

**GOVERNMENT OF INDIA
MINISTRY OF LAW AND JUSTICE
DEPARTMENT OF LEGAL AFFAIRS**

LOK SABHA

STARRED QUESTION NO.*42

TO BE ANSWERED ON FRIDAY, THE 04th February, 2022

National Litigation Policy

*42. SHRI SUNIL KUMAR SINGH:
SHRI P.P. CHAUDHARY:

Will the Minister of *LAW AND JUSTICE* be pleased to state:

- (a) whether a new National Litigation Policy is being formulated by the Government;
- (b) if so, a detailed outline of considerations and provisions of the proposed policy;
- (c) whether a timeline has been set for rolling out of the new policy and if so, the details thereof;
- (d) the manner in which the Government proposes to implement the said policy; and
- (e) the steps taken by the Government to reduce litigation during the last two years?

ANSWER

MINISTER OF LAW AND JUSTICE

(SHRI KIREN RIJJU)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN RESPECT OF PARTS (a) to (e) OF THE LOK SABHA STARRED QUESTION NO. *42 DATED 04TH FEBRUARY, 2022

(a) to (d): Yes, Sir. With the objective to lay down guidelines for preventing, controlling and reducing litigation, keeping in view the policy & plans of the Government, in a cohesive and organized manner, formulation of Litigation Policy is under consideration.

(e): Ministries and Departments like the Railways and Department of Revenue, involved in a high number of litigations have been taking several measures for reducing the number of Court cases. Ministry of Railways have issued instructions for effective monitoring of Court cases at all levels. Zonal Railways and Production Units have been asked to take effective steps to reduce the number of cases in which the Government is a party and reduce the burden of courts, expedite finalization of all the cases in all courts at the earliest and to cut down the expenditure in contesting court cases. For achieving this, emphasis has been laid on effective monitoring of cases by having regular meetings with empanelled advocates, for briefing and necessary directions to be given at the highest level, besides ensuring timely submission of replies, Counter replies and necessary documents to the advocates.

The Central Board of Direct Taxes (CBDT) and the Central Board of Indirect Taxes and Customs (CBIC) under the Department of Revenue, have issued a slew of instructions and brought in several measures, for reducing litigations and the resultant burden on Courts. While the CBDT has issued circulars directing the field Officers that pending appeals before Income Tax Appellate Tribunals/High Courts/Supreme Court with tax effect below the specified limits may be withdrawn/not pressed, and in the process facilitating a better and concerted focus on high demand litigations. CBDT has also clarified to the field officers that appeals should not be filed merely because the tax effect in a particular case exceeds the prescribed monetary limits and the filing of an appeal should be decided strictly on the merits of the case.

Similarly, the field formations under the CBIC have been instructed to withdraw appeals pending in High Courts/Customs Excise and Service Tax Appellate Tribunal, where the Supreme Court has decided on identical matter. Besides, CBIC has also instructed its field formations not to contest further in appeal where the issue has been lost in two stages of appeals. It has been decided, however, that in cases where it is felt that the issue is fit for further appeal, then on proper justification and approval of the Zonal Chief Commissioner, an appeal can be filed for the third time. Also, the field formation have been instructed to forward only those SLP proposals where in the issue involves substantial question of law or gross perversity or illegality in the appreciation of evidence.

In this direction, both the CBDT and the CBIC have also enhanced the threshold monetary limit for filing appeals, the details of which are as follows:

CBDT:

For filing appeals	Monetary limit
Before Income Tax Appellate Tribunal	Rs. 50 lakhs
Before High Court	Rs.1 Crore
Before Supreme Court	Rs.2 Crore

CBIC:

Monetary limits for filing appeals in cases relating to Central Excise and Service Tax			Monetary limits for filing appeals in cases relating to Customs		
Before CESTAT	Before High Court	Before Supreme Court	Before CESTAT	Before High Court	Before Supreme Court
Rs.50 lakhs	Rs.1 Crore	Rs.2 Crore	Rs. 5 lakhs	Rs.10 lakhs	Rs.25 lakhs

For the purpose of monitoring of litigation of Union of India, a web-platform namely, Legal Information Management & Briefing System (LIMBS) was created in the year 2016. LIMBS Ver.2 has been launched in the year 2019 to overcome the then existing technological gaps in the application. The vision of LIMBS Ver.2 is ***‘to be a single platform for Litigation of GoI along with establishment of a synchronized regime for monitoring of Litigation’*** across all Ministries / Departments of Government of India. Presently, there are **7.95** lacs cases (including archive cases) including **5.88** lacs live/pending cases entered by **57** Ministries/Departments. It has a single database of **16055** officials/users and more than **20000** advocates. All the High Courts, except High Court of Delhi, have been integrated with LIMBS Ver.2 to facilitate monitoring of cases pending in these High Courts. In addition, the linkage of database with the Hon’ble Supreme Court is envisaged as part of LIMBS implementation. Law Secretary, vide DO letter dated 20.11.2020, followed by reminders dated 16.03.2021 and 09.07.2021 has taken up the case for grant permission for data of various Tribunals and with LIMBS Ver.2 through API with the Chairperson/President of the Tribunals and Secretaries of the respective Ministries/Departments. At present, Central Administrative Tribunal, The Telecom Dispute Settlement & Appellate Tribunal and Appellate Tribunal for Electricity have provided API linkage to their database with LIMBS Ver.2. Further, the fast track integration of database of cases of Railway Claims Tribunal, Income Tax Appellate Tribunal, National Green Tribunal, National Company Law Tribunal and National Company Law Appellate Tribunal with LIMBS is envisioned.

The alternative mechanism for the resolution of Inter-Ministerial/Departmental disputes also provide for an institutionalized mechanism for resolution of such disputes, namely, Administrative Mechanism for Resolution of Disputes (AMRD). This was

framed by the Department of Legal Affairs and circulated *vide* O.M. dated 31.03.2020. This mechanism, applicable to disputes other than taxation disputes, will reduce litigations in courts and resolve the cases outside the court system, where both parties are Govt. Department or where one party is Govt. Department and other is its instrumentalities, (CPSEs/Boards/ Authorities, etc.).

To resolve the commercial disputes between Central Public Sector Enterprises *inter-se* and Central Public Sector Enterprises and Government Departments/ Organizations in place of the earlier 'Permanent Machinery of Arbitration', a new scheme, namely, "Administrative Mechanism for Resolution of CPSE Disputes (AMRCD)" evolved by Department of Public Enterprises has been brought into effect w.e.f. 22.05.2018.

The Commercial Courts Act, 2015 was amended in 2018 to inter-alia provide for Pre-Institution Mediation and Settlement (PIMS) mechanism. Under this mechanism a party which does not contemplate any urgent interim relief in a subject-matter of commercial dispute of specified value of Rs.3 lakh and above has to first exhaust the remedy of PIMS to be conducted by the authorities constituted under the Legal Services Authorities Act, 1987, before approaching the Court.

Further for facilitating quick disposal of disputes outside the court systems by way of alternate dispute redressal mechanism of mediation, the Mediation Bill, 2021 is pending in the Rajya-Sabhainter-alia providing for pre-litigation mediation by the parties.