



Arbitration Law Clarified: Proceedings Commence Upon Notice, Not Section 11 Petition – Supreme Court Reaffirms Statutory Position

The Supreme Court of India has authoritatively reiterated that arbitral proceedings commence on the date the notice invoking arbitration is received by the respondent, and not on the date of filing an application before the Court under Section 11 for appointment of an arbitrator.

Interpreting Section 21 of the Arbitration and Conciliation Act, 1996, the Court emphasized that the statutory scheme expressly provides that arbitration begins when a request to refer disputes to arbitration is communicated to and received by the opposite party. The filing of a petition under Section 11 is merely a procedural recourse adopted when the parties are unable to mutually constitute the arbitral tribunal, and cannot be treated as the starting point of arbitral proceedings.

The ruling came while setting aside a judgment of the Karnataka High Court, which had vacated interim relief granted under Section 9 of the Act on the ground that arbitral proceedings had allegedly not been initiated within the prescribed time.

Disapproving such reasoning, the Supreme Court held that equating the commencement of arbitration with the filing of a Section 11 petition would be inconsistent with both the text and intent of the Act. The Court further observed that once a valid notice invoking arbitration has been issued, parties should not be subjected to adverse consequences arising from delays inherent in judicial processes beyond their control.

The judgment firmly establishes that issuance and receipt of a valid notice invoking arbitration constitutes the decisive and determinative event for commencement of arbitral proceedings, particularly for purposes of interim protection under Section 9 and compliance with statutory timelines.

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Key Takeaways

- Arbitral proceedings commence upon receipt of notice invoking arbitration under Section 21
- Filing of a Section 11 petition does not constitute commencement of arbitration
- Judicial delays in appointment of an arbitrator cannot defeat or nullify interim relief under Section 9
- Parties cannot be penalized for procedural or court-related delays after valid invocation of arbitration
- The decision strengthens certainty, fairness, and procedural clarity within arbitration jurisprudence