

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

RAJYA SABHA

**UNSTARRED QUESTION NO. 586
ANSWERED ON 07.12.2023**

Alternate Dispute Resolution

586. Smt. Priyanka Chaturvedi:

Will the Minister of *Law and Justice* be pleased to state:

- (a) the steps taken by Government to promote Alternate Dispute Resolution (ADR) in the country;
- (b) the average time taken by the ADR bodies to dispose of a case compared to conventional judicial mechanisms;
- (c) the quantum of finances delegated by Government to the ADR bodies in the last five years;
- (d) the number of ADR bodies in the country, State-wise;
- (e) whether Government has any specific mechanism regarding the functioning of ADR bodies, if so, the details thereof; and
- (f) the steps taken by Government to create awareness regarding ADR among the public?

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) 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. 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; the enactment of the Arbitration and Conciliation Act, 1996 with a view to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith. To keep pace with current developments in the arbitration landscape and to enable arbitration as a viable dispute resolution mechanism, the arbitration law has undergone significant changes in the years 2015, 2019 and 2021. The changes are enabled to signal a paradigm shift for ensuring timely conclusion of arbitration proceedings, minimizing judicial intervention in the arbitral process and enforcement of arbitral awards.

The Arbitration and Conciliation (Amendment) Act, 2015 provided for expeditious, fast track and time bound conclusion of arbitral proceedings, neutrality of arbitrators and cost effective delivery mechanism. This was followed by the Arbitration and Conciliation (Amendment) Act, 2019 with the main objective of giving boost to institutional arbitration and to reduce the share of *ad-hoc* arbitration in the country. Further, Section 34 of the Act was amended *vide* Arbitration and Conciliation (Amendment) Ordinance 2020 which was replaced by the Arbitration and Conciliation (Amendment) Act, 2021. The amendment *inter-alia* provides for unconditional stay of enforcement of arbitral awards where the underlying arbitration agreement, contracts or making of the arbitral award are induced by fraud or corruption.

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, which has since been established is equipped with necessary infrastructure and professional management offering quality legal and administrative expertise and empaneling reputed arbitrators for conduct of arbitration under its aegis. 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 requisite administrative support, in the smooth conduct of arbitral proceedings.

The Mediation Act, 2023, lays down the legislative framework for mediation to be adopted by disputing parties, especially institutional mediation where various stakeholders have been identified to establish a robust and efficacious mediation ecosystem in India. Mediation law will prove to be a pivotal legislative intervention towards providing comprehensive recognition to mediation and enabling the growth of a culture of amicable settlement of disputes, out of court.

(b) No such data is maintained by the Government. However, 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.

(c) The India International Arbitration Centre, an institution for administering and conducting arbitrations, was established on June 13th, 2022 under the provisions of the India International Arbitration Centre Act, 2019. The funds released to the India International Arbitration Centre, an institution of national importance, is as under:

Year	Funds released (in Indian rupees)
2022-23	2.25 crore
2023-24 (upto 29 th November, 2023)	1.50 crore

The details of the Grants-in-Aid from the Government of India to National Legal Services Authority during the financial years viz. 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 (upto November, 2023) are as given below. However, no separate funds are earmarked for any particular legal aid scheme/ programme. The allocation of funds by the National Legal Services Authority to States/UTs Legal Services Authorities is made on consolidated basis for all activities:

S. No.	Grant released by Ministry during the year
2019-20	140.00 cr.
2020-21	100.00cr.
2021-22	145.00cr.
2022-23	190.00cr.
2023-24 (upto November, 2023)	150.00cr.

(d) No such data is maintained by the Government.

(e) The various statutory provisions enable and provide for the mechanism regarding various autonomous bodies in the ADR ecosystem. Part IA of the Arbitration and Conciliation Act, 1996, contains provisions regarding the Arbitration Council of India. The India International Arbitration Centre Act, 2019, provides for the establishment and functioning of the India International Arbitration Centre. The Mediation Act, 2023 contains provisions with respect to the Mediation Council of India.

(f) The Government continues to take steps to create awareness about Alternative Dispute Resolution mechanisms. In this regard, a book titled as “*A guide to Alternative Dispute Resolution*” has been released by the Department of Legal Affairs, Ministry of Law & Justice, on 26.11.2023, during the celebrations of the Constitution Day.

The India International Arbitration Centre has since its establishment, conducted various workshops, conferences and seminars for various stakeholders in the arbitration ecosystem and encouraged parties to consider adopting institutional arbitration to enable time bound, efficacious and cost effective dispute resolution.

Further, Lok Adalats are one of the Alternative Disputes Resolution (ADR) mechanism u/s 89 of C.P.C. Lok Adalat is organised across the country as per the provisions of the Legal Services Authorities Act, 1987 read with National Legal Services Authority (Lok Adalats) Regulations, 2009 for the subject matters as prescribed under the said Act and Regulations in the Courts and Tribunals as defined under Section 2 (aaa) of the said Act. In Lok Adalat, the disputes/ cases pending in the court of law or at pre-litigation stage are settled amicably. The Lok Adalat has been given statutory status under the Legal Services Authorities Act, 1987 recognizing its efficacy as an expeditious, less costly and speedier system of administration of justice. The award made by Lok Adalat is deemed to be a decree of a civil court and is final and binding on all parties and no appeal lies against the Award before any court.

In the scenario of pandemic, the Legal Services Authorities (LSA) innovatively leveraged technology and introduced E-Lok Adalat but even now LSAs continue to espouse the improved methodologies with adaptation of technological platform.

Lok Adalat largely at one point of time remained a court annexed process, essentially working towards cutting short pending litigation and continue to discharge this function but LSAs have gone a step further. The process of early settlement of disputes at the pre-litigative stage, though, has not yet caught the fancy of private or individual litigation; none the less it has received a tremendous response from the institutional litigants such as Bank, Power Distribution and Public utility sector companies etc., which have a large potential of churning out litigation.

NALSA is organising 4 National Lok Adalats across country in a year, primarily on second Saturday, which is a holiday. The State Authorities are free to schedule and organise at State level Lok Adalat in any month or after certain interval.

The State Legal Services Authorities have been issued guidelines/ directions by the NALSA vide National Legal Services Authority (Lok Adalat) Regulations, 2009 to organise more and more Lok Adalats so that pendency of cases could be reduced.

Before, organising of National Lok Adalat, NALSA interact with State Legal Services Authorities to take a stock of the preparations and to boost the morale of all the stakeholders. The Legal Services Authorities under the aegis of NALSA organise various preparatory meetings with stakeholders and also publicise through the local media.

Using technological advancements and virtual platforms, Legal Services Authorities started reaching the doorsteps of the parties. Resultantly, parties were able to join pre-lok adalat meetings as well as the Lok Adalat proceedings from their homes or workplaces, saving them the hassles of travelling. The technology was thus used by NALSA for evolving effective ways of supervision and monitoring of Lok Adalats. The SLSAs have been issued directions for service of notices through digital platforms/online mode to ease pressure on conventional system, consultation with concerned stakeholders to plan and organise Lok Adalats on specific subject matters viz. Motor Accident claims/ Land acquisition cases/ family disputes cases, IPR matters/ Consumer matters/ also other matters pending before any other quasi-judicial authority, Revenue and other ancillary matters, instituted before state/ district/ taluka authorities.

Every year, National Legal Services Authority issues calendar for the year for organising National Lok Adalats.

A schedule for National Lok Adalat for the year 2023 is as under;

S. No.	Month	Dates
1.	February	11.02.2023
2.	May	13.05.2023
3.	September	09.09.2023
4.	December	09.12.2023

Apart from this, frequency of State Lok Adalats are determined by State Legal Services Authorities as per local circumstance and needs.
