

Full text of the Speech by Hon'ble the Chief Justice of India
Shri Justice N V Ramana
at the Curtain Raiser and Stakeholders' Conclave
of International Arbitration and Mediation Centre, Hyderabad.
04 December, 2021

Namaskar

It is my pleasure to be speaking at the Curtain Raiser for the International Arbitration and Mediation Centre at Hyderabad.

I am happy to address this gathering of highly successful personalities. You are all wise and have great foresight. With your innovative outlook and hard work, you have become leaders in your respective fields. You have generated employment and wealth.

You have dealt with your businesses successfully. I hope you deal with conflicts with the same success as well. Here, I want to retell a story. The great Indian epic, the Mahabharata, provides an example of an early attempt at mediation as a conflict resolution tool, where Lord Krishna attempted to mediate the dispute between the Pandavas and Kauravas. It may be worthwhile to recall that the failure of mediation led to disastrous consequences.

You may not be law graduates, but with your experience of dealing with complex commercial transactions and practical knowledge, you already know about the legal system. Many of you may already prefer alternate dispute resolution mechanisms, before approaching Courts.

The reasons for conflicts are many. Misunderstandings, ego issues, trust and greed can lead to conflicts. Ultimately, small differences of opinion can lead to a big conflict. And even big conflicts can be resolved with some effort in understanding one other.

If conflicts arise in your personal life, they can be resolved by avoiding the people you do not like, or you can choose to personally sacrifice some property or money to get mental peace by satisfying the other person's ego. Sometimes, you may choose the path of silence or even develop a philosophical attitude to such issues. Every day, in our lives, we face conflicts - be it between family members or in our business or professional life.

Can anyone even imagine a world without conflicts? A prudent person tries to find ways to resolve the same amicably. Conflicts have a human face and it helps to be humane in our approach to resolve the same. One must have the foresight to look beyond the conflict.

But in a business, you cannot lose money, honour or your reputation. You cannot sacrifice the interests of business or industry. In such a situation also, you can think of an easy way of settling disputes without wasting much time or money, or losing your peace of mind. You can find a better way for further growth and improvement.

Now to come back to the reality, in business you might have a difference of opinions and disagreements. One would usually start by initiating a dialogue to clarify issues. If it doesn't happen, you will start to look for people who can

help you resolve such issues by negotiating. If this also doesn't work, then the only option people consider is to go to Courts. My advice, after participating in the legal profession for over 40 years in different capacities, is that you must keep the option of going to Courts as a last resort. Use this last resort only after exploring the option of ADR- arbitration, mediation and conciliation. Arbitration and mediation are efforts at restoring a relationship. I think that the most important factor behind the resolution of any dispute is having the right attitude. By right attitude, I mean we should leave aside our ego, emotions, impatience and embrace practicality. But, once these conflicts enter a Court, much gets lost in the practice and procedure.

I do not need to elaborate the benefits of mediation and arbitration to this gathering of domain experts and businesspeople. Dispute resolution mechanisms like arbitration and mediation are nowadays the preferred modes of dispute resolution.

The reasons for opting for mediation or arbitration over traditional litigation are manifold:

Fewer delays

Less expensive

More involvement of the parties in the process

Greater Party Choice

More control

More comfortable and amicable environment for the parties

Similarly, mediation has immense potential for dispute resolution in India, for both domestic and international disputes. In addition to the above advantages, mediation also has following benefits:

Allows for settlements and compromises between parties, ensuring there is no winner or loser in the process

Parties have far more control over the outcome

Possibility of a continued relationship between parties after the dispute resolution process

Greater options for choice of mediator with varied expertise, as there is no requirement for a legally trained mediator.

The exact steps in arbitration would depend on the complexity and type of issue being considered. International Arbitration Centers are present in most commercial hubs- Paris, Singapore, Hong Kong, London, New York, and Stockholm. Despite the presence of some arbitration centers in India, Indian parties that enter into an international arbitration agreement often opt for an arbitration center outside India incurring huge expenses.

The setting up of this International Arbitration and Mediation Centre in Hyderabad will change this trend in India. This Centre is being established with the best infrastructure and the empaneling of internationally acclaimed arbitrators and mediators. Best practices from across the world are being taken into consideration to ensure efficient functioning of the center and for drafting of the rules. With a global perspective and an emphasis on quality, I can assure you that it would soon be comparable to Arbitral Institutions like SIAC.

Hon'ble Chief Minister has already explained at length about the benefits of having this Centre in Hyderabad and the steps being taken by the Government to make it a robust hub for international arbitration and mediation.

One advantage this center has is its location. Hyderabad has:

Several companies relating to pharma, biotech, aerospace, IT, real estate, etc.

Hyderabad is one of the fastest growing cities in India, economically.

All the statistics indicate that Hyderabad is a top destination for business and commerce in the country.

Year-round connectivity with all major cities of the world.

World class international airport, rail and road connectivity

Accommodation in world class hotels

It has pleasant weather throughout

The people are welcoming, warm and cooperative.

As everyone knows, arbitration can be run in two different manners, either through an ad hoc process or through an institutional set up. Both forms of arbitration provide a different set of benefits, and these must be considered before a party decides which form of arbitration they wish to pursue. For instance, Institutional Arbitration has the following benefits:

Rules and procedures which ensure uniformity and certainty with respect to what to expect

List of internationally renowned arbitrators with specified fields of expertise

Administrative assistance by an experienced secretariat

Physical facilities and other support services such as video conferencing facilities.

The above reason is why most commercial entities, particularly international companies, with bigger claims are choosing institutional arbitration.

I do not want to discuss the above in detail. There are already sessions which have been organised today where many of these issues will be tackled in detail.

If you spend half a day here, then many of the issues and doubts that you have in mind will be clarified. This could be of immense help to your business.

Now, nobody can say that there is no need to know law or to understand the legal system. The legal system pervades every part of our lives- be it personal or professional. If you attend these sessions which are being chaired by my eminent Brother and Sister Judges, I am sure your learnings will be immense. The participants in the two sessions are committed individuals who are renowned globally for their knowledge in the subject.

This is a great opportunity for all of you. Even though I am the CJI and I belong to the country, taking into consideration several factors, I wanted to contribute in a small way to initiate and establish an Arbitration Centre. I am happy that after my initial suggestion and thoughts, Brother Justice Nageswara Rao suggested that instead of a small arbitration centre, a full scale international institutional arbitration and mediation centre would help the arbitration and mediation landscape in India a lot.

When I expressed my thoughts for the first time in Hyderabad in June this year, the Chief Minister reacted in a positive manner and has provided all

support without any delay. Our thoughts became a reality only with the help of the Chief Minister and the Government.

Justice Raveendran is renowned in this field. He spent a lot of time and effort in making this vision of ours a reality. He is the main man who has framed and structured this institution's rules and functioning. He is a great person, eminently knowledgeable and an extremely humble person.

I am happy to see my illustrious senior from the Supreme Court Justice Kurian Joseph here. I request him to guide this centre with his erudition and experience.

My brother Justice Subash Reddy is a son of the soil. He is actively taking interest in the development of this project. His encouragement and support are invaluable, and I thank him for the same.

Sister Justice Hima Kohli, while she was the Chief Justice of Telangana, contributed immensely by providing support for the establishment of this Center. I am glad that she continues to be the Trustee of this Centre.

I would also like to thank the Chief Justice of Telangana High Court, Shri Justice Satish Chandra Sharma. Since he has taken over, he has infused new energy and has taken an active interest in the project. I thank him for his support.

The efforts put in by the Registrar General Dr. D. Nagarjun deserve special mention. From the day this idea was conceived, he has been actively coordinating between all the stakeholders to take the project forward. He is on this job round the clock. His hard work and sincerity are highly appreciated.

I would like to sincerely thank the Law Minister, Minister for IT, Chief Secretary, IT Secretary and Law Secretary of the Government of Telangana for their invaluable support. Finally, I would like to thank everyone who has been a part of organizing today's symposium.

The two panel discussions that will be taking place later today, chaired by my brother and sister judges of the Supreme Court with other distinguished experts participating, will illuminate certain nuances surrounding arbitration and mediation in the country.

I am sure this Center will be a boon to the landscape of arbitration and mediation in the country. The outcome of the process will command respect as there will be sanctity of the process.

I hope that such conferences continue to be organized under this Center, and that the Center will lead the way forward in India.
