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Alternative Dispute Resolution as a Tool for Easy Justice Delivery in India

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Abstract:

Access to justice is a basic right as per Article 39A of the Constitution of India, whereby the state is committed to providing equal justice and free legal assistance. Yet, the Indian judicial framework has been infested with delays, arrears, and procedural complexity for years, rendering most individuals inaccessible to justice. As of 2024, more than 50 million cases are pending across Indian courts, with some remaining on the shelf for decades. This crisis calls for a revolution of Alternative Dispute Resolution (ADR) mechanism, which provides quicker, cheaper, and amicable solutions to disputes' has mechanisms like arbitration, mediation, conciliation, and negotiation, which operate outside the conventional court litigation. They are becoming more and more observed internationally for their applications to clear congestion from courts and make justice more accessible. Indian laws like the Arbitration and Conciliation Act, 1996, and the Legal Services Authorities Act, 1987, have provided legal acceptance to ADR. ADR has not been utilized to its potential, though, by way of unawareness, institutional capacity, and problems of enforcement. This research paper discusses the current state of ADR in India, determines the defining challenges, and proposes reforms to strengthen ADR mechanisms for improved access to justice. The study relies on a mix methodology wherein legal provisions, judicial precedents, and empirical studies are examined to assess the effectiveness of ADR.

Keywords: Alternative Dispute Resolution (ADR), Access to Justice, Arbitration and Mediation, Judicial Reforms, Legal Framework in India

Introduction

Access to justice is not a mere legal procedure but an inbuilt and inalienable right, well rooted in the constitutional ethos of India. Article 39A of the Constitution of India clearly obliges the State to make sure that the legal system tries to secure justice on a basis of equal opportunity, and particularly to give free legal aid so that access to obtaining justice is not refused to any citizen by reasons of economic or other disabilities. This charge, enshrined in the Directive Principles of State Policy, is a reflection of the Indian state's commitment to a fair, equitable, and accessible regime of law.[i] Yet despite this constitutional assurance, the current Indian judicial system is overburdened, plagued by unacceptable delays, prohibitive costs, and procedural intricacies that significantly interfere with the speedy and equitable administration of justice.

By the end of April 2025, the Supreme Court had 81,801 cases pending. The Court received 4029 cases and resolved 3485 cases in the same month., the Indian judiciary's crisis has ruthlessly surfaced. Based on available data in the National Judicial Data Grid (NJDG), over 50 million cases are pending to be heard in India's different courts, namely the Supreme Court, High Courts, and lower courts[ii]. Most of the cases have been pending for more than ten years and even two or three decades in certain situations. The time taken to dispose of a civil case in India is expected to exceed 15 years. The inefficiency is not only undermining the faith of the public in the justice delivery system but also has socio-economic consequences on the individuals and institutions that are unable to dispose of the cases in time. For economically weaker sections, marginalized and poor, the obstacles created by litigation ranging from geographical unreachability, legal illiteracy, procedural delay, and prohibitive Ness of legal remedy render justice inaccessible.

Implementation of ADR mechanisms on a global level has been growing since the later part of the twentieth century. Developed nations like the United States, United Kingdom, and Singapore have succeeded in adopting ADR in the justice system, and its effects are visible in the form of reduced levels of litigation and increased public satisfaction with the administration of justice. India also took impressive steps in conferring legal sanctity and procedural certainty to ADR through some enactments and judicial pronouncements. The Arbitration and Conciliation Act, 1996, on the lines of the UNCITRAL Model Law on International Commercial Arbitration, was a landmark step through the incorporation of arbitration and conciliation in the ambit of a single legislative framework[iii]. Likewise, the Legal Services Authorities Act, 1987 legalized proceedings such as Lok Adalats for various purposes, including speedy and cheap delivery of justice[iv].

Also, recent legislations such as the Mediation Act, 2023 indicate an increasing desire to regulate and simplify the process of mediation. The Act seeks to promote mediation as a best method of dispute resolution through the creation of mediation councils and making mediated settlements more enforceable. The judiciary also has been focusing on enabling ADR. In Vidia Drolia v. Durga Trading Corporation[v], the Supreme Court of India reinforced the significance of Alternative Dispute Resolution (ADR) mechanisms, particularly arbitration, while also clarifying the scope of judicial intervention in arbitrability disputes. Though the case primarily dealt with the arbitrability of landlord-tenant disputes under the Transfer of Property Act, 1882, it carried forward the judicial philosophy emphasized in Afcons Infrastructure Ltd. v. Cherian Varkey Construction Co. (P) Ltd. (2010) 8 SCC 24 and Salem Advocate Bar Association v. Union of India (2005) 6 SCC 344, which promoted Section 89 of the CPC, 1908 for encouraging ADR.[vi]

In spite of these promising advances, ADR in India continues to be woefully underutilized and underdeveloped both on the ground and on the mind. Some challenges prevent the full realization of ADR. These consist of lack of public knowledge and legal literacy regarding ADR mechanisms, inadequate infrastructure, lack of trained and certified mediators and arbitrators, and general resistance by legal professionals and parties to embracing non-litigation-based means of dispute resolution. Enforcement of awards rendered by arbitration and settlements reached through mediation also encounters resistance, detracting from the effectiveness and attractiveness of ADR mechanisms. In commercial disputes in particular, the age-old problem of enforcement under the Arbitration and Conciliation Act is a major issue.

Another major limitation is that ADR has been viewed as a "lesser" or "second-rate" form of justice, applicable only to small cases or compromise-based resolutions. This view discredits the credibility of ADR mechanisms and discourages parties from seeking it in important cases like commercial, matrimonial, or intellectual property matters. Unavailability of institutionalized ADR infrastructure in rural and semi-urban areas again limits access. While Lok Adalats have been found to dispose of huge pendency of disputes, especially motor accident claims and cheque bounce cases, they suffer from inadequacies of voluntariness, justice, and quality in such disposal.

Comparative analysis of ADR systems at global levels recognizes that India must possess more proactive and institution-allied mainstreaming policy of ADR[vii]. Success of Singapore in the Singapore International Mediation Centre (SIMC) and Singapore International Arbitration Centre (SIAC), for instance, is its government's initiative in building ADR-friendly legal framework, building capacity of professionals, and international reputation. Similarly, mediation and arbitration court-annexed in America are included in civil procedure in most jurisdictions, which allows early settlement and economic savings. These examples demonstrate how political will, institutional design, and policy of law can be complemented by ADR systems.[viii]

In an Indian context, ADR consolidation goes beyond institution and legislative reform to legal culture towards cooperation from adversarial, towards expeditiousness from tardiness, and towards accommodation from exclusivity. Judges, lawyers, academicians, and law students in the legal community must be sensitized and trained in ADR methods. Also, ADR training must be included in law school curriculum, and bar associations must promote mediation and arbitration as a profession. Less important are empirical researches and data collection on the use, success rate, and problems of ADR mechanisms by sectors and jurisdictions. Policy-making based on evidence can assist in customizing the ADR systems to the specific requirements of Indian litigants, business, and communities.

The current research study attempts to critically analyze the current status of ADR mechanisms in India and determine their efficacy in promoting access to justice. The study further seeks to identify structural and procedural chokepoints that hinder the development of ADR and suggests practical, institutional, and legislative reforms to overcome such hurdles. The paper follows a doctrinal and qualitative research approach, interpreting statutory enactments, judicial dicta, expert comments, policy declarations, and empirical data. Drawing upon such analysis, the paper tries to provide answers to key questions: Why did ADR fail to evolve

in India in spite of parliamentary benevolence? What institutional changes need to be introduced to integrate ADR? How can India pick up the best in the world without neglecting local concerns?

The structure of the paper is this. Following this introduction, the second section contains a general review of literature on ADR based on judicial commentaries, research work, and court judgments. The third section explains the methodology of research adopted, such as sources, method, and constraints. The fourth section contains an examination of the present ADR structure in India, statutory as well as judicial mindset and institutional practices. The fifth section discusses issues regarding ADR implementation and utilization, prior to a sixth section proposing proposals for reform and policy suggestions. The last section concludes the paper by summarizing observations and suggestions for future policy and research-making.

Objective of the Research

1.Discover the Effectiveness of ADR Mechanisms in India

The research will measure to what extent ADR processes—arbitration, mediation, conciliation, and Lok Adalats—have curbed the judicial burden. It will also evaluate the efficacy, cost-effectiveness, and access of the processes in the resolution of disputes. The research will consider parameters like time taken on determination of a case, level of satisfaction on the part of parties, and the enforceability of ADR awards.

2.Judicial Trends and Legislative Reforms

The study will examine the increasing role of the courts in enforcing ADR. It will discuss landmark judgments that have shaped the landscape of ADR and examine the manner in which the courts have understood and enacted legislations concerning ADR. To determine their effects on the viability and acceptance of alternative dispute resolution (ADR) in India, the study will look at legislative attempts such the Mediation Act of 2023 and modifications to the Arbitration and Conciliation Act of 1996.

3.emark India's ADR System against International Best Practice

In comparison with other countries with robust systems of resolving disputes, e.g., Singapore and the United Kingdom, the study will compare India's ADR systems with a view to pinpointing areas of improvement. Through comparative assessment, international best practices in institutional support, training of mediators, enforcement of ADR awards, and application of technology in dispute resolution systems will be identified.

4. Provide Policy Suggestions to Strengthen ADR

The conclusion will provide useful policy suggestions on how ADR may be strengthened and rendered efficient and legitimate in India. They may include proposals for enhanced public awareness, enhancing mediator training programs etc.

Methodology

This study followed mixed methods methodology to assess the effectiveness and outreach of alternative dispute resolution (ADR) in India. It combines doctrinal research, empirical research, and comparative legal analysis. Doctrinal research includes critical analysis of important laws such as the 1996 Arbitration and Arbitration Act, the 1987 Law on the Authorities of Legal Services, the 2023 Mediation Act and Article 89 of the Civil Procedure Code. Classical Court rulings and reports of the Legal Commission have

also been studied in research to analyses the legal framework and the judicial mindset towards the ADR. The empirical study is carried out through surveys and interviews with mediators, arbitrators, lawyers and plaintiffs in order to understand their daily experience and views on ADR. It provides an understanding of whether ADR mechanisms are effective, accessible and vulnerable to challenges. Effective ADR models in the US, UK, and Singapore are reflected in comparison study. It observed the well-established institutional framework, the training process of mediators, and the use of technology in conflict resolution in these countries. The mixed approach combines legal theory with practical lessons and world best practices to form policy proposals, integrating India's ADR and providing a balanced and panoramic assessment of ADR.

Legal Framework Defining and Governing ADR in India

Alternative Dispute Resolution (ADR) in India has been formalized and systematized more and more by a series of Parliament-enacted acts. These legal frameworks give the institutional and procedural framework for many ADR processes like arbitration, mediation, conciliation, negotiation, and Lok Adalats. Increasing popularity of ADR as a tool of choice in resolving disputes has been articulated by massive legislation and amendments geared towards encouraging out-of-court settlements, reducing the judicial workload, and delivering quick and economical justice. The following section addresses the most impactful legislations which legislatively accept and endorse ADR in India[ix].

The Arbitration and Conciliation Act, 1996

The Arbitration and Conciliation Act, 1996 is the Indian law dealing with arbitration and conciliation. Based on the UNCITRAL Model Law on International Commercial Arbitration and the UNCITRAL Arbitration Rules, the Act aims to unify and revise the legislation concerning domestic arbitration, international commercial arbitration, and the enforcement of foreign arbitration awards[x].

Key Features:

Part I addresses domestic arbitration and international commercial arbitration with its seat in India.

Part II enacts laws to enforce international awards in accordance with the New York and Geneva Conventions.

Part III legislates conciliation, promoting amicable settlement between parties.

Part IV consists of enabling provisions, such as appeals and procedural matters.

Significant Amendments

2015 Amendment: Enhanced neutrality and effectiveness. Some of the salient features were time-bound arbitration (completion within 12 months), limitation on judicial intervention, and coverage of fast-track arbitration.

2019 Amendment: Established the Arbitration Council of India (ACI) for grading arbitral institutions and arbitrators and added confidentiality and immunity provisions.

2021 Amendment: Seeks to prevent fraudulent arbitration awards by permitting unconditional stay of awards in case of fraud and corruption.

Even after such reforms, enforcement remains the biggest area of concern with delay in award execution and judicial intervention still being a major hindrance. But the Act remains a codified legal regime for ad hoc and institutional arbitration in India.

The Legal Services Authorities Act, 1987

Article 39A *of* the Constitution was put into effect with the passage of the Legal Services Authorities Act, 1987. Its goals are to prevent the denial of justice due to economic or other impairments and to provide free and competent legal services to the most vulnerable members of society.

Key Features:

- At the taluk, district, state, and federal levels, Lok Adalats are held.
- For public utility services including telegraph, postal, and transportation, there are permanent Lok Adalats (PLAs).
- The authority of Lok Adalat is comparable to that of civil courts; the decision rendered is regarded as a civil court decree.

The procedure is informal as well as flexible; advocates are not required.

Lok Adalats have been most successful in resolving motor accident claims, bank recovery cases, and cheque bounce cases under Negotiable Instruments Act, 1881, Section 138. They are now a part of India's ADR system, especially for mass resolution of disputes, over the years.

The Commercial Courts Act, 2015 (Amended in 2018)

The Commercial Courts Act, 2015 was enacted for deciding commercial disputes and curtailing pendency thereof. Some of the salient provisions ushered in by way of the 2018 amendment include mandatory pre-institution mediation of cases pending non-urgent interim relief.

Salient Provisions:

useful in business disputes involving a specific amount (initially ₹1 crore, later lowered to ₹3 lakh).

Section 12A makes it a prerequisite that no action may be instituted under the Act unless the pre-litigation mediation facility is availed of.

Such Legal Services Authority-run mediation centers have the authority to carry out this exercise.

Institutionalizing mediation as a precursor renders this legislative measure one that urges parties to settle their dispute amicably before recourse is made to the formal court process. Not only does this reduce the burden of commercial courts, but it also renders cost-effective adjudication.

The Mediation Act, 2023

One of the most important legislative developments in recent years is the Mediation Act, 2023, which has come into force in order to have a uniform statutory law on mediation in India. Mediation hitherto was not regulated, and various kinds court-referred, private, and institutional—functioned without uniformity.[xi]

Key Features:

- Provides for mandatory pre-litigation mediation in civil and commercial disputes, even before filing of a suit.
- establishes the Mediation Council of India (MCI) to supervise and control the behavior of mediators and mediation organizations.
- Brings online mediation under regularity, in line with digital justice technology.
- Makes mediated settlement agreements enforceable as decree of civil courts, has been given binding effect.

- Imbues courts with the power to refer cases to mediation at any stage of proceedings.
- Barring certain kinds of disputes like criminal cases, tax cases, and cases concerning rights in rem.

This law is a paradigm change, in the sense that it aims to mainstream mediation not as a choice but as a first-approach method of conflict resolution. It brings legal certainty, institutionalizes support, and responds to concerns over enforceability of mediated agreements.

The Code of Civil Procedure, 1908 (CPC), Section 89

Section 89 CPC, which was enacted by the CPC (Amendment) Act, 1999 and went into effect in 2002, is a crucial clause that encourages courts to submit cases to alternative dispute resolution (ADR).

Provision

If it seems to the court that there are certain terms of a settlement, whether acceptable or otherwise, then the court shall draft the terms of settlement and bring it before the parties for their observations. The court may refer the matter for judicial settlement, including through Lok Adalat, conciliation, or arbitration, following receipt of the feedback.

The India International Arbitration Centre Act, 2019 brings into force provisions for the incorporation and establishment of the India International Arbitration Centre (IIAC) with a vision of making India a domestic and international arbitration center. It makes ADR obligatory in civil cases but has been criticized as procedurally vague in its enforcement. The Supreme Court, in the Salem Advocate Bar Association v. Union of India (2005) case, gave guidelines and instructed framing of rules under Section 89. This ruling was crucial in promoting the ADR culture in Indian courts[xii].

Objectives:

Encourage institutional arbitration through the facilitation of a world-class facility. Conduct arbitral and mediation proceedings in a professional, transparent and efficient manner. Promote the development of arbitration practice and jurisprudence.

The IIAC based in New Delhi is intended to rival international institutions such as the Singapore International Arbitration Centre (SIAC) and London Court of International Arbitration (LCIA). Through providing quality services, competent arbitrators, and modern infrastructure, the Act has envisaged establishing confidence among foreign investors and Indian businessmen alike in the Indian system of arbitration.

ADR is still underutilized in spite of these regulatory initiatives because:

Despite these legislative efforts, ADR is still misused because: Lack of Cultural Awareness and Resistance, The largest hurdle in the overall popularity of ADR in India is the overall lack of awareness of legal practitioners and even the litigants. It is not widely known that ADR facilities exist or what they offer, and most people, particularly from rural and semi-urban regions, have no idea. The general perception continues to identify justice with the formal court process, where a court of law is headed by a judge, and the process is formal, time-bound, and enforceable by law. ADR, however, is occasionally mistakenly believed to be an

informal or secondary procedure lacking legal enforceability. Furthermore, ADR is even by practicing lawyers perceived in some cases as undermining their professional income, particularly when conflicts are resolved promptly without engaging in protracted litigation. This hesitation on the part of the legal community also negatively impacts the development of ADR. There is also a deep-seated perception of "winning" a case by way of court orders, as opposed to coming to an acceptable compromise through negotiation or mediation. This is a cultural barrier to ADR because the latter relies on compromise and cooperation rather than adversarial confrontation[xiii].

Efforts to incorporate ADR into law school curricula have only recently begun to gain momentum. The effect, however, awaits to be seen. If there is not proper training and mass sensitization of the public in general and legal practitioners, ADR processes might not gain popularity on a large scale.

Enforcement Challenges

While ADR processes ensure expeditious and less confrontational judgments, the efficacy of such mechanisms largely hinges on the facilitation of enforcement of the award most particularly arbitral awards and mediated settlements. Even though the Arbitration and Conciliation Act of 1996 governs the enforcement of arbitral rulings in India, the legal process is cumbersome and sluggish.

Parties will turn to courts to oppose enforcement of awards on grounds of public policy or procedural impropriety. This is eliminating the raison d'être of having opted for arbitration in the first place. Courts, regardless of a series of Supreme Court judgments highlighting minimum judicial intervention, still have recourse to entertain objections to arbitral awards much too often at the expense of essential delays.

Settlements mediated and compromises conciliated, although currently acknowledged under legislations such as the Mediation Act, 2023, are also beset with the same disadvantages. Although the compromises remain to be enforceable and binding like judgments from courts, realization is subject to cooperation on the part of the parties and efficiency in the judicial process. Without enforcement, the party seeking enforcement has to go back to the courts, which requires a restructuring of efforts and additional expenses[xiv].

Furthermore, in contrast to arbitration in which parties are subjected to institutional process and trained and accredited arbitrators, High levels of party good faith and the professionalism of mediators-a significant number of them are crucial to mediated and conciliated accords, yet they lack official training and accreditation. . This results in doubtful quality of agreements and provides further complications in enforcement.

Institutional Weaknesses and Infrastructural Deficiencies, India is weak and deficient in strong and world-class ADR institutions that can compete with foreign institutions such as the Singapore International Arbitration Centre , London Court of International Arbitration , or the Hong Kong International Arbitration Centre . They have gained international recognition for their neutral procedures, world-class infrastructure, panel of well-known arbitrators, and robust enforcement[xv].

While India has established institutions such as the India International Arbitration Centre (IIAC) and Mumbai Centre for International Arbitration (MCIA), these are still in their infancy stages of development and face a plethora of challenges in terms of people, money, as well as credibility. The global legal community continues to prefer established international centers for high-value commercial arbitrations, particularly for cross-border disputes. Indian institutions have been failing to attract foreign parties because they are viewed to delay, not be neutral, and raise procedural fairness issues.

Also, even local ADR forums like Lok Adalats and mediation centers lack trained mediators, infrastructure facilities, and resources. There needs to be regular training, certification of mediators and arbitrators, and effective administrative support in order to deal with the disputes effectively. Without such systemic changes, the credibility and faith in ADR forums will further erode.

Lack of technological infrastructure is also another important weakness. In the era of digitalization, ADR institutions need to have easy online dispute resolution (ODR) facility, particularly in the post-COVID-19 period. Most of the current ADR platforms do not have technology platforms to carry out video conferencing, secure exchange of documents, or artificial intelligence-based case management, which is common in international arbitration hubs.

Lack of Legal and Policy Support

While some statutory changes have taken place in the past, India does not yet possess a national ADR policy. The patchy strategy across the different statutes such as the Arbitration and Conciliation Act, the Legal Services Authorities Act, the CPC, and the new Mediation Act has at times resulted in duplication and inconsistency of procedure. For example, despite Section 89 of the CPC, designed to refer cases to ADR, its implementation has been patchy and uneven across states.

Section 89 CPC referrals to courts are plagued with the overreliance on the judges' discretion, the majority of whom have no information about the advantages of ADR or prefer to hold onto control of the litigation process. The nation needs a clear and well-defined national ADR policy to make procedures more convenient, facilitate best practices, and induce uniform implementation of ADR processes in the nation.

A second weakness in the practical application of ADR in India is that the scope of its operation is restricted. The majority of dispute types—particularly criminal cases, matrimonial disputes with criminal elements, and those with public interest—are exempted or are not addressed appropriately through ADR platforms. Although the Mediation Act, 2023 has attempted to throw some light on what type of disputes can be referred to mediation, the scope is restricted practically.

There is also uncertainty over government ministries' and public sector enterprises' (PSUs') involvement in alternative dispute resolution (ADR) processes including mediation and arbitration. Bureaucratic reluctance, ambiguity in representation, and accountability issues deter or dissuade government agencies from engaging in ADR.

Judicial Identification of Alternative Dispute Resolution (ADR) in India

The Indian judiciary too has contributed immensely to the emergence of Alternative Dispute Resolution (ADR) procedures to clear congestions from courts and provide efficient dispensation of justice. The Supreme Court and other High Courts, through pioneering orders, have underlined the relevance of ADR in the judicial process. The roll call of cases, below, has established the ADR landscape in India.

1.Salem Advocate Bar Association v. Union of India[xvi]

The lawsuit concerned whether the CPC revisions made by the Amendment Acts of 1999 and 2002 were constitutional, namely Section 89, which requires courts to submit conflicts to alternative dispute resolution (ADR) procedures.

The Supreme Court ruled that the amendments were constitutionally valid on the ground that there was a need for ADR in trying to provide speedy justice. It appreciated the necessity of formulating guidelines on good usage of Section 89 and directed the formulation of a committee for that intent.

The Court reiterated that access to ADR is not discretionary but mandatory duty in case there are settlement issues.

This judgment opened doors for ADR mainstreaming in the civil justice system, facilitating a culture of settlement, and decongestion of litigation.

2. Afcons Infrastructure Ltd. v. Cherian Varkey Construction Co.[xvii]

Background:

The dispute pertained to contractual issues between Afcons Infrastructure Ltd. and Cherian Varkey Construction Co. and had resulted in litigation and use of Section 89 CPC.

In its interpretation of Section 89, the Supreme Court distinguished between several ADR procedures. It was the understanding that Section 89 arbitration required all parties' agreement to it, whereas mediation and conciliation could be supervised by the court as opposed to their agreement. The Court explained that certain cases, such as family cases, and commercial cases were more suited to ADR than others.

The rule established the use of Section 89 and instructed courts on when and how to refer cases to the various forms of ADR.

3. B.S. Krishnamurthy v. B.S. Nagaraj [xviii]

The case was a family feud between brothers, and this brought out the strength of ADR in settling family disputes.

The Supreme Court invited mediation between family disputes with full knowledge that mediation will preserve relationships. It placed the binding nature of the settlement reached prior to Lok Adalats in the Legal Services Authorities Act, 1987, in the limelight. The Court reaffirmed that Lok Adalat awards are final, conclusive, and not subject to appeal.This judgment also encouraged the mediating role of ADR, i.e., mediation and Lok Adalats, for peaceful and early resolution of family and property disputes.

4. M/s. Emkay Global Financial Services Ltd. v. Girdhar Sondhi[xix]

The matter concerned the level of judicial intervention allowed under the 1996 Arbitration and Conciliation Act, and enforcement of award under an arbitration.

The Supreme Court made it clear that the courts are not required to delve into merits of the case while dealing with applications under Section 34 of the Arbitration Act.

It held judicial review to be limited only to the reasons stipulated under the Act with a view to allowing finality of awards in arbitration.

The Court also felt interference was limited with a view to encouraging effectiveness of arbitration as an ADR. This holding brought about pace in enforceability of awards and formulated the doctrine of minimum intervention by the judiciary, thereby breeding confidence in arbitration.

5. Amazon.com NV Investment Holdings LLC v. Future Retail Ltd. (2022) 1 SCC 209

The case involved enforcement of an emergency arbitrator award in a cross-border commercial arbitration between Amazon and Future Retail.

The Supreme Court explained the validity and enforceability of emergency arbitrator awards under Indian law.

Recent trends in ADR in India (2023 - 2024)

India experienced a significant broadening of the scope of ADR in 2023 and 2024 with the finality of lightening the burden of traditional courts and operating effective methods of dispute settling. The highlight development is the enactment into force of the Mediation Act, 2023, functioning of the India International Arbitration Centre (IIAC), and encouragement of Online disagreement Resolution (ODR) by the Supreme Court.

1. The Mediation Act, 2023 Institutionalizing Agreement The Mediation Act, 2023, effective from the 15th of September, 2023, is a milestone in the annals of Indian law by establishing a holistic regime of agreement. The Act aims at bringing about and strengthening agreement, especially institutional agreement, with a view to settling controversies, marketable or not.

Three-league Structure the Act offers the structure of agreement, including, Community Agreement Makes dispute resolution at the community level lead to concord and minimize action.

Court-attached Agreement Delivers agreement to the bar to enable courts to link cases to agreement.

Online Agreement Leverages technology for agreement, making it more accessible and affordable. reasonably Enforceable agreements agreements are made by agreement given the force of a decree, as enforceability and futurity[xx].

Formation of the Mediation Council of India the nonsupervisory organization that administers the agreement process, certifies intercessors, and enforces compliance as provided for. Time-Bound Process Provides 180 days of time limit for the execution of agreement proceedings, which can be extended by another 60 days on mutual consent. As part of initiatives to minimize the number of contentious cases reaching the courts, pre-litigation mediation visions prompt parties to first attempt to agree before proceeding to the courts.

2. India International Arbitration Centre Launch: Making India an Arbitration Hub

In order to make India an international arbitration hub, the India International Arbitration Centre was set up in the year 2023. The IIAC aims at developing a strong institutional framework for arbitration for the resolution of domestic and cross-border disputes[xxi].

Key Highlights

Regulatory Framework: IIAC functions under the India International Arbitration Centre (Conduct of Arbitration) Regulations, 2023, which lay down regulations for arbitration with a view to increasing efficiency and transparency in the process.

3. Supreme Court's initiative towards Online Dispute Resolution (ODR): To Go Digital

Observing the potential of technology to speed up dispute resolution, India's Supreme Court itself has been an ardent supporter of Online Dispute Resolution (ODR). Although reaffirming its commitment towards adopting e-mediation, especially for commercial disputes, in making resolution quick and affordable in 2023, the Court laid stress on the utilization of e-mediation.

Axiomatic Initiatives:

Empanelment of Arbitrators: In order to enhance the quality and reputation of arbitral hearings, a Chamber of Arbitration has been established for the empanelment of experienced arbitrators. Press Information Bureau.

Government Assistance: The Union Law Ministry has incurred ₹7.5 crore over three years to buy IIAC as part of the government's initiative to encourage institutional arbitration.

Instructions for E-Mediation: The Supreme Court has the facility of utilizing e-mediation websites which conduct virtual sessions of mediation geographically dispersed locations.

Incorporation into Judicial Proceedings: Courts have been directed to incorporate ODR mechanisms so that disputes and pendency could be easily resolved.

Building Capability: Lawyers and mediators are being empowered to employ digital technology, with the window for the application of ODR kept open.

International trends are being watched to create space for the use of ODR with India taking the lead in embracing technology in the judicial system.

Why Alternative Dispute Resolution (ADR) is Important to India's Justice System

The Indian judicial system is struggling with a monolithic pendency of cases, with more than 4.5 crore pending in the courts. Not only does this lead to delay in justice, but also brings down public faith in the judicial system. In such a context, Alternative Dispute Resolution (ADR) systems—like mediation, arbitration, conciliation, and Lok Adalats—proven mechanisms for rationalizing the system to make it efficient, cost-cutting, and relationship-saving[xxii].

1.The Indian courts are grossly burdened with a grossly excessive number of pending cases.

ADR techniques can alleviate this burden by channeling appropriate cases out of conventional litigation.To illustrate, Lok Adalat's have been known to be effective on this score.During a National Lok Adalat conducted on May 2025, in Noida and Ghaziabad, around 780,000 cases were resolved in a day, most of them at the pre-litigation stage.Not only do these initiatives hasten the resolution of disputes, but they also leave judicial resources free for more complicated cases.

2.Economic Advantage Conventional litigation in India is typically exorbitant, including high court fees, attorney fees, and long processes. Mediation and other ADR mechanisms, however, are considerably less expensive. A Centre for Trade and Investment Law (CTIL) and Federation of Indian Corporate Lawyers

(FICL) report states that mediation entails much smaller charges than litigation. In reducing expenses, ADR becomes an alternative, particularly for small and medium-sized enterprises and citizens looking for quick and affordable settlements.

3.Faster Adjudications at a Faster Pace Speed is the key issue in dispute resolution. Whereas Indian court cases would take years to be concluded, ADR procedures enable adjudications much faster in duration. Taking mediation as a case in point, it takes between three and six months on an average, relief for the affected parties in due time. Such efficiency, thus, is not only a boon to the disputing parties, but also optimizes the running of the justice system better by checking case arrears[xxiii].

4.Saving Relationships In contrast to confrontational legal hearings with a predisposition to enlarge disagreements, ADR establishes cooperation and empathy as higher priorities than dispute. Mediation, for instance, creates a culture of collaboration in which parties strive towards agreed solutions. This is especially helpful for family and business disagreements where relationships should be maintained. As a marker to this is a National Lok Adalat in Nagpur where mediation united 25 couples at the brink of divorce. Convincing cases like this illustrate ADR's not only potential for ending disputes but also repairing relationships.

5. Institutional Support and Sanction under Law Indian legislation is slowly adopting ADR processes. The Mediation Act of 2023 legalizes mediation by providing a statutory foundation and also making agreements to mediate enforceable under law. Additionally, Section 89 of the Code of Civil Procedure gives power to the courts to refer cases to ADR techniques, mainstreaming them in the judicial process. Legislative encouragement through these measures generates that ADR is not merely an alternative but a component of the Indian mechanism to resolve disputes.

6.Enhanced Access to Justice ADR processes better access to justice by ensuring flexible, informal, and accessible modes of resolution. They are particularly beneficial to marginalized communities and individuals who may find the traditional litigation system difficult or unapproachable. For providing alternative channels for dispute resolution, ADR towards a more inclusive justice system helps where the diverse needs of India's heterogeneous population are met.

Challenges for the Implementation of Alternative Dispute Resolution in India

Alternative Dispute Resolution processes such as mediation, arbitration, and conciliation have lines of promise for easing the overburdened judiciary of India. But with all the promise that they have, implementation of ADR in India is confronted by a cluster of structural and functional challenges that impede its overall acceptability and performance[xxiv].

1. Resistance by Lawyers and Litigants

A key obstacle here is the hesitation of legal professionals and parties to adopt such alternative means. A joint 2023 survey of the Federation of Indian Corporate Lawyers and the Centre for Trade and Investment Law indicated that just 25% of lawyers routinely advise on ADR measures to their clients. Several reasons underpin this hesitation:

Lack of Awareness: Most legal professionals and clients are not adequately educated about the advantages and mechanisms of ADR, therefore ending up with the traditional litigation[xxv].

Financial Incentives:

The traditional litigation is often time-consuming processes, which being inherent, involve higher legal charges. This financial factor may deter some attorneys from marketing faster ADR services.

Perceived Efficacy: Court rulings are generally thought to be reasonable and practicable than ADR awards, which make clients prefer conventional court procedures.

2. Lack of Trained Mediators

The efficiency of ADR, especially mediation, is highly dependent upon how many trained and certified mediators are available. India is not currently suffering from a widespread shortage in this area. India has around 19,158 mediators ranging from judicial officials to lawyers and other professionals as per the statistics of the Mediation Act of 2023. That number is relatively lower compared to the likes of the United States, with more than 50,000 certified mediators. This lack points to the necessity for ,Comprehensive Training Programs: Having standardized modules of training in order to prepare mediators with all the skills and expertise necessary. Certification Procedures: Establishing strong certification procedures to ascertain credibility and quality of mediators[xxvi].

Conclusion

One of the most basic pillars of any democratic country, access to justice is still being plagued by inordinate delays, procedural delays and exorbitant litigations' costs in the formal Indian court system. So much so that clustering alternative dispute resolution mechanisms (ADRs) provides timely and badly required remedies for surmounting these systemic shortcomings. These ADR techniques like arbitration, mediation, mediation and negotiations are a flexible, affordable and speedy solution as a substitute to the conventional courts. This study emphasized the significant legislative and judicial developments India has undertaken toward promoting ADR, such as provisions under the Arbitration and Settlement Act, the Legal Services Authority Act and the new Mediation Act 2023. The landmark Supreme Court verdict also gave a boost to the justification and requirement of the ADR in order to lower the waiting time of the judiciary. But for all of these, implementation of ADR is being hampered by a lack of awareness, poor training, weak institutional infrastructure and non-compliance. Learning from international benchmarks in Singapore, United Kingdom and the United States of America, India can further enhance its ADR ecosystem. The policy proposals are to build stronger institutional capacities, to invest in mediator training, to build strong enforcement mechanisms and use technology for online dispute resolution. ADR is not a tool in addition, but an indispensable part of India's judiciary. Its potential needs to be completely reaped by involving the lawyers, policymakers, the judiciary, and the people. Strengthening the ADR not only places justice within reach, but also results in a more sensitivity, inclusive and efficient legal system.

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