

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

LOK SABHA

UNSTARRED QUESTION NO.264
TO BE ANSWERED ON WEDNESDAY, THE 3rd February, 2021

ARBITRATION LAW

264. SHRI RAJA AMARESHWARA NAIK:
DR. SUKANTA MAJUMDAR:
SHRIMATI SANGEETA KUMARI SINGH DEO:
SHRI VINOD KUMAR SONKAR:
SHRI BHOLA SINGH:
SHRI NISITH PRAMANIK:
DR. JAYANTA KUMAR ROY:

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

- (a) whether the Government as part of its push to improve India's ranking in the ease of doing business, also brought in the Arbitration and Conciliation Ordinance 2020 to amend the arbitration law;
- (b) if so, the details thereof;
- (c) whether the Arbitration and Conciliation Ordinance 2020 seeks to recalibrate the balance between autonomy of the arbitration process and oversight by the courts;
- (d) if so, the details thereof; and
- (e) the other steps being taken by the Government to make courts adopt the new normal and go virtual due to corona virus pandemic?

ANSWER

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

(a) & (b): The Arbitration and Conciliation (Amendment) Ordinance, 2020 has omitted the Eighth Schedule of the Arbitration and Conciliation Act, 1996, which laid down qualifications, experience and norms for accreditation of arbitrators. Through this amendment, eminent arbitrators would be facilitated to conduct arbitration in India subject to the regulations to be framed by the Arbitration Council of India.

This will not only strengthen the enforcement of contract regime but will also attract both domestic and international investors, to choose India as the preferred destination for getting their disputes resolved in a time bound manner.

(c) & (d): The Arbitration and Conciliation (Amendment) Ordinance, 2020 has inter-alia amended section 36 of the Act relating to enforcement of arbitral award. This provision comes into picture only after the arbitral proceedings are concluded and the award is rendered. Thus section 36 in no way overlaps with the conduct of arbitral proceedings till its conclusion. The amendment in section 36 has been carried out to address the issue of corrupt practices in securing contracts or arbitral awards and only provides for unconditional stay on enforcement if the Court is prima facie satisfied that the underlying arbitration agreement or contract or making of the arbitral award are induced by fraud or corruption.

(e): Video conferencing emerged as the mainstay of the Courts during the Covid lockdown period as physical hearings and normal court proceedings in the congregational mode were not possible.

To bring about uniformity and standardization in the conduct of Video Conferencing (VC), an overarching order was passed by the Hon'ble Supreme Court of India on 6th April 2020 which gave legal sanctity and validity to the court hearings done through VC. Further, VC rules were framed by a 5 Judge committee which was circulated to all the HCs for adoption after local contextualization. So far, the VC rules have been adopted by 12 High Courts.

Since Covid lockdown started, the District courts heard 45,73,159 cases while the High Court heard 20,60,318 cases (totalling to 66.33 lakh) till 31.12.2020 using video conferencing only. The Supreme Court had nearly 32,000 hearings during the lockdown period.

Legal Services Authorities also appropriately responded by creatively adapting to the new normal and moving Lok Adalat to the virtual platform. E- Lok Adalat is a process to settle disputes, combining technology and alternative dispute resolution ("ADR") mechanisms which offers a faster, transparent and accessible option.

Since then, E-Lok Adalats have been organized in 23 more States and UTs. In total 8 lakh cases were taken up out of which around 4.07 lakh cases were disposed of.
