



REPORT NO.

165

PARLIAMENT OF INDIA

RAJYA SABHA

DEPARTMENT-RELATED PARLIAMENTARY STANDING COMMITTEE

ON PERSONNEL, PUBLIC GRIEVANCES, LAW AND JUSTICE

ONE HUNDRED SIXTY FIFTH REPORT

ON THE SUBJECT

**“CREATION AND DEVELOPMENT OF INSTITUTIONAL MECHANISM TO
SUPPORT THE ALTERNATIVE DISPUTE RESOLUTION ECOSYSTEM”**

(Presented to the Rajya Sabha on 7th August, 2026)

(Laid on the Table of Lok Sabha on 7th August, 2026)



Rajya Sabha Secretariat, New Delhi

August, 2026 /Sravana 1948 (Saka)

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COMPOSITION OF THE COMMITTEE

(Constituted w.e.f.26th September, 2025)

1. Shri Brij Lal — Chairman

RAJYA SABHA

2. Shri Naveen Jain
3. Shri Manan Kumar Mishra
4. Shri Harsh Vardhan Shringla
5. Shri Vivek K. Tankha
6. Shri Kapil Sibal
7. Dr. Menaka Guruswamy*
8. Dr. Jyoti Nagnath Waghmare*
9. Vacant[#]
10. Vacant[@]

LOK SABHA

11. Shri M. Mallesh Babu
12. Shri Kalyan Banerjee
13. Shri Arup Chakraborty
14. Shri Gaddigoudar Parvatagouda Chandanagouda
15. Shri P. P. Chaudhary
16. Shri Varun Chaudhry
17. Dr. Faggan Singh Kulaste
18. Shri Dineshbhai Makwana
19. Shri Aga Syed Ruhullah Mehdi
20. Adv. Gowaal Kagada Padavi
21. Shri Gyaneshwar Patil
22. Shri Radhakrishna
23. Shri A. Raja
24. Shri Madhavaneni Raghunandan Rao
25. Shri Saleng A. Sangma
26. Shri Pushpendra Saroj
27. Shrimati Manju Sharma
28. Shri Abdul Rashid Sheikh
29. Shri Mahendra Singh Solanky
30. Shri K. Sudhakaran
31. Shri Lalji Verma

**Nominated w.e.f. 03rd June, 2026 against vacancies created due to retirement of Shri Ranjan Gogoi on 16th March, 2026 and Shri N.R. Elango on 02nd April, 2026*

#Vacancy created due to resignation of Shri C. Ve Shanmugam on 07th May, 2026

@ Vacancy created due to resignation of Shri Sukhendu Sekhar Ray on 09th June, 2026

SECRETARIAT

1. Shri P.Narayanan, Joint Secretary
2. Smt. Indira Chaturvedi Vaidya, Director
3. Shri Kuldip Singh, Deputy Secretary

INTRODUCTION

I, the Chairman of the Department-related Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice, having been authorized by the Committee to submit the Report on its behalf, do hereby present this One Hundred Sixty Fifth Report on the Subject **‘Creation and Development of Institutional Mechanism to support the Alternative Dispute Resolution Ecosystem’**.

2. While examining the Subject the Committee held extensive deliberations with the stakeholders and heard the views of Secretary, Department of Legal Affairs, Ministry of Law & Justice on 10th December 2024. The Committee also heard the views of Secretary, Department of Justice, Ministry of Law & Justice, Secretary, Ministry of Corporate Affairs and Joint Registrar, Delhi International Arbitration Centre on 24th April 2026.

3. The Committee, while making its observations/recommendations, has mainly relied upon the following:-

- i. Background note on the subject furnished by the Department of Legal Affairs, Department of Justice, Ministry of Corporate Affairs and Delhi International Arbitration Centre;
- ii. Presentations made by the Secretary, Department of Legal Affairs, Secretary, Department of Justice, Secretary, Ministry of Corporate Affairs and Joint Registrar, Delhi International Arbitration Centre in the meetings of the Committee;
- iii. Replies to the Questionnaires on the subject furnished by the Department of Legal Affairs, Department of Justice, Ministry of Corporate Affairs and Delhi International Arbitration Centre;
- iv. Written replies furnished by the Department of Legal Affairs, Department of Justice, Ministry of Corporate Affairs and Delhi International Arbitration Centre to the queries of the Members of the Committee raised during the meetings of the Committee.

4. The Committee wishes to place on record its gratitude to the Department of Legal Affairs, Department of Justice (Ministry of Law & Justice), Ministry of Corporate Affairs, Government of India and Delhi International Arbitration Centre for furnishing necessary information/documents and rendering valuable assistance to the Committee in its deliberations.

5. For the facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in the body of the Report.

6. The Committee considered and adopted the Report in its meeting held on 5th August, 2026.

New Delhi
5th August, 2026

Brij Lal
Chairman,
Department-related Parliamentary Standing Committee
on Personnel, Public Grievances, Law and Justice

ACRONYMS

ADR	Alternative Dispute Resolution
NALSA	National Legal Services Authority
IIAC	India International Arbitration Centre
DIAC	Delhi International Arbitration Centre
MSE	Micro and Small Enterprises
SIAC	Singapore International Arbitration Centre
HKIAC	Hong Kong International Arbitration Centre
LCIA	London Court of International Arbitration
PSU	Public Sector Undertaking
PIMS	Pre-Institution Mediation and Settlement
MCI	Mediation Council of India
NCLT	National Company Law Tribunal
NPA	Non-Performing Assets
LADCS	Legal Aid Defence Counsel System
SCLSC	Supreme Court Legal Services Committee
HCLSC	High Court Legal Services Committee
PLA	Permanent Lok Adalat
Med-Arb	Mediation–Arbitration
Arb-Med	Arbitration–Mediation

REPORT

INTRODUCTION

1.1 The justice delivery system in India is presently under considerable strain due to the burgeoning number of cases pending across all levels of the judiciary, resulting in delays and increased costs for litigants. The volume of such cases across the Supreme Court, High Courts, and District and Subordinate Courts highlights the challenges faced by the conventional system in ensuring timely justice delivery of justice. The number of pending judiciary cases at different levels as on 13.04.2026 of the judiciary as intimated by the Department is given in the table below:

	Supreme Court	High Courts	District & Subordinate Courts
Number of pending cases	93,885	64 lakh	4.87 crore

1.2 In this context, the relevance of Alternative Dispute Resolution (ADR) mechanisms has assumed Paramount importance, as they provide more timely, cost-effective, and accessible avenues for dispute settlement. An effective and affordable dispute resolution system is essential for maintaining a rule of law-based environment. With the expansion of trade, commerce, and industrial activity across the globe, prompt resolution of disputes has become increasingly important. Early settlement, particularly in commercial matters, not only reduces the burden on the parties involved but also enables enforcement of contractual obligations.

1.3 The Committee notes that the foundations of ADR in India can be traced to traditional community-based practices, where disputes were resolved through dialogue and consensus by local bodies such as village Panchayats and respected elders of the community. Over time, these informal systems have been formalised through statutory frameworks. In particular, the Legal Services Authorities Act, 1987 has enabled development of an organised and decentralised ADR structure under the National Legal Services Authority (NALSA), a statutory body established to ensure equal access to justice by providing free legal aid to eligible persons and organising Lok Adalats for the speedy and amicable settlement of conflicts across the country.

LAWS RELATED TO VARIOUS MODE OF ALTERNATIVE DISPUTE RESOLUTION (ADR)

1.4 The Committee has been informed that ADR mechanisms such as arbitration, mediation, conciliation, and settlement through Lok Adalats serve as important complements to the formal judicial process. The statutory framework such as Section 89 of the Code of Civil Procedure, 1908 and the

Arbitration and Conciliation Act, 1996 also recognises their role, with provisions requiring courts to refer contentions to such mechanisms where the possibility of amicable settlement exists. These processes are less adversarial in nature and can be applied across a wide range of disputes, including civil, commercial, industrial, and family matters, while also allow for confidentiality where necessary. The details pertaining to the functioning, procedural aspects, legal framework, and practical application of each of these ADR mechanisms have been enumerated in the succeeding Paragraphs.

ARBITRATION

2.1 Arbitration is a widely used method of resolving disputes outside the court system, where the parties agree to refer their disagreements to one or more neutral individuals known as arbitrators, who then makes a decision that is binding on both sides. The process is based on an arbitration clause or agreement between the parties, through which they agree in advance to resolve future disputes, if any, arising out of their contract by way of arbitration rather than adopting for time consuming litigation.

INDIA INTERNATIONAL ARBITRATION CENTRE (IIAC)

2.2 The Committee observes that significant policy efforts have been undertaken to strengthen institutional arbitration in India, with the aim of building a credible and efficient dispute resolution ecosystem. A key milestone in this direction is the establishment of India International Arbitration Centre (IIAC) as an institution of national importance. Conceived as an autonomous and professionally managed body, the Centre is equipped with quintessential modern infrastructure, administrative systems, and a panel of experienced arbitrators for effective conduct of arbitral proceedings.

2.3 A detailed framework of rules and regulations has been put in place to support the functioning of the IIAC, covering aspects such as governance, conduct of proceedings, and empanelment of arbitrators. The creation of a Chamber of Arbitration and the introduction of specialized provisions, particularly for Micro and Small Enterprises (MSE), reflect a focused attempt to make arbitration more accessible, efficient, and responsive to diverse sectoral requirements.

2.4 The Committee has also been informed that the commencement of arbitration proceedings under the aegis of the IIAC, including court-referred matters, indicates a gradual shift towards institutional mechanisms. With continuous development, such institutions are expected to enhance investor confidence, create professional opportunities, and position India as a competitive destination for arbitration. Beyond individual institutions such as IIAC or DIAC, the broader emphasis on institutionalisation is aimed at reducing reliance on *ad hoc* practices by introducing greater procedural certainty, administrative oversight, and consistency in outcomes. This transition is critical for improving both the quality and predictability of dispute resolution processes.

2.5 The Committee has also been informed that India International Arbitration Centre (IIAC), established in June 2022 as an institution of national importance, has reportedly handled only about 17 cases in nearly three years of its existence, raising concerns about its optional utilisation and effectiveness. **In view of the significant public funds spent on its establishment, infrastructure, and recurring expenses, the Committee feels that it is important to assess its performance, including the number of cases disposed of and steps taken to increase its caseload. Also, despite being envisioned to compete with global institutions like Singapore International Arbitration Centre (SIAC), Hong Kong International Arbitration Centre (HKIAC), and London Court of International Arbitration (LCIA), its limited visibility and usage call for a review of outreach, accessibility, and operational efficiency. It is also pertinent to examine whether any gap analysis has been undertaken regarding its fee structure, rules, and timelines, and what corrective measures proposed for the coming years to strengthen its role and also to justify the public investment made in it. The Committee recommends that IIAC should undertake targeted outreach, stakeholder engagement, and institutional reforms to enhance its caseload and global competitiveness.**

2.6 The Committee also recommends that to improve functioning of IIAC the department may expand and diversify the panel of arbitrators with more international experts and continuously review and update arbitration rules to align with global best practices. It may also consider setting clear performance benchmarks, periodic review mechanisms and reduce procedural delays through strict time-line monitoring to ensure accountability and optimal utilisation of public funds.

DELHI INTERNATIONAL ARBITRATION CENTRE (DIAC)

2.7 The Committee notes that institutional arbitration has also been strengthened through dedicated centres such as the Delhi International Arbitration Centre (DIAC), which administers arbitration proceedings in accordance with established rules. These rules provide for structured and time-bound conduct of proceedings, transparent fee mechanisms, emergency arbitration, and hybrid processes such as Med-Arb and Arb-Med wherein disputes are first attempted to be settled through mediation and, if that fails, decided by arbitration, and where disputes that begin with arbitration may also shift to mediation during the process. This integrated approach enhances the efficiency and credibility of arbitration as a dispute resolution mechanism.

2.8 However, DIAC submitted to the Committee that while the Centre is witnessing a steady increase in caseloads, the number of hearings, its infrastructure and human resources have not expanded at the same pace. **The Committee is of the view that constraints in physical facilities, limited**

administrative capacity, and absence of dedicated, purpose-built arbitration centres affect its ability to scale up its operations efficiently. In addition, limitations in financial resources and outreach efforts hinder its capacity to strengthen institutional arbitration and broaden its reach. The Committee, therefore, recommends that the Department should take effective and urgent steps to address these capacity constraints, including expanding infrastructure and administrative workforce in line with growing demand, establishing dedicated arbitration centres, and improving financial planning and outreach initiatives to ensure sustainable growth.

2.9 The Committee was informed that a major challenge in the growth of Alternative Dispute Resolution (ADR) mechanisms in India is the limited awareness and understanding among stakeholders, including litigants, businesses, and sections of the legal fraternity. This often leads to hesitation in adopting mediation, arbitration, or conciliation, despite their clear advantages. Additionally, deeply rooted adversarial approaches and a continued mindset preferring traditional litigation further limits the acceptance of consensual dispute resolution methods, particularly mediation. **In order to address this issue, the Committee recommends that the Department should spread awareness among business and legal professional highlighting the advantages of institutional arbitration. For concretising this targeted awareness, initiative to improve understanding and encourage wider acceptance of ADR mechanism at both national and local levels may be undertaken. The Committee also suggests integrating ADR concepts into legal education and professional training programmes so that stakeholders are better informed and more inclined to use these methods in practice.**

2.10 Further, the evolving nature and increasing complexity of disputes today require regular assessment of the capacity of ADR institutions, as the demand on them continue to grow over time. In many instances, existing wherewithal do not keep pace with this rising demand, which can affect both the quality and speed of dispute resolution. There is, therefore, a need for continuous evaluation and timely upgradation of resources, systems, and professional capabilities to ensure that these institutions remain efficient, responsive, and well-equipped to handle disputes effectively. **The Committee, therefore, recommends that ADR institutions put in place regular review mechanisms to assess their functioning and identify the gaps in infrastructure, staffing, and expertise. The Committee is further of the view that greater focus be on training and professional development in order to build a stronger pool of skilled practitioners, along with planned expansion of facilities and administrative support systems to meet with growing demand at present as well as in the times to come.**

2.11 The Committee has been apprised of the fact that despite the availability of institutional arbitration frameworks, their actual use remains quite limited. One of the main reasons for this is the continued reliance on ad hoc arbitration, especially in government and PSU contracts, where

institutional arbitration is often not considered at the contract drafting stage. In many cases, arbitration clauses are not standardized and different departments follow different approaches, which makes the process less clear and more difficult to navigate, ultimately slowing down the broader adoption of institutional arbitration. **The Committee is, therefore, of the view that that the IAC may develop a targeted outreach programme focusing on Central Government Ministries, Public Sector Undertakings (PSUs), and large corporates to encourage them to route their contractual disputes through the Centre. It may also enter into institutional MoUs with leading industry bodies such as CII, FICCI, and ASSOCHAM to promote IAC as a preferred arbitration forum. Further, incorporating IAC as the designated forum in standard commercial contracts could serve as an important step towards ensuring credible and efficient dispute resolution.**

2.12 Further, India's ADR ecosystem continues to face the challenge of limited global visibility and participation, which affects its ability to attract international disputes and stakeholders. As a result, India is yet to be widely recognized as a preferred destination for international arbitration, despite having a sound legal framework in place. Building greater trust among international users will require consistent quality in arbitral proceedings, stronger governance standards across institutions, and more active engagement with global arbitration networks.

2.13 These steps are urgently needed for gradually improving India's credibility and standing in the international arbitration space. Accordingly, **the Committee recommends that focused efforts be made to position India as a dependable arbitration hub by maintaining high standards in both proceedings and institutional functioning. It also suggests building closer ties with leading international arbitration centres which will help increase our participation in global forums to improve visibility, adoption of widely adopted best practices, while highlighting India's strengths through targeted outreach and ensure a smooth experience for international users.**

2.14 At the same time, excessive or inconsistent judicial intervention continues to affect the efficiency of arbitration, often slowing down what is intended to be a quicker alternative to court litigation. While some level of court oversight is necessary to ensure fairness and legality, frequent or avoidable intervention can lead to inordinate delays and may also dilute the independence of the arbitral process. Therefore, there is a need to clearly define the role of courts, strengthen institutional mechanisms to handle procedural aspects more effectively, so that a better balance can be maintained between supervision and efficiency.

2.15 **The Committee, therefore, recommends that clearer guidelines be laid down to define the scope and limit of judicial intervention in arbitration matters, with a view to reduce unnecessary delays. It also suggests strengthening institutional rules and internal procedures so that routine**

and procedural issues can be managed without frequent recourse to courts, along with capacity-building initiatives for the concerned stakeholders to promote a more consistent and supportive approach.

2.16 Finally, the Committee finds that the shift towards digital processes has also not been uniform across the country, and the uneven adoption of technology within the ADR ecosystem continues to remain a significant challenge. While digital tools such as virtual hearings and online dispute resolution platforms have been introduced in recent years, their use is still not put into full use across all regions and institutions, which limits their overall impact. Issues such as limited connectivity, lack of user-friendly systems, and varying levels of digital readiness, particularly in non-urban areas, further affect accessibility and efficiency. To prioritize this, **the Committee urges adopting a more consistent approach to the use of technology across the ADR ecosystem, supported by clear guidelines and minimum digital standards. It also emphasizes strengthening digital infrastructure, especially in non-urban areas, and developing simpler, user-friendly platforms along with providing basic digital training to stakeholders, will help in enabling smoother and more effective use of online dispute resolution tools.**

MEDIATION AND CONCILIATION

3.1 Mediation is a process in which one or more parties seek the assistance of a neutral third person, known as a mediator, to facilitate discussions and guide them towards a mutually acceptable and amicable resolution of their dispute. As a non-adjudicatory and collaborative method, mediation has significantly strengthened the Alternative Dispute Resolution (ADR) ecosystem by promoting consensual settlement over adversarial litigation.

3.2 Conciliation, which operates on similar principles, involves a neutral third party, i.e. conciliator, who assists the parties in resolving their disputes by facilitating dialogue and where appropriate, suggesting possible terms of settlement. The process remains voluntary, flexible, and non-binding, with any settlement becoming final and binding only upon mutual agreement of the parties. Notably, under the Mediation Act, 2023, the concept of conciliation has been subsumed within the broader framework of mediation, thereby integrating both processes under a unified legal regime.

3.3 The enactment of the Mediation Act, 2023 represents a comprehensive legislative step towards formalizing mediation as a mainstream dispute resolution mechanism in India. The Act provides a uniform framework covering pre-litigation, online, and community mediation, while ensuring legal recognition and enforceability of settlement agreements. It also envisages the establishment of the Mediation Council of India (MCI) and recognizes various mediation service providers, which is expected to enhance institutional capacity, standardization, and professional training. **In this regard, the**

Committee is of the view that these measures will promote time-bound, cost-effective, and amicable settlement of disputes, while reducing the burden on courts.

3.4 Mediation has gained increasing acceptance across civil, commercial, and family disputes, supported by a nationwide network of court-annexed mediation centres and trained mediators. Mechanisms such as Pre-Institution Mediation in commercial matters have facilitated early dispute resolution, while mediation in family and community settings has contributed to preserving relationships and maintaining social harmony. These developments reflect a broader shift towards a more accessible, efficient, and participatory system of justice delivery.

3.5 However, during the deliberations, the Committee raised concerns regarding effectiveness and utilization of the Pre-Institution Mediation and Settlement (PIMS) mechanism on account of relatively low number of settlements, i.e. approximately 4,000 over five years, compared to the large volume of commercial disputes in India. **The Committee suggested to examine whether adequate safeguards exist to deter bad faith participation so that parties avoid utilizing the provision as a mere procedural compliance. The Committee was also concerned about under-utilization of this provision and suggested the need for a deeper assessment of underlying causes, including lack of awareness, institutional capacity, and stakeholder confidence. The Committee, therefore, recommended making Pre-Institution Mediation mandatory and introducing statutory provisions for imposing cost penalties on parties that unreasonably refuse to participate in PIMS or treat it as a formality, so as to ensure that the mechanism effectively fulfils its objective of reducing court congestion through genuine pre-litigation settlement.**

3.6 The Committee was further informed that provisions of the Mediation Act, 2023 are being implemented in a phased manner to ensure proper institutional readiness. In response to the Committee's query regarding the timeline for notification of Section 63, the Department has stated that this provision cannot be implemented immediately. Although the Act received Presidential assent on 14 September 2023 and was notified on 15 September 2023, its full operationalisation requires the establishment of necessary institutional and regulatory frameworks. Section 63 seeks to bring uniformity across various laws by harmonizing mediation-related provisions, standardizing definitions, and ensuring consistency in application.

3.7 The Department has also clarified that the establishment of the Mediation Council of India is a key prerequisite for full implementation, along with the formulation of detailed rules and regulations. Initial provisions relating to the constitution and functioning of the MCI were notified on 9 October 2023, and rules concerning its composition and service conditions have been brought into force. The remaining provisions, including those relating to the conduct of mediation proceedings, regulation of

mediation service providers, community mediation, and Section 63, are proposed to be notified once the MCI becomes fully functional and the regulatory framework is fully in place.

3.8 While noting the phased implementation strategy, the Committee emphasizes that expeditious operationalisation of the Mediation Council of India is critical to unlocking the full potential of the Act. **The Committee, therefore, recommends that concerted efforts be made to fast-track the establishment of the MCI, finalize the necessary regulations within a defined timeline, and ensure early notification of the remaining provisions, including Section 63. This will help achieve uniformity across legal frameworks and avoid delays in the effective implementation of the mediation regime.**

3.9 The statutory clarity introduced through the mediation framework, particularly with respect to timelines, confidentiality, and enforceability, is expected to enhance user confidence and encourage wider adoption. **The Committee, therefore, recommends the institution of appropriate monitoring and review mechanisms to periodically assess the effectiveness of these reforms and ensure their consistent implementation across jurisdictions.**

3.10 In the corporate sector, the Companies Act, 2013 provides for referral of disputes to mediation during proceedings before the Central Government, the National Company Law Tribunal (NCLT), and the Appellate Tribunal. This framework is operationalised through the Companies (Mediation and Conciliation) Rules, 2016, which lay down detailed procedures for empanelment of mediators, conduct of proceedings, timelines, and submission of settlement reports. This mechanism aims to facilitate quicker and less adversarial resolution of corporate disputes and reduce the burden on adjudicatory bodies.

3.11 However, the Committee observes that not all legal frameworks are conducive to ADR mechanisms. For instance, the Insolvency and Bankruptcy Code, 2016 is a strict, time-bound process involving multiple stakeholders and public interest considerations, leaving limited scope for flexible settlements through ADR. Similarly, the Competition Act, 2002 does not traditionally provide for external ADR mechanisms. Nevertheless, recent amendments through the Competition (Amendment) Act, 2023 have introduced structured settlement and commitment mechanisms within the statutory framework itself.

3.12 A review of recent policy and legislative developments indicates that the Government has taken proactive steps to strengthen ADR mechanisms. Amendments to the Arbitration and Conciliation Act in 2015, 2019, and 2021 have aimed at improving efficiency, reducing judicial intervention, and ensuring enforceability of arbitral awards. The amendment to the Commercial Courts Act, 2015 introduced mandatory Pre-Institution Mediation in certain commercial disputes. Further, the establishment of the

India International Arbitration Centre under the 2019 Act reflects efforts to position India as a global arbitration hub. The Mediation Act, 2023 complements these initiatives by providing a robust statutory foundation for mediation.

3.13 The Committee is of the view that ADR mechanisms must be more effectively integrated into the overall dispute resolution framework, particularly in light of the growing burden on courts. Strengthening institutional capacity and developing sector-specific frameworks will enhance their responsiveness and efficiency, especially in commercial and regulatory contexts. The Committee also emphasises the need for clear standards and measurable performance indicators to evaluate ADR processes. Regular monitoring and accountability mechanisms are essential to maintain credibility and ensure that these mechanisms deliver fair, reliable, and enforceable outcomes.

3.14 Another issue on which the Department should focus is to clear the perception of ADR as a part-time or post-retirement engagement rather than a viable full-time profession. Despite recent developments, ADR is yet to be widely recognized as a stable and attractive career option. **The Committee, therefore, recommends for developing ADR as a structured professional framework, establishing accreditation systems, standardized training, recognized qualifications, and clear career pathways. Further, integrating ADR into legal education, increasing practical exposure, and enhancing awareness can help attract young professionals to this area and promote long-term career development for them.**

LOK ADALATS

4.1 Lok Adalats constitute a core pillar of India's Alternative Dispute Resolution (ADR) framework, functioning under the Legal Services Authorities Act, 1987 as an efficient, accessible, and large-scale mechanism for dispute settlement. Organised at national, State, district, and local levels, including through E-Lok Adalats, they handle a wide range of disputes at both pre-litigation and pending stages. Their awards are final, binding, and enforceable as civil court decrees, with no provision for appeal and no court fee burden on parties. The scale of their operations is reflected in the disposal of crores of cases in recent years, demonstrating their significant contribution to reducing pendency and promoting consensual resolution.

4.2 The Act establishes a structured, multi-tier system to provide legal aid and promote ADR across the country. At the apex level, the National Legal Services Authority (NALSA) formulates policies, while authorities at the State, district, and grassroots levels ensure their effective implementation and access to justice. The framework also includes legal services bodies within the higher judiciary, namely the Supreme Court Legal Services Committee (SCLSC) and the High Court Legal Services Committees

(HCLSCs), thereby creating a cohesive nationwide network. It promotes dispute resolution through negotiation, mediation, arbitration, conciliation, and online modes, and provides statutory backing to Lok Adalats and Permanent Lok Adalats, ensuring quick, cost-effective, and legally enforceable dispute resolution. The detailed functioning and procedural aspects of Lok Adalats and National Lok Adalats are elaborated in the succeeding Paragraphs.

NATIONAL LOK ADALATS AND STATE LOK ADALATS

4.3 **National Lok Adalats** are conducted simultaneously across all States and Union Territories, generally on a quarterly basis, with the objective of disposing of a large volume of pending as well as pre-litigation cases in a single day. These nationwide drives bring together courts, government departments, banks, insurance companies, and litigants, enabling mass-scale settlements that run into crores of cases every year. In addition, State Lok Adalats are organised on a regular basis to ensure continuous and decentralised dispute resolution. Special Lok Adalats are also held to address specific categories of cases such as traffic challans, cheque dishonour matters, debt recovery, and matrimonial disputes thereby allowing for more focused and efficient disposal. The details showing disposal of cases in National Lok Adalats and State Lok Adalats from the year 2021 to 2026 and 2020 to 2025 respectively, are given in Tables below:-

DISPOSAL IN NATIONAL LOK ADALATS									
Year	Pre-Litigation Cases			Pending Cases			Total Cases		
	Taken up	Disposed of	Settlement amount	Taken up	Disposed of	Settlement amount	Taken up	Disposed of	Settlement amount
			(in Rs.)			(in Rs.)			(in Rs.)
2021	2,13,04,021	72,06,294	48,15,85,84,880	1,13,61,656	55,81,743	2,05,07,87,72,816	3,26,65,677	1,27,88,037	2,53,23,73,57,696
2022	7,56,55,816	3,10,15,215	90,31,41,41,544	2,19,64,115	1,09,10,795	3,58,85,52,80,420	9,76,19,931	4,19,26,010	4,49,16,94,21,964
2023	11,81,17,016	7,10,32,980	1,38,70,12,66,914	2,46,97,994	1,43,09,237	4,67,26,14,17,516	14,28,15,010	8,53,42,217	6,05,96,26,84,430
2024	15,79,34,774	8,70,19,059	1,69,83,50,60,475	2,70,34,619	1,75,07,060	5,81,23,60,36,279	18,49,69,393	10,45,26,119	7,51,07,10,96,754
2025	15,32,37,593	12,65,89,535	2,03,46,06,64,889	3,10,64,994	2,18,35,515	5,17,86,75,55,194	18,43,02,587	14,84,25,050	7,21,32,82,20,083
2026 (Upto March)	4,29,93,421	3,46,87,917	78,21,43,67,039	83,24,259	59,51,139	1,59,57,76,92,560	5,13,17,680	4,06,39,056	2,37,79,20,59,599
Total	56,92,42,641	35,75,51,000	7,28,68,40,85,741	12,44,47,637	7,60,95,489	22,89,87,67,54,785	69,36,90,278	43,36,46,489	30,18,56,08,40,526

DISPOSAL IN STATE LOK ADALATS									
Year	Pre-Litigation Cases			Pending Cases			Total Cases		
	Taken up	Disposed of	Settlement amount	Taken up	Disposed of	Settlement amount	Taken up	Disposed of	Settlement amount
			(in Rs.)			(in Rs.)			(in Rs.)
2020 - 2021	2,70,506	1,42,549	18,55,93,74,542	9,88,895	6,01,524	23,49,75,33,213	12,59,401	7,44,073	42,05,69,07,755
2021 - 2022	2,75,307	1,14,278	30,44,391,830	8,06,908	4,18,251	12,21,76,23,862	10,82,215	5,32,529	15,26,20,15,692
2022 - 2023	9,93,574	94,939	4,35,62,40,257	20,09,695	7,56,370	25,32,92,99,951	30,03,269	8,51,309	29,68,55,40,208
2023 - 2024	4,38,239	2,19,230	3,29,96,61,208	18,14,876	9,87,873	17,68,04,91,633	22,53,115	12,07,103	20,98,01,52,841
2024 - 2025	13,16,340	8,05,731	9,05,10,70,884	8,58,773	5,39,083	10,11,46,58,787	21,75,113	13,44,814	19,16,57,29,671
Total	32,93,966	13,76,727	38,31,07,38,721	64,79,147	33,03,101	88,83,96,07,446	97,73,113	46,79,828	1,27,15,03,46,167

E-LOK ADALATS

4.4 With the growing need for technology-driven mechanisms, the National Legal Services Authority (NALSA) has introduced e-Lok Adalats, which are conducted through video conferencing. This enables parties and their counsel to participate remotely and has proven particularly effective in resolving utility bill disputes, traffic challans, insurance claims, and bank NPA recovery matters, facilitating high-volume settlements at minimal institutional cost. The details showing disposal of cases in E- Lok Adalats from the year 2020 to 2026 are given in Table below:-

DISPOSAL IN E-LOK ADALATS						
Year	Pre-Litigation Cases		Pending Cases		Total Cases	
	Taken up	Disposed of	Taken up	Disposed of	Taken up	Disposed of
June-December, 2020	2,62,761	1,23,363	5,37,636	2,83,964	8,00,397	4,07,327
2021	39,67,547	14,06,156	19,26,010	5,33,832	58,93,557	19,39,988
2022	2,06,50,758	30,77,976	71,54,201	6,84,301	2,78,04,959	37,62,277
2023	1,89,82,966	23,67,422	75,957	58,420	1,90,58,923	24,25,842
2024	4,94,18,381	29,33,519	1,04,346	71,887	4,95,22,727	30,05,406
2025	27,16,613	23,91,784	2,89,838	2,75,007	30,06,451	26,66,791
2026 (Upto March)	12,54,479	7,24,977	4,160	1,537	12,58,639	7,26,514
Total	9,72,53,505	1,30,25,197	1,00,92,148	19,08,948	10,73,45,653	1,49,34,145

Permanent Lok Adalats

4.5 Introduced through the 2002 amendment to the Act, Permanent Lok Adalats represent a more institutionalised and continuous dispute resolution mechanism, particularly for matters relating to Public Utility Services such as transport, postal services, telegraph, water supply, sanitation, electricity, and other essential services. Unlike periodic Lok Adalats, PLAs function as standing bodies with a hybrid role initially attempting conciliation and, if unsuccessful, proceeding to adjudication. Their awards carry finality and enforceability similar to court decrees. With hundreds of PLAs operational across the country and substantial case disposal figures, they have emerged as an important forum for addressing everyday service-related disputes efficiently.

4.6 The details showing disposal of cases in Permanent Lok Adalats from the year 2021 to 2026 are given in Table below:-

PERMANENT LOK ADALATS: DISPUTE SETTLEMENT					
Year	Number of Sittings	Cases Pending as on the Beginning of the Year	Cases Received During the Year	Cases Settled During the Year	Settlement Amount
					(in Rs.)
2021-2022	29153	1,32,325	1,15,396	1,18,136	4,66,34,20,982
2022-2023	32487	1,24,469	1,75,758	1,71,138	5,14,76,26,872
2023-2024	33020	1,37,801	2,20,724	2,32,763	5,04,30,08,762
2024-2025	32979	1,33,324	2,50,108	2,37,980	6,60,66,09,982
2025-2026 (Upto February, 2026)	32770	1,26,997	2,44,622	2,41,044	18,03,88,37,039
Total	1,60,409	6,54,916	10,06,608	10,01,061	39,49,95,03,637

4.7 Lok Adalats have demonstrated significant capacity for large-scale dispute resolution. Between 2021 and March 2026, National Lok Adalats disposed of over 43.36 crore cases, including both pre-litigation and pending matters. State Lok Adalats disposed of more than 46.79 lakh cases between 2020 and 2025, while e-Lok Adalats facilitated the disposal of over 1.49 crore cases between June 2020 and March 2026. Also, Permanent Lok Adalats have settled more than 10 lakh cases between 2020 and February, 2026.

4.8 The Committee acknowledges that Lok Adalats have been successful in settling a large number of cases and resolving disputes involving significant amounts. However, it is important to ensure that the focus is not only on the number of cases disposed of, but also on the quality and fairness of settlements. **The Committee therefore, recommends that clear and simple guidelines be developed for selecting cases and conducting settlements, so that outcomes are consistent across different regions. It also**

suggests that better tracking of settlement data be introduced to understand what kinds of cases are being resolved and how effective these settlements are over time. This will help in improving the overall functioning of Lok Adalats in a more balanced and meaningful way.

4.9 In response to query of the Committee with regard to steps taken to strengthen NALSA with emphasis on the issue of adequacy of funds and staff enhancement, the Department has informed that measures are being undertaken aimed at enhancing manpower, budgetary support, and institutional capacity to effectively implement legal aid and ADR programmes across the country. It has been informed that NALSA initially had a sanctioned strength of 34 posts, and a proposal for 45 additional posts was submitted; however, approval has been granted for 11 additional posts, taking the total sanctioned strength to 45, of which 29 are currently filled, with the remaining in the process of being filled. In terms of funding, it has been informed that allocations are made under Secretariat Expenditure and Grant-in-aid, the latter supporting legal aid programmes, Lok Adalats, mediation, and the Legal Aid Defence Counsel System (LADCS). The Committee has been further informed that although budgetary allocation has increased over time, the allocation of ₹550 crore for 2026–27 falls significantly short of the projected requirement of ₹1,058.87 crore.

4.10 In view of the facts submitted by the Department the Committee recommends that the Government take expeditious steps to strengthen NALSA by augmenting its manpower, ensuring timely filling of vacancies, and providing adequate budgetary support in line with its projected requirements. It further emphasises the need to address institutional gaps, including infrastructure and service-related benefits, to enable NALSA to effectively discharge its mandate of providing legal aid and promoting access to justice across the country.

Conclusion

5.1 In conclusion, the Committee is of the view that dispute resolution in India is gradually moving towards a more efficient and practical framework, where Alternative Dispute Resolution (ADR) mechanisms can play a much larger and meaningful role. For this transition to be effective, it is important that the system remains clear, reliable, and capable of adapting to the changing needs of businesses and individuals.

5.2 The Committee believes that a strong ADR ecosystem depends not only on sound laws, but also on well-functioning institutions, skilled professionals, and consistent implementation. At the same time, it is essential that parties have confidence in the process, particularly in terms of fairness, neutrality, and timely outcomes.

5.3 Looking ahead, the Committee emphasizes the need for a balanced and forward-looking approach, where policies remain flexible while maintaining overall consistency across the system. Continued coordination among institutions, along with regular review and improvement, will be key to ensuring that ADR mechanisms remain effective and relevant.

RECOMMENDATIONS/OBSERVATIONS AT A GLANCE

INDIA INTERNATIONAL ARBITRATION CENTRE (IIAC)

1. In view of the significant public funds spent on its establishment, infrastructure, and recurring expenses, the Committee feels that it is important to assess its performance, including the number of cases disposed of and steps taken to increase its caseload. Also, despite being envisioned to compete with global institutions like Singapore International Arbitration Centre (SIAC), Hong Kong International Arbitration Centre (HKIAC), and London Court of International Arbitration (LCIA), its limited visibility and usage call for a review of outreach, accessibility, and operational efficiency. It is also pertinent to examine whether any gap analysis has been undertaken regarding its fee structure, rules, and timelines, and what corrective measures proposed for the coming years to strengthen its role and also to justify the public investment made in it. The Committee recommends that IIAC should undertake targeted outreach, stakeholder engagement, and institutional reforms to enhance its caseload and global competitiveness.

(Para 2.5)

2. The Committee also recommends that to improve functioning of IIAC the department may expand and diversify the panel of arbitrators with more international experts and continuously review and update arbitration rules to align with global best practices. It may also consider setting clear performance benchmarks, periodic review mechanisms and reduce procedural delays through strict time-line monitoring to ensure accountability and optimal utilisation of public funds.

(Para 2.6)

DELHI INTERNATIONAL ARBITRATION CENTRE (DIAC)

3. The Committee is of the view that constraints in physical facilities, limited administrative capacity, and absence of dedicated, purpose-built arbitration centres affect its ability to scale up its operations efficiently. In addition, limitations in financial resources and outreach efforts hinder its capacity to strengthen institutional arbitration and broaden its reach. The Committee, therefore, recommends that the Department should take effective and urgent steps to address these capacity constraints, including expanding infrastructure and administrative workforce in line with growing demand, establishing dedicated arbitration centres, and improving financial planning and outreach initiatives to ensure sustainable growth.

(Para 2.8)

4. In order to address this issue, the Committee recommends that the Department should spread awareness among business and legal professional highlighting the advantages of institutional arbitration. For concretising this targeted awareness, initiative to improve understanding and encourage wider acceptance of ADR mechanism at both national and local levels may be undertaken. The Committee also suggests integrating ADR concepts into legal education and professional training programmes so that stakeholders are better informed and more inclined to use these methods in practice.

(Para 2.9)

5. The Committee, therefore, recommends that ADR institutions put in place regular review mechanisms to assess their functioning and identify the gaps in infrastructure, staffing, and expertise. The Committee is further of the view that greater focus be on training and professional development in order to build a stronger pool of skilled practitioners, along with planned expansion of facilities and administrative support systems to meet with growing demand at present as well as in the times to come.

(Para 2.10)

6. The Committee is, therefore, of the view that that the IIAC may develop a targeted outreach programme focusing on Central Government Ministries, Public Sector Undertakings (PSUs), and large corporates to encourage them to route their contractual disputes through the Centre. It may also enter into institutional MoUs with leading industry bodies such as CII, FICCI, and ASSOCHAM to promote IIAC as a preferred arbitration forum. Further, incorporating IIAC as the designated forum in standard commercial contracts could serve as an important step towards ensuring credible and efficient dispute resolution.

(Para 2.11)

7. Accordingly, the Committee recommends that focused efforts be made to position India as a dependable arbitration hub by maintaining high standards in both proceedings and institutional functioning. It also suggests building closer ties with leading international arbitration centres which will help increase our participation in global forums to improve visibility, adoption of widely adopted best practices, while highlighting India's strengths through targeted outreach and ensure a smooth experience for international users.

(Para 2.13)

8. The Committee, therefore, recommends that clearer guidelines be laid down to define the scope and limit of judicial intervention in arbitration matters, with a view to reduce unnecessary

delays. It also suggests strengthening institutional rules and internal procedures so that routine and procedural issues can be managed without frequent recourse to courts, along with capacity-building initiatives for the concerned stakeholders to promote a more consistent and supportive approach.

(Para 2.15)

9. The Committee urges adopting a more consistent approach to the use of technology across the ADR ecosystem, supported by clear guidelines and minimum digital standards. It also emphasizes strengthening digital infrastructure, especially in non-urban areas, and developing simpler, user-friendly platforms along with providing basic digital training to stakeholders, will help in enabling smoother and more effective use of online dispute resolution tools.

(Para 2.16)

MEDIATION AND CONCILIATION

10. In this regard, the Committee is of the view that these measures will promote time-bound, cost-effective, and amicable settlement of disputes, while reducing the burden on courts.

(Para 3.3)

11. The Committee suggested to examine whether adequate safeguards exist to deter bad faith participation so that parties avoid utilizing the provision as a mere procedural compliance. The Committee was also concerned about under-utilization of this provision and suggested the need for a deeper assessment of underlying causes, including lack of awareness, institutional capacity, and stakeholder confidence. The Committee, therefore, recommended making Pre-Institution Mediation mandatory and introducing statutory provisions for imposing cost penalties on parties that unreasonably refuse to participate in PIMS or treat it as a formality, so as to ensure that the mechanism effectively fulfils its objective of reducing court congestion through genuine pre-litigation settlement.

(Para 3.5)

12. The Committee, therefore, recommends that concerted efforts be made to fast-track the establishment of the MCI, finalize the necessary regulations within a defined timeline, and ensure early notification of the remaining provisions, including Section 63. This will help achieve uniformity across legal frameworks and avoid delays in the effective implementation of the mediation regime.

(Para 3.8)

13. The Committee, therefore, recommends the institution of appropriate monitoring and review mechanisms to periodically assess the effectiveness of these reforms and ensure their consistent implementation across jurisdictions.

(Para 3.9)

14. The Committee is of the view that ADR mechanisms must be more effectively integrated into the overall dispute resolution framework, particularly in light of the growing burden on courts. Strengthening institutional capacity and developing sector-specific frameworks will enhance their responsiveness and efficiency, especially in commercial and regulatory contexts. The Committee also emphasises the need for clear standards and measurable performance indicators to evaluate ADR processes. Regular monitoring and accountability mechanisms are essential to maintain credibility and ensure that these mechanisms deliver fair, reliable, and enforceable outcomes.

(Para 3.13)

15. The Committee, therefore, recommends for developing ADR as a structured professional framework, establishing accreditation systems, standardized training, recognized qualifications, and clear career pathways. Further, integrating ADR into legal education, increasing practical exposure, and enhancing awareness can help attract young professionals to this area and promote long-term career development for them.

(Para 3.14)

LOK ADALATS

16. The Committee therefore, recommends that clear and simple guidelines be developed for selecting cases and conducting settlements, so that outcomes are consistent across different regions. It also suggests that better tracking of settlement data be introduced to understand what kinds of cases are being resolved and how effective these settlements are over time. This will help in improving the overall functioning of Lok Adalats in a more balanced and meaningful way.

(Para 4.8)

17. In view of the facts submitted by the Department the Committee recommends that the Government take expeditious steps to strengthen NALSA by augmenting its manpower, ensuring timely filling of vacancies, and providing adequate budgetary support in line with its projected requirements. It further emphasises the need to address institutional gaps, including infrastructure and service-related benefits, to enable NALSA to effectively discharge its mandate of providing legal aid and promoting access to justice across the country.

(Para 4.10)

CONCLUSION

18. In conclusion, the Committee is of the view that dispute resolution in India is gradually moving towards a more efficient and practical framework, where Alternative Dispute Resolution (ADR) mechanisms can play a much larger and meaningful role. For this transition to be effective, it is important that the system remains clear, reliable, and capable of adapting to the changing needs of businesses and individuals.

(Para 5.1)

19. The Committee believes that a strong ADR ecosystem depends not only on sound laws, but also on well-functioning institutions, skilled professionals, and consistent implementation. At the same time, it is essential that parties have confidence in the process, particularly in terms of fairness, neutrality, and timely outcomes.

(Para 5.2)

20. Looking ahead, the Committee emphasizes the need for a balanced and forward-looking approach, where policies remain flexible while maintaining overall consistency across the system. Continued coordination among institutions, along with regular review and improvement, will be key to ensuring that ADR mechanisms remain effective and relevant.

(Para 5.3)

MINUTES

**DEPARTMENT RELATED PARLIAMENTARY STANDING
COMMITTEE ON PERSONNEL, PUBLIC GRIEVANCES, LAW AND
JUSTICE**

MINUTES OF THE MEETING

III

THIRD MEETING

The Department-related Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice met at 3:00 P.M. on 10th December, 2024 in Committee Room-4, Block 'A', Parliament House Annexe Ext. Building, New Delhi – 110001. Following Members were present:-

- i. Shri Brij Lal — *Chairman*

RAJYA SABHA

- ii. Ms. Swati Maliwal
iii. Shri Manan Kumar Mishra
iv. Shri Sukhendu Sekhar Ray
v. Shri Vivek K. Tankha
vi. Shri P. Wilson

LOK SABHA

- vii. Shri M. Mallesh Babu
viii. Shri Kalyan Banerjee
ix. Shri Varun Chaudhry
x. Shri Gaddigoudar Parvatagouda Chandanagouda
xi. Dr. Faggan Singh Kulaste
xii. Shri Dineshbhai Makwana
xiii. Shri Aga Syed Ruhullah Mehdi
xiv. Adv. Gowaal Kagada Padavi
xv. Shri A. Raja
xvi. Shri Madhavaneni Raghunandan Rao
xvii. Shri Saleng A. Sangma
xviii. Shri Pushpendra Saroj
xix. Shrimati Manju Sharma

- xx. Shri Mahendra Singh Solanky
- xxi. Shri Lalji Verma

SECRETARIAT

- i. Dr. Vandana Kumar, Additional Secretary
- ii. Shri P. Narayanan, Joint Secretary
- iii. Smt. Indira Chaturvedi Vaidya, Director
- iv. Shri Prabhakar Singh, Under Secretary

2. At the outset, the Chairman welcomed all the members to the Committee meeting. Thereafter, the Chairman informed the Committee about the agenda for the meeting which was to hear the Law Secretary on the subject – ‘Creating and Developing an Institutional Mechanism to Support the Alternative Dispute Resolution (ADR) Ecosystem’.

3. On arrival of the Law Secretary and other senior officers of the Department of Legal Affairs, the Chairman welcomed them. In his opening remarks, the Chairman stated that traditional litigation leads to overburdened courts and delayed justice. The Chairman further stated that as more than 6 crore cases are pending before various courts at present in the country, ADR mechanisms can offer a valuable alternative for traditional litigation reducing significantly the judiciary's burden while ensuring timely justice for citizens. With this background, the Chairman asked the Law Secretary to apprise the Committee about the status of implementation of the Mediation Act, 2023 including framing of rules and recent steps taken by the Government to promote institutional arbitration in the country along with major challenges for the ADR mechanism in India and necessary steps required to support the ADR eco system.

4. In his presentation the Law Secretary started with an overview on the subject. The Law Secretary apprised the committee about the arbitration and mediation as ADR tools. Stating the Arbitration and Conciliation Act of 1996 as the main pillar of the ADR mechanism in the country, he explained various related legislations enacted by the Parliament.

5. On arbitration, the Law Secretary informed that there are about 35 or more arbitral institutions in the country which conduct domestic and international

arbitrations in various areas. He told that Arbitration Council of India has been made a part of the Arbitration and Conciliation Act, 1996 as per the Arbitration and Conciliation (Amendment) Act, 2019 with a view to promote institutional arbitration over *ad hoc* arbitration. He explained that the main functions of the Arbitration Council of India are to frame policies regarding grading of arbitral institutions, recognize professional institutes, review grading of arbitration institutions and arbitrators, hold training workshop and courses in arbitration so as to extend its outreach among various stakeholders at large scale. He further informed that India International Arbitration Centre (IIAC) has been established in Delhi under India International Arbitration Centre Act in 2019. Pointing out to the empanelment of arbitrators and arbitration cases at present, the Law Secretary expressed that the expected outcomes for effective functioning of IIAC is quite high within a couple of years.

6. On mediation, the Law Secretary informed that Mediation Act, 2023 has come into effect as enacted by the Parliament for the creation and establishment of institutional mediation in the country. He explained that under the Act, the parties attempt to reach amicable settlement of their dispute within a stipulated timeframe with the assistance of a third party or persons referred to as mediator, who only facilitates the party to reach a settlement rather than imposing any solution upon them. The Act provides that a person of any nationality can be appointed as a mediator. The Act also provides for establishment of the Mediation Council of India which in turn is to recognize the various mediation service providers, mediation institutes, and the registered mediators in India.

7. Citing the limitation of the present ADR system, the Law Secretary pointed out many requirements and to do many things in this regard. Awareness and understanding about ADR is limited in the country. Robust, convergent and well-informed arbitration bar is required to promote institutional arbitration. Given the reach of technology in our lives, paperless and virtual arbitration hearings and mediation is required for larger reach. Increased focus would be required on mediation as a norm to complement dispute resolution through courts. Community mediation, a novel provision, has a great potential in maintaining peace and harmony in the society. He further informed that training and other exercises,

well-informed arbitration bar, reach of technology in ADR etc. is required to support the ADR ecosystem in the country.

8. On conclusion of the presentation Members raised some queries related to statistics regarding resolution of disputes, promotion of public awareness; credibility and accountability of arbitrators, spread of ADR centers in far flung areas, infrastructure for ADR mechanism, check on fees structure etc. The Chairman then asked the Department to give the replies to the Members' queries in writing to the Secretariat.

9. It is pertinent to record here that this meeting of the committee was conducted paperless by introducing a new in-house application developed by the National Informatics Centre (NIC). The application was accessed through cyber security hardened touch screen tablets, pre-configured and made available during the meeting.

10. The meeting was adjourned at 4.29 PM. A verbatim record of the meeting was kept.

NEW DELHI
10th December, 2024

INDIRA CHATURVEDI VAIDYA
DIRECTOR

To

The Chairman and Members of the
Department-related Parliamentary
Standing Committee on Personnel,
Public Grievances, Law and Justice.

**DEPARTMENT RELATED PARLIAMENTARY STANDING COMMITTEE ON
PERSONNEL, PUBLIC GRIEVANCES, LAW AND JUSTICE**

MINUTES OF THE MEETING

X

TENTH MEETING

The Department-related Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice met at 11:00 A.M. on 24th April, 2026 in Committee Room 3, Parliament House Annexe Extension, New Delhi – 110001.

MEMBERS PRESENT

1. Shri Brij Lal — *Chairman*

RAJYA SABHA

2. Shri Vivek K. Tankha
3. Shri Harsh Vardhan Shringla

LOK SABHA

4. Shri Saleng A Sangma
5. Shri Mahendra Singh Solanky
6. Shri Varun Chaudhry
7. Dr. Faggan Singh Kulaste
8. Shri Kalyan Banerjee
9. Shri Madhavaneni Raghunandan Rao
10. Shri P P Chaudhary

SECRETARIAT

1. Smt. Indira Chaturvedi Vaidya, Director
2. Shri Kuldip Singh, Deputy Secretary
3. Ms. Purva Khanna, Under Secretary

WITNESSES

Department of Legal Affairs

1. Shri Asutosh Mishra, Additional Secretary
2. Shri Ajay Kumar Arora, Joint Secretary

India International Arbitration Centre

1. Shri Navin Kumar Singh, CEO
2. Shri Vijay Kumar Sanduja, Registrar

Delhi International Arbitration Centre

1. Smt. Sadhika Jalan, Joint Registrar (DHJS)
2. Smt. Neha Gupta Singh, Joint Registrar (DHJS)

Department of Justice

1. Shri Niraj Verma, Secretary
2. Shri Suresh Kumar, Joint Secretary
3. Smt. Monika Rani, Director

National Legal Service Authority

1. Shri Kunal Vepa, Director
2. Shri Rajive Kumar Yadav, Deputy Secretary

Ministry of Corporate Affairs

1. Smt. Deepti Gaur Mukherjee, Secretary
2. Shri Balamurugan D., Joint Secretary
3. Shri Rahul Jain, Joint Secretary
4. Shri Pranay Chaturvedi, Joint Director

2. The Chairman welcomed Members to the meeting of the committee and informed them that the Committee is scheduled to undertake a study visit to Mussoorie and Dehradun from 8th to 12th May, 2026 to examine the subject “Effectiveness of Vigilance Administration”. Further, he informed the Members about the agenda of the meeting which was to deliberate on the subject “Creating and Developing Institutional Mechanism to Support the Alternative Dispute Resolution (ADR) Ecosystem”. Thereafter, the Chairman invited Secretary, Department of Justice, Secretary, Ministry of Corporate Affairs, Additional Secretary, Department of Legal Affairs, and Joint Registrar, Delhi International Arbitration Centre, to hear their views on the subject.

3. The Secretary, Department of Justice, informed that the National Legal Services Authority (NALSA), under Section 4(f) of the Legal Services Authorities Act, promotes ADR mechanisms such as negotiation, arbitration, mediation and conciliation through Lok Adalats and other platforms across the country. Thereafter, the Director, NALSA, made a presentation on the role of ADR mechanisms in ensuring timely and cost-effective justice and explained the institutional framework of NALSA. He informed that Lok Adalats, Permanent Lok Adalats and mediation centres have significantly contributed to dispute resolution and disposal of cases. He further stated that awards passed by Lok Adalats have the status of civil court decrees and also informed that the Mediation Act, 2023 provides a comprehensive framework for mediation, including provisions relating to community mediation and the establishment of the Mediation Council of India. He also highlighted the role of pre-institution mediation under the

Commercial Disputes Act in reducing litigation and apprised the Committee about initiatives such as community mediation pilots and ‘Mediation for the Nation’ to strengthen the ADR ecosystem in the country.

4. The representatives of the Ministry of Corporate Affairs informed the Committee that the Ministry administers the Companies Act, 2013, LLP Act, Insolvency and Bankruptcy Code (IBC) and the Competition Act. It was stated that mediation provisions under Section 442 of the Companies Act, read with the Companies (Mediation and Conciliation) Rules, 2016, provide for empanelment of mediators and references to mediation by the Central Government, NCLT and NCLAT. The Committee was further informed that amendments introduced under the Mediation Act, 2023 are yet to be notified, after which necessary changes in the Rules would be undertaken. It was also stated that while mediation is not suitable during insolvency resolution under the IBC, there is scope for pre-filing mediation. Further, the Competition Act contains provisions relating to settlement and commitment, which are being implemented by the Competition Commission of India.

5. The Additional Secretary, Department of Legal Affairs, informed the Committee that the ADR ecosystem in India comprises arbitration, conciliation and mediation under the Arbitration and Conciliation Act, 1996 and the Mediation Act, 2023. He stated that ADR provides a cost-effective and time-efficient alternative to conventional litigation and helps reduce the pendency of cases in courts. The Committee was apprised of the advantages of ADR, including flexibility, party autonomy and quicker dispute resolution. The need to promote institutional arbitration over ad-hoc arbitration was also emphasized. The Department informed the Committee about the establishment of the India International Arbitration Centre (IIAC) under the IIAC Act, 2019 to position India as a global arbitration hub.

6. The Committee was further apprised about the key features of the Mediation Act, 2023, including provisions relating to pre-litigation, online and community mediation, establishment of the Mediation Council of India and enforceability of mediated settlements. The Ministry highlighted how concerns such as limited knowledge, preference for litigation and enforcement issues continue to persist, and emphasized the

need for capacity building, institutional strengthening, use of technology and alertness generation to promote ADR in the country.

7. The representatives of the Delhi International Arbitration Centre (DIAC) informed the Committee that the Centre, established under the aegis of the Delhi High Court, aims to promote institutional arbitration in India in line with the global best practices. They stated that since its establishment in 2009, DIAC has administered more than 12,000 cases, supported by structured rules, qualified arbitrators and modern digital and hybrid hearing facilities. The Committee was also apprised of DIAC's governance structure, capacity building initiatives and training programmes. In addition to the concerns raised by the Department of Legal Affairs, the representatives from DIAC emphasized issues such as limited publicity, international competition and enforcement issues, and underscored the need for greater outreach, capacity development and technological upgradation to strengthen institutional arbitration in the country.

8. Thereafter, Committee discussed the challenges facing the ADR framework, including the continued preference for ad-hoc arbitration despite the benefits of institutional mechanisms. Concern was also expressed over the low caseload and performance of IAC. Members dwelt upon the issues such as reliance on foreign arbitration institutions, limited success of pre-institution mediation, lack of awareness and delays in enforcement. The Committee emphasised on the need to professionalize ADR, strengthen its integration with corporate and insolvency frameworks and ensure strict timelines for dispute resolution. It also stressed the need to improve infrastructure, leverage technology while addressing the digital divide at the district level, and strengthen community mediation. The Committee further impressed upon the importance of increasing public awareness, improving ground-level implementation and developing a time-bound national ADR action plan with measurable outcomes.

9. The Chairman thanked the Secretary, Department of Justice; Secretary, Ministry of Corporate Affairs; Additional Secretary, Department of Legal Affairs; and Joint Registrar, Delhi International Arbitration Centre, for their presentations and responses. The Chairman requested them to furnish written replies to the questions which were not addressed during the interaction within ten days.

10. A verbatim record of the meeting was kept.
11. The meeting was adjourned at 01.06 P.M.

New Delhi
24th April, 2026

INDIRA CHATURVEDI VAIDYA
DIRECTOR

To
The Chairman and Members of the Department-related Parliamentary
Standing Committee on Personnel, Public Grievances, Law and Justice

MINUTES OF THE MEETING

XIV

FOURTEENTH MEETING

The Department-related Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice met at 03:00 PM on 05.08.2026 in Room No. 4, PHAE Building, New Delhi – 110001.

MEMBERS PRESENT

1. Shri Brij Lal - Chairman

RAJYA SABHA

2. Shri Naveen Jain
3. Shri Harsh Vardhan Shringla

LOK SABHA

4. Shri Gaddigoudar Parvatagouda Chandanagouda
5. Shri Dineshbhai Makwana
6. Adv Gowaal Kagada Padavi
7. Shri Radhakrishna
8. Shri Madhavaneni Raghunandan Rao
9. Shri Pushpendra Saroj
10. Smt. Manju Sharma
11. Shri K Sudhakaran
12. Shri Lalji Verma
13. Shri Varun Chaudhry
14. Shri P.P Chaudhary

SECRETARIAT

- i. Shri P. Narayanan, Joint Secretary
- ii. Smt. Indira Chaturvedi Vaidya, Director
- iii. Shri Kuldeep Singh, Deputy Secretary
- iv. Ms. Purva Khanna, Under Secretary

2. The Chairman, at the outset, welcomed Members of the Committee and informed them that the Committee had assembled to consider and adopt the following Draft Reports of the Committee:-

- i. Draft 165th Report on the Subject ‘Creation and Development of Institutional Mechanism to Support the Alternative Dispute Resolution Ecosystem’; and
- ii. * * * *

3. The Committee unanimously adopted the Draft 165th & * Reports without any modification and decided to present the Reports to both the Houses of Parliament on 07th August, 2026. Shri Dineshbhai Makwana, M.P., and in his absence Shri Radhakrishna, M.P., were nominated to lay the Reports in Lok Sabha, while in the absence of the Chairman of the Committee, Shri Harsh Vardhan Shringla, M.P., was nominated to present the Reports in Rajya Sabha.

4. * * * *

5. The meeting adjourned at 03.30 PM.

New Delhi
05th August, 2026

INDIRA CHATURVEDI VAIDYA
DIRECTOR

To,

The Chairman and Members of the Department-related Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice.

*Pertains to other matters