

**GOVERNMENT OF INDIA
LAW AND JUSTICE
LOK SABHA**

UNSTARRED QUESTION NO:2593
ANSWERED ON:25.11.2010
ARBITRATION CENTRES
Chowdhury Shri Adhir Ranjan

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

- (a) whether the arbitration centres are fast becoming popular as an alternative of dispute redressal mechanism;
- (b) if, so, the details thereof;
- (c) the number of cases solved by these arbitration centres during the last three years, State-wise;
- (d) whether the Government proposes to establish more arbitration centres in the current financial year; and
- (e) if so, the details thereof, State-wise?

Answer

MINISTER OF LAW AND JUSTICE (DR. M. VEERAPPA MOILY)

(a) to (b): No establishment by name `arbitration centres` is functioning as a part of Alternative Disputes Redressal (ADR) Mechanism. Section 89 of the Code of Civil Procedure mandates that civil cases have to be referred to one of the following ADR mechanism, namely (1) Lok Adalat organised under the Legal Services Authorities Act, 1987 (2) mediation (3) conciliation as per the provisions of the Arbitration and Conciliation Act, 1996 and (4) Judicial settlement. So far, no centre by name `arbitration centre` has been opened anywhere but the Thirteenth Finance Commission (TFC) Award has provided a sum of Rs. 600 crores for setting up of ADR Centres in each District providing t 1 crore for each District and Rs. 150 crores for training of Mediators/conciliators over a period of five years.

(c): Of all the above resolution mechanisms, arbitration is the least resorted to ADR mechanism by the Civil Courts for settlement of dispute and therefore the statistics in relation to arbitration alone has not been maintained.

(d) & (e): Steps have been initiated by the State Legal Services Authorities to establish centres in all Districts using the first instalment of Thirteenth Finance Commission (TFC) Award. The Thirteenth Finance Commission (TFC) Award amount will be released only in phases, over a period 5 years starting from 2010-11. In the ADR centres so to be established, all the aforesaid types of ADR mechanisms will be facilitated.