

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

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**LOK SABHA**

UNSTARRED QUESTION NO.2885  
TO BE ANSWERED ON WEDNESDAY, THE 10<sup>TH</sup> JULY, 2019

**SETTLEMENT OF DISPUTES**

**2885.** SHRI VINOD KUMAR SONKAR:  
DR. SUKANTA MAJUMDAR:  
SHRI RAMCHARAN BOHRA:  
SHRI RAJA AMARESHWARA NAIK:  
SHRI KHAGEN MURMU:

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

- (a) whether the Government has examined the recommendations of law commission on amendments in Arbitration and Conciliation Act, 1996, if so, the details thereof and the present status thereof;
- (b) whether the High Level Committee has recommended for amendments to encourage institutional arbitration for settlement of disputes and if so, the details of the recommendations;
- (c) whether Government has approved the Arbitration and Conciliation (Amendment) Bill, 2018 to make India a centre of robust Alternative Dispute Resolution mechanism and if so, the details thereof;
- (d) the number of Mediation Centres/ Alternative Dispute Resolution (ADR) centres set up in the country during each of the last three years along with the number of cases disposed of by the said centres during the said period;
- (e) whether the Government proposes to increase the number of such centres in near future, if so, the details thereof and if not, the reasons therefor;
- (f) whether Government has approved the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts (Amendment) Bill, 2018; and
- (g) if so, the details thereof and the steps taken by the Government for expeditious disposal of commercial disputes?

**ANSWER**

**MINISTER OF LAW AND JUSTICE, COMMUNICATIONS AND  
ELECTRONICS & INFORMATION TECHNOLOGY  
(SHRI RAVI SHANKAR PRASAD)**

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**(a) to (g)** A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF LOK SABHA UNSTARRED QUESTION NO. 2885 FOR 10.07.2019, REGARDING 'SETTLEMENT OF DISPUTES' BY SHRI VINOD KUMAR SONKAR, DR. SUKANTA MAJUMDAR, SHRI RAMCHARAN BOHRA, SHRI RAJA AMARESHWARA NAIK, AND SHRI KHAGEN MURMU, HON'BLE M.P.s:

**(a):** The Arbitration and Conciliation Act, 1996 was amended by the Arbitration and Conciliation (Amendment) Act, 2015 by the Government after examination and due consideration of the 246<sup>th</sup> Report and Supplementary Report of the Law Commission of India and suggestions received from other stake holders. The amended Act, inter-alia, provides time limit for arbitral award, fast track procedure, neutrality of arbitrator, timely execution of arbitral award, restricting the scope for challenging of arbitral award, minimum court interference and fee of the arbitrators etc.

**(b) & (c):** To encourage institutionalisation of arbitration mechanisms in the country, the Government has, after considering the recommendations of the High Level Committee (HLC) to review the institutionalisation of arbitration mechanisms in India, introduced a Bill namely "The Arbitration and Conciliation (Amendment) Bill, 2018" in the Lok Sabha on 18.07.2018 and the Bill was passed by the Lok Sabha on 10.08.2019. The amendment Bill, inter-alia, provides for establishment of the Arbitration Council of India with the mandate to promote and encourage arbitration, mediation, conciliation or other alternative dispute resolution mechanism and for that purpose to frame policy and guidelines for the establishment, operation and maintenance of uniform professional standards in respect of all matters relating to arbitration. However, due to dissolution of the 16<sup>th</sup> Lok Sabha, the Bill lapsed as it could not be passed by the Rajya Sabha.

**(d) & (e):**The number of Mediation Centres/ Alternative Dispute Resolution (ADR) Centres set up by the State Legal Services Authority constituted under the Legal Services Authorities Act, 1987 alongwith number of cases disposed of by these centres during each of the last three years, as per available information is as under:

S.No.	Period	Number of functional Centres	of ADR	Number of cases settled through mediation
1.	2016-17	375		93730
2.	2017-18	556		107587
3.	2018-19	582		98966

**(f) & (g):**The Central Government amended the Commercial Courts, Act, 2015 by the Commercial Courts (Amendment) Act, 2018. The provisions of the amended Act facilitates fast tracking of commercial disputes by reducing the specified value of a commercial dispute to Rs. 3 lakh from the earlier Rs. 1.00 Crore, and establishment of Commercial Courts at District Judge level in jurisdictions where High Courts enjoy Ordinary Original Civil Jurisdiction. The amended Act also provides for Pre-Institution Mediation and Settlement (PIMS) Mechanism for compulsory mediation in certain cases before institution of a suit. The State Legal Services Authority and District Legal Services Authority constituted under the Legal Services Authorities Act, 1987 are authorised to conduct Pre-Institution Mediation and Settlement.

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