

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

RAJYA SABHA

UNSTARRED QUESTION NO. 2185
ANSWERED ON 21.12.2023

Initiatives in alternate dispute resolution mechanisms

2185. **Shri Brij Lal:**
Dr. K. Laxman:
Dr. Sikander Kumar:

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

- (a) the Government's initiatives in the realm of alternative dispute resolution mechanisms over the past decade;
- (b) the key provisions of the India International Arbitration Centre Act, 2019; and
- (c) an evaluation of the potential impact of these measures and legislations on improving the ease of conducting business and reducing case backlogs in traditional courts?

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) OF THE
MINISTRY OF LAW AND JUSTICE; MINISTER OF STATE IN THE
MINISTRY OF PARLIAMENTARY AFFAIRS; AND MINISTER OF
STATE IN THE MINISTRY OF CULTURE**

(SHRI ARJUN RAM MEGHWAL)

(a) During the past decade, the Government of India has taken various initiatives in the realm of Alternative Dispute Resolution (ADR) mechanisms. The Government is promoting 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. Various initiatives have been taken to strengthen these mechanisms and make them user friendly, cost effective and expeditious. The major initiatives taken by the Central Government over the years in this regard includes;

(i) the Arbitration and Conciliation Act, 1996 has been progressively amended in the years 2015, 2019 and 2020. These amendments aim 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, updating the law to reflect best global practices and resolve ambiguities thereby establishing an arbitration ecosystem where arbitral institutions can flourish.

(ii) The India International Arbitration Centre Act, 2019, was enacted to provide for the establishment and incorporation of the 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 empanelled arbitrators and requisite administrative support for the smooth conduct of arbitral proceedings.

(iii) 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.

(iv) The Mediation Act, 2023, enacted recently, lays down the legal framework for mediation to be adopted by parties to a dispute, especially institutional mediation where various stakeholders have been identified to establish a robust and efficacious mediation ecosystem in the country.

(b) The key provisions of the India International Arbitration Centre Act, 2019 *inter-alia* include provisions relating to establishment of the Centre as an institute of national importance for domestic and international arbitration; composition of the Centre; objects and functions of the Centre; finance, accounts and audit of the Centre; setting up a Chamber of Arbitration, which would empanel professional arbitrators at national and international level; setting up an Academy to train arbitrators, to compete on par with reputed global arbitral institutions and power to make rules and regulations for the functioning of Centre.

(c) The basic premise of using ADR mechanisms for resolution of disputes is to reduce the burden on the judiciary and thereby enable timely justice dispensation to the parties. A time line to the conclusion of disputes 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, emergence of pro arbitration judiciary and timely 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.
