

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

LOK SABHA

**UNSTARRED QUESTION NO. 2027
TO BE ANSWERED ON FRIDAY, THE 2nd AUGUST, 2024**

Alternate Dispute Resolution

2027. Shri Dharambir Singh:

Shri Dhaval Laxmanbhai Patel:

Shri Baijayant Panda:

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

(a) the steps taken by the Government to promote alternate dispute resolution such as mediation, arbitration and reconciliation to reduce the burden on courts since 2014; and

(b) the benefits of alternate dispute resolution for the public at large?

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) OF THE
MINISTRY OF LAW AND JUSTICE AND MINISTER OF STATE IN
THE MINISTRY OF PARLIAMENTARY AFFAIRS
(SHRI ARJUN RAM MEGHWAL)**

(a) The Government is promoting alternate dispute resolution (ADR) mechanisms including arbitration and mediation, as these mechanisms are less adversarial and are capable of providing a better substitute to the conventional methods of resolving disputes. The use of ADR mechanisms is also expected to reduce the burden on the judiciary and thereby enable timely justice dispensation to citizens of the country. Some of the major initiatives over the years in this regard include amendments in extant laws and enactment of new legislations.

The Arbitration and Conciliation Act, 1996 has been progressively amended in the years 2015, 2019 and 2020 to keep pace with current developments in the

arbitration landscape and to enable arbitration as a viable dispute resolution mechanism. The amendments are aimed at ensuring timely conclusion of arbitration proceedings, neutrality of arbitrators, minimizing judicial intervention in the arbitral process and quick enforcement of arbitral awards. The amendments are further aimed at promoting institutional arbitration and updating the law to reflect best global practices, thereby establishing an arbitration ecosystem, where arbitral institutions can grow.

The Commercial Courts Act, 2015 was amended in the year 2018 to provide for Pre-Institution Mediation and Settlement (PIMS) mechanism. Under this mechanism, where a commercial dispute of specified value does not contemplate any urgent interim relief, the parties have to first exhaust the mandatory remedy of PIMS before approaching the Court. This is aimed at providing an opportunity to the parties to resolve the commercial disputes through mediation.

The India International Arbitration Centre Act, 2019, was enacted to provide for the establishment and incorporation of India International Arbitration Centre (Centre) for the purpose of creating an independent, autonomous and world class body for facilitating institutional arbitration and to declare the Centre to be an institution of national importance. The Centre shall be providing world class arbitration related services at its facilities in a cost effective manner for both domestic and international commercial disputes, including reputed empaneled arbitrators and requisite administrative support for the smooth conduct of arbitral proceedings.

The Mediation Act, 2023, lays down the legislative framework for mediation to be adopted by disputing parties, especially under the aegis of institutional mediation.

(b) The basic premise of using ADR mechanisms for resolution of disputes is to reduce the burden on the judiciary, enable informal justice dispensation to the parties, including the public at large. The major benefits of using ADR mechanisms include timely and efficacious resolution of disputes. A time line to conclude the ADR process has been prescribed in the respective Acts. The legislative reforms with respect to the Arbitration and Conciliation Act, 1996 have facilitated the minimization of court-intervention in arbitration proceedings and efficacious settlement of commercial disputes, thereby enabling ease of doing business. The Mediation Act, 2023 is expected to be a pivotal legislative intervention towards providing standalone law on mediation and enabling the growth of a culture of amicable settlement of disputes out of court and the outcome being party driven.
