TIME-LIMITED ARBITRATION IN INDIA: SOLVING DELAYS IN COMMERCIAL DISPUTES

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Arbitration as an alternative dispute resolution mechanism has proven its worth in commercial disputes through its flexibility and efficiency. However, it has often suffered from time constraints, leading to delays, particularly in ad hoc proceedings, the most prominent form of arbitration in India. In this research paper, the authors aim to critically examine the concept of time-limited arbitration as a potential solution to the pervasive delays in resolving commercial contract disputes in India. The paper contrasts ad hoc arbitration's procedural inefficiencies with institutional arbitration's structured approach. It identifies the key challenges in India's arbitration landscape, including the lack of procedural discipline, judicial intervention, and underutilization of institutional mechanisms. It proposes a comprehensive reform agenda, encompassing legislative changes, capacity building, promotion of institutional arbitration, and adoption of hybrid models like Med-Arb to reduce delays and strengthen India's arbitration framework. The paper concludes with actionable recommendations to position India as a hub for efficient and reliable arbitration, fostering greater investor confidence and economic growth.

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I. INTRODUCTION

Recently, India introduced the Draft Arbitration and Conciliation (Amendment) Bill, 2024 (**"2024 Draft Bill"**). The bill aims to tackle the procedural inefficiencies plaguing the present arbitration framework by introducing positive reforms. One such reform is to amend Section 8 of the Act by proposing a time-limit within which courts must dispose of a party's application for referral to arbitration where there is an arbitration agreement.[1] This reform has been introduced with an aim to realise one of the benefits associated with arbitration, i.e., speedy justice. Arbitration, as an alternative to litigation, has been preferred due to its benefits such as cost-effectiveness, speedier than traditional litigation, formality and conclusiveness etc.

However, lately much of these benefits have not been realised, which ultimately destroys one's motive to go for arbitration, thereby increasing dependence on traditional courts. The phenomenon has become increasingly evident as of 2022, approximately 48% of pending arbitration cases in India had been unresolved for more than a year, and around 23% had been pending for ten to twenty years.[2] This issue becomes more acute particularly in the Indian scenario as the Indian arbitration institutional framework has not been efficient enough to handle the arbitration process. India hosts over 35 arbitral institutions,[3] including domestic and international entities.[4] Notable institutions include the International Centre for Alternative Dispute Resolution (**"ICADR"**), the Nani Palkhiwala Arbitration Centre, the Indian Council for Arbitration (**"ICA"**), and the Mumbai Centre for International Arbitration (**"MCIA"**).

The MCIA's 2022 annual report indicates a 20% increase in caseload compared to the previous year, with total dispute values exceeding USD 1 billion. The report also highlights that 92% of arbitrations were completed within 18 months, and women comprised 38% of appointed

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[1] Abhisar Bairagi, Milind Sharma, Ausaf Ayyub, 'Future of Arbitration in India: Decoding the Draft Arbitration and Conciliation (Amendment) Bill, 2024' (*SCC Online,* 10 December 2024) <https://www.scconline.com/blog/post/2024/12/10/future-of-arbitration-in-india-decoding-the-draft-arbitration-and-conciliation-amendment-bill-2024/> accessed 16 January 2025.

[2] Statista, 'Age wise Pendency of Arbitration Cases in India 2022' (14 December 2023) <https://www.statista.com/statistics/1356526/india-age-wise-pendency-of-arbitration-cases/> accessed 16 January 2025.

[3] High-Level Committee to Review the Institutionalisation of Arbitration in India, *Report of the High-Level Committee to Review the Institutionalisation of Arbitration in India* (2017) 15 https://legalaffairs.gov.in/sites/default/files/Report-HLC.pdf accessed 12 February 2026.

[4] Abhishek Sharma, 'The Future of Institutional Arbitration in India' (*Outlook*, August 2019) <https://www.dentonslinklegal.com/en/insights/articles/2022/january/14/-/media/55977c9dff894cb695c475515cb8e68d.ashx> accessed 04 February 2026.

arbitrators.[5] Mentioning the global scenario, in the World Bank's 2020 rankings, India was placed 63rd out of 190 countries for ease of doing business but ranked 163rd in enforcing contracts, indicating challenges in efficient dispute resolution.

The paper deals with this issue in detail, highlighting the flaws in the current framework of ad-hoc arbitration over institutional arbitration, along with a cross-jurisdictional analysis of arbitration institution framework of other countries and ultimately giving suggestions tailored to Indian landscape for the betterment of the Indian arbitration framework. The authors aim to simplify the issue by explaining the concept of time-limited arbitration and why it is necessary and then delve into the role of the institutional framework of arbitration in India in regulating arbitral procedures. The next heading deals with this aspect.

II. DEMYSTIFYING TIME-LIMITED ARBITRATION IN INDIA

The concept of time-limited arbitration is not a novel one. It has been more commonly referred to as 'fast-track arbitration'; however, there may be some lexical differences. The term is used to describe arbitral proceedings that are governed by rules more stringent than those applicable to traditional arbitration.[6] Such arbitral proceedings can be conducted in the case of both ad hoc arbitration and institutional arbitration.[7]

In this regard, Section 29A was introduced in the Arbitration and Conciliation Act, 1996 (**"the Act"**) by virtue of the Amendment Act, 2015.[8] As per Section 29A,[9] the arbitral tribunal must render the award within 12 months from the date of completion of pleadings under Section 23(4). Section 23(4), inserted by the Arbitration and Conciliation (Amendment) Act, 2019, requires the statement of claim and defence to be completed within six months from the date on which the arbitrator or all arbitrators receive notice of their appointment.[10]

The parties may, by consent, extend the period for making the award by a further period of up to six months. In case the award is not rendered within the stipulated time and no extension is granted, the mandate of the arbitrator(s) may terminate in accordance with Section 29A, subject to the Court's power to extend the period in accordance with the Act. When an arbitrator's

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[5] Souvik Ganguly, Deni Shah, Vidushi Maheshwari, Renjith Nair, 'Yearly Rewind of Commercial Disputes' (*Mondaq*, 2 February 2024) <https://www.mondaq.com/india/arbitration--dispute-resolution/1419258/> accessed 16 January 2025.
[6] Philippe Fouchard, Berthold Goldman, *International Commercial Arbitration* (Gaillard & Savage eds., 1999).
[7] Irene Welser, Christian Klausegger, 'Fast Track Arbitration: Just fast or something different?' (2009) 259(260) Austrian Arbitration Yearbook 259.
[8] The Arbitration and Conciliation Act, 1996 (26 of 1996).
[9] The Arbitration and Conciliation Act, 1996 (26 of 1996), s 29A.
[10] The Arbitration and Conciliation Act, 1996 (26 of 1996), s 23(4).

mandate is terminated, a new arbitrator may be appointed as per the procedure agreed upon by the parties or under the Act.

While referring to time-limited arbitration, it should be clear that it applies strict time limits to the parties as well as the arbitrators, and not individually. It is pertinent that a time-limited arbitration consists of fewer procedural steps than the traditional arbitration system. For instance, currently the problem of adjournment of cases is very prevalent. Due to lack of punishment for delaying cases in the arbitration framework, the Arbitrators seem lax and benevolent in granting adjournments to the parties, which not only prolongs the arbitral process but also the agony of the aggrieved party.

By opting for a time-limited arbitration, the parties can limit the time frame for the resolution of disputes, particularly in sensitive or financial matters where delay can exacerbate the problem even more. One of the key advantages of conventional arbitration is the absence of lengthy submissions and prolonged court proceedings, but currently they have become part of this kind of arbitration. Additionally, this form of arbitration offers the significant advantage of enhanced party autonomy, provided it is properly structured.[11] By agreeing in advance on the expectations for future arbitration, parties can largely determine the conduct and duration of the proceedings. However, this advantage is often undermined by the fact that arbitration clauses are frequently added at a stage when parties are too exhausted or unwilling to consider specific rules or procedures for potential disputes. Clear rules agreed upon beforehand grant parties greater influence over the proceedings, including critical aspects like the right to be heard or due process.[12]

Moreover, expedited procedures seek to minimise procedural steps that may unnecessarily prolong the proceedings, while preserving the tribunal's ability to grant appropriate interim measures where necessary. The objective is therefore not to exclude interim measures, but to ensure that their use does not unnecessarily impede the efficient conduct of the arbitration

It should be noted that the positives of this form of arbitration are not applicable to every form of conflict. Time-limited arbitration should be preferred in ordinary contractual disputes, and not where numerous parties are involved or if the matter requires an expert intervention.[13] In *Rohan Builders (India) Private Limited v. Berger Paints India Limited*, the Supreme Court,

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[11] Iren (n 5) 272.
[12] Albert Jan van den Berg, 'Party Autonomy and Interim Measures in International Commercial Arbitration' (2003) Kluwer Law International 179, 181.
[13] Ibid.

commenting upon the delays in the arbitration process, suggested that there should be a practical and realistic time limit for passing an award, which can only be extended by the court.[14] Similarly, discussing Section 29A of the Act, the Supreme Court in *Tata Sons Limited v. Siva Industries and Holdings Limited* reiterated the importance of the statutory time limits governing the making of arbitral awards.[15] Moreover, the Apex Court has stressed upon the responsibility of the arbitrators to ensure the timely redressal of arbitration disputes.[16]

However, implementing these directions faces numerous challenges. The arbitrators are not only expected to have sector-specific technical expertise but also to exhibit exceptional case management skills to ensure that procedural and substantive justice is delivered expeditiously. Moreover, the ability to conduct streamlined proceedings requires advanced training in efficient decision-making and familiarity with emerging technologies for case management, areas in which many arbitrators may lack proficiency.[17] Additionally, the parties may try to delay the process themselves. For instance, a party may adopt dilatory tactics, such as repeated requests for adjournments, excessive document submissions, or other procedural manoeuvres designed to disrupt the expedited process.

Additionally, document-heavy disputes, common in industries like construction, energy, or large-scale commercial transactions, create further complications. Delays in document production or in accessing necessary data can derail the process, even in well-structured arbitration frameworks.[18] In the absence of pre-agreed terms, time-limited arbitration cannot be imposed, leading to reluctance among parties to adopt such measures post-dispute. Even when agreed upon, the variability in institutional rules regarding timelines, scope of evidence, and procedural adjustments can create confusion or disputes over the applicability of the time-limited framework.[19] Another challenge lies with the institutional framework, which will be the centre of our discussion in the next heading.

III. ANALYSING INDIA'S ARBITRATION ECOSYSTEM

In India, ad hoc arbitration is the more prevalent and commonly used method of dispute resolution compared to institutional arbitration. Despite its prominence as a preferred mode of

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[14] *Rohan Builders (India) Private Limited v Berger Paints India Limited* 2024 INSC 686.
[15] *Tata Sons Limited v Siva Industries and Holdings Limited* 2023 LiveLaw SC 39.
[16] *Emaar Mgf Land Limited (S) v Aftab Singh (S)* 2018 INSC 1184.
[17] Elizabeth Chan, Aija Lejniece, 'The Technological Competence of Arbitrators: A Comparative and International Legal Study' (2024) 39(2) ICSID Review – Foreign Investment Law Journal, 439, 442.
[18] Ibid, 443.
[19] Sampurna Mukherjee, 'Whether Contractual Preconditions to Arbitration Should Be Regarded as Impediments to an Arbitral Tribunal's Jurisdiction' (2023) American Review of International Arbitration 34(2) 132.

alternative dispute resolution, arbitration faces significant challenges, particularly in the realm of ad hoc arbitration.

A. The Dominance of Ad Hoc Arbitration in India

Ad hoc arbitration remains the dominant form of arbitration in India, with a 2013 PwC study indicating that 47% of Indian companies opting for dispute resolution preferred ad hoc arbitration proceedings.[20] Historically, ad hoc arbitration has been synonymous with arbitration in India due to its prevalence in the country. This mechanism allows parties to independently structure the arbitration process, choose arbitrators, and customise timelines. However, this flexibility often relies heavily on the cooperation between parties, which, when absent, leads to inefficiencies.

A common perception among Indian parties is that ad hoc arbitration is more cost-effective and flexible than institutional arbitration. However, this assumption overlooks the complexities and hidden costs of ad hoc proceedings. For instance, the fees for ad hoc arbitration can escalate significantly. Arbitrator fees alone can range from ₹1 lakh to ₹3 lakh per sitting, with a single arbitration spanning two years potentially costing ₹24 lakh for a single arbitrator.[21] These figures highlight that ad hoc arbitration often surpasses the cost of litigation, defeating its intended purpose as a cost-efficient alternative.

B. Challenges in Ad Hoc Arbitration

Ad hoc arbitration's lack of institutional oversight contributes to procedural inefficiencies. Arbitrators are sometimes criticised for granting unnecessary adjournments, which prolong proceedings. A study conducted in Delhi, Bengaluru, and Mumbai revealed widespread dissatisfaction among corporate stakeholders, with delays identified as a primary concern.[22] Data from 2022 shows that 48% of arbitration cases in India were pending for over a year, while 23% had been unresolved for 10 to 20 years.[23]

This data reveals that without a central authority to manage timelines, ad hoc proceedings often adopt the slow pace of traditional litigation. The staggering 23% pendency for over a decade

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[20] PWC, 'Corporate Attitudes & Practices towards Arbitration in India' <www.pwc.in/assets/pdfs/publications/2013/corporate-attributes-and-practices-towards-arbitration-in-india.pdf> accessed 16 January 2025.

[21] KNC Pillai, Jaya VS, Vishnu Konoorayar, 'ADR: Status/Effectiveness Study' (08 May 2024).

[22] Ibid.

[23] Statista (n 2).

suggests that the absence of a supervisory body allows parties to exploit procedural loopholes, turning a fast-track alternative into a decades-long battle.

Additionally, because no institution reviews the quality of the final decisions, these awards are more likely to be challenged and overturned in court for technical mistakes. Frequent judicial interference exacerbates the inefficiencies of ad hoc arbitration. A large number of cases remaining pending for more than a year and some for over a decade shows that arbitration is failing to deliver timely resolution. Many arbitration awards are challenged in courts, further delaying resolution and increasing costs. These delays undermine the advantages of arbitration, prompting many companies to question its efficacy as an effective dispute resolution mechanism. This indicates that the problem lies not with the concept of *ad hoc* arbitration, but in the weakness of the structure itself.

C. Underutilization of Institutional Arbitration

Despite the presence of institutional arbitration, it remains underutilised.[24] A survey revealed that only 40% of companies preferred institutional arbitration, compared to 47% opting for ad hoc proceedings.[25] The reason for this preference is that institutional arbitration is often perceived as more expensive than ad hoc arbitration. However, a comparison of fees reveals otherwise. For instance, the maximum fee payable to ICADR, including administrative charges and hall rentals, totals approximately ₹1.51 lakh, significantly lower than the costs associated with ad hoc arbitration.[26] Additionally, Reports such as the High-Level Committee (**"HLC"**) Report of 2017 identify a lack of credible institutions and inadequate legislative support in India. The 2017 Report identified this as a key reason for the preference for ad hoc arbitration.[27]

D. The Push for Institutional Arbitration

Recognising the limitations of ad hoc arbitration, the judiciary and policymakers have advocated for a shift towards institutional arbitration. Justice Surya Kant emphasised the need to integrate ad hoc arbitrators into institutional frameworks,[28] while Justice Hima Kohli

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[24] Surya Saxena, Nishtha Kaur, 'Ad-Hoc Arbitration to Institutional Arbitration in India: A Way Forward' (2020) 10 Penacclaims.
[25] Ibid.
[26] KNC Pillai (n 17).
[27] Shikha Sharma Jaipuriar, 'Ad hoc to Institutional Arbitration: A Paradigm Shift in the Arbitration Law in India' (Manupatra, 09 July 2021) <https://articles.manupatra.com/article-details/Ad-hoc-to-Institutional-Arbitration-A-Paradigm-Shift-in-the-Arbitration-Law-in-India> accessed 16 January 2025.
[28] 'India to be global seat for arbitration: Justice Surya Kant' *Hindustan Times* (11 July 2024) https://www.hindustantimes.com/india-news/india-to-be-global-seat-for-arbitration-justice-surya-kant-101752345857610.html accessed 12 February 2026.

highlighted India's potential as a global arbitration hub.[29] This underscores a shift towards a structured and rule-based arbitration system rather than one dependent on individual practices. The objective is to ensure that arbitration is more professional, predictable, and efficient, which is essential for making India a trusted destination for international business disputes. The MCIA's annual report reflects promising trends, with a 20% increase in caseload and 92% of arbitrations completed within 18 months.

Notably, none of the awards issued by the MCIA was set aside, underscoring the reliability of institutional mechanisms.[30] The government's initiatives, such as the 2014 Office Memorandum[31] and the Arbitration and Conciliation (Amendment) Act, 2015,[32] have further emphasised the need for institutional arbitration. The Arbitration and Conciliation (Amendment) Act, 2019 also introduced Part IA, which provides for the Arbitration Council of India and envisages, inter alia, the grading of arbitral institutions and accreditation of arbitrators. These reforms aim to address delays, enhance efficiency, and promote India as a pro-arbitration jurisdiction.

IV. CROSS-JURISDICTIONAL ANALYSIS OF TIME-LIMITED ARBITRATION MECHANISMS

In examining the global landscape of time-limited arbitration mechanisms, this analysis delves into the approaches adopted by leading jurisdictions, including Singapore, China, and Hong Kong, to identify effective strategies that can inform India's arbitration reform. Globally, while ad hoc arbitration was the original form of arbitration, institutional arbitration has become more popular over time.[33]

A. Singapore's Approach to Ensuring Time Efficiency in Arbitration

[29] 'This Century Will Define India's Ascent as Global Arbitration Leader: Justice Hima Kohli' *Legal Era* (18 February 2024) https://www.legaleraonline.com/news/this-century-will-define-indias-ascent-as-global-arbitration-leader-justice-hima-kohli-at-india-mena-arbitration-summit-896215 accessed 12 February 2026.

[30] Piyush Prasad, Ashutosh Rai, '2022 Year in Review: Coming of Age of Indian Arbitration' (*Kluwer Arbitration Blog,* 12 February 2023) <https://arbitrationblog.kluwerarbitration.com/2023/02/12/2022-year-in-review-coming-of-age-of-indian-arbitration /> accessed 16 January 2025.

[31] Government of India, Ministry of Law and Justice, Office Memorandum on the subject, 'Measures to promote arbitration and mediation in India as preferred modes of dispute resolution', issued on 5 March 2014.

[32] The Arbitration and Conciliation (Amendment) Act, 2015, Act No. 3 of 2016.

[33] Ke Wu, Mariana Zhong Li, 'Ad hoc arbitration in China: Is It a Possibility and a Good Choice in the Post-Amendment Era?' (*Jus Mundi,* November 2022) https://jusmundi.com/en/document/publication/en-ad-hoc-arbitration-in-china-is-it-a-possibility-and-a-good-choice-in-the-post-amendment-era accessed 17 January 2025.

Singapore has emerged as one of the top international arbitration hubs globally, alongside London,[34] due to its robust legal framework, efficient institutions, and pro-arbitration judiciary. The city-state's arbitration regime is governed by the International Arbitration Act 1994 for international arbitration and the Arbitration Act 2002 for domestic disputes. Both frameworks align with the UNCITRAL Model Law on International Commercial Arbitration, ensuring consistency with international best practices. Singapore's courts are known for their minimal intervention and pro-enforcement stance, limiting interference to exceptional instances such as fraud or breach of natural justice.[35] Foreign arbitral awards are treated on par with domestic awards, bolstered by Singapore's adherence to the New York Convention.

A key factor in Singapore's arbitration success is the SIAC, which has consistently ranked as one of the world's leading arbitral institutions.[36] A hallmark of Singapore's arbitration landscape is its emphasis on time efficiency. In 2023, SIAC received 663 new case filings, a significant 85.7% increase from the previous year, totalling USD 11.9 billion in dispute value. Notably, 93% of these cases were international, reflecting Singapore's global appeal.

SIAC's efficiency is demonstrated through its expedited procedures, which resolve disputes under SGD 6 million within six months, achieving an 85% resolution rate for such cases in 2022.[37] For instance, Rule 5 of the SIAC Rules empowers the President of SIAC to constitute a sole arbitrator and mandates that the award be rendered within six months from the constitution of the tribunal. Further, Rule 19 confers broad case-management powers on the tribunal, including limiting document production, restricting witness examination, and adopting written-only proceedings where appropriate.

Additionally, SIAC offers an online case management system and a specialised set of rules for investment arbitration. Importantly, SIAC's scrutiny of draft awards before issuance is also relevant to understand, as it aims to reduce the likelihood of successful challenges. This has resulted in the minimisation of post-award appeals and ensure finality in decisions. These

[34] Queen Mary University of London, '2021 International Arbitration Survey: Adapting arbitration to a changing world' <https://www.qmul.ac.uk/arbitration/research/2021-international-arbitration-survey/> accessed 17 January 2025.
[35] Bryan Hopkins, 'A Comparison of Recent Changes in the Arbitral Laws and Regulations of Hong Kong, Singapore, and Korea: With a Focus on Korea's Current Reputation as a Regional Arbitration Centre and Recommendations for Improvement' Korea Open Access Journals 27.
[36] Jana Lamas De Mesa, 'Singapore's recipe for becoming a top international arbitration hub' (2023) International Arbitration Outlook Uría Menéndez.
[37] Singapore International Arbitration Centre, 'Annual Report 2022' (2022) <https://siac.org.sg/wp-content/uploads/2023/04/SIAC_AR2022_Final-For-Upload.pdf> accessed 17 January 2025.

innovations have contributed to a 30% reduction in dispute resolution expenses compared to traditional methods.[38]

Singapore's geographical advantage in Asia and its reputation for neutrality, respect for arbitral agreements, and confidentiality have made it a preferred seat for arbitration, particularly in cross-border commercial disputes.[39] However, India, while making progress in arbitration reform with legislative changes like the Arbitration and Conciliation (Amendment) Act, faces several challenges. The principal challenges are the dominance of ad hoc arbitration and delays in achieving final resolution of disputes.

India's reliance on ad hoc arbitration over institutional arbitration creates challenges, whereas Singapore's pro-institutional arbitration favours greater procedural discipline and predictability. Furthermore, challenges to arbitral awards under Section 34 may prolong the final resolution of disputes where court proceedings remain pending for extended periods. This does not, however, amount to a general rehearing on the merits, as the statutory grounds for setting aside an award are limited. Finally, even after winning, collecting the money may be slow because the enforcement process must compete with 5.4 crore pending cases in the regular court system.[40] Indian courts have historically been more interventionist, contributing to delays, and the lack of globally recognized arbitration institutions comparable to SIAC undermines confidence among international parties.[41] Furthermore, enforcement of arbitral awards in India remains cumbersome due to procedural complexities.

These features of Singapore's framework are particularly relevant to India because they demonstrate that time efficiency does not depend solely upon imposing a statutory deadline. Rather, a shortened timetable can be combined with active case management, limited document production and streamlined hearings. India could similarly strengthen institutional arbitration

[38] SIAC, 'Singapore International Arbitration Centre (SIAC) unveils online arbitration case management system' (26 August 2024) <https://siac.org.sg/singapore-international-arbitration-centre-siac-unveils-online-arbitration-case-management-system> accessed 17 January 2025.
[39] Jana Lamas De Masa (n 30).
[40] National Judicial Data Grid, 'Summary Report' (12 February 2026) https://njdg.ecourts.gov.in/ accessed 12 February 2026.
[41] Peter Doraisamy, Pranav Kamnani, 'Arbitration Agreements and Insolvency Proceedings: Comparing the Pro-Arbitration Perspectives in Singapore, the United Kingdom, and India, and Calling for International Consensus' (*Kluwer Arbitration Blog*, 18 January 2024) <https://arbitrationblog.kluwerarbitration.com/2024/01/18/arbitration-agreements-and-insolvency-proceedings-comparing-the-pro-arbitration-perspectives-in-singapore-the-united-kingdom-and-india-and-calling-for-international-consensus/> accessed 17 January 2025.

by encouraging predetermined procedural timetables and active case management while preserving procedural fairness.

B. China's Efficient Arbitration Framework

China is a prominent jurisdiction in the field of arbitration, with the China International Economic and Trade Arbitration Commission (CIETAC) being one of the most influential arbitration institutions globally. Established in 1956, CIETAC has handled nearly 70,000 arbitration cases spanning 165 countries and regions. Its reputation for efficiency and effectiveness in arbitration is reflected in its recognition as one of the top five most popular arbitration institutions worldwide, according to the 2021 International Arbitration Survey conducted by Queen Mary University of London and White & Case LLP.

CIETAC's framework prioritizes efficiency and due process, as seen in its 2024 Arbitration Rules, which aim to enhance competitiveness, reduce costs, and ensure procedural fairness. Article 50 of the Rules allows for the early dismissal of claims or counterclaims that are manifestly without merit or beyond the tribunal's jurisdiction, subject to strict safeguards to prevent abuse. Article 26.4 further empowers CIETAC to override party agreements on tribunal formation when such agreements result in injustice or undue delay. These provisions reflect CIETAC's commitment to balancing party autonomy with procedural integrity.[42]

The Chinese Arbitration Law of 1995 mandates institutional arbitration, rendering ad hoc arbitration practically impossible within the jurisdiction. Articles 16 and 18 of the Arbitration Law[43] require a valid arbitration agreement to designate an arbitration institution explicitly, failing which the agreement is deemed null and void. While this requirement safeguards procedural certainty, it has drawn criticism for undermining party autonomy. Nonetheless, ad hoc arbitration awards rendered abroad can still be recognised and enforced in China under the New York Convention, preserving some flexibility for foreign parties.[44]

CIETAC's expedited procedures ensure timely dispute resolution, with most cases concluded within four to six months of tribunal formation. Oral hearings typically last one to three days, and over 90% of CIETAC's awards are promptly honoured.[45] This efficiency makes CIETAC's arbitration process more economical than litigation, with fewer than one in a thousand awards

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[42] Jus Mundi (n 27).
[43] People's Republic of China Arbitration Law, 1994, articles 16 and 18.
[44] Jingzhou Tao, 'Salient Issues in Arbitration in China' (2012) 27(4) Am. U. Int'l L. Rev. 808.
[45] CIETAC, 'Annual Report on International Commercial Arbitration in China' (2017) <https://www.cietac.org/sfs/cms/202201/61e671205bb8a.pdf> accessed 17 January 2025.

annulled or enforcement rejected. CIETAC has constantly updated its arbitration rules to keep in line with the latest developments in international arbitration practice and to better accommodate the needs of the parties. Its current arbitration rules are effective as from January 1, 2015.

HKIAC plays a pivotal role in promoting time-limited arbitration through its expedited arbitration rules, which aim to resolve disputes within six months. Additionally, HKIAC's integration of mediation-arbitration hybrid mechanisms facilitates faster settlements. HKIAC's expedited procedures boast a success rate of 78% in resolving cases within the prescribed timelines, underscoring its efficiency.[46] This cost-effective and streamlined process has cemented Hong Kong's reputation as a reliable venue for international arbitration, particularly for cross-border disputes involving Asian parties. Both jurisdictions excel in delivering timely resolutions, with mechanisms designed to minimise delays and enhance cost-effectiveness.

For India, the principal lesson from these jurisdictions is not the adoption of any single institutional model, but the combination of institutional oversight, streamlined procedures and enforceable procedural timelines. These features could be adapted to the Indian context through stronger institutional case management, expedited procedures and greater use of technology while retaining the procedural safeguards required under the Act.

V. CROSS-JURISDICTIONAL ANALYSIS OF TIME-LIMITED ARBITRATION MECHANISMS

Arbitration timelines in India are often prolonged due to inefficient practices. According to a NITI Aayog Report, arbitration cases in India take 2-4 years to resolve on average.[47] In contrast, institutional arbitration under frameworks like SIAC or ICC resolves disputes within 6-12 months, demonstrating the impact of structured timelines. The NITI Aayog study also indicates that institutional arbitration could reduce case durations by 50-70%,[48] significantly enhancing business efficiency. The principal benefit of time-limited arbitration in this context is therefore the reduction of uncertainty associated with prolonged disputes. Shorter and more predictable timelines can enable businesses to plan around the resolution of disputes, reduce

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[46] Ljiljana Biukovic, 'Court Intervention in Arbitral Proceedings in Countries Adopting The UNCITRAL Model Law on International Commercial Arbitration: An Impact of Legal Culture on Reception (Case Studies Of Canada Hong Kong And Russia)' (Thesis, 1999) University Of Columbia.

[47] NITI Aayog, 'Designing The Future of Dispute Resolution: The ODR Policy Plan For India' The Niti Aayog Expert Committee on ODR<https://www.niti.gov.in/sites/default/files/2023-03/Designing-The-Future-of-Dispute-Resolution-The-ODR-Policy-Plan-for-India.pdf> accessed 17 January 2025.

[48] Ibid.

the period for which resources remain tied up and improve the overall commercial utility of arbitration. That said, there are several other advantages as delineated in the following sections.

A. Cost Efficiency

Prolonged arbitration timelines in India increase costs by approximately 30-40% compared to global benchmarks. Countries like Singapore and Hong Kong report cost savings of up to 30% due to streamlined arbitration procedures. If replicated in India, these mechanisms could save businesses billions of rupees annually in legal fees, particularly benefiting sectors like infrastructure and startups. An efficient arbitration regime enhances investor confidence, attracting Foreign Direct Investment (FDI). For instance, Singapore attracted USD 92 billion in FDI in 2022, partly due to its arbitration-friendly environment.[49] Arbitration owes its popularity to investors. By implementing time-limited arbitration mechanisms, India could increase FDI inflows by 10-15% annually, addressing investors' concerns regarding India's slow judicial processes. Institutional arbitration can improve India's enforceability metrics, aligning it with arbitration hubs like Singapore and Hong Kong. A robust arbitration framework would also reduce litigation backlogs, fostering a more business-friendly environment.

B. Ease of Judicial Burden

India's judiciary remain heavily burdened, with total pendency across all levels of the court system officially surpassing **5.**4 million cases (5.4 crore) as of early 2026. [50]Specifically, the Supreme Court alone recorded 92,828 pending cases by February 2026, marking a record increase over the past year [51]with over 4.53 crore pending cases as of November 2024.[52]

Diverting commercial disputes to institutional arbitration could reduce this burden by 15-20%, saving the judiciary approximately 1.2 million working hours annually. This reduction can be at multiple stages such as appointment, extension of mandate, and post-award challenge. By improving award quality and ensuring procedural discipline, institutional arbitration reduces the likelihood of Section 34 challenges and enforcement disputes.

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[49] UNCTAD, 'World's Investment Report 2022' (*UNCTAD,* 2022) <https://unctad.org/publication/world-investment-report-2022> accessed 18 January 2025.
[50] National Judicial Data Grid, 'Summary Report' (12 February 2026) https://njdg.ecourts.gov.in/ accessed 12 February 2026.
[51] Shalom Gauri, 'January 2026: Pendency increases by 510 cases' (*Supreme Court Observer*, 6 February 2026) https://www.scobserver.in/journal/january-2026-pendency-increases-by-510-cases/ accessed 12 February 2026.
[52] Satyendra Wankhede, 'Parliament Watch: Over 5,200 vacancies and 4.53 crore pending cases in lower courts' (*Bar and Bench*, 28 November 2024) <https://www.barandbench.com/news/parliament-watch-over-5200-vacancies-and-453-crore-pending-cases-in-lower-courts> accessed 18 January 2025.

C. Strategic Positioning

India should develop arbitration centres modelled after SIAC or HKIAC, providing cost-effective, time-limited arbitration services. Aligning arbitration rules with the UNCITRAL Model Law would ensure international recognition and trust. India has the potential to emerge as the arbitration hub for South Asia by offering affordable and efficient dispute resolution services, similar to Singapore's role in Southeast Asia. This positioning could attract arbitration cases from neighbouring regions, further bolstering India's economic growth. China has strategically utilised its arbitration mechanisms to attract investments through the Belt and Road Initiative (BRI). The China International Economic and Trade Arbitration Commission (CIETAC) has handled disputes involving foreign parties with exceptional efficiency, ensuring investor trust. CIETAC's streamlined processes and impartial adjudication have made China an attractive destination for foreign investment.

India can draw parallels by establishing time-limited arbitration mechanisms to attract investments for large-scale projects, enhancing its credibility as a dispute resolution hub.

V. PROPOSED REFORMS FOR IMPLEMENTING TIME-LIMITED ARBITRATION IN INDIA

India, aiming to become a preferred arbitration hub, faces several systemic challenges, particularly in its arbitration processes. One of the key areas for reform is the introduction of time-limited arbitration, which ensures the trust and confidence of investors and enhances India's competitiveness as a global arbitration destination. While India has made strides in promoting arbitration, time delays in arbitration proceedings remain a significant challenge. This happens because the twelve-month deadline is often ignored due to frequent extensions granted by courts. Furthermore, challenges to arbitral awards under Section 34 may prolong the final resolution of disputes where court proceedings remain pending for extended periods.

The first major step toward promoting time-limited arbitration is enforcing strict statutory timelines for arbitration processes. As a global leader in arbitration, Singapore has set a noteworthy example with its consistent adoption of a pro-arbitration stance, including the strict time frames set by the International Arbitration Act of 1994.[53] India could similarly strengthen

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[53] International Arbitration Act 1994 (Singapore Statutes) <https://sso.agc.gov.sg/Act/IAA1994> accessed 18 January 2025.

the timelines governing key stages of arbitration, including the constitution of tribunals, the timeline for filing responses, and the issuance of the award.

Further, this can be implemented by making the fee-reduction provisions under Section 29A(4)[54] automatic rather than discretionary, where an arbitrator's fees are reduced by a fixed percentage for every month of unjustified delay beyond the statutory period. The strength of this approach is that it creates financial accountability and gives investors a predictable time-budget. However, the weakness is the risk of rushed justice, where tribunals might prioritize speed over deep analysis to avoid penalties. Specifically, the focus should be on the strict enforcement of the law by introducing punishment for the failure for not complying with the law. To mitigate this, India can follow the example of the UK's Commercial Courts, which impose exemplary costs on parties who use tactical adjournments to stall proceedings.[55] Because the credibility of a jurisdiction in having an arbitration-friendly regime is primarily based upon its enforcement mechanism.

Further, judicial intervention in arbitration proceedings must be minimized to ensure that arbitration retains its position as a fast and efficient dispute resolution mechanism. India's courts have historically been perceived as interventionist, which has led to unnecessary delays.[56] To address this concern, reforms should focus on restricting judicial intervention to the pre-defined grounds for challenge under Sections 34[57] and 48 of the Arbitration and Conciliation Act.[58] In this context, the creation of specialized arbitration benches within Indian courts, as also recommended by the Justice B.N. Srikrishna Committee (2017)[59] and the Justice T.K. Viswanathan Committee (2024),[60] could expedite arbitration-related cases, ensuring uniformity and faster disposal of challenges.

These benches would be composed of judges with specific expertise in commercial law and international arbitration, supported by a specialized administrative registry. Such specialisation could promote greater consistency in arbitration-related adjudication and facilitate faster

[54] Arbitration and Conciliation Act 1996, s 29A(4).
[55] Civil Procedure Rules 1998, SI 1998/3132, pt 44.
[56] Deeksha, 'Success and wider acceptability of emergency arbitration depends on consistent enforcement of emergency awards': Justice Hima Kohli at India ADR Week 2024' (*SCC Online,* 28 September 2024) <https://www.scconline.com/blog/post/2024/09/28/success-of-emergency-arbitration-depends-on-consistent-enforcement-emergency-awards-justice-hima-kohli-india-adr-week-2024/> accessed 18 January 2025.
[57] Arbitration and Conciliation Act 1996, s 34.
[58] Arbitration and Conciliation Act 1996, s 48.
[59] *Report of the High-Level Committee to Review the Institutionalisation of Arbitration Mechanism in India* (Justice B.N. Srikrishna Committee, 2017) s 4.6.
[60] *Report of the Expert Committee to Examine the Working of the Arbitration Law and Recommend Reforms* (Justice T.K. Viswanathan Committee, 2024).

disposal of applications. The primary stakeholders involved include the Ministry of Law and Justice for judicial appointments and the Chief Justices of High Courts for the administrative allocation of these dedicated rosters. The establishment of such benches, focused solely on arbitration matters, could help alleviate the backlog of cases and ensure a quicker resolution of disputes.

Additionally, India could look to enhance the enforceability of arbitration awards by streamlining the recognition and enforcement process of both domestic and foreign awards, aligning more closely with international standards such as the UNCITRAL Model Law. This could include stricter case-management timelines for enforcement applications and greater use of designated commercial court rosters for arbitration-related enforcement proceedings.

The promotion of institutional arbitration is another vital reform in ensuring the success of time-limited arbitration. Eminent jurists, including Justices Hemant Gupta and Hima Kohli, advocate for institutional arbitration as a solution to India's arbitration challenges, reinforcing its potential to make India a global arbitration hub.[61] This helps by replacing the informal ad hoc system with institutional oversight that acts as a clock-keeper, monitoring every deadline and preventing the unnecessary adjournments that often stall cases in India. Furthermore, because institutions review draft awards for technical errors before they are signed, the final decisions are much less likely to be challenged or overturned in court. A major criticism of arbitration in India has been the lack of robust institutional support. In comparison, other jurisdictions such as Singapore and Hong Kong have invested heavily in developing world-class arbitration institutions.[62] MCIA, which was established to cater to international disputes, is a promising step in the right direction.

Also, the fees for ad hoc arbitration can range from ₹8 to ₹24 lakhs for a two-year period, significantly higher than the ₹1.51 lakh maximum fee payable to the ICADR (administrative charges). By offering financial incentives and capacity-building programs, India could encourage the use of institutions like MCIA and create a culture of institutional arbitration. Furthermore, mandatory institutional arbitration could be introduced for disputes involving public sector undertakings (PSUs) and government contracts, ensuring that high-profile cases adhere to a standard timeline and are handled with greater efficiency.

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[61] Cyril Amarchand Mangaldas, 'Institutional Arbitration Rules: A Comparative Analysis' (2023) <https://www.cyrilshroff.com/wp-content/uploads/2024/03/Handbook-on-Institutional-Arbitration-Rules-A-Comparative-Analysis.pdf> accessed 18 January 2025.

[62] CIETAC (n 38).

India can draw inspiration from China's reform of introducing specialized arbitration mechanisms tailored to emerging industries and cross-border disputes. A salient feature of CIETAC arbitration is the combination of arbitration with conciliation, a practice which is internationally known as the "Oriental Model". It not only encourages dispute resolution but also helps to maintain friendship and cooperation between the parties. Simultaneously, CIETAC actively works to develop other alternative dispute resolution mechanisms apart from arbitration.

In addition to institutional support, reforms in the accreditation and training of arbitrators are crucial to improving the efficiency of arbitration proceedings. Arbitrators play a pivotal role in ensuring that arbitration remains fair, transparent, and timely. India should consider introducing a uniform accreditation system for arbitrators, similar to those in established arbitration hubs, to ensure that only qualified professionals are empanelled. Further, collaborating with international arbitration bodies for training and certification programs in arbitration law, practices, and ethics would enhance the professionalism and competence of Indian arbitrators. With a trained pool of qualified arbitrators, it is more likely that arbitration proceedings will follow set timelines, as skilled arbitrators will be more adept at managing the process efficiently and effectively.

India could implement expedited arbitration procedures for smaller disputes or cases that involve less complex issues. Expedited arbitration is a "fast-track" process where the arbitrator must deliver a final decision within a strict deadline, usually six months.[63] Such procedures could allow for simplified arbitration processes, including limited document production, shorter hearing times, and streamlined decision-making.

In July 2023, the United Nations Commission on International Trade Law adopted a guidance text on early dismissal and preliminary determination. For India, implementing this would mean making greater use of Section 29B of the Act, which provides a fast-track procedure with the consent of the parties. The parties may agree in writing to have their dispute resolved through the fast-track procedure, and may also agree that the tribunal shall consist of a sole arbitrator. The introduction of fast-track mechanisms would therefore further contribute to speeding up the resolution process, particularly for smaller disputes or disputes involving less complex issues. In addition to improving the efficiency of the arbitration process, fast-track mechanisms would also make arbitration more accessible to smaller businesses and disputes

[63] UNCITRAL Rules on Expedited Arbitration (2021).

with lower financial stakes, where parties may not wish to engage in lengthy and costly proceedings.

Another significant reform would be to integrate technology into the arbitration process. The use of digital tools, e-arbitration platforms, and virtual hearings has gained increasing popularity due to the COVID-19 pandemic, and it is essential for India to adopt these innovations to improve its arbitration infrastructure. Digital platforms would make it easier for parties to engage in arbitration proceedings from different parts of the world, particularly in cross-border disputes. Additionally, AI tools for case management, evidence review, and document analysis could significantly reduce the administrative burden on arbitrators and tribunals, allowing them to focus more on the substantive aspects of the case.

VI. CONCLUSION

Time-limited arbitration represents a transformative solution to India's longstanding challenges in resolving commercial disputes efficiently. Given the numerous challenges and India's strive to become a hub of investments, India has to transform accordingly to a better framework to achieve its long-term goals. By addressing systemic inefficiencies, such as delays and excessive judicial intervention, India can create an arbitration framework that rivals global leaders like Singapore and China. By alleviating the judiciary's burden and cutting arbitration costs, businesses, particularly startups and infrastructure sectors, would save millions annually, fostering a more business-friendly environment. Moreover, improved arbitration timelines would attract an increased annual growth in Foreign Direct Investment, addressing investor concerns about India's judicial inefficiencies. Time-limited arbitration is not merely a procedural improvement but a strategic initiative to align India's arbitration framework with global standards. By adopting these reforms, India can significantly enhance its global competitiveness, reduce judicial backlogs, and foster trust among international and domestic stakeholders. These proposals, if implemented, could transform India into a leading global arbitration hub, ensuring its dispute resolution mechanisms meet the demands of modern commerce and investment.