



# **FACULTY OF JURIDICAL SCIENCES**

**COURSE: B.A.LL.B./B.B.A.LL.B./LL.B.**

**Semester: VIII/VIII/IV**

**SUBJECT: Alternative Dispute**

**Resolution**

**SUBJECT CODE:**

**BAL803/BBL803/LLB401**

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# Lecture-17



## LECTURE 17: Form and Content of Arbitral Award

The arbitrators are required to set out the reasons on which their award is based, unless the parties agree that no reasons are to be given or if it arises out of agreed terms of settlement. The tribunal may make an interim award on matters on which it can also make a final award. Indian law provides for a very healthy 18% interest rate on sums due under an award. Thus, unless the arbitral tribunal directs otherwise, the award will carry interest at 18% per annum from the date of the award till the date of payment. The tribunal is free to award costs, including the cost of any institution supervising the arbitration or any other expense incurred in connection with the arbitration proceedings.

### **SECTION 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.
- (2) For the purposes of sub-section (1), in arbitral proceeding with more than one arbitrator, the signatures of the majority of all the members of the arbitral tribunal shall be sufficient so long as the reason for any omitted signature is stated.
- (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.
- (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.
- (5) After the arbitral award is made, a signed copy 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.
- (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 eighteen per centum per annum from the date of the award to the date of payment.
- (8) Unless otherwise agreed by the parties, -
  - (a) The costs of an arbitration shall be fixed by the arbitral tribunal
  - (b) The arbitral tribunal shall specify

- (i) The party entitled to costs,
- (ii) The party who shall pay the costs
- (iii) The amount of costs or method of determining that amount, and
- (iv) The manner in which the costs shall be paid.

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 proceeding and the arbitral award.