Dispute Avoidance: The meeting that could have saved everything

The most sophisticated enforcement framework in the world is still enormously more expensive than the mediated conversation that prevented the dispute from becoming a claim in the first place.

Tariq Khan, Pavani Sibal

Published on:
12 Aug 2026

Between us, we have sat on both sides of the table in commercial disputes more times than either of us cares to count. One of us as external counsel, walking into matters that had already escalated beyond the point of comfortable resolution. The other as General Counsel, sitting inside organisations when the first cracks appeared in a commercial relationship and watching, sometimes helplessly, as those cracks widened into fractures.

What we have both observed from opposite sides of the table is the same thing. The disputes that became catastrophic were rarely the ones that started catastrophically. They were the ones that started small, were misread as manageable and were allowed to grow in the silence between meetings that resolved nothing.

This is what we want Indian businesses to understand. Not the law of dispute resolution. The reality of it.

The pattern

It begins with a conversation that does not quite conclude. A joint venture partner who seemed aligned last quarter now seems to be reading the contract differently. An overseas counterpart who once responded to calls within the hour now replies by email, carefully worded, copied to people who were not previously on the chain. A management agreement that ran smoothly for 3 years begins generating questions about data, about fees, about who is responsible for what.

Nobody calls it a dispute yet. Calling it a dispute would require doing something about it, which is uncomfortable. So instead, everyone calls it a situation, a misunderstanding, something that will sort itself out at the next meeting.

It does not sort itself out. The next meeting produces minutes but no decisions. The same issues appear on the following agenda. Positions that were once flexible begin to harden. And by the time someone finally uses the word dispute, the lawyers have already been quietly briefed, the relationship has already been damaged and the cost of resolution has already multiplied several times beyond what it would have been 6 months earlier.

We have both watched this happen in infrastructure projects, in renewable energy ventures, in hospitality management agreements, in cross-border joint ventures between Indian businesses and their international partners. The geography changes. The sectors change. The pattern does not.

What Indian businesses do that makes it worse

There is a particular way that Indian businesses - and we say this with the deepest respect for a commercial culture we both know intimately - tend to approach the early stages of a dispute. They handle it internally. They send the senior person. They put the position on the table directly, forcefully, as a statement of what they are entitled to. They negotiate the way they have always negotiated, the way that works in a marketplace but does not work at a negotiating table where the other party is doing exactly the same thing.

What happens in that meeting is not negotiation. It is competition. Both sides advance their strongest position. Neither side finds common ground because neither side is looking for it. The conversation that was meant to resolve the dispute instead becomes the moment at which both parties discover how far apart they actually are. The meeting that was called to save the relationship becomes the meeting that ends it.

We have seen this in India. We have seen it in UAE. We have seen it across the UK. The instinct to handle things directly, without a neutral presence, is universal and it is almost universally counterproductive once a dispute has begun to crystallise.

The early warning signs that are always missed

Disputes do not arrive without notice. They announce themselves, quietly and consistently, in the months before they become visible. The businesses that avoid catastrophic conflict are the ones that have learned to read those announcements. When a counterpart who once called begins sending formal emails, the dispute has already started. The record is being built. The lawyers have not been instructed yet, but the behaviour has already changed.

When data stops flowing freely in a joint venture or a management arrangement or when the operational reports become selective, when the financial information arrives late or incomplete, trust has broken down. Parties who trust each other share information without being asked. Parties who have stopped trusting each other share the minimum the contract requires, sometimes less.

These signs appear in every dispute we have ever encountered, without exception, months before the dispute becomes a formal claim. They are readable. They are actionable. And they are almost always ignored, because acting on them requires acknowledging that something is wrong before it is bad enough to force action and that acknowledgement is uncomfortable in a way that waiting is not.

What actually works

We are not writing this as an advertisement for lawyers or mediators, though we are both practitioners who believe in what we do. We are writing it because across our combined decades of experience, we have watched businesses spend millions resolving disputes that could have been resolved for a fraction of that cost – in terms of money, time and relationship – had they acted differently in the early weeks.

Three things actually work.

A neutral presence, early. The single most effective intervention in a developing commercial dispute is a neutral third party brought into the conversation before positions have hardened. A mediator engaged at the first sign of friction costs a fraction of what they cost once lawyers are instructed and entrenched. More importantly, they change the dynamic of the conversation from competition to problem solving. They have no ego invested in the outcome. Their only function is to help both parties find the resolution that serves their actual interests rather than their stated demands.

A dispute resolution clause that actually works. Most commercial contracts between Indian businesses and their international counterparts, particularly in the UAE and the UK, contain dispute resolution clauses that were drafted as an afterthought and are effectively inoperative when a real dispute arises. A clause that requires the parties to attempt mediation at an early stage, with a defined process and a defined timeframe, removes the stigma of being the first to raise the issue. Neither party proposes mediation. The contract requires it. That structural obligation is the difference between a dispute addressed in weeks and one allowed to fester for months.

Keep the commercial objective in view. Every business owner we have worked with in a dispute has said the same thing at some point - I just want to resolve this and get back to business. That objective is almost always available. The dispute that looks intractable from inside an adversarial process frequently resolves quickly once the parties step outside it and remember what they actually came to do. A skilled neutral helps them make that step. What prevents them from making it, almost every time, is not the complexity of the issue. It is the momentum of the process they chose.

A voice from inside the organisation

The real value of an in-house legal function lies not in winning disputes, but in preventing them from becoming disputes at all. Unlike external counsel, who are often instructed once positions have crystallised, the in-house lawyer occupies a unique vantage point at the intersection of legal risk, commercial strategy and organisational behaviour. You see the subtle changes long before they become legal claims: the negotiation that no longer feels collaborative, the project meeting that ends with unresolved tension rather than agreed action, the increasing tendency to communicate through carefully drafted emails instead of direct conversations, the reluctance to share information that once flowed freely. Individually, these developments may appear insignificant. Collectively, they are almost always early indicators that trust, rather than the contract itself, is beginning to fracture.

The most effective General Counsel are, therefore, not simply legal advisers; they are architects of governance, stewards of commercial relationships and, increasingly, designers of processes that enable difficult conversations to take place before legal rights harden into entrenched positions. Organisations that empower their legal teams to facilitate those conversations early - and to engage an independent neutral where appropriate - are not merely reducing legal exposure; they are protecting enterprise value, preserving strategic partnerships and strengthening the resilience of the business itself.

As an example, a significant cross-border commercial relationship that had operated successfully for several years began to show subtle but unmistakable signs of deterioration. There was no notice of breach, no threat of arbitration and no hostile correspondence. Instead, operational reports became increasingly selective, routine decisions that had previously been made collaboratively were repeatedly deferred, technical queries attracted unexpectedly formal responses and meetings concluded with polite agreement but little genuine progress. It would have been easy to dismiss these developments as the ordinary friction of a complex international project. Experience suggested otherwise.

Rather than allowing each side to retreat behind increasingly legalistic positions, we encouraged a structured dialogue focused on underlying commercial interests, not dogmatic positions, supported by an experienced neutral who was able to separate the personalities from the issues and the positions from the interests. What emerged was not a dispute about contractual interpretation at all, but a convergence of changing operational priorities, governance expectations and cultural assumptions that neither party had articulated openly.

Once those underlying concerns were acknowledged, the contractual issues proved comparatively straightforward to resolve. The parties agreed revised governance mechanisms, restored confidence and continued a commercially valuable relationship that almost certainly would have progressed to formal proceedings had intervention been delayed by only a few months. By the time a dispute becomes visible in legal terms, it has often been developing organisationally and commercially for many months. The greatest opportunity for resolution almost always exists before anyone describes the problem as a legal dispute.

A final word

Indian businesses are operating across more international markets, with more complex counterparties, under more sophisticated contractual frameworks than at any previous point. The UAE is now home to a significant and growing Indian commercial community. The UK remains one of India's most important trade and investment relationships. The disputes that arise in those markets are correspondingly more complex and more expensive when they go wrong.

The legal frameworks available in those markets (the DIFC Courts and ADGM Courts in the UAE, the English courts and arbitration infrastructure in London) are among the most sophisticated in the world. They are designed to resolve disputes with efficiency and finality. But the most sophisticated enforcement framework in the world is still enormously more expensive than the mediated conversation that prevented the dispute from becoming a claim in the first place.

The warning signs are always there. The question is whether anyone is paying attention.

Seeing them early and acting on them with the right process and the right neutral is the difference between a dispute that costs a week and one that costs years.

Tariq Khan is Partner and Head of International Arbitration at M&CO Legal, Dubai International Financial Centre.

Pavani Sibal is a dual-qualified lawyer (England & Wales and India) with over 20 years of international experience as General Counsel.

Both authors write in a personal capacity. Views expressed are their own.