), in the long title, the words "*as also to define the law relating to conciliation*" shall be omitted.	Amendment of Long Title
	3. In the principal Act, in the Preamble, (i) para 3 and para 4 shall be omitted. (ii) in para 5, for the words "*and Rules make*", the words "*makes*" shall be substituted. (iii) in para 6, for the words "*respecting arbitration and conciliation, taking into account the aforesaid Model Law and Rules*", the words "*relating to arbitration, taking into account the aforesaid Model Law*" shall be substituted.	Amendment of Preamble
	4. In the principal Act, in section 1, sub-section (1) the words "*and Conciliation*" shall be omitted.	Amendment of section 1
	5. In the principal Act, in section 2, (i) in sub-section (1), (A) For clause (a), the following clause shall be substituted – *"arbitration" means any arbitration whether or not administered by*	Amendment of section 2

	an arbitral institution and includes arbitration conducted, wholly or partly, by use of audio-video electronic means." (B) After clause (a), the following clause shall be inserted, namely- '*(aa) "audio-video electronic means" shall include use of any communication device for video conferencing, filing of pleadings, recording of evidence, transmission of electronic communication, for the purposes of conduct of arbitral proceedings and any other matter incidental thereto, in the manner as specified by the Council under sub-section 5 of section 19;"* (C) For clause (ca), the following clause shall be substituted- *'(ca) "arbitral institution" means a body or organisation that provides for conduct of arbitration proceedings under its aegis, by an arbitral tribunal as per its own rules of procedure or as otherwise agreed by the parties;"* (D) For clause (e), the following clause shall be substituted, namely:- " *(e)* '*Court' means the court as referred to in section 2A*" (E) After clause (e), the clause shall be inserted, namely- *'(ea) "emergency arbitrator" means an arbitrator appointed under Section 9A.'* (ii) For proviso to sub-section (2), the following proviso shall be substituted, namely: "*Provided that subject to an agreement to the contrary, the provisions of section 9, sub-section (2) of section 9A, section 27 and clause (a) of sub-section (1) and sub-section (3) of section 37 shall also apply to an arbitration, even if the seat of arbitration is outside India, and an arbitral award made or to be made in such place is enforceable and recognized under the provisions of Part II of this Act."*	
	6. After section 2 of the principal Act, the following section shall be inserted, namely:- "2A. (1) In case of arbitration other than international commercial arbitration, (i) where seat of arbitration has been agreed by the parties or determined by the arbitral tribunal as per Section 20, the court means the court having pecuniary and territorial	New Section 2A

	jurisdiction over the seat of arbitration. (ii) in all other cases, the court means the court having pecuniary and territorial jurisdiction to decide the disputes forming the subject-matter of the arbitration if the same had been the subject-matter of a suit. (2) In case of international commercial arbitration, (i) where the seat of arbitration has been agreed by the parties or determined by the arbitral tribunal as per Section 20, Court means the High Court having territorial jurisdiction over the seat. (ii) in all other cases, Court means the High Court having territorial jurisdiction to decide disputes forming the subject matter of arbitration. (3) In arbitrations which are conducted solely through audio visual electronic means, the provisions of sub-section (1) or sub-section (2), as the case may be, shall mutatis mutandis apply.	
	7. For section 6 of the principal Act, the following section shall be substituted: *'Administrative assistance. — (1) In order to facilitate the conduct of the arbitral proceedings, the parties, or the arbitral tribunal with the consent of the parties, may arrange for administrative assistance by an institution or an administrative secretary.* *Explanation – Institution for the purpose of this section shall include an arbitral institution.'*	Amendment of section 6
	8. In section 7 of the principal Act, (i) in clause (a) of sub-section (4), after the words 'parties', the words '*including through digital signature*', shall be inserted. (ii) after sub-section (5), following sub-section shall be inserted, namely- *"(6) The Council shall frame model arbitration agreements, which the parties may consider, while agreeing to submit disputes to arbitration."*	Amendment of Section 7
Amendment of Section 8	9. In section 8 of the principal Act, after sub-section (3), following sub-section shall be inserted, namely- *'(4) An application filed under sub-section (1) shall be disposed of by the court expeditiously and in any event*	

	within a period of sixty days from the date of filing of the application.'	
Amendment of section 9	10. In section 9 of the principal Act, (i) in sub-section (1), for the words '*or during'*, the words '*the commencement of",* and for the words *'section 36,',* the words '*the provisions of the Act'* shall be substituted. (ii) For sub-section (2), the following sub-section (2) shall be substituted- *"(2) Where, before the commencement of the arbitral proceedings, a party files an application for any interim measure of protection under sub-section (1), the arbitral proceedings shall be commenced within a period of ninety days from the date of filing of such an application in the Court."* (iii) sub-section (3) shall be omitted.	
Insertion of New section 9A	11. After section 9 of the principal Act, the following section shall be inserted, namely- "*9A. Emergency arbitrators – (1) Arbitral institutions may, for the purpose of grant of interim measures referred to in section 9, provide for appointment of emergency arbitrator prior to the constitution of an arbitral tribunal.* *(2) The emergency arbitrator appointed under sub-section (1) shall conduct proceedings in the manner as may be specified by the Council.* *(3) Any order passed by an emergency arbitrator under sub-section (2) shall be enforced in the same manner as if it is an order of an arbitral tribunal under sub-section (2) of section 17 of the Act.* *(4) An order of the emergency arbitrator may be confirmed, modified, or vacated, in whole or in part, by an order or arbitral award made by the arbitral tribunal."*	
Amendment of section 11	12. In section 11 of the principal Act, (i) in sub-section (3), after the words, 'Failing any agreement', the words "*on a procedure for appointment of arbitrator or arbitrators"* shall be inserted. (ii) in sub-section 3A, for the words "graded", the words "*recognised*" shall be substituted; for	

		the words 'section 43-I', the words 'section 43K' shall be substituted; and for words "in the Fourth Schedule", the words "*by the Council*" shall be substituted.	
		(iii) in sub-section (4), following proviso shall be inserted namely- "*Provided that the party in its application made under this sub-section shall make a disclosure with respect to the number and details of arbitration proceedings pending between the parties and arbitral awards passed in respect of disputes having arisen between the parties from a common defined legal relationship, whether contractual or not.".*	
		(iv) in sub-section (5), after the words, 'Failing any agreement', the words "*on a procedure for appointment of arbitrator or arbitrators"* shall be inserted.	
		(v) after sub-section (5), the following proviso shall be inserted, namely- "*Provided that the party in its application made under this sub-section shall make a disclosure with respect to the number and details of arbitration proceedings pending between the parties and arbitral awards passed in respect of disputes having arisen between the parties from a common defined legal relationship, whether contractual or not.".*	
		(vi) in sub-section (6), for the words, '*an appointment procedure*', the words '*a procedure, for appointment of arbitrator or arbitrators,*' shall be substituted.	
		(vii) after sub-section (6), the following proviso shall be inserted, namely- "*Provided that the party in its application made under this sub-section shall make a disclosure with respect to the number and details of arbitration proceedings pending between the parties and arbitral awards passed in respect of disputes having arisen between the parties from a common defined legal relationship, whether contractual or not.".*	
		(viii) after sub-section (6), the following sub-section	

	shall be inserted, namely:- *"(6A) An application under sub-section (4) or sub-section (5) or sub-section (6) shall be filed within 60 days from the failure or refusal of appointment of arbitrator or arbitrators, as the case may be."* (ix) in sub-section (13), after the words "the arbitral institution" the words "*designated under sub-section (3A)*" shall be inserted; and (x) in sub-section (14), after the words "The arbitral institution" the words " *designated* under sub-section (3A)" shall be inserted and for words "*subject to the rates specified in the Fourth Schedule*", the words "*as per its rules or in absence thereof, in the manner as specified by the Council under section 11A.*" shall be substituted.	
Amendment of section 11A	13. For section 11A of the principal Act, the following section shall be substituted, namely:- *"(11A) Fees of arbitral tribunal – Unless otherwise agreed by the parties or where the arbitration is to be conducted under the aegis of an arbitral institution having rules for determining the fees payable to the arbitral tribunal, the fees of the arbitral tribunal shall be such as may be specified by the Council."*	
Amendment of section 16	14. In section 16 of the principal Act, in sub-section (5), after the words *'sub-section (3)',* the words '*as a preliminary issue within thirty days of the filing of the application, unless for reasons to be recorded in writing, the arbitral tribunal deems it fit to decide the plea later'* shall be inserted.	
Amendment of section 17	15. In section 17 of the principal Act, in sub-section (1), after clause (d), the following clause shall be inserted, namely: *"(da) confirm, modify or vacate, as the case may be, the ad interim measures granted under section 9 or order made by an emergency arbitrator under Section 9A subject to such conditions, if any, as it may deem appropriate after hearing the affected parties;"*	
Amendment of section 18	16. In section 18 of the principal Act, for words '*full*', the words '*fair and reasonable*' shall be substituted.	
Amendment of section 19	17. In section 19 of the principal Act, (i) in sub-section (3), the following proviso shall	

	be inserted, namely- "*Provided that in cases where arbitration is conducted other than under the aegis of an arbitral institution, the arbitral tribunal shall duly consider to carry on the arbitration proceedings as per the model rules of procedures or guidelines to be issued by the Council from time to time."* (ii) after sub-section (4), the following sub-section shall be inserted, namely- "*(5) The proceedings may be conducted through use of audio-video electronic means in the manner specified by the Council.*"	
Amendment of section 20	OPTION- I: 18. In section 20 of the principal Act, (i) in the marginal heading, for the words "place", the words "Seat" shall be substituted. (ii) in sub-section (1), for the words "place", the words "*seat*" shall be substituted. (iii) in sub-section (2), for the words "place", the words "*seat*" shall be substituted. (iv) in sub-section (2), for the words "place", the words "*venue*" shall be substituted.	
	OPTION-II For section 20 of the principal Act, the following section shall be inserted, namely- *"20 (1) In case of domestic arbitration other than international commercial arbitration the seat of arbitration shall be the place where the contract/arbitration agreement is executed or where the cause of action has arisen.* *(2) Notwithstanding sub-section (1), the arbitral tribunal may, unless otherwise agreed by the parties, meet at any venue it considers appropriate for consultation among its members, for hearing witnesses, experts or the parties, or for inspection of documents, goods or other property."*	Note: If this option is selected then amendment to definition of Court will not be required.
Amendment of section 28	19. In section 28 of the principal Act, in sub-section (1), for the words "place", the words "*seat*" shall be substituted.	
Amendment of section 29A	20. In section 29A of the principal Act,	

	(i) in sub-section (3), after the words "six months", the words *"or if there is no consent between the parties, then an application under sub-section (5) may be filed."* shall be inserted; (ii) in sub-sections (4), for the words *'Court*, the words 'a*rbitral institution under whose aegis arbitration is being conducted or Court'* shall be substituted. (iii) in sub-section (5), after the words, '*imposed by'*, the words '*an arbitral institution for arbitrations being conducted under its aegis and in all other cases, by*' shall be inserted. (iv) in sub-section (6), for words 'court', the words 'arbitral institution or the Court, as the case may be,', shall be substituted. (v) in sub-section (9), for words 'court', the words 'arbitral institution or the Court, as the case may be,', shall be substituted.	
Amendment of section 30	21. In section 30 of the principal Act, (i) in sub-section (1), the words ", *conciliation or other procedure*" shall be omitted. (ii) in sub-section (2), for words '*an arbitral award'*, the words, '*a mediated settlement agreement enforceable in accordance with the provisions of Mediation Act, 2023'* shall be substituted. (iii) sub-section (3) and sub-section (4) shall be omitted.	
Amendment of section 31	22. In section 31 of the principal Act, (i) in sub-section (1), after the words "writing", the words ", duly stamped" shall be inserted. *(ii)* after sub-section (2), the following sub-section shall be inserted, namely- "*The arbitral award shall state that the following has been ensured, namely-* *(a) a party was not under some incapacity;* *(b) the arbitration agreement is valid under the law to which the parties have subjected it or, failing any indication thereon, under the law for the time being in force;* *(c) parties were given proper notice of the appointment of arbitrator or of the*	

	arbitral proceedings or were otherwise able to present their case; *(d) the composition of arbitral tribunal was as per the agreement of the parties;* *(e) the arbitration procedure followed during arbitration proceedings was in accordance with the agreement of the parties;* *(f) the subject matter of dispute is capable of settlement by arbitration under the law for the time being in force;* (g) *the arbitral award only deals with disputes contemplated by or falling within the terms of the submission to arbitration.*" (iii) in sub-section (4), for the words "place", the words "*seat*" shall be substituted. (iv) in sub-section (5), for the words '*copy*', the words ' or *digitally signed copy, as the case may be*,' shall be substituted. (v) in sub-section (7), clause (b), for the words "*two per cent. higher than the current rate of interest*", the words "*three per cent higher than the prevailing repo rate of the Reserve Bank of India*" shall be substituted. (vi) in sub-section (7), explanation to clause (b) shall be omitted.	
Amendment of section 31A	23. In section 31A of the principal Act, in sub-section (3), for clause (c), the following clause shall be substituted, namely- '*(c) whether the party had made a frivolous claim or counterclaim; and*'	
Amendment of section 32	24. In section 32 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely- '*(4) After the termination of the proceedings, the arbitral tribunal shall return the records of the arbitration to the arbitral institution in cases where the arbitral proceedings were conducted under the aegis of an arbitral institution and in all other cases, to the parties.*'	
Amendment of section 34	25. In section 34 of the principal Act, (i) in sub-section (1), after the words *'Court',* the words '*or an appellate arbitral tribunal, as the case may be,'* shall be inserted.	

	(ii) after sub-section (1), the following proviso shall be inserted, namely- '*Provided that where parties have agreed to take recourse to an appellate arbitral tribunal under this sub-section, no application for setting aside an arbitral award shall lie before the Court.*' (iii) after sub-section (1), the following sub-sections shall be inserted, namely:- *"(1A) The party in its application made under sub-section (1) shall make a disclosure with respect to any challenge pending or decided in respect of all arbitral awards, if any, passed for any disputes having arisen between the parties from a common defined legal relationship, whether contractual or not.* *(1B) The Court or an appellate arbitral tribunal shall, prior to hearing an application under this Section, formulate specific grounds which arise and the application may thereafter be heard on whether the said grounds are made out or not,* *Provided that the nothing in this sub-section shall be deemed to take away or abridge the power of the Court to hear subsequently, for reasons to be recorded in writing, any other grounds not formulated by it earlier."* *(iv)* for sub-section (2), the following sub-sections shall be substituted, namely:- *"(2) An arbitral award may be set aside in whole by the Court or an appellate arbitral tribunal, as the case may be, only if the party making the application establishes on the basis of the record of the arbitral tribunal that—* *(i) a party was under some incapacity, or* *(ii) the arbitration agreement is not valid under the law to which the parties have subjected it or, failing any indication thereon, under the law for the time being in force; or* *(iii) the party making the application was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case; or* *(iv) the composition of the arbitral tribunal or*	

	the arbitral procedure was not in accordance with the agreement of the parties, unless such agreement was in conflict with a provision of this Part from which the parties cannot derogate, or, failing such agreement, was not in accordance with this Part; or *(v) the subject-matter of the dispute is not capable of settlement by arbitration under the law for the time being in force."* *(v)* for sub-section (2A), the following sub-section shall be substituted, namely- *"(2A) An arbitral award may be set aside in whole or in part by the court or an appellate arbitral tribunal, as the case may be, only if the party making the application establishes on the basis of the record of the arbitral tribunal that—* *(i) the arbitral award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matters beyond the scope of the submission to arbitration:* *Provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, only that part of the arbitral award which contains decisions on matters not submitted to arbitration may be set aside; or* *(ii) the arbitral award is in conflict with the public policy of India.* *(iii) the award is vitiated by patent illegality appearing on the face of the award:* *Provided that an award shall not be set aside merely on the ground of an erroneous application of the law or by reappreciation of evidence.* *Explanation 1.— For the avoidance of any doubt, it is clarified that an award is in conflict with the public policy of India, only if,—* *(i) the making of the award was induced or affected by fraud or corruption; or*	

	(ii) it is in contravention with the fundamental policy of Indian law; or *(iii) it is in conflict with the most basic notions of morality or justice.* *Explanation 2.— For the avoidance of doubt, the test as to whether there is a contravention with the fundamental policy of Indian law shall not entail a review on the merits of the dispute."* *(vi)* in proviso to sub-section (3), after the words '*court'*, the words '*or an appellate arbitral tribunal, as the case may be,*' shall be inserted. *(vii)* in sub-section (4), after the words '*court'*, the words '*or an appellate arbitral tribunal, as the case may be,*' shall be inserted *(viii)* after sub-section (6), the following sub-section shall be inserted, namely- *"(7) Where the arbitral award is set aside in part, the Court or an appellate arbitral tribunal, as the case may be, may direct that the arbitral tribunal shall decide in a fixed time, only the issues on which the award has been set aside:* *Provided that the said arbitral tribunal shall make the award on the said issues on the basis of existing records in the original arbitral award, unless the Court or an appellate arbitral tribunal, as the case may be, directs to the contrary:* *Provided further that the arbitral tribunal shall be bound by the findings of the original arbitral award, which have not been set aside."* .	
Insertion of New Section	26. After section 34 of the principal Act, the following section shall be inserted, namely- *"34A. Appellate Arbitral Tribunal. – (1) The arbitral institutions may, provide for an appellate arbitral tribunal to entertain applications made under Section 34, for setting aside an arbitral award.* *(2) The appellate arbitral tribunal while deciding an application under Section 34 shall follow such procedure, as may be specified by the Council."*	
Amendment of section 37	27. In section 37 of the principal Act, *(i)* in sub-section (1), after the words '*passing the*	

	order', the words *'or the appellate arbitral tribunal, as the case may be,'* shall be inserted. *(ii)* in sub-section (1), after clause (a), the following clause shall be inserted, namely- "*(aa) refusing to appoint an arbitrator under Section 11;"* (iii) after sub-section (1), the following sub-section shall be inserted, namely:- "*(1A) Notwithstanding anything contained in any other law, an appeal under sub-section (1) shall be made within 60 days from the date of receipt of the Order appealed against, but not thereafter."*	
Amendment of section 42	28. Section 42 of the principal Act shall be omitted.	
Amendment of section 43C	29. For section 43C of the principal Act, the following section shall be substituted, namely:- *"Composition of Council. - (1) The Council shall consist of the following Members, namely:—* *(a) a person of ability, integrity and standing having adequate knowledge and professional experience or shown capacity in dealing with problems relating to law, alternative dispute resolution preferably arbitration, public affairs or administration to be appointed by the Central Government—Chairperson;* *(b) a person having knowledge and experience in law related to arbitration or alternative dispute resolution mechanisms, to be appointed by the Central Government—Member;* *(c) an eminent person having experience in research or teaching in the field of arbitration and alternative dispute resolution laws, to be appointed by the Central Government—Member;* *(d) Secretary to the Government of India in the Department of Legal Affairs, Ministry of Law and Justice or his representative not below the rank of Joint Secretary—Member, ex officio;* *(e) Secretary to the Government of India in the Department of Expenditure, Ministry of Finance or his representative not below the rank of Joint Secretary—*	

	Member, ex officio; *(f) one representative of a recognised body of commerce and industry, chosen by the Central Government—Part-Time Member and* *(g) Chief Executive Officer—Member-Secretary, ex officio.* *(2) The Members of the Council, other than ex officio members, shall hold office as such, for a term of four years from the date on which they enter upon their office and shall be eligible for re-appointment:* *Provided that no Member other than ex officio Member shall hold office after he has attained the age of seventy years, in the case of Chairperson, and sixty-seven years, in the case of other Members:* *Provided further that if the Chairperson is appointed on Part-Time basis, then, at least one of the Members appointed under clauses (b) or (c) shall be a Full-Time Member.* *(3) The salaries, allowances and other terms and conditions of the Chairperson and Members referred to in clauses (b) and (c) of sub-section (1) shall be such as maybe prescribed by the Central Government.* *(4) The Part-time Member shall be entitled to such travelling and other allowances as may be prescribed by the Central Government."*	
Amendment of section 43D	30. In section 43D of the principal Act, (i) in sub-section (1), the words ", mediation, conciliation or other alternative dispute resolution mechanism" shall be omitted. *(ii)* for sub-section (2), the following sub-section shall be substituted, namely:- *"(2) For the purposes of performing the duties and discharging the functions under this Act, the Council may—* *(a) recognize arbitral institutions and renew, withdraw, suspend or cancel such recognition;* *(b) specify the criteria for recognition of arbitral institutions* *(c) call for any information or record of arbitral institutions;* *(d) lay down experience and norms for voluntary registration of arbitrators;*	

	(e) lay down a model code of conduct for arbitrators; *(f) lay down the model arbitration agreement provided under sub-section (6) of section 7;* *(g) issue the model rules of procedures or guidelines provided under proviso to sub-section (3) of section 19;* *(h) manner of conduct of proceedings through the use of audio-video electronic means under sub-section 5 of section 19.* *(i) manner of maintenance of the depository and the procedure for applying as referred in sub-section (1) of section 43 M.* *(j) hold training, workshops and courses in the area of arbitration in collaboration of law firms, law universities and arbitral institutes;* *(k) frame, review and update norms to ensure satisfactory level of arbitration;* *(l) act as a forum for exchange of views and techniques to be adopted for creating a platform to make India a robust centre for domestic and international arbitration and conciliation;* *(m) make recommendations to the Central Government on various measures to be adopted to make provision for easy resolution of commercial disputes through arbitration;* *(n) promote institutional arbitration by strengthening arbitral institutions;* *(o) conduct examination and training on various subjects relating to arbitration and award certificates thereof;and* (p) *such other functions as may be decided by the Central Government."*	
Insertion of new section 43-I and 43J	31. After section 43H of the principal Act, following sections shall be inserted namely :–	

	43-I Chief Executive Officer.- (1) There shall be a Chief Executive Officer of the Council, who shall be responsible for day-to-day administration of the Council. (2) The qualifications, appointment and other terms and conditions of the service of the Chief Executive Officer shall be such as may be prescribed by the Central Government. (3) The Chief Executive Officer shall discharge such functions and perform such duties as may be specified by the regulations.	
	43J. Secretariat of Council.- (1) There shall be a Secretariat to the Council consisting of such number of officers and employees as may be prescribed.	
	(2) The qualifications, appointment and other terms and conditions of the service of the employees and other officers of the Council shall be such as may be prescribed.	
Substitution of sections	32. For sections 43-I, 43J and 43K, following sections shall be substituted, namely: "*43-K Recognition of arbitral institutions- The Council shall recognise arbitral institutions in the manner and on the basis of criteria as may be specified by the Council.* *43-L Norms for voluntary registration of arbitrators – The experience and norms for voluntary registration of arbitrators with the Arbitration Council of India shall be such as may be specified.* *43-M . Depository.-(1) The Council shall maintain a depository of all arbitration cases by assigning a unique identification number to each case and the arbitral tribunal or the arbitral institution as the case may be, upon appointment, shall apply to the Council for this purpose.* *(2) The manner of maintenance of the depository and the procedure for applying as referred in sub-section (1) shall be such as may be specified by the Council."*	

Insertion of new sections 43N, 43-O and 43P.	33. After section 43M of the principal Act, the following sections shall be inserted, namely : -	
	"43N. Grants by Central Government.- The Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Council in each financial year such sums of money and in such manner as it may think fit for being utilised for the purposes of this Act.	
	43-O Funds of Council. - (1) The Council shall maintain a Fund to which shall be credited, — (a) all monies provided by the Central Government; (b) all monies received by the Council for the services provided by it in pursuance of sub - section (2) of section 43D; (c) all monies received by the Council in the form of donations, grants, contributions and income from other sources; and (d) the amount received from the investment income.	
	(2) All monies credited to the Fund shall be deposited in such banks or invested in such manner as may be decided by the Council.	
	(3) The Fund shall be applied towards meeting the salaries and other allowances of Members and officers and other employees of the Council and the expenses of the Council including expenses incurred in the exercise of its powers and discharge of its duties under this Act.	
	43P- Accounts and audit. -(1) The Council shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the balance sheet, in such form and manner as may be prescribed in consultation with the Comptroller and Auditor General of India.	
	(2) The accounts of the Council shall be audited by the Comptroller and Auditor General of India and any expenditure incurred by him in connection with such audit shall be payable by the Council to the Comptroller and Auditor General of India.	

	(3) The Comptroller and Auditor General of India and any person appointed by him in connection with the audit of the accounts of the Council shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor General of India has in connection with the audit of the Government accounts, and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect the offices of the Council.	
	(4) The accounts of the Council as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and the Central Government shall cause the same to be laid before each House of Parliament.".	
Substitution of new section for section 43L	34. For section 43L of the principal Act, the following section shall be substituted, namely:-	
	"43Q. Power to make regulations.- (1) The Council, may, with the previous approval of the Central Government, by notification in the Official Gazette, make regulations, consistent with the provisions of this Act and the rules made thereunder, for the discharge of its functions and perform its duties under this Act.	

	(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may make provision for— (a) model arbitration agreement provided under sub-section (6) of section 7; (b) manner of conduct of proceedings by emergency arbitrator under sub-section (2) of section 9A; (c) fees of arbitral tribunal under section 11A; (d) manner of conduct of proceedings through the use of audio-video electronic means under sub-section 5 of section 19. (e) procedure to be followed by appellate arbitral tribunal under sub-section (2) of section 34A; (f) the terms and conditions of committee of experts under section 43H; (g) functions and duties of the Chief Executive Officer under sub-section (3) of section 43-I; (h) manner and criteria for recognition of arbitral institutions under section 43K (i) manner of voluntary recognition of arbitral institutions under section 43L ; (j) manner of maintenance of depository of arbitration cases under sub-section (2) of section 43M; (k) any other matter in respect of which provision, in the opinion of the Council, is necessary for the performance of its functions under this Act.	
	(3) Every regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation.”.	

Omission of section 43M	35. Section 43M of the principal Act, shall be omitted.	
Amendment of section 84	36. In section 84 of the principal Act, after sub-section (l), the following sub-section shall be inserted, namely:- "(lA) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:- (a) the salaries, allowances and other terms and conditions of the Chairperson and Members under sub-section (3) of section 43C; (b) the travelling and other allowances of Part-time Member under sub-section (4) of section 43C; (c) qualifications, appointment and other terms and conditions of the service of the Chief Executive Officer under sub-section (2) of section 43-I; (d) such number of officers and employees under sub-section (1) of section 43J; (e) qualifications, appointment and other terms and conditions of the service of employees and other officers of the Council under sub-section (2) of section 43J; (f) the form and manner of annual statement of accounts, including the balance sheet under sub-section (1) of section 43P; and (g) any other matter which is required to be, or may be, prescribed or in respect of which provision is to be made by rules by the Central Government."	
Amendment of Fourth Schedule	37. Fourth Schedule of the Principal Act shall be omitted.	

TABULAR STATEMENT ON AMENDMENTS TO ARBITRATION AND CONCILIATION ACT, 1996

Section	EXISTING PROVISION	PROPOSED AMENDMENTS
Long Title	An Act to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards **as also to define the law relating to conciliation** and for matters connected therewith or incidental thereto.	An Act to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards **and** for matters connected therewith or incidental thereto.
Preamble	WHEREAS the United Nations Commission on International Trade Law (UNCITRAL) has adopted the UNCITRAL Model Law on International Commercial Arbitration in 1985;	WHEREAS the United Nations Commission on International Trade Law (UNCITRAL) has adopted the UNCITRAL Model Law on International Commercial Arbitration in 1985;
	ANDWHEREAS the General Assembly of the United Nations has recommended that all countries give due consideration to the said Model Law, in view of the desirability of uniformity of the law of arbitral procedures and the specific needs of international commercial arbitration practice;	ANDWHEREAS the General Assembly of the United Nations has recommended that all countries give due consideration to the said Model Law, in view of the desirability of uniformity of the law of arbitral procedures and the specific needs of international commercial arbitration practice;
	ANDWHEREAS the UNCITRAL has adopted the UNCITRAL Conciliation Rules in 1980;	**Omitted**
	AND WHEREAS the General Assembly of the United Nations has recommended the use of the said Rules in cases where a dispute arises in the context of international commercial relations and the parties seek an amicable settlement of that dispute by	**Omitted**

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	recourse to conciliation;	
	ANDWHEREAS the said Model Law **and Rules make** significant contribution to the establishment of a unified legal framework for the fair and efficient settlement of disputes arising in international commercial relations;	ANDWHEREAS the said Model Law **makes** significant contribution to the establishment of a unified legal framework for the fair and efficient settlement of disputes arising in international commercial relations;
	ANDWHEREAS it is expedient to make law **respecting** arbitration **and conciliation**, taking into account the aforesaid Model Law **and Rules**;	ANDWHEREAS it is expedient to make law **relating to** arbitration, **taking** into account the aforesaid Model **Law**;
1	**Short title, extent and commencement. —** (1) This Act may be called the **Arbitration and Conciliation Act**, 1996.	**1. Short title, extent and commencement. — (**1) This Act may be called the **Arbitration Act**, 1996.
	(2) It extends to the whole of India.	(2) It extends to the whole of India.
	(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.	(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.
2	**Definitions. — (**1) In this Part, unless the context otherwise requires,—	2. Definitions. — (1) In this Part, unless the context otherwise requires,—
	(a) "arbitration" means any arbitration whether or not administered by permanent arbitral **institution**;	(a) "arbitration" means any arbitration whether or not administered by **an** arbitral institution **and includes arbitration conducted, wholly or partly, by use of audio-video electronic means.**
		(aa) "audio-video electronic means" shall include use of any communication device for video conferencing, filing of pleadings, recording of evidence, transmission of electronic

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		communication, for the purposes of conduct of arbitral proceedings and any other matter incidental thereto, in the manner as specified by the Council under sub-section 5 of section 19;
	(b) "arbitration agreement" means an agreement referred to in section 7;	(b) "arbitration agreement" means an agreement referred to in section 7;
	(c) "arbitral award" includes an interim award;	(c) "arbitral award" includes an interim award;
	(ca) "arbitral institution'' means an arbitral institution designated by the Supreme Court or a High Court under this Act;	**(ca) "arbitral institution" means a body or organisation that provides for conduct of arbitration proceedings under its aegis, by an arbitral tribunal as per its own rules of procedure or as otherwise agreed by the parties;**
	(d) "arbitral tribunal" means a sole arbitrator or a panel of arbitrators;	(d) "arbitral tribunal" means a sole arbitrator or a panel of arbitrators;
	(e) "Court" means— **(i) in the case of an arbitration other than international commercial arbitration, the principal Civil Court of original jurisdiction in a district, and includes the High Court in exercise of its ordinary original civil jurisdiction, having jurisdiction to decide the questions forming the subject-matter of the arbitration if the same had been the subject-matter of a suit, but does not include any Civil Court of a grade inferior to such principal Civil Court, or any Court of Small Causes;**	**(e) "Court" means the court as referred to in section 2A**

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	(ii) in the case of international commercial arbitration, the High Court in exercise of its ordinary original civil jurisdiction, having jurisdiction to decide the questions forming the subject-matter of the arbitration if the same had been the subject-matter of a suit, and in other cases, a High Court having jurisdiction to hear appeals from decrees of courts subordinate to that High Court;	
		(ea) "emergency arbitrator" means an arbitrator appointed under Section 9A.
	(f) "international commercial arbitration" means an arbitration relating to disputes arising out of legal relationships, whether contractual or not, considered as commercial under the law in force in India and where at least one of the parties is— (i) an individual who is a national of, or habitually resident in, any country other than India; or (ii) a body corporate which is incorporated in any country other than India; or (iii) an association or a body of individuals whose central management and control is exercised in any country other than India; or (iv) the Government of a foreign country;	(f) "international commercial arbitration" means an arbitration relating to disputes arising out of legal relationships, whether contractual or not, considered as commercial under the law in force in India and where at least one of the parties is— (i) an individual who is a national of, or habitually resident in, any country other than India; or (ii) a body corporate which is incorporated in any country other than India; or (iii) an association or a body of individuals whose central management and control is exercised in any country other than India; or (iv) the Government of a foreign country;
	(g) "legal representative" means a person who in law	(g) "legal representative" means a person who in law represents

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	represents the estate of a deceased person, and includes any person who intermeddles with the estate of the deceased, and, where a party acts in a representative character, the person on whom the estate devolves on the death of the party so acting;	the estate of a deceased person, and includes any person who intermeddles with the estate of the deceased, and, where a party acts in a representative character, the person on whom the estate devolves on the death of the party so acting;
	(h) "party" means a party to an arbitration agreement.	(h) "party" means a party to an arbitration agreement.
	(2) This Part shall apply where the place of arbitration is in India: Provided that subject to an agreement to the contrary, the provisions of **sections 9, 27** and clause (a)of sub-section (1) and sub-section (3) of section37 shall also apply to international commercial arbitration, even if the place of arbitration is outside India, and an arbitral award made or to be made in such place is enforceable and recognized under the provisions of Part II of this Act.	(2) This Part shall apply where the place of arbitration is in India: Provided that subject to an agreement to the contrary, the provisions of section 9, **sub-section (2) of section 9A, section** 27 and clause (a) of sub-section (1) and sub-section (3) of section37 shall also apply to **an** arbitration, even if the **seat** of arbitration is outside India, and an arbitral award made or to be made in such place is enforceable and recognized under the provisions of Part II of this Act.
	(3) This Part shall not affect any other law for the time being in force by virtue of which certain disputes may not be submitted to arbitration.	(3) This Part shall not affect any other law for the time being in force by virtue of which certain disputes may not be submitted to arbitration.
	(4) This Part except sub-section (1) of section 40, sections 41 and 43 shall apply to every arbitration under any other enactment for the time being in force, as if the arbitration were pursuant to an arbitration agreement and as if that other enactment were an arbitration agreement, except in so far as the provisions of this Part are inconsistent with that other enactment or with any rules made thereunder.	(4) This Part except sub-section (1) of section 40, sections 41 and 43 shall apply to every arbitration under any other enactment for the time being in force, as if the arbitration were pursuant to an arbitration agreement and as if that other enactment were an arbitration agreement, except in so far as the provisions of this Part are inconsistent with that other enactment or with any rules made thereunder.

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	(5) Subject to the provisions of sub-section (4), and save in so far as is otherwise provided by any law for the time being in force or in any agreement in force between India and any other country or countries, this Part shall apply to all arbitrations and to all proceedings relating thereto.	(5) Subject to the provisions of sub-section (4), and save in so far as is otherwise provided by any law for the time being in force or in any agreement in force between India and any other country or countries, this Part shall apply to all arbitrations and to all proceedings relating thereto.
	(6) Where this Part, except section 28, leaves the parties free to determine a certain issue, that freedom shall include the right of the parties to authorise any person including an institution, to determine that issue.	(6) Where this Part, except section 28, leaves the parties free to determine a certain issue, that freedom shall include the right of the parties to authorise any person including an institution, to determine that issue.
	(7) An arbitral award made under this Part shall be considered as a domestic award.	(7) An arbitral award made under this Part shall be considered as a domestic award.
	(8) Where this Part— (a) refers to the fact that the parties have agreed or that they may agree, or (b) in any other way refers to an agreement of the parties, that agreement shall include any arbitration rules referred to in that agreement.	(8) Where this Part— (a) refers to the fact that the parties have agreed or that they may agree, or (b) in any other way refers to an agreement of the parties, that agreement shall include any arbitration rules referred to in that agreement.
	(9) Where this Part, other than clause (a) of section 25 or clause (a) of sub-section (2) of section 32, refers to a claim, it shall also apply to a counterclaim, and where it refers to a defence, it shall also apply to a defence to that counterclaim.	(9) Where this Part, other than clause (a) of section 25 or clause (a) of sub-section (2) of section 32, refers to a claim, it shall also apply to a counterclaim, and where it refers to a defence, it shall also apply to a defence to that counterclaim.
New Section		**2A. (1) In case of arbitration other than international commercial arbitration,**

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		(i) where seat of arbitration has been agreed by the parties or determined by the arbitral tribunal as per Section 20, the court means the court having pecuniary and territorial jurisdiction over the seat of arbitration. **(ii) in all other cases, the court means the court having pecuniary and territorial jurisdiction to decide the disputes forming the subject-matter of the arbitration if the same had been the subject-matter of a suit.** **(2) In case of international commercial arbitration,** **(i) where the seat of arbitration has been agreed by the parties or determined by the arbitral tribunal as per Section 20, Court means the High Court having territorial jurisdiction over the seat.** **(ii) in all other cases, Court means the High Court having territorial jurisdiction to decide disputes forming the subject matter of arbitration.** **(3) In arbitrations which are conducted solely through audio visual electronic means, the provisions of sub-section (1) or sub-section (2), as the case may be, shall *mutatis mutandis* apply.**
6	**Administrative assistance. —** In order to facilitate the conduct of the arbitral proceedings, the parties, or the arbitral tribunal with the consent of the parties, may arrange for administrative assistance by **a suitable** institution or **person**.	**Administrative assistance. —**In order to facilitate the conduct of the arbitral proceedings, the parties, or the arbitral tribunal with the consent of the parties, may arrange for administrative assistance by **an** institution or **an administrative secretary**. Explanation – Institution for the purpose of this section shall

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		include an arbitral institution.
7	**Arbitration agreement.—(1)** In this Part, "arbitration agreement" means an agreement by the parties to submit to arbitration all or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not.	**Arbitration agreement.—(1)** In this Part, "arbitration agreement" means an agreement by the parties to submit to arbitration all or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not.
	(2) An arbitration agreement may be in the form of an arbitration clause in a contract or in the form of a separate agreement.	(2) An arbitration agreement may be in the form of an arbitration clause in a contract or in the form of a separate agreement.
	(3) An arbitration agreement shall be in writing.	(3) An arbitration agreement shall be in writing.
	(4) An arbitration agreement is in writing if it is contained in— (a) a document signed by the parties; (b) an exchange of letters, telex, telegrams or other means of telecommunication including communication through electronic means which provide a record of the agreement; or (c) an exchange of statements of claim and defence in which the existence of the agreement is alleged by one party and not denied by the other. (d)	(4) An arbitration agreement is in writing if it is contained in— (a) a document signed by the parties **including through digital signature**; (b) an exchange of letters, telex, telegrams or other means of telecommunication including communication through electronic means which provide a record of the agreement; or (c) an exchange of statements of claim and defence in which the existence of the agreement is alleged by one party and not denied by the other.
	(5) The reference in a contract to a document containing an arbitration clause constitutes an arbitration agreement if the contract is in writing and the reference is such as to	

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	make that arbitration clause part of the contract.	
		(6) The Council shall frame model arbitration agreements, which the parties may consider, while agreeing to submit disputes to arbitration.
8	**8. Power to refer parties to arbitration where there is an arbitration agreement.—** (1)A judicial authority, before which an action is brought in a matter which is the subject of an arbitration agreement shall, if a party to the arbitration agreement or any person claiming through or under him, so applies not later than the date of submitting his first statement on the substance of the dispute, then, notwithstanding any judgment, decree or order of the Supreme Court or any Court, refer the parties to arbitration unless it finds that prima facie no valid arbitration agreement exists.	**8. Power to refer parties to arbitration where there is an arbitration agreement.—** (1)A judicial authority, before which an action is brought in a matter which is the subject of an arbitration agreement shall, if a party to the arbitration agreement or any person claiming through or under him, so applies not later than the date of submitting his first statement on the substance of the dispute, then, notwithstanding any judgment, decree or order of the Supreme Court or any Court, refer the parties to arbitration unless it finds that prima facie no valid arbitration agreement exists.
	(2) The application referred to in sub-section (1) shall not be entertained unless it is accompanied by the original arbitration agreement or a duly certified copy thereof:	(2) The application referred to in sub-section (1) shall not be entertained unless it is accompanied by the original arbitration agreement or a duly certified copy thereof:
	Provided that where the original arbitration agreement or a certified copy thereof is not available with the party applying for reference to arbitration under sub-section (1), and the said agreement or certified copy is retained by the other party to that agreement, then, the party so applying shall file such application along with a copy of the arbitration agreement and a petition praying the Court to call upon the other party to produce the original	Provided that where the original arbitration agreement or a certified copy thereof is not available with the party applying for reference to arbitration under sub-section (1), and the said agreement or certified copy is retained by the other party to that agreement, then, the party so applying shall file such application along with a copy of the arbitration agreement and a petition praying the Court to call upon the other party to produce the original arbitration agreement or its duly certified copy before that

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	arbitration agreement or its duly certified copy before that Court.	Court.
	(3) Notwithstanding that an application has been made under sub-section (1) and that the issue is pending before the judicial authority, an arbitration may be commenced or continued and an arbitral award made.	(3) Notwithstanding that an application has been made under sub-section (1) and that the issue is pending before the judicial authority, an arbitration may be commenced or continued and an arbitral award made.
		(4) An application filed under sub-section (1) shall be disposed of by the court expeditiously and in any event within a period of sixty days from the date of filing of the application.
9	**Interim measures, etc., by Court.—** (1) A party may, before **or during** arbitral proceedings or at any time after the making of the arbitral award but before it is enforced in accordance with **section 36,** apply to a court—	**Interim measures, etc., by Court.—**(1)A party may, before **the commencement of** arbitral proceedings or at any time after the making of the arbitral award but before it is enforced in accordance with **the provisions of the Act**, apply to a court—
	(i) for the appointment of a guardian for a minor or person of unsound mind for the purposes of arbitral proceedings; or	(i) for the appointment of a guardian for a minor or person of unsound mind for the purposes of arbitral proceedings; or
	(ii) for an interim measure of protection in respect of any of the following matters, namely:— (a) the preservation, interim custody or sale of any goods which are the subject-matter of the arbitration agreement; (b) securing the amount in dispute in the arbitration; (c) the detention, preservation or inspection of any	(ii) for an interim measure of protection in respect of any of the following matters, namely:— (a) the preservation, interim custody or sale of any goods which are the subject-matter of the arbitration agreement; (b) securing the amount in dispute in the arbitration; (c) the detention, preservation or inspection of any property or

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	property or thing which is the subject matter of the dispute in arbitration, or as to which any question may arise therein and authorizing for any of the aforesaid purposes any person to enter upon any land or building in the possession of any party, or authorizing any samples to be taken or any observation to be made, or experiment to be tried, which may be necessary or expedient for the purpose of obtaining full information or evidence; (d) interim injunction or the appointment of a receiver; (e) such other interim measure of protection as may appear to the Court to be just and convenient, and the Court shall have the same power for making orders as it has for the purpose of, and in relation to, any proceedings before it.	thing which is the subject matter of the dispute in arbitration, or as to which any question may arise therein and authorizing for any of the aforesaid purposes any person to enter upon any land or building in the possession of any party, or authorizing any samples to be taken or any observation to be made, or experiment to be tried, which may be necessary or expedient for the purpose of obtaining full information or evidence; (d) interim injunction or the appointment of a receiver; (e) such other interim measure of protection as may appear to the Court to be just and convenient, and the Court shall have the same power for making orders as it has for the purpose of, and in relation to, any proceedings before it.
	(2) Where, before the commencement of the arbitral proceedings, a Court passes an order for any interim measure of protection under sub-section (1), the arbitral proceedings shall be commenced within a period of ninety days from the date of such order or within such further time as the Court may determine.	(2) Where, before the commencement of the arbitral proceedings, a **party files an application for** any interim measure of protection under sub-section (1), the arbitral proceedings shall be commenced within a period of ninety days from the date of filing **of such an application in the Court.**
	(3) Once the arbitral tribunal has been constituted, the Court shall not entertain an application under sub-section (1), unless the Court finds that circumstances exist which may not render the remedy provided under section 17 efficacious.	**Omitted.**

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9A		**Emergency arbitrators – (1) Arbitral institutions may, for the purpose of grant of interim measures referred to in section 9, provide for appointment of emergency arbitrator prior to the constitution of an arbitral tribunal.** **(2) The emergency arbitrator appointed under sub-section (1) shall conduct proceedings in the manner as may be specified by the Council.** **(3) Any order passed by an emergency arbitrator under sub-section (2) shall be enforced in the same manner as if it is an order of an arbitral tribunal under sub-section (2) of section 17 of the Act.** **(4) An order of the emergency arbitrator may be confirmed, modified, or vacated, in whole or in part, by an order or arbitral award made by the arbitral tribunal.**
11	**Appointment of arbitrators.—**(1) A person of any nationality may be an arbitrator, unless otherwise agreed by the parties.	**Appointment of arbitrators.—**(1) A person of any nationality may be an arbitrator, unless otherwise agreed by the parties.
	(2) Subject to sub-section (6), the parties are free to agree on a procedure for appointing the arbitrator or arbitrators.	(2) Subject to sub-section (6), the parties are free to agree on a procedure for appointing the arbitrator or arbitrators.
	(3) Failing any agreement referred to in sub-section (2), in an arbitration with three arbitrators, each party shall appoint one arbitrator, and the two appointed arbitrators shall appoint the third arbitrator who shall act as the presiding arbitrator.	(3) Failing any agreement **on a procedure for appointment of arbitrator or arbitrators** referred to in sub-section (2), in an arbitration with three arbitrators, each party shall appoint one arbitrator, and the two appointed arbitrators shall appoint the third arbitrator who shall act as the presiding arbitrator.

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	2019 amendment- yet to be enforced (3A) The Supreme Court and the High Court shall have the power to designate, arbitral institutions, from time to time, which have been graded by the Council under **section 43-I**, for the purposes of this Act: Provided that in respect of those High Court jurisdictions, where no graded arbitral institution are available, then, the Chief Justice of the concerned High Court may maintain a panel of arbitrators for discharging the functions and duties of arbitral institution and any reference to the arbitrator shall be deemed to be an arbitral institution for the purposes of this section and the arbitrator appointed by a party shall be entitled to such fee at the rate as specified in the Fourth Schedule: Provided further that the Chief Justice of the concerned High Court may, from time to time, review the panel of arbitrators."	(3A) The Supreme Court and the High Court shall have the power to designate, arbitral institutions, from time to time, which have been **recognized** by the Council under **section 43K**, for the purposes of this Act: Provided that in respect of those High Court jurisdictions, where no **recognized** arbitral institutions are available, then, the Chief Justice of the concerned High Court may maintain a panel of arbitrators for discharging the functions and duties of arbitral institution and any reference to the arbitrator shall be deemed to be an arbitral institution for the purposes of this section and the arbitrator appointed by a party shall be entitled to such fee at the rate as specified by the Council: Provided further that the Chief Justice of the concerned High Court may, from time to time, review the panel of arbitrators."
	2019 amendment- yet to be enforced (4) If the appointment procedure in sub-section (3) applies and— (a) a party fails to appoint an arbitrator within thirty days from the receipt of a request to do so from the other party; or (b) the two appointed arbitrators fail to agree on the third arbitrator within thirty days from the date of	(4) If the appointment procedure in sub-section (3) applies and— (c) a party fails to appoint an arbitrator within thirty days from the receipt of a request to do so from the other party; or (d) the two appointed arbitrators fail to agree on the third arbitrator within thirty days from the date of their appointment, the appointment shall be made, on an application of the party, by the arbitral institution designated by the Supreme Court, in case of international commercial arbitration, or by the High Court, in case of arbitrations other than international commercial arbitration, as

Section	EXISTING PROVISION	PROPOSED AMENDMENTS
	their appointment, the appointment shall be made, on an application of the party, by the arbitral institution designated by the Supreme Court, in case of international commercial arbitration, or by the High Court, in case of arbitrations other than international commercial arbitration, as the case may be	the case may be. **Provided that the party in its application made under this sub-section shall make a disclosure with respect to the number and details of arbitration proceedings pending between the parties and arbitral awards passed in respect of disputes having arisen between the parties from a common defined legal relationship, whether contractual or not.**
	2019 amendment- yet to be enforced (5) Failing any agreement referred to in sub-section (2), in an arbitration with a sole arbitrator, if the parties fail to agree on the arbitrator within thirty days from receipt of a request by one party from the other party to so agree the appointment shall be made on an application of the party in accordance with the provisions contained in sub-section (4)	(5) Failing any agreement **on a procedure for appointment of arbitrator or arbitrators** referred to in sub-section (2), in an arbitration with a sole arbitrator, if the parties fail to agree on the arbitrator within thirty days from receipt of a request by one party from the other party to so agree the appointment shall be made on an application of the party in accordance with the provisions contained in sub-section (4) **Provided that the party in its application made under this sub-section shall make a disclosure with respect to the number and details of arbitration proceedings pending between the parties and arbitral awards passed in respect of disputes having arisen between the parties from a common defined legal relationship, whether contractual or not.**
	2019 amendment-yet to be enforced 6) Where, under **an appointment procedure** agreed upon by the parties,— (a) a party fails to act as required under that	2019 amendment-yet to be enforced 6) Where, under **a** procedure, **for appointment of arbitrator or arbitrators,** agreed upon by the parties,— (a) a party fails to act as required under that procedure; or

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	procedure; or (b) the parties, or the two appointed arbitrators, fail to reach an agreement expected of them under that procedure; or (c) a person, including an institution, fails to perform any function entrusted to him or it under that procedure, the appointment shall be made, on an application of the party, by the arbitral institution designated by the Supreme Court, in case of international commercial arbitration, or by the High Court, in case of arbitrations other than international commercial arbitration, as the case may be, to take the necessary measure, unless the agreement on the appointment procedure provides other means for securing the appointment.	(b) the parties, or the two appointed arbitrators, fail to reach an agreement expected of them under that procedure; or (c) a person, including an institution, fails to perform any function entrusted to him or it under that procedure, the appointment shall be made, on an application of the party, by the arbitral institution designated by the Supreme Court, in case of international commercial arbitration, or by the High Court, in case of arbitrations other than international commercial arbitration, as the case may be, to take the necessary measure, unless the agreement on the appointment procedure provides other means for securing the appointment. **Provided that the party in its application made under this sub-section shall make a disclosure with respect to the number and details of arbitration proceedings pending between the parties and arbitral awards passed in respect of disputes having arisen between the parties from a common defined legal relationship, whether contractual or not.**
	(6A) The Supreme Court or, as the case may be, the High Court, while considering any application under sub-section (4) or sub-section (5) or sub-section (6), shall, notwithstanding any judgment, decree or order of any Court, confine to the examination of the existence of an arbitration agreement. [**Omitted in 2019**]	**(6A) An application under sub-section (4) or sub-section (5) or sub-section (6) shall be filed within 60 days from the failure or refusal of appointment of arbitrator or arbitrators, as the case may be.**
	(6B) The designation of any person or institution by the Supreme Court or, as the case may be, the High Court, for the purposes of this section shall not be regarded as a	(6B) The designation of any person or institution by the Supreme Court or, as the case may be, the High Court, for the purposes of this section shall not be regarded as a delegation of judicial power

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	delegation of judicial power by the Supreme Court or the High Court.	by the Supreme Court or the High Court.
	(7) A decision on a matter entrusted by sub-section (4) or sub-section (5) or sub-section (6) to 3 the Supreme Court or, as the case may be, the High Court or the person or institution designated by such Court is final and no appeal including Letters Patent Appeal shall lie against such decision.	**Omitted in 2019.**
	(8) The Supreme Court or, as the case may be, the High Court or the person or institution designated by such Court, before appointing an arbitrator, shall seek a disclosure in writing from the prospective arbitrator in terms of sub-section (1) of section 12, and have due regard to— (a) any qualifications required for the arbitrator by the agreement of the parties; and (b) the contents of the disclosure and other considerations as are likely to secure the appointment of an independent and impartial arbitrator.	(8) The Supreme Court or, as the case may be, the High Court or the person or institution designated by such Court, before appointing an arbitrator, shall seek a disclosure in writing from the prospective arbitrator in terms of sub-section (1) of section 12, and have due regard to— (c) any qualifications required for the arbitrator by the agreement of the parties; and the contents of the disclosure and other considerations as are likely to secure the appointment of an independent and impartial arbitrator.
	(9) In the case of appointment of sole or third arbitrator in an international commercial arbitration, the Supreme Court or the person or institution designated by that Court may appoint an arbitrator of a nationality other than the nationalities of the parties where the parties belong to different nationalities.	(9) In the case of appointment of sole or third arbitrator in an international commercial arbitration, the Supreme Court or the person or institution designated by that Court may appoint an arbitrator of a nationality other than the nationalities of the parties where the parties belong to different nationalities.

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	(10)The Supreme Court or, as the case may be, the High Court, may make such scheme as the said Court may deem appropriate for dealing with matters entrusted by sub-section (4) or sub-section (5) or sub-section (6), to it	(10)The Supreme Court or, as the case may be, the High Court, may make such scheme as the said Court may deem appropriate for dealing with matters entrusted by sub-section (4) or sub-section (5) or sub-section (6), to it
	(11) Where more than one request has been made under sub-section (4) or sub-section (5) or sub-section (6) to the Chief Justices of different High Courts or their designates, different High Courts or their designates, the High Court or its designate to whom the request has been first made under the relevant sub-section shall alone be competent to decide on the request.	(11) Where more than one request has been made under sub-section (4) or sub-section (5) or sub-section (6) to the Chief Justices of different High Courts or their designates, different High Courts or their designates, the High Court or its designate to whom the request has been first made under the relevant sub-section shall alone be competent to decide on the request.
	(12) (a) Where the matters referred to in sub-sections (4), (5), (6), (7), (8) and sub-section (10) arise in an international commercial arbitration, the reference to the "Supreme Court or, as the case may be, the High Court" in those sub-sections shall be construed as a reference to the "Supreme Court"; and (b) Where the matters referred to in sub-sections (4), (5), (6), (7), (8) and sub-section (10) arise in any other arbitration, the reference to "the Supreme Court or, as the case may be, the High Court" in those sub-sections shall be construed as a reference to the "High Court" within whose local limits the principal Civil Court referred to in clause (e) of sub-section (1) of section 2 is situate, and where the High Court itself is the Court referred to in that clause, to that High Court.	(12) (a) Where the matters referred to in sub-sections (4), (5), (6), (7), (8) and sub-section (10) arise in an international commercial arbitration, the reference to the "Supreme Court or, as the case may be, the High Court" in those sub-sections shall be construed as a reference to the "Supreme Court"; and (b) Where the matters referred to in sub-sections (4), (5), (6), (7), (8) and sub-section (10) arise in any other arbitration, the reference to "the Supreme Court or, as the case may be, the High Court" in those sub-sections shall be construed as a reference to the "High Court" within whose local limits the principal Civil Court referred to in clause (e) of sub-section (1) of section 2 is situate, and where the High Court itself is the Court referred to in that clause, to that High Court.

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	(13) An application made under this section for appointment of an arbitrator or arbitrators shall be disposed of by the **arbitral institution** within a period of thirty days from the date of service of notice on the opposite party.	(13) An application made under this section for appointment of an arbitrator or arbitrators shall be disposed of by the arbitral institution **designated under sub-section (3A)** within a period of thirty days from the date of service of notice on the opposite party.
	2019 Amendment – yet to be enforced (14) The arbitral institution **shall** determine the fees of the arbitral tribunal and the manner of its payment to the arbitration tribunal **subject to the rates specified in the Fourth Schedule.** Explanation.—For the removal of doubts, it is hereby clarified that this sub-section shall not apply to international commercial arbitration and in arbitrations (other than international commercial arbitration) where parties have agreed for determination of fees as per the rules of an arbitral institution.	(14) The arbitral institution **designated under sub-section (3A)** shall determine the fees of the arbitral tribunal and the manner of its payment to the arbitration tribunal **as per its rules or in absence thereof, in the manner as specified by the Council under section 11A.** Explanation—For the removal of doubts, it is hereby clarified that this sub-section shall not apply to international commercial arbitration and in arbitrations (other than international commercial arbitration) where parties have agreed for determination of fees as per the rules of an arbitral institution.
11A	**Power of Central Government to amend Fourth Schedule.—** (1) If the Central Government is satisfied that it is necessary or expedient so to do, it may, by	**(11A) Fees of arbitral tribunal – Unless otherwise agreed by the parties or where the arbitration is to be conducted under the aegis of an arbitral institution having rules for determining**

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	notification in the Official Gazette, amend the Fourth Schedule and thereupon the Fourth Schedule shall be deemed to have been amended accordingly.	**the fees payable to the arbitral tribunal, the fees of the arbitral tribunal shall be such as may be specified by the Council.**
	(2) A copy of every notification proposed to be issued under sub-section (1), shall be laid in draft before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in disapproving the issue of the notification or both Houses agree in making any modification in the notification, the notification shall not be issued or, as the case may be, shall be issued only in such modified form as may be agreed upon by the both Houses of Parliament.	**Omitted**
16	**Competence of arbitral tribunal to rule on its jurisdiction.—**(1) The arbitral tribunal may rule on its own jurisdiction, including ruling on any objections with respect to the existence or validity of the arbitration agreement, and for that purpose,— (a) an arbitration clause which forms part of a contract shall be treated as an agreement independent of the other terms of the contract; and (b) a decision by the arbitral tribunal that the contract is null and void shall not entail ipso jure the invalidity of the arbitration clause.	**Competence of arbitral tribunal to rule on its jurisdiction.—** (1) The arbitral tribunal may rule on its own jurisdiction, including ruling on any objections with respect to the existence or validity of the arbitration agreement, and for that purpose,— (a) an arbitration clause which forms part of a contract shall be treated as an agreement independent of the other terms of the contract; and (b) a decision by the arbitral tribunal that the contract is null and void shall not entail *ipso jure* the invalidity of the arbitration clause.
	(2) A plea that the arbitral tribunal does not have jurisdiction shall be raised not later than the submission of	(2) A plea that the arbitral tribunal does not have jurisdiction shall be raised not later than the submission of the statement of defence;

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	the statement of defence; however, a party shall not be precluded from raising such a plea merely because that he has appointed, or participated in the appointment of, an arbitrator.	however, a party shall not be precluded from raising such a plea merely because that he has appointed, or participated in the appointment of, an arbitrator.
	(3) A plea that the arbitral tribunal is exceeding the scope of its authority shall be raised as soon as the matter alleged to be beyond the scope of its authority is raised during the arbitral proceedings.	(3) A plea that the arbitral tribunal is exceeding the scope of its authority shall be raised as soon as the matter alleged to be beyond the scope of its authority is raised during the arbitral proceedings.
	(4) The arbitral tribunal may, in either of the cases referred to in sub-section (2) or sub-section (3), admit a later plea if it considers the delay justified.	(4) The arbitral tribunal may, in either of the cases referred to in sub-section (2) or sub-section (3), admit a later plea if it considers the delay justified.
	(5) The arbitral tribunal shall decide on a plea referred to in sub-section (2) or sub-section (3) and, where the arbitral tribunal takes a decision rejecting the plea, continue with the arbitral proceedings and make an arbitral award.	(5) The arbitral tribunal shall decide on a plea referred to in sub-section (2) or sub-section (3) **as a preliminary issue within thirty days of the filing of the application, unless for reasons to be recorded in writing, the arbitral tribunal deems it fit to decide the plea later** and, where the arbitral tribunal takes a decision rejecting the plea, continue with the arbitral proceedings and make an arbitral award.
	(6) A party aggrieved by such an arbitral award may make an application for setting aside such an arbitral award in accordance with section 34.	(6) A party aggrieved by such an arbitral award may make an application for setting aside such an arbitral award in accordance with section 34.
17	**Interim measures ordered by arbitral tribunal.—(**1) A party may, during the arbitral proceedings, apply to the arbitral tribunal— (i) for the appointment of a guardian for a minor or person of unsound mind for the purposes of arbitral proceedings; or	**17. Interim measures ordered by arbitral tribunal.—(**1) A party may, during the arbitral proceedings, apply to the arbitral tribunal— (i) for the appointment of a guardian for a minor or person of unsound mind for the purposes of arbitral proceedings; or (ii) for an interim measure of protection in respect of any of the

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	(ii) for an interim measure of protection in respect of any of the following matters, namely:— (a) the preservation, interim custody or sale of any goods which are the subject-matter of the arbitration agreement; (b) securing the amount in dispute in the arbitration; (c) the detention, preservation or inspection of any property or thing which is the subject matter of the dispute in arbitration, or as to which any question may arise therein and authorizing for any of the aforesaid purposes any person to enter upon any land or building in the possession of any party, or authorising any samples to be taken, or any observation to be made, or experiment to be tried, which may be necessary or expedient for the purpose of obtaining full information or evidence; (d) interim injunction or the appointment of a **receiver;** (e) such other interim measure of protection as may appear to the arbitral tribunal to be just and convenient, and the arbitral tribunal shall have the same power for making orders, as the court has for the purpose of, and in relation to, any proceedings before it.	following matters, namely:— (a) the preservation, interim custody or sale of any goods which are the subject-matter of the arbitration agreement; (b) securing the amount in dispute in the arbitration; (c) the detention, preservation or inspection of any property or thing which is the subject matter of the dispute in arbitration, or as to which any question may arise therein and authorizing for any of the aforesaid purposes any person to enter upon any land or building in the possession of any party, or authorising any samples to be taken, or any observation to be made, or experiment to be tried, which may be necessary or expedient for the purpose of obtaining full information or evidence; (d) interim injunction or the appointment of a receiver; **(da) confirm, modify or vacate, as the case may be, the ad interim measures granted under section 9 or order made by an emergency arbitrator under Section 9A subject to such conditions, if any, as it may deem appropriate after hearing the affected parties;** (e) such other interim measure of protection as may appear to the arbitral tribunal to be just and convenient, and the arbitral tribunal shall have the same power for making orders, as the court has for the purpose of, and in relation to, any proceedings before it.
	(2) Subject to any orders passed in an appeal under section 37, any order issued by the arbitral tribunal under this section shall be deemed to be an order of the Court for all purposes and shall be enforceable under the Code of Civil Procedure,1908 (5 of 1908), in the same manner	(2) Subject to any orders passed in an appeal under section 37, any order issued by the arbitral tribunal under this section shall be deemed to be an order of the Court for all purposes and shall be enforceable under the Code of Civil Procedure,1908 (5 of 1908),

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	as if it were an order of the Court.	in the same manner as if it were an order of the Court.
18	**Equal treatment of parties.—** The parties shall be treated with equality and each party shall be given a full opportunity to present this case.	**Equal treatment of parties.—** The parties shall be treated with equality and each party shall be given a **fair and reasonable** opportunity to present this case.
19	**Determination of rules of procedure.—** (1) The arbitral tribunal shall not be bound by the Code of Civil Procedure, 1908 (5 of 1908) or the Indian Evidence Act, 1872 (1 of 1872).	**Determination of rules of procedure.—** (1) The arbitral tribunal shall not be bound by the Code of Civil Procedure, 1908 (5 of 1908) or the Indian Evidence Act, 1872 (1 of 1872).
	(2) Subject to this Part, the parties are free to agree on the procedure to be followed by the arbitral tribunal in conducting its proceedings.	(2) Subject to this Part, the parties are free to agree on the procedure to be followed by the arbitral tribunal in conducting its proceedings.
	(3) Failing any agreement referred to in sub-section (2), the arbitral tribunal may, subject to this Part, conduct the proceedings in the manner it considers appropriate.	(3) Failing any agreement referred to in sub-section (2), the arbitral tribunal may, subject to this Part, conduct the proceedings in the manner it considers appropriate **Provided that in cases where arbitration is conducted other than under the aegis of an arbitral institution, the arbitral tribunal shall duly consider to carry on the arbitration proceedings as per the model rules of procedures or guidelines to be issued by the Council from time to time.**
	(4) The power of the arbitral tribunal under sub-section (3) includes the power to determine the admissibility, relevance, materiality and weight of any evidence.	(4) The power of the arbitral tribunal under sub-section (3) includes the power to determine the admissibility, relevance, materiality and weight of any evidence.
		(5) The proceedings may be conducted through use of audio-video electronic means in the manner specified by the Council.

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20	**Place of arbitration.—**(1) The parties are free to agree on the **place** of arbitration.	**Option I** **Seat of arbitration.—**(1) The parties are free to agree on the **seat** of arbitration.
	(2) Failing any agreement referred to in sub-section (1), the **place** of arbitration shall be determined by the arbitral tribunal having regard to the circumstances of the case, including the convenience of the parties.	(2) Failing any agreement referred to in sub-section (1), the **seat** of arbitration shall be determined by the arbitral tribunal having regard to the circumstances of the case, including the convenience of the parties.
	(3) Notwithstanding sub-section (1) or sub-section (2), the arbitral tribunal may, unless otherwise agreed by the parties, meet at any **place** it considers appropriate for consultation among its members, for hearing witnesses, experts or the parties, or for inspection of documents, goods or other property.	(3) Notwithstanding sub-section (1) or sub-section (2), the arbitral tribunal may, unless otherwise agreed by the parties, meet at any **venue** it considers appropriate for consultation among its members, for hearing witnesses, experts or the parties, or for inspection of documents, goods or other property.
		Option II **20 (1) In case of domestic arbitration other than international commercial arbitration the seat of arbitration shall be the place where the contract/arbitration agreement is executed or where the cause of action has arisen.** **(2) Notwithstanding sub-section (1), the arbitral tribunal may, unless otherwise agreed by the parties, meet at any venue it considers appropriate for consultation among its members, for hearing witnesses, experts or the parties, or for inspection of documents, goods or other property.**

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28	**Rules applicable to substance of dispute.—**(1) Where the **place** of arbitration is situate in India,— **(a)** in an arbitration other than an international commercial arbitration, the arbitral tribunal shall decide the dispute submitted to arbitration in accordance with the substantive law for the time being in force in India; **(b)** in international commercial arbitration,— **(i)** the arbitral tribunal shall decide the dispute in accordance with the rules of law designated by the parties as applicable to the substance of the dispute; **(ii)** any designation by the parties of the law or legal system of a given country shall be construed, unless otherwise expressed, as directly referring to the substantive law of that country and not to its conflict of laws rules; **(iii)** failing any designation of the law under clause (a) by the parties, the arbitral tribunal shall apply the rules of law it considers to be appropriate given all the circumstances surrounding the dispute.	**Rules applicable to substance of dispute.—**(1) Where the **seat** of arbitration is situate in India,— **(a)** in an arbitration other than an international commercial arbitration, the arbitral tribunal shall decide the dispute submitted to arbitration in accordance with the substantive law for the time being in force in India; **(b)** in international commercial arbitration,— **(i)** the arbitral tribunal shall decide the dispute in accordance with the rules of law designated by the parties as applicable to the substance of the dispute; **(ii)** any designation by the parties of the law or legal system of a given country shall be construed, unless otherwise expressed, as directly referring to the substantive law of that country and not to its conflict of laws rules; **(iii)** failing any designation of the law under clause (a) by the parties, the arbitral tribunal shall apply the rules of law it considers to be appropriate given all the circumstances surrounding the dispute.
	(2) The arbitral tribunal shall decide *ex aequo et bono* or as *amiable compositeur* only if the parties have expressly authorised it to do so.	(2) The arbitral tribunal shall decide *ex aequo et bono* or as *amiable compositeur* only if the parties have expressly authorised it to do so.
	(3) While deciding and making an award, the arbitral tribunal shall, in all cases, take into account the terms of the contract and trade usages applicable to the transaction.	(3) While deciding and making an award, the arbitral tribunal shall, in all cases, take into account the terms of the contract and trade usages applicable to the transaction.

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29A	**Time limit for arbitral award.—**(1) The award shall be made within a period of twelvemonths from the date the arbitral tribunal enters upon the reference. *Explanation.*—For the purpose of this sub-section, an arbitral tribunal shall be deemed to have entered upon the reference on the date on which the arbitrator or all the arbitrators, as the case may be, have received notice, in writing, of their appointment.	**Time limit for arbitral award.—**(1) The award shall be made within a period of twelvemonths from the date the arbitral tribunal enters upon the reference. *Explanation.*—For the purpose of this sub-section, an arbitral tribunal shall be deemed to have entered upon the reference on the date on which the arbitrator or all the arbitrators, as the case may be, have received notice, in writing, of their appointment.
	(2) If the award is made within a period of six months from the date the arbitral tribunal enters upon the reference, the arbitral tribunal shall be entitled to receive such amount of additional fees as the parties may agree.	(2) If the award is made within a period of six months from the date the arbitral tribunal enters upon the reference, the arbitral tribunal shall be entitled to receive such amount of additional fees as the parties may agree.
	(3) The parties may, by consent, extend the period specified in sub-section (1) for making award for a further period not exceeding **six months.**	(3) The parties may, by consent, extend the period specified in sub-section (1) for making award for a further period not exceeding six months **or if there is no consent between the parties, then an application under sub-section (5) may be filed.**
	(4) If the award is not made within the period specified in sub-section (1) or the extended period specified under sub-section (3), the mandate of the arbitrator(s) shall terminate unless the **Court** has, either prior to or after the expiry of the period so specified, extended the period: Provided that while extending the period under this sub-section, if the **Court** finds that the proceedings have been delayed for the reasons attributable to the arbitral tribunal, then, it may order reduction of fees of arbitrator(s) by not exceeding five per cent. for each month of such delay.	(4) If the award is not made within the period specified in sub-section (1) or the extended period specified under sub-section (3), the mandate of the arbitrator(s) shall terminate unless the **arbitral institution under whose aegis arbitration is being conducted or Court** has, either prior to or after the expiry of the period so specified, extended the period: Provided that while extending the period under this sub-section, if the **arbitral institution under whose aegis arbitration is being conducted or Court** finds that the proceedings have been delayed for the reasons attributable to the arbitral tribunal, then, it may

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		order reduction of fees of arbitrator(s) by not exceeding five per cent. for each month of such delay.
	(5) The extension of period referred to in sub-section (4) may be on the application of any of the parties and may be granted only for sufficient cause and on such terms and conditions as may be imposed by the **Court**.	(5) The extension of period referred to in sub-section (4) may be on the application of any of the parties and may be granted only for sufficient cause and on such terms and conditions as may be imposed by **an arbitral institution for arbitrations being conducted under its aegis and in all other cases, by** the Court.
	(6) While extending the period referred to in sub-section (4), it shall be open to the **Court** to substitute one or all of the arbitrators and if one or all of the arbitrators are substituted, the arbitral proceedings shall continue from the stage already reached and on the basis of the evidence and material already on record, and the arbitrator(s) appointed under this section shall be deemed to have received the said evidence and material.	(6) While extending the period referred to in sub-section (4), it shall be open to the **arbitral institution or** the Court, **as the case may be,** to substitute one or all of the arbitrators and if one or all of the arbitrators are substituted, the arbitral proceedings shall continue from the stage already reached and on the basis of the evidence and material already on record, and the arbitrator(s) appointed under this section shall be deemed to have received the said evidence and material.
	(7) In the event of arbitrator(s) being appointed under this section, the arbitral tribunal thus reconstituted shall be deemed to be in continuation of the previously appointed arbitral tribunal.	(7) In the event of arbitrator(s) being appointed under this section, the arbitral tribunal thus reconstituted shall be deemed to be in continuation of the previously appointed arbitral tribunal.
	(8) It shall be open to the Court to impose actual or exemplary costs upon any of the parties under this section.	(8) It shall be open to the Court to impose actual or exemplary costs upon any of the parties under this section.
	(9) An application filed under sub-section (5) shall be disposed of by the **Court** as expeditiously as possible and endeavour shall be made to dispose of the matter within a period of sixty days from the date of service of notice on	(9) An application filed under sub-section (5) shall be disposed of by the **arbitral institution or** Court, **as the case may be,** as expeditiously as possible and endeavour shall be made to dispose of the matter within a period of sixty days from the date of service

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	the opposite party.	of notice on the opposite party.
30	**Settlement.—**(1) It is not incompatible with an arbitration agreement for an arbitral tribunal to encourage settlement of the dispute and, with the agreement of the parties, the arbitral tribunal may use mediation**, conciliation or other procedures** at any time during the arbitral proceedings to encourage settlement.	**Settlement.—**(1) It is not incompatible with an arbitration agreement for an arbitral tribunal to encourage settlement of the dispute and, with the agreement of the parties, the arbitral tribunal may use mediation **at any** time during the arbitral proceedings to encourage settlement.
	(2) If, during arbitral proceedings, the parties settle the dispute, the arbitral tribunal shall terminate the proceedings and, if requested by the parties and not objected to by the arbitral tribunal, record the settlement in the form of **an arbitral award** on agreed terms.	(2) If, during arbitral proceedings, the parties settle the dispute, the arbitral tribunal shall terminate the proceedings and, if requested by the parties and not objected to by the arbitral tribunal, record the settlement in the form of **a mediated settlement agreement enforceable in accordance with the provisions of Mediation Act, 2023**.
	(3) An arbitral award on agreed terms shall be made in accordance with section 31 and shall state that it is an arbitral award.	**Omitted**
	(4) An arbitral award on agreed terms shall have the same status and effect as any other arbitral award on the substance of the dispute.	**Omitted**
31	**Form and contents of arbitral award.—** (1) An arbitral award shall be made in writing and shall be signed by the members of the arbitral tribunal.	**Form and contents of arbitral award.—** (1) An arbitral award shall be made in writing**, duly stamped** and shall be signed by the members of the arbitral tribunal.
	(2) For the purposes of sub-section (1), in arbitral proceedings with more than one arbitrator, the signatures of the majority of all the members of the arbitral tribunal	(2) For the purposes of sub-section (1), in arbitral proceedings with more than one arbitrator, the signatures of the majority of all the members of the arbitral tribunal shall be sufficient so long as

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	shall be sufficient so long as the reason for any omitted signature is stated.	the reason for any omitted signature is stated.
		(2A) The arbitral award shall state that the following has been ensured, namely- **(a) a party was not under some incapacity;** **(b) the arbitration agreement is valid under the law to which the parties have subjected it or, failing any indication thereon, under the law for the time being in force;** **(c) parties were given proper notice of the appointment of arbitrator or of the arbitral proceedings or were otherwise able to present their case;** **(d) the composition of arbitral tribunal was as per the agreement of the parties;** **(e) the arbitration procedure followed during arbitration proceedings was in accordance with the agreement of the parties;** **(f) the subject matter of dispute is capable of settlement by arbitration under the law for the time being in force;** **(g) the arbitral award only deals with disputes contemplated by or falling within the terms of the submission to arbitration.**
	(3) The arbitral award shall state the reasons upon which it is based, unless— (a) the parties have agreed that no reasons are to be given, or (b) the award is an arbitral award on agreed terms under	(3) The arbitral award shall state the reasons upon which it is based, unless— (a) the parties have agreed that no reasons are to be given, or (b) the award is an arbitral award on agreed terms under section 30.

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	section 30.	
	(4) The arbitral award shall state its date and the **place** of arbitration as determined in accordance with section 20 and the award shall be deemed to have been made at that **place**.	(4) The arbitral award shall state its date and the **seat** of arbitration as determined in accordance with section 20 and the award shall be deemed to have been made at that **seat**.
	(5) After the arbitral award is made, a signed copy shall be delivered to each party.	(5) After the arbitral award is made, a signed **or digitally signed** copy, **as the case may be,** shall be delivered to each party.
	(6) The arbitral tribunal may, at any time during the arbitral proceedings, make an interim arbitral award on any matter with respect to which it may make a final arbitral award.	(6) The arbitral tribunal may, at any time during the arbitral proceedings, make an interim arbitral award on any matter with respect to which it may make a final arbitral award.
	(7) (a) Unless otherwise agreed by the parties, where and in so far as an arbitral award is for the payment of money, the arbitral tribunal may include in the sum for which the award is made interest, at such rate as it deems reasonable, on the whole or any part of the money, for the whole or any part of the period between the date on which the cause of action arose and the date on which the award is made. (b) A sum directed to be paid by an arbitral award shall, unless the award otherwise directs, carry interest at the rate of two per cent. higher than the current rate of interest prevalent on the date of award, from the date of award to the date of payment. *Explanation*.— The expression "current rate of interest" shall have the same meaning as assigned to it under clause	(7) (a) Unless otherwise agreed by the parties, where and in so far as an arbitral award is for the payment of money, the arbitral tribunal may include in the sum for which the award is made interest, at such rate as it deems reasonable, on the whole or any part of the money, for the whole or any part of the period between the date on which the cause of action arose and the date on which the award is made. (b) A sum directed to be paid by an arbitral award shall, unless the award otherwise directs, carry interest at the rate of **three per cent higher than the prevailing repo rate of the Reserve Bank of India** prevalent on the date of award, for the period from the date of award to the date of payment.

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	(b) of section 2 of the Interest Act, 1978 (14 of 1978).	
	(8) The costs of an arbitration shall be fixed by the arbitral tribunal in accordance with section 31A.	(8) The costs of an arbitration shall be fixed by the arbitral tribunal in accordance with section 31A.
	Explanation.—For the purpose of clause (a), "costs" means reasonable costs relating to— (i) the fees and expenses of the arbitrators and witnesses, (ii) legal fees and expenses, (iii) any administration fees of the institution supervising the arbitration, and (iv) any other expenses incurred in connection with the arbitral proceedings and the arbitral award.	*Explanation*.—For the purpose of clause (a), "costs" means reasonable costs relating to— (i) the fees and expenses of the arbitrators and witnesses, (ii) legal fees and expenses, (iii) any administration fees of the institution supervising the arbitration, and (iv) any other expenses incurred in connection with the arbitral proceedings and the arbitral award.
31A	**Regime for costs.—**(1) In relation to any arbitration proceeding or a proceeding under any of the provisions of this Act pertaining to the arbitration, the Court or arbitral tribunal, notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908), shall have the discretion to determine— (a) whether costs are payable by one party to another; (b) the amount of such costs; and (c) when such costs are to be paid.	**Regime for costs.—**(1) In relation to any arbitration proceeding or a proceeding under any of the provisions of this Act pertaining to the arbitration, the Court or arbitral tribunal, notwithstanding anything contained in the Code of Civil Procedure, 1908 (5 of 1908), shall have the discretion to determine— (a) whether costs are payable by one party to another; (b) the amount of such costs; and (c) when such costs are to be paid.
	Explanation.— For the purpose of this sub-section, "costs" means reasonable costs relating to— (i) the fees and expenses of the arbitrators, Courts and	*Explanation*.— For the purpose of this sub-section, "costs" means reasonable costs relating to— (i) the fees and expenses of the arbitrators, Courts and witnesses;

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	witnesses; (ii) legal fees and expenses; (iii) any administration fees of the institution supervising the arbitration; and (iv) any other expenses incurred in connection with the arbitral or Court proceedings and the arbitral award.	(ii) legal fees and expenses; (iii) any administration fees of the institution supervising the arbitration; and (iv) any other expenses incurred in connection with the arbitral or Court proceedings and the arbitral award.
	(2) If the Court or arbitral tribunal decides to make an order as to payment of costs,— (a) the general rule is that the unsuccessful party shall be ordered to pay the costs of the successful party; or (b) the Court or arbitral tribunal may make a different order for reasons to be recorded in writing.	(2) If the Court or arbitral tribunal decides to make an order as to payment of costs,— (a) the general rule is that the unsuccessful party shall be ordered to pay the costs of the successful party; or (b) the Court or arbitral tribunal may make a different order for reasons to be recorded in writing.
	(3) In determining the costs, the Court or arbitral tribunal shall have regard to all the circumstances, including— (a) the conduct of all the parties; (b) whether a party has succeeded partly in the case; **(c) whether the party had made a frivolous counterclaim leading to delay in the disposal of the arbitral proceedings; and** (d) whether any reasonable offer to settle the dispute is made by a party and refused by the other party.	(3) In determining the costs, the Court or arbitral tribunal shall have regard to all the circumstances, including— (a) the conduct of all the parties; (b) whether a party has succeeded partly in the case; **(c) whether the party had made a frivolous claim or counterclaim; and** (d) whether any reasonable offer to settle the dispute is made by a party and refused by the other party.
	(4) The Court or arbitral tribunal may make any order under this section including the order that a party shall	(4) The Court or arbitral tribunal may make any order under this section including the order that a party shall pay—

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	pay— (a) a proportion of another party's costs; (b) a stated amount in respect of another party's costs; (c) costs from or until a certain date only; (d) costs incurred before proceedings have begun; (e) costs relating to particular steps taken in the proceedings; (f) costs relating only to a distinct part of the proceedings; and (g) interest on costs from or until a certain date.	(a) a proportion of another party's costs; (b) a stated amount in respect of another party's costs; (c) costs from or until a certain date only; (d) costs incurred before proceedings have begun; (e) costs relating to particular steps taken in the proceedings; (f) costs relating only to a distinct part of the proceedings; and (g) interest on costs from or until a certain date.
	(5) An agreement which has the effect that a party is to pay the whole or part of the costs of the arbitration in any event shall be only valid if such agreement is made after the dispute in question has arisen.	(5) An agreement which has the effect that a party is to pay the whole or part of the costs of the arbitration in any event shall be only valid if such agreement is made after the dispute in question has arisen.
32	**Termination of proceedings.—**(1) The arbitral proceedings shall be terminated by the final arbitral award or by an order of the arbitral tribunal under sub-section (2).	**Termination of proceedings.—**(1) The arbitral proceedings shall be terminated by the final arbitral award or by an order of the arbitral tribunal under sub-section (2).
	(2) The arbitral tribunal shall issue an order for the termination of the arbitral proceedings where— (a) the claimant withdraws his claim, unless the respondent objects to the order and the arbitral tribunal recognises a legitimate interest on his part	(2) The arbitral tribunal shall issue an order for the termination of the arbitral proceedings where— (d) the claimant withdraws his claim, unless the respondent objects to the order and the arbitral tribunal recognises a legitimate interest on his part in obtaining a final settlement

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	in obtaining a final settlement of the dispute, (b) the parties agree on the termination of the proceedings, or (c) the arbitral tribunal finds that the continuation of the proceedings has for any other reason become unnecessary or impossible	of the dispute, (e) the parties agree on the termination of the proceedings, or (f) the arbitral tribunal finds that the continuation of the proceedings has for any other reason become unnecessary or impossible
	(3) Subject to section 33 and sub-section (4) of section 34, the mandate of the arbitral tribunal shall terminate with the termination of the arbitral proceedings.	(3) Subject to section 33 and sub-section (4) of section 34, the mandate of the arbitral tribunal shall terminate with the termination of the arbitral proceedings.
		(4) After the termination of the proceedings, the arbitral tribunal shall return the records of the arbitration to the arbitral institution in cases where the arbitral proceedings were conducted under the aegis of an arbitral institution and in all other cases, to the parties.
34	**Application for setting aside arbitral award.—(1)** Recourse to a **Court** against an arbitral award may be made only by an application for setting aside such award in accordance with sub-section (2) and sub-section (3).	**Application for setting aside arbitral award.—(1)** Recourse to a Court **or an appellate arbitral tribunal, as the case may be,** against an arbitral award may be made only by an application for setting aside such award in accordance with sub-section (2) and sub-section (3) **Provided that where parties have agreed to take recourse to an appellate arbitral tribunal under this sub-section, no application for setting aside an arbitral award shall lie before the Court.**

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		(1A) The party in its application made under sub-section (1) shall make a disclosure with respect to any challenge pending or decided in respect of all arbitral awards, if any, passed for any disputes having arisen between the parties from a common defined legal relationship, whether contractual or not.
		(1B) The Court or an appellate arbitral tribunal shall, prior to hearing an application under this Section, formulate specific grounds which arise and the application may thereafter be heard on whether the said grounds are made out or not, **Provided that nothing in this sub-section shall be deemed to take away or abridge the power of the Court or an appellate arbitral tribunal to hear subsequently, for reasons to be recorded in writing, any other grounds not formulated by it earlier.**
	(2) An arbitral award may be set aside by the Court only if— **(a) the party making the application establishes on the basis of the record of the arbitral tribunal that—**	**(2) An arbitral award may be set aside in whole by the Court or an appellate arbitral tribunal, as the case may be, only if the party making the application establishes on the basis of the record of the arbitral tribunal that—** **(i) a party was under some incapacity, or** **(ii) the arbitration agreement is not valid under the law to which the parties have subjected it or, failing any indication thereon, under the law for the time being in force; or** **(iii) the party making the application was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case; or** **(iv) the composition of the arbitral tribunal or the arbitral**
	(i) a party was under some incapacity, or	
	(ii) the arbitration agreement is not valid under the law to which the parties have subjected it or, failing any indication thereon, under the law for the time being in force; or	

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	(iii) the party making the application was not given proper notice of the appointment of an arbitrator or of the arbitral proceedings or was otherwise unable to present his case; or	**procedure was not in accordance with the agreement of the parties, unless such agreement was in conflict with a provision of this Part from which the parties cannot derogate, or, failing such agreement, was not in accordance with this Part; or** **(v) the subject-matter of the dispute is not capable of settlement by arbitration under the law for the time being in force.**
	(iv) the arbitral award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matters beyond the scope of the submission to arbitration: **Provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, only that part of the arbitral award which contains decisions on matters not submitted to arbitration may be set aside; or**	
	(v) the composition of the arbitral tribunal or the arbitral procedure was not in accordance with the agreement of the parties, unless such agreement was in conflict with a provision of this Part from which the parties cannot derogate, or, failing such agreement, was not in accordance with this Part; or	
	(b) the Court finds that— **(i) the subject-matter of the dispute is not capable of settlement by arbitration under the law for the time being in force, or** **(ii) the arbitral award is in conflict with the public**	

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	policy of India.	
	***Explanation 1.*—For the avoidance of any doubt, it is clarified that an award is in conflict with the public policy of India, only if,—** **(i) the making of the award was induced or affected by fraud or corruption or was in violation of section 75 or section 81; or** **(ii) it is in contravention with the fundamental policy of Indian law; or** **(iii) it is in conflict with the most basic notions of morality or justice.**	
	***Explanation 2.*—For the avoidance of doubt, the test as to whether there is a contravention with the fundamental policy of Indian law shall not entail a review on the merits of the dispute.**	
	(2A) An arbitral award arising out of arbitrations other than international commercial arbitrations, may also be set aside by the Court, if the Court finds that the award is vitiated by patent illegality appearing on the face of the award: **Provided that an award shall not be set aside merely on the ground of an erroneous application of the law or by reappreciation of evidence.**	**(2A) An arbitral award may be set aside in whole or in part by the Court or an appellate arbitral tribunal, as the case may be, only if the party making the application establishes on the basis of the record of the arbitral tribunal that—** **(i)the arbitral award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matters beyond the scope of the submission to arbitration: Provided that, if the decisions on matters submitted to arbitration can be separated from those not so submitted, only that part of the arbitral award which contains decisions on matters not submitted to arbitration may be set aside; or**

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		(ii)the arbitral award is in conflict with the public policy of India. **(iii)the award is vitiated by patent illegality appearing on the face of the award:** **Provided that an award shall not be set aside merely on the ground of an erroneous application of the law or by reappreciation of evidence.** ***Explanation 1.*—For the avoidance of any doubt, it is clarified that an award is in conflict with the public policy of India, only if,—** **(i) the making of the award was induced or affected by fraud or corruption; or** **(ii) it is in contravention with the fundamental policy of Indian law; or** **(iii) it is in conflict with the most basic notions of morality or justice.** ***Explanation 2.*—For the avoidance of doubt, the test as to whether there is a contravention with the fundamental policy of Indian law shall not entail a review on the merits of the dispute.**
	(3) An application for setting aside may not be made after three months have elapsed from the date on which the party making that application had received the arbitral award or, if a request had been made under section 33, from the date on which that request had been disposed of by the arbitral tribunal: Provided that if the **Court** is satisfied that the applicant	(3) An application for setting aside may not be made after three months have elapsed from the date on which the party making that application had received the arbitral award or, if a request had been made under section 33, from the date on which that request had been disposed of by the arbitral tribunal: Provided that if the Court **or an appellate arbitral tribunal, as the case may be,** is satisfied that the applicant was prevented by

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	was prevented by sufficient cause from making the application within the said period of three months it may entertain the application within a further period of thirty days, but not thereafter.	sufficient cause from making the application within the said period of three months it may entertain the application within a further period of thirty days, but not thereafter.
	(4) On receipt of an application under sub-section (1), the **Court** may, where it is appropriate and it is so requested by a party, adjourn the proceedings for a period of time determined by it in order to give the arbitral tribunal an opportunity to resume the arbitral proceedings or to take such other action as in the opinion of arbitral tribunal will eliminate the grounds for setting aside the arbitral award.	(4) On receipt of an application under sub-section (1), the Court **or an appellate arbitral tribunal, as the case may be,** may, where it is appropriate and it is so requested by a party, adjourn the proceedings for a period of time determined by it in order to give the arbitral tribunal an opportunity to resume the arbitral proceedings or to take such other action as in the opinion of arbitral tribunal will eliminate the grounds for setting aside the arbitral award.
	(5) An application under this section shall be filed by a party only after issuing a prior notice to the other party and such application shall be accompanied by an affidavit by the applicant endorsing compliance with the said requirement.	(5) An application under this section shall be filed by a party only after issuing a prior notice to the other party and such application shall be accompanied by an affidavit by the applicant endorsing compliance with the said requirement.
	(6) An application under this section shall be disposed of expeditiously, and in any event, within a period of one year from the date on which the notice referred to in sub-section (5) is served upon the other party.	(6) An application under this section shall be disposed of expeditiously, and in any event, within a period of one year from the date on which the notice referred to in sub-section (5) is served upon the other party.
		(7) Where the arbitral award is set aside in part, the Courtor an appellate arbitral tribunal, as the case may be, may direct that the arbitral tribunal shall decide in a fixed time, only the issues on which the award has been set aside:

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		Provided that the said arbitral tribunal shall make the award on the said issues on the basis of existing records in the original arbitral award, unless the Courtor an appellate arbitral tribunal, as the case may be, directs to the contrary: **Provided further that the arbitral tribunal shall be bound by the findings of the original arbitral award, which have not been set aside.**
		34A. Appellate Arbitral Tribunal. – (1) The arbitral institutions may, provide for an appellate arbitral tribunal to entertain applications made under Section 34, for setting aside an arbitral award. **(2) The appellate arbitral tribunal while deciding an application under Section 34 shall follow such procedure, as may be specified by the Council.**
37	**Appealable orders.—(**1) Notwithstanding anything contained in any other law for the time being in force, an appeal shall lie from the following orders (and from no others) to the Court authorized by law to hear appeals from original decrees of the Court passing the **order,** namely:— (a) refusing to refer the parties to arbitration under section 8; (b) granting or refusing to grant any measure under	**37. Appealable orders.—(**1) Notwithstanding anything contained in any other law for the time being in force, an appeal] shall lie from the following orders (and from no others) to the Court authorized by law to hear appeals from original decrees of the Court passing the order **or the appellate arbitral tribunal, as the case may be,** namely:— (a) refusing to refer the parties to arbitration under section 8; (aa) **refusing to appoint an arbitrator under Section 11;** (b) granting or refusing to grant any measure under section 9;

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	section 9; (c) setting aside or refusing to set aside an arbitral award under section 34.	(c) setting aside or refusing to set aside an arbitral award under section 34.
		(1A) Notwithstanding anything contained in any other law, an appeal under sub-section (1) shall be made within 60 days from the date of receipt of the Order appealed against, but not thereafter.
	(2) Appeal shall also lie to a court from an order of the arbitral tribunal— (a) accepting the plea referred to in sub-section (2) or sub-section (3) of section 16; or (b) granting or refusing to grant an interim measure under section 17.	(2) Appeal shall also lie to a court from an order of the arbitral tribunal— (a) accepting the plea referred to in sub-section (2) or sub-section (3) of section 16; or (b) granting or refusing to grant an interim measure under section 17.
	(3) No second appeal shall lie from an order passed in appeal under this section, but nothing in this section shall affect or takeaway any right to appeal to the Supreme Court.	(3) No second appeal shall lie from an order passed in appeal under this section, but nothing in this section shall affect or takeaway any right to appeal to the Supreme Court.
42	**Jurisdiction.—** Notwithstanding anything contained elsewhere in this Part or in any other law for the time being in force, where with respect to an arbitration agreement any application under this Part has been made in a Court, that Court alone shall have jurisdiction over the arbitral proceedings and all subsequent applications arising out of that agreement and the arbitral proceedings shall be made in that Court and in no other Court.	**Omitted.**

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43C	**Composition of Council. -** (1) The Council shall consist of the following Members, namely:— (a) a person, who has been, a Judge of the Supreme Court or, Chief Justice of a High Court or, a Judge of a High Court or an eminent person, having special knowledge and experience in the conduct or administration of arbitration, to be appointed by the Central Government in consultation with the Chief Justice of India–Chairperson; (b) an eminent arbitration practitioner having substantial knowledge and experience in institutional arbitration, both domestic and international, to be nominated by the Central Government–Member; (c) an eminent academician having experience in research and teaching in the field of arbitration and alternative dispute resolution laws, to be appointed by the Central Government in consultation with the Chairperson–Member; (d) Secretary to the Government of India in the Department of Legal Affairs, Ministry of Law and Justice or his representative not below the rank of Joint Secretary–Member, ex officio; (e) Secretary to the Government of India in the Department of Expenditure, Ministry of Finance or his representative not below the rank of Joint Secretary–Member, *ex officio*; (f) one representative of a recognised body of commerce and industry, chosen on rotational basis by the Central	**Composition of Council. -** (1) The Council shall consist of the following Members, namely:— (a) a person of ability, integrity and standing having adequate knowledge and professional experience or shown capacity in dealing with problems relating to law, alternative dispute resolution preferably arbitration, public affairs or administration to be appointed by the Central Government—Chairperson; (b) a person having knowledge and experience in law related to arbitration or alternative dispute resolution mechanisms, to be appointed by the Central Government—Member; (c) an eminent person having experience in research or teaching in the field of arbitration and alternative dispute resolution laws, to be appointed by the Central Government—Member; (d) Secretary to the Government of India in the Department of Legal Affairs, Ministry of Law and Justice or his representative not below the rank of Joint Secretary—Member, ex officio; (e) Secretary to the Government of India in the Department of Expenditure, Ministry of Finance or his representative not below the rank of Joint Secretary— Member, ex officio; (f) one representative of a recognised body of commerce and industry, chosen by the Central Government—Part-Time Member and

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	Government–Part-time Member; and (g) Chief Executive Officer-Member-Secretary, *ex officio*.	(g) Chief Executive Officer—Member-Secretary, ex officio.
	(2) The Chairperson and Members of the Council, other than ex officio Members, shall hold office as such, for a term of three years from the date on which they enter upon their office: Provided that no Chairperson or Member, other than ex officio Member, shall hold office as such after he has attained the age of seventy years in the case of Chairperson and sixty-seven years in the case of Member.	(2) The Members of the Council, other than ex officio members, shall hold office as such, for a term of four years from the date on which they enter upon their office and shall be eligible for re-appointment: Provided that no Member other than ex officio Member shall hold office after he has attained the age of seventy years, in the case of Chairperson, and sixty-seven years, in the case of other Members: Provided further that if the Chairperson is appointed on Part-Time basis, then, at least one of the Members appointed under clauses (b) or (c) shall be a Full-Time Member.
	(3) The salaries, allowances and other terms and conditions of the Chairperson and Members referred to in clauses (b) and (c) of sub-section (1) shall be such as maybe prescribed by the Central Government.	(3) The salaries, allowances and other terms and conditions of the Chairperson and Members referred to in clauses (b) and (c) of sub-section (1) shall be such as maybe prescribed by the Central Government.
	(4) The Part-time Member shall be entitled to such travelling and other allowances as may be prescribed by the Central Government.	(4) The Part-time Member shall be entitled to such travelling and other allowances as may be prescribed by the Central Government.
43D	**Duties and functions of Council.-** (1) It shall be the duty of the Council to take all such measures as may be necessary to promote and encourage arbitration, mediation, conciliation or other alternative dispute resolution mechanism and for that purpose to frame policy and guidelines for the establishment,	**Duties and functions of Council.-** (1) It shall be the duty of the Council to take all such measures as may be necessary to promote and encourage **arbitration** and for that purpose to frame policy and guidelines for the establishment, operation and maintenance of uniform professional standards in

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	operation and maintenance of uniform professional standards in respect of all matters relating to arbitration.	respect of all matters relating to arbitration.
	(2) For the purposes of performing the duties and discharging the functionsunder this Act, the Council may— (a) frame policies governing the grading of arbitral institutions; (b) recognise professional institutes providing accreditation of arbitrators; (c) review the grading of arbitral institutions and arbitrators; (d) hold training, workshops and courses in the area of arbitration in collaboration of law firms, law universities and arbitral institutes; (e) frame, review and update norms to ensure satisfactory level of arbitration and conciliation; (f) act as a forum for exchange of views and techniques to be adopted for creating a platform to make India a robust centre for domestic and international arbitration and conciliation; (g) make recommendations to the Central Government on various measures to be adopted to make provision for easy resolution of commercial disputes; (h) promote institutional arbitration by strengthening arbitral institutions;	(2) For the purposes of performing the duties and discharging the functions under this Act, the Council may— (a) recognize arbitral institutions and renew, withdraw, suspend or cancel such recognition; (b) specify the criteria for recognition of arbitral institutions; (c) call for any information or record of arbitral institutions; (d) lay down experience and norms for voluntary registration of arbitrators; (e) lay down a model code of conduct for arbitrators; (f) lay down the model arbitration agreement provided under sub-section (6) of section 7; (g) issue the model rules of procedures or guidelines provided under proviso to sub-section (3) of section 19; (h) manner of conduct of proceedings through the use of audio-video electronic means under sub-section 5 of section 9; (i) manner of maintenance of the depository and the procedure for applying as referred in sub-section (1) of section 43-M; (j) hold training, workshops and courses in the area of arbitration in collaboration of law firms, law universities and arbitral institutes; (k) frame, review and update norms to ensure satisfactory level of arbitration; (l) act as a forum for exchange of views and techniques to be adopted for creating a platform to make India a robust centre for domestic and international arbitration and conciliation;

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	(i) conduct examination and training on various subjects relating toarbitration and conciliation and award certificates thereof; (j) establish and maintain depository of arbitral awards made in India; (k) make recommendations regarding personnel, training and infrastructure of arbitral institutions; and (l) such other functions as may be decided by the Central Government.	(m) make recommendations to the Central Government on various measures to be adopted to make provision for easy resolution of commercial disputes **through arbitration**; (n) promote institutional arbitration by strengthening arbitral institutions; (o) conduct examination and training on various subjects relating to arbitration and award certificates thereof; and (p) such other functions as may be decided by the Central Government.
CEO		**43-I(1) There shall be a Chief Executive Officer of the Council, who shall be responsible for day-to-day administration of the Council.** **(2) The qualifications, appointment and other terms and conditions of the service of the Chief Executive Officer shall be such as may be prescribed by the Central Government.** **(3) The Chief Executive Officer shall discharge such functions and perform such duties as may be specified by the regulations.**
Secretariat		**43J. (1) There shall be a Secretariat to the Council consisting of such number of officers and employees as may be prescribed.**
		(2) The qualifications, appointment and other terms and conditions of the service of the employees and other officers of the Council shall be such as may be prescribed.

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		43-K Recognition of arbitral institutions- The Council shall recognise arbitral institutions in the manner and on the basis of criteria as may be specified by the Council.
		43-L Norms for voluntary registration of arbitrators – The experience and norms for voluntary registration of arbitrators with the Arbitration Council of India shall be such as may be specified.
		43-M Depository.- (1) The Council shall maintain a depository all arbitration cases by assigning a unique identification number to each case and the arbitral tribunal or the arbitral institution as the case may be, upon appointment, shall apply to the Council for this purpose. **(2) The manner of maintenance of the depository and the procedure for applying as referred in sub-section (1) shall be such as may be specified by the Council.**
New Section		**43N. Grants by Central Government.- The Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Council in each financial year such sums of money and in such manner as it may think fit for being utilised for the purposes of this Act.**
New Section		**43-O Funds of Council. - (1) The Council shall maintain a Fund to which shall be credited, —** **(a) all monies provided by the Central Government;** **(b) all monies received by the Council for the services provided by it in pursuance of sub -section (2) of section**

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		43D; **(c) all monies received by the Council in the form of donations, grants, contributions and income from other sources; and** **(d) the amount received from the investment income.**
		(2) All monies credited to the Fund shall be deposited in such banks or invested in such manner as may be decided by the Council.
		(3) The Fund shall be applied towards meeting the salaries and other allowances of Members and officers and other employees of the Council and the expenses of the Council including expenses incurred in the exercise of its powers and discharge of its duties under this Act.
New Section		**43P- Accounts and audit. -(1) The Council shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the balance sheet, in such form and manner as may be prescribed in consultation with the Comptroller and Auditor General of India.**
		(2) The accounts of the Council shall be audited by the Comptroller and Auditor General of India and any expenditure incurred by him in connection with such audit shall be payable by the Council to the Comptroller and Auditor General of India.
		(3) The Comptroller and Auditor General of India and any person appointed by him in connection with the audit of the accounts of the Council shall have the same rights, privileges

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		and authority in connection with such audit as the Comptroller and Auditor General of India has in connection with the audit of the Government accounts, and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect the offices of the Council.
		(4) The accounts of the Council as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and the Central Government shall cause the same to be laid before each House of Parliament.
	43L. The Council may, in consultation with the Central Government, make regulations, consistent with the provisions of this Act and the rules made thereunder, for the discharge of its functions and perform its duties under this Act.	**43Q. Power to make regulations.- (1) The Council, may, with the previous approval of the Central Government, by notification in the Official Gazette, make regulations, consistent with the provisions of this Act and the rules made thereunder, for the discharge of its functions and perform its duties under this Act.**
		(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may make provision for— **(l) model arbitration agreement provided under sub-section (6) of section 7;** **(m)manner of conduct of proceedings by emergency arbitrator under sub-section (2) of section 9A;** **(n) fees of arbitral tribunal under section 11A;** **(o) manner of conduct of proceedings through the use**

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		of audio-video electronic means under sub-section 5 of section 19. **(p) procedure to be followed by appellate arbitral tribunal under sub-section (2) of section 34A;** **(q) the terms and conditions of committee of experts under section 43H;** **(r) functions and duties of the Chief Executive Officer under sub-section (3) of section 43-I;** **(s) manner and criteria for recognition of arbitral institutions under section 43K** **(t) manner of voluntary recognition of arbitral institutions under section 43L;** **(u) manner of maintenance of depository of arbitration cases under sub-section (2) of section 43M;** **(v) any other matter in respect of which provision, in the opinion of the Council, is necessary for the performance of its functions under this Act.**
		(3) Every regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that

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		any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation.
84	**Power to make rules.—**(1) The Central Government may, by notification in the Official Gazette,make rules for carrying out the provisions of this Act.	**Power to make rules.—**(1) The Central Government may, by notification in the Official Gazette,make rules for carrying out the provisions of this Act.
		(lA) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:- **(a) the salaries, allowances and other terms and conditions of the Chairperson and Members under sub-section (3) of section 43C;** **(b) the travelling and other allowances of Part-time Member under sub-section (4) of section 43C;** **(c) qualifications, appointment and other terms and conditions of the service of the Chief Executive Officer under sub-section (2) of section 43-I(2);** **(d) such number of officers and employees under sub-section (1) of section 43J;** **(e) qualifications, appointment and other terms and conditions of the service of employees and other officers of the Council under sub-section (2) of section 43J;** **(f) the form and manner of annual statement of accounts, including the balance sheet under sub-section (1) of section 43P; and** **(g) any other matter which is required to be, or may be,**

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<tr><th>Section</th><th>EXISTING PROVISION</th><th>PROPOSED AMENDMENTS</th></tr>
<tr><td></td><td></td><td>prescribed or in respect of which provision is to be made by rules by the Central Government.</td></tr>
<tr><td></td><td>(2) Every rule made by the Central Government under this Act shall be laid, as soon as may be, after it is made before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.</td><td>(2) Every rule made by the Central Government under this Act shall be laid, as soon as may be, after it is made before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.</td></tr>
<tr><td></td><td>THE FOURTH SCHEDULE
[See section 11(14)]<table><tr><th>Sum in dispute</th><th>Model fee</th></tr><tr><td>Up to Rs. 5,00,000</td><td>Rs. 45,000</td></tr><tr><td>Above Rs. 5,00,000 and up to Rs. 20,00,000</td><td>Rs. 45,000 plus 3.5 per cent. of the claim amount over and above Rs. 5,00,000</td></tr><tr><td>Above Rs. 20,00,000 and up to Rs.</td><td>Rs. 97,500 plus 3 per cent. of the claim amount</td></tr></table></td><td>Omitted.</td></tr>
</table>

Section	EXISTING PROVISION		PROPOSED AMENDMENTS
	1,00,00,000	over and above Rs. 20,00,000	
	Above Rs. 1,00,00,000 and up to Rs. 10,00,00,000	Rs. 3,37,500 plus 1 per cent. of the claim amount over and above Rs. 1,00,00,000	
	Above Rs. 10,00,00,000 and up to Rs. 20,00,00,000	Rs. 12,37,500 plus 0.75 per cent. of the claim amount over and above Rs. 1,00,00,000	
	Above Rs. 20,00,00,000	Rs. 19,87,500 plus 0.5 per cent. of the claim amount over and above Rs. 20,00,00,000 with a ceiling of Rs. 30,00,000	
	Note:—In the event, the arbitral tribunal is a sole arbitrator, he shall be entitled to an additional amount of twenty-five per cent. on the fee payable as per the table set out above.		