

INTRODUCTION

1. Why the International Centre for Alternative Dispute Resolution.

- 1.1 The justice dispensing system in India has come under great stress for several reasons; chief of them being the huge pendency of cases in Courts. In India, the number of cases filed in Courts has shown tremendous increase in recent years for a variety of reasons resulting in pendency and delays underlining the need for alternative dispute resolution methods. It is in this context, the following Resolution was adopted by the Chief Ministers and the Chief Justices of States in a Conference held in New Delhi on 4th December 1993 under the Chairmanship of the then Prime Minister of India and presided over by the Chief Justice of India :-

"The Chief Ministers and Chief Justices were of the opinion that Courts were not in a position to bear the entire burden of justice system and that a number of disputes lent themselves to resolution by alternative modes such as arbitration, mediation and negotiation. They emphasized the desirability of disputants taking advantage of alternative dispute resolution which provided procedural flexibility, saved valuable time and money and avoided the stress of a conventional trial".

In a developing country like India with major economic reforms under way within the frame-work of rule of law, strategies for swifter resolution of disputes for lessening the burden on the Courts and to provide means for expeditious resolution of disputes, there is no better option but to strive to develop alternative modes of dispute resolution by establishing facilities for providing settlement of disputes through arbitration, conciliation, mediation, negotiation, etc.

- 1.2 As the Arbitration Act of 1940 proved ineffective for early settlement of disputes by arbitration, the first major step taken in this direction was the introduction in Parliament of the Arbitration and Conciliation Bill, 1995. The provisions of the Bill were promulgated as Ordinances on 16th January 1996 and again on 26th March 1996.

The Bill was finally enacted as the Arbitration and Conciliation Act, 1996 and was brought into force with effect from August 22, 1996. This Act, based on the UNCITRAL Model Law on International Commercial Arbitration and the UNCITRAL Conciliation Rules, provides the basis for the growth of the ALTERNATIVE DISPUTE RESOLUTION (ADR) movement in India on scientific lines. Being based on the UNCITRAL model, this legislation, it is hoped, will help to build confidence among foreign parties intending to enter into long-term commercial relations with their Indian counterparts.

1.3 It was against this backdrop that The International Centre for Alternative Dispute Resolution (ICADR) was established and registered as a society under the Societies Registration Act, 1860 for the promotion and development of ADR facilities and techniques. The ICADR is an autonomous organization under the aegis of the Ministry of Law, Justice and Company Affairs, Govt. of India. It was inaugurated by the Prime Minister of India at New Delhi on October 6, 1995. The Chief Justice of India is its Patron. More than forty delegates from the SAARC countries attended the inauguration of the Centre.

2. OBJECTIVES

The main objectives of the ICADR are:

- (i) To propagate, promote and popularise the settlement of domestic and international disputes by different modes of ADR;
- (ii) To establish facilities and provide administrative and other support services for holding conciliation, mediation and arbitration proceedings;
- (iii) To promote reform in the system of settlement of disputes and its healthy development within the frame-work of the social and economic needs of the community;
- (iv) To appoint conciliators, mediators, arbitrators and other ADR neutrals when so requested by the parties from among a panel of qualified and experienced ADR neutrals;
- (v) To undertake training/teaching in ADR and related matters and to award diplomas, certificates and other academic or professional distinctions;
- (vi) To develop infrastructure for higher education and research in the field of ADR;
- (vii) To arrange for fellowships, scholarships, stipends etc. with a view to developing professionalism in ADR.

3. OFFICES

The Head office of the ICADR is located at Plot No.6, Vasant Kunj Institutional Area, Phase-II, New Delhi-110070 (India). ICADR has plans to establish Regional Centres at all the State Capitals in India with a view to spreading the ADR movement throughout the country. The first Regional Centre was set up at Hyderabad with the financial and other support of the Andhra Pradesh Government. Another Regional Centre has been set up at Bangalore with the financial and other support of Karnataka Government. Various other State Governments have welcomed in principle the idea of setting up Regional Centres in their States.

4. FUNDS

The initial source of funds for the ICADR are corpus grants from the Government of India and the State Governments. It also expects to receive public and institutional donations and grants, apart from Membership fees and fees for professional services.

5. MEMBERSHIP

5.1 There are four types of subscribing members :

- (i) Corporate Members
- (ii) Associate Members (Annual)
- (iii) Life Members
- (iv) Ordinary Members (Annual)

All applicants other than individuals may be the Corporate Members or Associate Members (Annual). Individual members are as Life Members or Ordinary Members (Annual).

5.2 The fee for members of different categories are as follows:

- | | |
|--------------------------------|----------------|
| 1. Corporate Member (one time) | - Rs. 1 Lakh |
| 2. Associate Member (Annual) | - Rs. 10,000/- |
| 3. Life Member (One time) | - Rs. 10,000/- |
| 4. Ordinary Member (Annual) | - Rs. 1,000/- |

5.3 Application Forms for Membership are given at the end of this Brochure (Appendix C).

6. AREAS IN WHICH ADR WORKS

Almost all disputes - commercial, civil, labour and family disputes-in respect of which the parties are entitled to conclude a settlement, can be settled by ADR procedures. ADR techniques have been proven to work in the business environment, especially in respect of disputes involving joint ventures, construction projects, partnership differences, intellectual property rights, personal injury, product liability, professional liability, real estate, securities, contract interpretation and performance and insurance coverage.

7. ICADR SERVICES

The services rendered by ICADR include

- arbitration, conciliation, mini-trial, Con/Med-arb, negotiation etc.;
- better solution to business disputes;
- expert fact-finding;
- model contract clauses to build arbitration, conciliation and mediation into business relationships;

- guidelines for ADR processes;
- training for arbitrators, conciliators and mediators and professional and industry advisers;
- contact with other ADR organizations in India and abroad;
- fixed fee packages for small disputes.

8. DISPUTE RESOLUTION PROCEDURES OFFERED

The several dispute-resolution procedures administered by the ICADR are:

Negotiation: A non-binding procedure in which discussions between the parties are initiated without the intervention of any third party with the object of arriving at a negotiated settlement to the dispute.

Conciliation/Mediation: A non-binding procedure in which an impartial third party, the conciliator/mediator, assists the parties to a dispute in reaching a mutually satisfactory agreed settlement of the dispute.

Con/Med-Arb: A procedure which combines, sequential, conciliation and, where the dispute is not settled through conciliation/mediation within a period of time agreed in advance by the parties, arbitration.

Mini-trial: A non-binding procedure in which the disputant parties are presented with summaries of their cases to enable them to assess the strength, weaknesses and prospects of the case and then an opportunity to negotiate a settlement with the assistance of a neutral adviser.

Arbitration: A procedure in which the dispute is submitted to an arbitral tribunal which makes a decision (an "award") on the dispute that is binding on the parties.

Fast-track Arbitration: A form of arbitration in which the arbitration award is rendered in a particularly short time and at reduced cost.

9. PROCEDURE RULES

To facilitate the resolution of disputes referred to in para 8, ICADR has framed the following Rules

- (i) The ICADR Arbitration Rules, 1996 (including provisions for Fast Track Arbitration); (ii) The ICADR Conciliation Rules, 1996; (iii) Rules and Procedure for Mini-trial under ICADR, 1996.

Copies of the Arbitration and Conciliation Act, 1996 and the Rules referred to above are available from ICADR's office on payment of a nominal price.

10. ADVANTAGES

The dispute-resolution procedures administered by the ICADR offer, among other things,

- savings of time and cost;
- autonomy for the parties to an international dispute, choice of the applicable law and procedure and the language of the proceedings;
- the possibility of ensuring that specialized expertise is available on the tribunal in the person of the arbitrator, mediator, conciliator or neutral adviser;
- strict confidentiality.

11 HOWTO REFER DISPUTESTOICADR

Disputes can be referred to the ICADR through a procedure administered by the ICADR in two ways :

- by a clause in a contract providing for the reference of all future disputes under that contract, or
- by a separate agreement providing for the reference of an existing dispute.

Model Arbitration/Conciliation Clauses and Model Arbitration/ Conciliation Agreement are annexed as Appendix A.

12. ICADR FEE STRUCTURE

Fees are payable to the ICADR in respect of each procedure and to the arbitrator/conciliator/mediator/neutral adviser/expert in accordance with the fee structure under the rules. Schedules of fees and charges for ADR procedures under ICADR for (i) Domestic commercial arbitration/conciliation, (ii) Domestic non commercial arbitration/conciliation, and (iii) International Commercial Arbitration/Conciliation are annexed as Appendix B. Schedule of fees for other services such as mediation, neutral adviser or expert, can be had from the ICADR office.

APPENDIX - A

A MODEL ARBITRATION CLAUSE

FOR ARBITRATION OF CONTRACTUAL DISPUTES.

Parties to a contract who agree to resolve their contractual disputes in accordance with the ICADR Arbitration Rules, 1996 and to have the ICADR act as appointing authority and/or provide administrative services, may use the following clauses;

- If a dispute arises out of or in connection with this contract, or in respect of any defined legal relationship associated therewith or derived therefrom , the

parties agree to submit that dispute to arbitration under the ICADR Arbitration Rules, 1996.

- The authority to appoint the arbitrator(s) shall be the International Centre for Alternative Dispute Resolution.
- The International Centre for Alternative Dispute Resolution will provide administrative services in accordance with the ICADR Arbitration Rules, 1996.

Note: Parties may consider adding the following

- (a) The number of arbitrator(s) shall be _____
- (b) The language of the arbitration proceedings shall be _____.
- (c) Specific qualifications of the arbitrator(s) including (but not limited to) language, nationality, technical qualifications and experience.
- (d) The place of arbitration proceedings shall be _____.

APPENDIX - A

B. MODEL CONCILIATION CLAUSE

FOR CONCILIATION OF CONTRACTUAL DISPUTES.

Parties to a contract who agree to resolve their contractual disputes in accordance with the ICADR Conciliation Rules, 1996 and to have the ICADR act as appointing authority and/ or provide administrative services, may consider using the following clauses;

- If a dispute arises out of or in connection with this contract, or in respect of any defined legal relationship associated therewith or derived therefrom, the parties agree to seek an amicable settlement of that dispute by conciliation under the ICADR Conciliation Rules, 1996.
- The authority to appoint the conciliator(s) shall be the International Centre for Alternative Dispute Resolution.
- The International Centre for Alternative Dispute Resolution will provide administrative services in accordance with the ICADR Conciliation Rules, 1996.

Note: Parties may consider adding the following:

- (a) The number of conciliator(s) shall be _____
- (b) The language of the conciliation proceedings shall be _____
- (c) Specific qualifications of the conciliator(s) including (but not limited to) language, nationality, technical qualification and experience.
- (d) The place of conciliation proceedings shall be _____.

APPENDIX - A
C. MODEL ARBITRATION AGREEMENT

This agreement made this _____ day of _____ Two thousand ____
Between _____ (full description and address of the Party to be given) of the
ONE PART and _____ (full description and
address of the Party to be given) of the OTHER PART.

WHEREAS certain disputes have arisen and are subsisting between the
aforesaid parties relating to _____ (details of contract to be given).
AND WHEREAS the Parties agree to submit their dispute(s) in accordance with
the ICADR Arbitration Rules, 1996.

Now the parties hereby agree as follows:

1. The parties agree to submit their dispute (s) to arbitration in accordance with the ICADR Arbitration Rules, 1996.
2. The authority to appoint the arbitrator or the arbitrators, as the case may be, shall be the International Centre for Alternative Dispute Resolution.*
3. The arbitration shall be administered by the International Centre for Alternative Dispute Resolution (ICADR) in accordance with the ICADR Arbitration Rules, 1996.
4. The place of arbitration shall be _____
 - In case the ICADR is not required to appoint arbitrator (s), omit this clause.

In Witness Whereof, this Agreement has been signed this ____ day of _____
200 _____ at _____ by _____

1. _____ for and on behalf of _____
2. _____ for and on behalf of _____

Note: The parties may :-

- (a) provide for qualification (s) of the arbitrator (s) including, but not limited to, language, technical experience, nationality and legal experience;
- (b) specify the language for the conduct of arbitration.

APPENDIX - A
D. MODEL CONCILIATION AGREEMENT

This agreement made this _____ day of _____ Two thousand _____ Between _____ (Full description and address of the Party to be given) of the ONE PART and _____ (full description and address of the Party to be given) of the OTHER PART.

WHEREAS certain disputes and differences have arisen and are subsisting between the aforesaid parties relating to _____ (details of contract to be given). AND WHEREAS the Parties agree to submit their dispute(s) for an amicable settlement in accordance with the ICADR Conciliation Rules, 1996.

Now the parties hereby agree as follows:

1. The Parties agree to resolve their dispute (s) by conciliation in accordance with the ICADR Conciliation Rules, 1996.
2. The authority to appoint the conciliator or the conciliators, as the case may be, shall be the International Centre for Alternative Dispute Resolution.*
3. The conciliation shall be administered by the International Centre for Alternative Dispute Resolution (ICADR) in accordance with the ICADR Conciliation Rules, 1996.
4. The place of conciliation shall be _____
 - In case the ICADR is not required to appoint conciliator(s), omit this clause.

In Witness Whereof, this Agreement has been signed this _____ day of _____ 200 ____ at _____ by _____

1. _____ for and on behalf of _____
2. _____ for and on behalf of _____

Note: The parties may :-

- (a) provide for < qualification (s) of the conciliator (s) including, but not limited to language, technical experience, nationality and legal experience;
- (b) specify the language for the conduct of conciliation.

APPENDIX -B
SCHEDULE OF FEES
Domestic Commercial Arbitration / Conciliation

1. Administrative fees: (Where ICADR acts as an appointing authority and administrator).

<u>Amount in dispute</u>	<u>Amount of fee</u>
(i) where the total amount in dispute does not exceed Rs. 5,00,000/-.	(i) Rs. 5,000/-.
(ii) where the total amount in dispute exceeds Rs. 5,00,000 but does not exceed Rs.10,00,000/-	(ii) Rs. 5,000/- plus 1 percent of the amount by which the total amount in dispute exceeds 5,00,000/-.
(iii) where the total amount in dispute exceeds Rs.10,00,000 but does not exceed Rs.25,00,000/-.	(iii)Rs.10,000/- plus 0.5 percent of the amount by which the total amount in dispute exceeds Rs.10,00,000/-.
(iv) where the total amount in dispute exceeds Rs. 25,00,000 but does not exceed Rs. 50,00,000/-.	(iv)Rs.17,500/- plus 0.25 percent of the amount by which the total amount in dispute exceeds Rs. 25,00,000/-.
(v) where the total amount in dispute exceeds Rs. 50,00,000/-.	(v) Rs. 23,750/- plus 0.125 percent of the amount by which the total amount in dispute exceeds 50,00,000/- subject to a maximum of 35,000/-.

Note: Where dispute cannot be expressed in terms of money, the Secretary-General shall determine the amount of administrative fees, in his discretion, in each case.

(2) Non-refundable fee Rs. 5000/- (Where ICADR acts only as an appointing authority)

APPENDIX – B

II. Arbitrator's / Conciliator's fee (in Domestic Commercial Arbitration / Conciliation)

<u>Amount in dispute</u>	<u>Amount of fee for one arbitrator / conciliator</u>
(i) where the total amount in dispute does not exceed Rs.5,00,000	Rs.10,000
(ii) where the total amount in dispute exceeds Rs.5,00,000 but does not exceed Rs.10,00,000	Rs.10,000 plus 1 percent of the amount by which the total amount in dispute exceeds Rs.5,00,000
(iii) where the total amount in dispute exceeds Rs.10,00,000 but does not exceed Rs.25,00,000.	Rs.15,000 plus 0.5 percent of the amount by which the total amount in dispute exceeds Rs.10,00,000
(iv) where the total amount in dispute exceeds Rs.25,00,000 but does not exceed Rs.50,00,000	Rs.22,500 plus 0.25 percent of the amount by which the total amount in dispute exceeds Rs.25,00,000
(v) where the total amount in dispute exceeds Rs.50,00,000	Rs.28,750 plus 0.125 percent of the amount by which the total amount in dispute exceeds Rs.50,00,000 subject to a maximum of Rs.1,00,000 in case of arbitration & Rs.35,000 in case of conciliation.

Note:

Where the dispute cannot be expressed in terms of money, the arbitral tribunal/conciliator shall determine the amount of fee in each case.

Charges for Arbitration Hall: Rs, 1,500 for one day or part thereof

Note:

Where the facilities are provided in a place other than in ICADR's offices the charges will be determined in each case and billed separately.

APPENDIX -B
B. DOMESTIC NON-COMMERCIAL
ARBITRATION / CONCILIATION

I. Administrative fees:

- (1) Fee: (Where ICADR acts as an appointing authority and administrator)

Where the dispute can be expressed in terms of money, the fees will be the same as applicable for domestic commercial arbitration/conciliation.

Note: Where the dispute cannot be expressed in terms of money the Secretary-General shall determine the amount of administrative fee, in his discretion in each case.

- (2) Non-refundable fee: Rs. 5000/-
(Where ICADR acts only as an appointing authority)

II. Arbitrator's/Conciliator's fee: The amount to be determined by the Arbitral Tribunal/Conciliator in each case.

III. Charges for Arbitration Hall Rs. 1,500 for one day or part thereof

Note: Where the facilities are provided in a place other than in ICADR's offices, the charges will be determined in each case and billed separately.

APPENDIX - B

INTERNATIONAL COMMERCIAL ARBITRATION / CONCILIATION

1. Administrative fees:

(I) **Fee** - (Where ICADR acts as an appointing authority and administrator).

<u>Amount in dispute (in US \$)</u>	<u>Amount of fee (in US \$)</u>
(i) where the total amount in dispute does not exceed 50,000	1,000
(ii) where the total amount in dispute exceeds 50,000 but does not exceed 1,00,000	1,000 plus 1 percent of the amount by which the total amount in dispute exceeds 50,000
(iii) where the total amount in dispute exceeds 1,00,000 but does not exceed 2,50,000.	1,500 plus 0.5 percent of the amount by which the total amount in dispute exceeds 1,00,000
(iv) where the total amount in dispute exceeds 2,50,000 but does not exceed 5,00,000	2,250 plus 0.25 percent of the amount by which the total amount in dispute exceeds 2,50,000
(v) where the total amount in dispute exceeds 5,00,000	2,875 plus 0.125 percent of the amount by which the total amount in dispute exceeds 5,00,000 subject to a maximum of 10,000.

Note:

Where dispute cannot be expressed in terms of money, the Secretary-General shall determine the amount of administrative fees, in his discretion, in each case.

(2) Non-refundable fee

US\$500 (in case of arbitration)

US\$ 250 (in case of conciliation)

(Where ICADR acts only as an appointing authority)

APPENDIX – B

II. Arbitrator's / Conciliator's fee:

(in International Commercial Arbitration / Conciliation)

<u>Amount in dispute (in US\$)</u>	<u>Amount of fee for one arbitrator/conciliator(in US \$)</u>
(i)where the total amount in dispute does not exceed 50,000	2,000
(ii)where the total amount in dispute exceeds 50,000 but does not exceed 1,00,000.	2,000 plus 1 percent of the amount by which the total amount in dispute exceeds 50,000.
(iii)where the total amount in dispute exceeds 1,00,000 but does not exceed 2,50,000.	2,500 plus 0.5 percent of the amount by which the total amount in dispute exceeds 1,00,000.
(iv)where the total amount in dispute exceeds 2,50,000 but does not exceed 5,00,000.	3,250 plus 0.25 percent of the amount by which the total amount in dispute exceeds 2,50,000.
(v)where the total amount in dispute exceeds 5,00,000	3,875 plus 0.125 percent of the amount by which the total amount in dispute exceeds 5,00,000 subject to a maximum of 50,000.

Note:

Where the dispute cannot be expressed in terms of money, the arbitral tribunal /conciliator shall determine the amount of fee in each case.

III. Charges for Arbitration Hall

US\$250 for one day or part thereof

Note: Where the facilities are provided in a place other than in ICADR's offices the charges will be determined in each case and billed separately.

APPENDIX -C
THE INTERNATIONAL CENTRE FOR ALTERNATIVE DISPUTE RESOLUTION

APPLICATION FOR INSTITUTIONAL MEMBERSHIP

We wish to join the ICADR as Corporate/Associate Member. Our particulars are as follows:

1. Name (In block letters):
2. Nature of the organization: (Company, Partnership, Society, Trust etc.):
3. Kind of organization (Manufacturing, Trading, Charitable, etc.)
4. Address:.....
..... Pin.....
Tel. Fax
E-mail
5. Name of Chief Executive Officer:
Tel. Fax
E-mail
6. Any other information the applicant wishes to give:

We agree to abide by the Rules & Regulations of the ICADR. We enclose a draft/cheque no. for Rs. being the membership fee.

Place: **(Signature of the Applicant)**
Date:

Signature

Recommended by: **(Member, Governing Council)**
(If the space provided is insufficient, please attach additional sheet)

1. Extract of Rule 3 of the Rules & Regulations of the ICADR: "There shall be the following classes of Members":

<u>Institutions</u>	<u>Subscription</u>
Corporate Member	Rs. 1,00,000- (One time)
Associate Member	Rs. 10,000/- per annum

2. Please attach Memorandum & Articles /Partnership deeds, etc. Also attach a list of Partners/Directors/Governing Body/Members etc.

APPENDIX - C
THE INTERNATIONAL CENTRE FOR
ALTERNATIVE DISPUTE RESOLUTION

APPLICATION FOR MEMBERSHIP (INDIVIDUAL)

I wish to join the ICADR as Life/Ordinary Member. My particulars are as follows:

1. Name (In block letters):
2. Father's Name (In block letters):
3. Nationality: 4. Date of Birth:
5. Academic Qualifications:
6. Office Address:
..... Pin
- Tel. Fax E-mail
7. Residential Address:
..... Pin
- Tel. Fax E-mail
8. I would like to receive my mail on address.
9. Professional Experience:
10. Experience of ADR:
11. Publications, if any:
12. Any other information the applicant wishes to give:

I agree to abide by the Rules & Regulations of the ICADR. I enclose a draft/ cheque no. for Rs. being the membership fee.

Place: **(Signature of the Applicant)**

Date:

Recommended by: **Signature**
(Member, Governing Council)

(If the space provided is insufficient, please attach additional sheet) 1. Extract of Rule 3 of the Rules & Regulations of the ICADR: "There shall be the following classes of Members":

Individuals

1. Life Member
2. Ordinary Member

Subscription

- Rs. 10,000/- (One time)
- Rs. 1,000/- per annum

ICADR, REGIONAL CENTRE, HYDERABAD

ADVISORY COUNCIL

PATRON:

Hon'ble Shri Justice G.S. Singhvi, Chief Justice, A. P. High Court

MEMBERS

Hon'ble Shri Justice J. Chelameswar, Judge, A.P. High Court.

Shri C.V. Mohan Reddy, Advocate-General, Govt. of A.P.

Shri V.Suri Appa Rao, Secretary to Government, Legal Affairs, Law Department, Govt. of A.P.

Shri I.Y.R.Krishna Rao, I.A.S., Principal Finance Secretary (R&E), Govt.of A.P.

Shri M.K.Rehman, Engineer-in-Chief, Irrigation & CAD Department, Govt. of A.P.

Prof. V. Nageswara Rao, Former Head of Dept. of Law, Osmania University, Hyderabad.

Mr. M. Harishchandra Prasad, Chairman & Managing Director, The Andhra Sugars Ltd.

Mr. Ch.G. Krishnamurthy, Treasurer & Member, Governing Council, ICADR and Former Member, Law Commission of India.

ICADR, REGIONAL CENTRE, BANGALORE

ADVISORY COUNCIL

PATRON:

Hon'ble Shri Justice Cyriac Joseph, Chief Justice, Karnataka High Court

MEMBERS

Hon'ble Shri Justice N . Kumar, Judge, High Court of Karnataka & Executive Chairman of ICADR, Regional Centre, Bangalore.

Shri Udaya Holla, Advocate - General, Govt. of Karnataka

Shri B.S. Reddy, Law Secretary, Govt. of Karnataka,

Shri Gokul Ram, Prl. Finance Secretary, Govt. of Karnataka

Shri T. Sukumar, Secretary to Govt., Public Works Department, Govt. of Karnataka

Shri Sadashiva Reddy Y.R., Chairman, Karnataka State Bar Council

Shri R.C. Purohith, President, Federation of Karnataka Chambers of Commerce & Industry, Bangalore

Dr.A.Jaya Govind, Vice-Chancellor, National Law School of India University, Bangalore

Dr. V. Nagaraj, Professor, National Law School of India University, Bangalore

Shri S.Sukumar, Chartered Accountant, Bangalore

Shri K.Subba Rao, Chartered Accountant, Bangalore

Shri R.N.Shetty, Businessman, Bangalore