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# Alternative Dispute Resolution Mechanism as per Indian Perspective

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## ABSTRACT

*Discourage litigation. Persuade your neighbors to compromise whenever you can. Point out to them how the nominal winner is often the real loser- in fees, and expenses, and waste of time. As a peacemaker, the lawyer has a superior peace-maker the lawyer has a superior opportunity of being a good man. There will still be business enough.*

**-Abraham Lincoln**

*The large number of pending cases is one of the biggest challenges of the Indian legal system. The large number of pending cases not only delay justice but also create pressure in the legal system. India is a developing country with major economic reforms which results in the increasing number of companies and large number of disputes. Courts will not be able to bear the pressure of such large number of disputes and the justice system. As a solution for this problem Alternative dispute resolution provides alternative of dispute resolution in an effective way which is less costly and timesaving. This paper discusses the concept of Alternative Dispute Resolution mechanisms and how it has proven to be a useful alternative to the litigation process in India in detail. The following paper focuses on various mechanisms of alternative dispute resolution like mediation, arbitration, negotiation, conciliation, and Lok Adalat which are some of the effective mechanisms of ADR which allow the party to reach a satisfactory solution without spending much time and money. Access to inexpensive and expeditious justice is a basic human right.*

**Keywords:** Arbitration, Binding, Non-Binding, Arbitrator, Mediation, Conciliation

## I. INTRODUCTION

*“I realized that the true fiction of a lawyer was to unite parties... A large part of my time during the 20 years of my practice as a lawyer was occupied in bringing*

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*out a private compromise of hundreds of cases. I lost nothing thereby- not even money, certainly not my soul.”<sup>3</sup>*

**– Mahatma Gandhi**

Disputes and conflicts are an essential part of any human society. People have the utmost faith in the judiciary and hence they seek justice from the courts instead of going against the laws. An efficient judicial system not only requires fair results but also requires speedy justice. However, the justice delivery in India takes a lot of time which has in turn given rise to the delaying and pendency of cases. The enormous rise in the filing of cases in the court has led to an increase in the number of pending cases and this has led to the need for alternative dispute resolution mechanisms. Alternative Dispute Resolution has brought various mechanisms that help to resolve disputes outside the courtroom in a non-adversarial manner. Alternative Disputes Resolution is not a new concept in India. The concept of ADR has been evident in India since time immemorial. Panchayats are one of the examples of ADR being practiced in India. Taking recourse to the courts and litigation can be costly or unaffordable and time-consuming, ADR has proved to be a cost-effective and time-saving method for the resolution of disputes. It can be seen as a private or an exclusive method however it should work within the legal framework. As per article 14, it necessary for the State to ensure equality before the law and a legal system that promotes just and equal society. Thus, speedy and accessible justice to the people in need is an essential part of our constitutional democracy. Delay of justice kills the very essence of the justice delivery system. This has led to the loss of faith among the citizens which in turn has led to an increase in the crime rates. In 1996, the Indian Legislature, to decrease the problems faced by the courts i.e delay and pendency of cases, has enacted the Arbitration and Conciliation Act, 1996, intending to provide speedy and accessible justice to everyone for the better functioning of the society. ADR is quite useful in the matters which can be settled under the law, however, ADR has been proven to help resolve commercial disputes. It helps in the enhancement of the relationships which are not easily possible through the adversarial process.

Alternate dispute resolution is a less costly and more expeditious procedure to settle the dispute outside the court and without legislation by the ways of arbitration, mediation, or negotiation. One of the main reasons is that ADR procedures are increasingly being utilized is that they are often collaborative and allowed parties to understand each other's position.

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<sup>3</sup> <https://www.mkgandhi.org/autobio/chap39.htm>

And this also allows parties to come up with creative solutions that may not be allowed by the courts legally.

## II. HISTORY:

In India settling the dispute without the court regarding the commercial or transactional matters can be dated since ancient times. Arbitration or mediation is used as a been alternative to dissolve the dispute since the Vedic times.

Bhradarnayaka Upanishad is the earliest known treaties in which various types of arbitral bodies were given that are, (i) the *Puga* (ii) the *Sreni* (iii) the *Kula*. *These arbitral bodies were known as Panchayats and they dealt with the variety of disputes related to contractual, matrimonial, and even dispute of criminal nature.*<sup>4</sup> *At that time the decisions of these Panchayats were as binding as the decisions of that was on clear legal obligations and the disputants accept the decision.*

*Arbitration was also grown with the Muslim rule in India as they saw the incorporation of Muslim laws in Indian culture. The Muslim laws were systematically compiled in the form of commentary and knows as Hedaya. During the Muslim law in India, all the Muslims were governed by the Islamic laws contained in Hedaya. Provisions of arbitration were also present in the Hedaya.*

*Tahkeem is the Arabic word for the arbitration and Hakam is the word used for the arbitrator. The arbitrator was needed to contain all the qualities of a Kазee - an official judge who was presiding over the court of law and his decision will be binding on the parties of the dispute and the parties are subject to the validity and legality of the award. the court had jurisdiction to enforce the award given under the shari'ah but the court is not entitled to review the merits of the dispute and the reasoning of the arbitrator.*

*ADR become more popular and picked pace in India after the Establishment of East India Company. The British Government gave legislative form to the Arbitration as they promulgate regulations in three presidency towns that are,- Calcutta, Bombay, Bengal, and Madras. First the Bengal Resolution Act,1772 came into the force and it was amended as Bengal Regulation Act,1781 and it was provided in it that parties to submit the dispute to the arbitrator, appointed after mutual agreement and whose verdict shall be binding on both the parties.*<sup>5</sup> *These remained in force till the enforcement of The code of Civil procedure,1859*

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<sup>4</sup> O P Malhotra, Indu Malhotra, Lexis Nexis, The Law and Practice of Arbitration and Conciliation (2<sup>nd</sup> ed., 2006)

<sup>5</sup> vneet Walia, **Alternate Dispute Resolution And The Common Man**, (Feb. 28, 2009), <http://www.legalserviceindia.com/article/1312-Alternate-Dispute-Resolution-And-The-Common-Man.html>

*and it was extended to all presidency towns in 1862.*

*After that The Indian arbitration Act, 1899 was passed which was based on the English law but it was applicable only in the presidency towns. And after that the arbitration Act, 1908 was enacted and it replaces the old Act. It is amended and extend the law of arbitration in whole British India and even after the Independence it remained as Comprehensive law on Arbitration in British India until the year 1996.*

*To encourage the out of court settlement the Legal Service Authority Act in 1987. The old Act of 1940 was replaced by the Arbitration and Conciliation Act, 1996 because of the increasing globalization at that time, as the old Act not able to achieve the national and international goals of ADR. The new Act contains the contractual matters which arise out of a legal relationship between the two parties, arbitral proceedings were informal, less expensive, and time-saving relative to the court proceedings.*

*Not only the Arbitration and conciliation Act but also The Code of Civil procedure Act, 1859 provides the provision for ADR. Section-89 of the Act laid down that the cases must be encouraged to go in for ADR.*

*Regarding the section- 89 Former chief justice A.M. Ahmadi once quoted that-*

*“While we encourage Alternative Dispute Resolution mechanisms, we must create a culture for settlement of disputes through these mechanisms, Unless the members of the Bar encourage their clients to settle their disputes through negotiations, such mechanisms cannot succeed.”<sup>6</sup>*

### **III. TYPES OF ALTERNATIVE DISPUTE RESOLUTION**

The various types of Alternative Disputes Resolution include arbitration, conciliation, mediation, negotiation, and Lok Adalat.

#### **Arbitration:**

*“Interminable time consuming, complex and expensive curt procedure implied jurists to search for an alternative forum less formal, more effective and speedy for resolution of disputes avoiding procedural claptrap and this led them to the Arbitration Act.”<sup>7</sup>*

The word arbitration literally means “the use of an arbitrator to settle a dispute.” Arbitration is private, quasi-judicial determination of the dispute between the parties by the independent third person. Arbitration can be done by using an individual arbitrator or an arbitrator

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<sup>6</sup> <https://astreallegal.com/alternative-dispute-resolution-in-india/>

<sup>7</sup> <https://astreallegal.com/alternative-dispute-resolution-in-india/>

tribunal. A tribunal can consist of any number of arbitrators but there is one condition that they should be in odd numbers. This condition is applied to avoid the tie between the arbitrators. Arbitration is an alternative of the litigation and it is generally binding in nature, unlike mediation, negotiation, and conciliation.

Generally, the majority of the commercial agreements contain the dispute resolution clauses by which it is mandated to the parties to invoke an arbitral mechanism for resolving the dispute.

A form of Alternative Dispute Resolutions, Arbitration, involves the resolution of disputes outside the courtroom with the involvement of an independent third party as an arbitrator. An alternative to courtroom litigation may involve an individual arbitrator or a tribunal consisting of several arbitrators. It is one of the most popular and highly practiced forms of ADR. The Arbitration and Conciliation Act, 1996 contains all the major laws governing domestic and international arbitration. One of the objectives of arbitration is the resolution of disputes reasonably and expediently. To settle a dispute through arbitration, there should be the consent of the parties involved. Also, to start the process of arbitration there should be a valid arbitration agreement. By giving their consent through an agreement they agree that they will settle their dispute by the process of arbitration. According to section 7 of the Arbitration and Conciliation Act, an “arbitration agreement” means an agreement by the parties to submit to arbitration all or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not<sup>8</sup>. The arbitrator acts as a presiding authority, who is in charge of the settlement of disputes. The parties have the freedom to choose their arbitrators. However, the arbitrators can be removed, under the said Act, if they act in a biased manner. There are various types of arbitrations like commercial arbitration which involves the resolution of disputes among commercial enterprises, consumer arbitration where the disputes are resolved between the service provider or the supplier of goods, and the consumer and labour arbitration that involves the resolution of disputes related to the matters of employment. Arbitration has proved to be one of the effective forms of ADR. This process takes less time as compared to the courtroom proceedings. There is no involvement of the public, the matter of dispute remains private.

### **Conciliation:**

Conciliation is an effective ADR mechanism. the word conciliation means “the action of mediating between two disputing people or groups. As per Merriam Webster dictionary,

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<sup>8</sup> Section 7 of The Arbitration and Conciliation Act,1996

conciliation means - “the settlement of a dispute by mutual and friendly agreement to avoid litigation.”<sup>9</sup>

Conciliation, in simple terms, is a mechanism of Alternative Dispute Resolution which involves the settlement of the dispute between parties through conciliator(s) appointed by them. Dispute resolution through conciliation is preferable in situations where the parties are willing to settle the disputes amicably. The conciliator often tries to settle the disputes cordially. The conciliator actively proposes solutions to resolve the disputes. Part -3 of the Arbitration and Conciliation Act, 1996 provides a legislative framework for conciliation. As per the Act, Conciliator is not bound by The Code of Criminal Procedure, 1908 or the Indian Evidence Act, 1872<sup>10</sup> and section 67 of the Act provides the role of conciliator. Section 61 of the Arbitration and Conciliation Act of 1996 provides for the Application and Scope of Conciliation.<sup>11</sup> The disputes, to be settled by the conciliation process, must arise out of a legal relationship. The conciliator involved in the process should act independently and impartially. The matters of the conciliation should remain confidential and among the parties and the conciliator. The conciliator, on receiving information from one party, should disclose it to the other party involved in the dispute. The process of conciliation can only begin when one party sends an invitation to the other party to conciliate. This method of dispute resolution prevents any form of biasness. The parties come together and resolve the dispute face to face amicably with the help of the conciliator. India, unlike other countries, recognizes mediation and conciliation differently. The results of the conciliation process depend upon the cooperation of parties involved, the expertise of the conciliator, and a good environment supported for the settlement of the dispute. Parties having a healthy business relationship tends to succeed in the conciliation process.

The terms “mediation” and “conciliation” are often used interchangeably globally but the interesting fact is that India recognizes both the terms as separate forms of the ADR process. It is very surprising that while mediation is gaining so much popularity in the country, conciliation is not receiving its due credit even though it is governing by statute i.e. The Indian Arbitration and Conciliation Act, 1996.

### **Mediation:**

Mediation is a process where the parties meet with a mutually selected third person to assist the parties in the negotiation of their differences.

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<sup>9</sup> Merriam Webster dictionary

<sup>10</sup> Section-66 of The Arbitration Conciliation Act, 1996

<sup>11</sup> Section-61 of The Arbitration Conciliation Act, 1996

Role of mediator: the process of mediation is the process in which the mediator leaves the decision to the parties. It is not the duty of the mediator to decide what is “fair” or “right”. The mediator does not assess blame and does not render an opinion on the merits or chances of success in the case if the mediation fails and the case was litigated. The mediator acts as a catalyst between the opposite interests of the parties and attempts to bring parties together by defining issues to them and eliminating obstacles to communication between them. to avoid confrontation and ill will the act of moderating and guiding the process is also done by the mediator. The mediator will seek concessions from each side during the mediation.

Mediation is an efficient and cost-effective way of settling disputes which also helps in the enhancement of the relationship between the parties. A non-binding process controlled by the parties, mediation allows the parties to reach a mutual and satisfactory solution. Mediation not only helps in the settling of disputes but also helps in transforming the relationship of the conflicting parties into a positive and healthy association. It helps in the preservation of relationships. The conflict resolution through the mediation process takes place under a neutral third party called the mediator who acts towards dispute resolution. The process of mediation is highly persuaded in the Indian courts. Many cases in India are entrusted to mediation by the courts. The court-related mediation does not require any kind of agreement between the conflicting parties however the mediations occurring outside the courtroom need to have a customary agreement. The mediator keeps the whole matter confidential and should disclose the conflict of interest to either of the parties. Mediation being a non-adversarial method is highly encouraged all over the world.

Everything said in various sessions of mediation will be confidential and if the mediation failed the mediator cannot use them against any parties in any other proceedings and it will not deem an admission. And at the outset of the mediation, the mediator can seek agreement from the parties to forbear them from litigation during the period of mediation.

### **Negotiation:**

Negotiation means “discussion aimed at reaching an argument. The negotiation is a discussion that aims to resolve the issue in the way that both parties find it acceptable. In the process of negotiation, each party tries to persuade the other party to agree with their point of view. In negotiation parties involved in it try to avoid arguing and they try to reach some form of compromise.

A method of dispute resolution, negotiation helps in the settlement of the disputes between the parties without the involvement of a third party. The negotiation can be done both



formally and informally, however, the informal negotiation might not lead to a win-win situation between the parties so it is better to negotiate the conflict in a formal manner which involves a structural approach. To have effective negotiations, individuals should have good interpersonal skills. Negotiations are practiced when two or more parties have conflicting interests. It can be seen as a restorative process that helps the parties to reach a mutually acceptable solution. One of the key features of negotiation is the inclination of the willingness of the parties to settle the dispute. Onetime negotiation, as the name suggests, occurs only once, and requires less time, and yields maximum results whereas the continuous negotiations are an ongoing process and might settle the disputes in the future. The best way to influence the other side is to have a better solution to the problem. Many believe that threat tactics can be very helpful in influencing the other side however it can be dangerous. To succeed in the negotiation process, the parties should have trust in each other.

**Lok adalat:**

Also known as the people's court, Lok Adalat was established for the resolution of disputes through compromise between the parties. Even though the Lok Adalat takes the pending cases of the courts they cannot be considered as an alternative to the courts. The very first Lok Adalat in India was established in Gujarat in 1982. A parallel to the formal courts, Lok Adalat helps in providing speedy justice. Another benefit of Lok Adalat is that it helps in lessening down the burdens of courts and the reduction of the backlog of cases. It also helps in providing amicable solutions to the parties. The Legal Services Authorities Act of 1987 has given statutory status to Lok Adalats. The main objective of this act was to provide speedy and cost-effective justice to the weaker sections of the society. The various cases that are dealt with in Lok Adalat are family court cases, damages cases, matrimonial or family disputes, bonded labor cases, partition claims, etc. A Lok Adalat shall have jurisdiction to determine and to arrive at a compromise or settlement between the parties to a dispute in respect of- (i) any case pending before; or (ii) any matter which is falling within the jurisdiction of, and is not brought before, any court for which the Lok Adalat is organized.<sup>12</sup>. The Lok Adalats preserve the very essence of the constitution by providing people equal opportunity to get justice. It has proved to be one of the best forms of alternate dispute resolution. Lok Adalats, therefore, not only help the courts to lessen their burdens but also provide equal and free access to justice to every individual.

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<sup>12</sup> Sec 19 of The Legal Service Authorities Act 1987

#### IV. SOME LANDMARK JUDGMENTS

In *Afcons Infrastructure v. Cherian Varkey Construction*<sup>13</sup>, the Supreme Court emphasized the importance of mediation, especially in commercial matters, and observed that this type of Alternative Dispute Resolution (ADR) is ideal for parties faced with complex issues that they are willing to resolve through negotiations.<sup>14</sup> In this case The court held that:

- (i) The trial court did not adopt the proper procedure while enforcing Section 89 of the Code. Failure to invoke Section 89 suo moto after completion of pleadings and considering it only after an application under Section 89 was filed, is erroneous.<sup>15</sup>
- (ii) A civil court exercising power under Section 89 of the Code cannot refer a suit to arbitration unless all the parties to the suit agree for such reference.<sup>16</sup>

In the case of *Salem Advocate Bar Association v. UOI*<sup>17</sup> Supreme Court clearly directed the setting up of a committee that would look into the implementation of various provisions, including Section 89 of The Code of Civil Procedure.

The Supreme Court's judgment in the case of *Geo Miller & Co. Pvt. Ltd. v. Rajasthan Vidyut Utpadan Nigam Ltd.*<sup>18</sup> is important judgment as the first time in the Indian history the court held that , time spent in pre-arbitration negotiations, held in good faith, may be excluded when computation the period of limitation. In determining the period of computation in these cases the court held that:

“Having perused through the relevant precedents, we agree that on a certain set of facts and circumstances, the period during which the parties were bona fide negotiating towards an amicable settlement may be excluded to compute the period of limitation for reference to arbitration under the 1996 Act. However, in such cases, the entire negotiation history between the parties must be specifically pleaded and placed on the record. The Court upon careful consideration of such history must find out what was the ‘breaking point’ at which any reasonable party would have abandoned efforts at arriving at a settlement and contemplated referral of the dispute for arbitration. This ‘breaking point’ would then be treated as the date on which the cause of action arises, for limitation. The threshold for determining when such a point arises will be lower in the case of commercial disputes, where the party’s primary

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<sup>13</sup> civil appeal no.6000 of 2010

<sup>14</sup> <https://www.theweek.in/news/india/2020/07/09/opinion--we-need-alternative-dispute-resolution-mechanisms-in-in.html>

<sup>15</sup> <https://indiankanoon.org/doc/1875345/> para 35

<sup>16</sup> <https://indiankanoon.org/doc/1875345/> para 35

<sup>17</sup> Writ Petition (civil) 496 of 2002

<sup>18</sup> *Geo Miller & Co. Pvt. Ltd. v. Rajasthan Vidyut Utpadan Nigam Ltd.* (2019) SCC OnLine SC 1137.

interest is in securing the payment due to them than in family disputes where it may be said that the parties have a greater stake in settling the dispute amicably, and therefore delaying formal adjudication of the claim.”<sup>19</sup>

### **In the case of National Highways Authority of India v. Sayedabad Tea Estate<sup>20</sup>**

The Supreme Court held that an application under Section 11 of the Arbitration & Conciliation Act, 1996 (**Arbitration Act**) shall not be maintainable on account of the provision laid down in Section 3G(5) of the National Highways Act, 1956 (**NH Act**), which provides for the appointment of the arbitrator by the central government. It was held that given the power being vested exclusively with the central government to appoint an arbitrator under Section 3G(5) of the NH Act, being a special enactment, the application filed under Section 11(6) of the Arbitration Act for the appointment of an arbitrator was not maintainable and the provisions of the Arbitration Act could not be invoked for the purpose.<sup>21</sup>

In the case of *Cheran Properties Ltd. v. Kasturi and Sons Ltd. & Ors.*<sup>22</sup>

While observing the principle enunciated in *Chloro Controls* that a non-signatory may also be bound by an arbitration agreement in certain cases, the Court held that the group of companies doctrine is essentially intended to facilitate the fulfilment of a mutually held intent between the parties, where the circumstances indicate that the intent was to bind both signatories and non-signatories.

The effort is to find the true essence of the business arrangement and to unravel from a layered structure of commercial arrangements, an intent to bind someone who is not formally a signatory but has assumed the obligation to be bound by the actions of a signatory.<sup>23</sup>

In the case of *Purushottam S/o Tulsiram Badwaik v. Anil & Ors.*<sup>24</sup>

The Bench of Justice **Arun Mishra** and Justice **UU Lalit** of the Supreme Court observed that even if an arbitration agreement entered into after the 1996 Act had come into force were to refer to the applicable provisions of those under the Indian Arbitration Act or 1940 Act, such stipulation would be of no consequence and the matter must be governed under the provisions of 1996 Act. Further, the Court held that an incorrect reference or recital regarding the

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<sup>19</sup> *Geo Miller & Co. Pvt. Ltd. v. Rajasthan Vidyut Utpadan Nigam Ltd.* (2019) SCC OnLine SC 1137 (Para 29).

<sup>20</sup> 27 August 2019 in Civil Appeal No. 6958-5959 of 2009.

<sup>21</sup> <https://www.mondaq.com/india/trials-appeals-compensation/880718/10-landmark-judgments-on-arbitration-by-supreme-court-of-india-in-the-year-2019>

<sup>22</sup> *Civil Appeal 10025/2017*

<sup>23</sup> <https://www.barandbench.com/columns/50-landmark-decisions-on-arbitration-law-in-india-2018-2019-part-i>

<sup>24</sup> *Civil Appeal No.4664 of 2018*

applicability of the 1940 Act would not render the entire arbitration agreement invalid.<sup>25</sup>

In the case of *Mother Boon Foods Pvt Ltd v. Mindscape One Marketing Pvt Ltd O.M.P.*<sup>26</sup>

The Court held that an arbitration agreement, as per the 1996 Act, has to be in writing. Since the arbitration clause -which is a part of the contract – was in writing, the same could not have been superseded by any oral demand or agreement.<sup>27</sup>

## **V. ADVANTAGES OF ADR:**

Alternative dispute resolution mechanisms have various advantages. Over the years, the disputes in the commercial and business field have increased which has in turn increased the number of cases. ADR has acted as an effective tool in lessening down the burdens of the cases and decreased the backlog of cases as well. Another effective advantage of ADR mechanism is that it is affordable and cost-effective. Court redressal processes are not only time consuming but also costly hence it becomes difficult for the people to resort to litigation. Alternative dispute resolution mechanisms are less time consuming and affordable and even free of cost to the weaker section of the society. It also allows people to participate in the dispute resolution process hence allowing them to become more aware of their rights. It is best for the parties who want to reach a mutually acceptable and amicable solution.

## **VI. DISADVANTAGES OF ADR:**

ADR has certain disadvantages as well. One of the disadvantages is that the arbitration process does not always lead to a resolution. The decisions taken by the presiding authority in the case of arbitration might not always be in favor of the parties. The ADR mechanisms are not always affordable as the mediators or the arbitrators might charge a considerable amount. The success of any ADR depends upon the trust of the parties on each other, the absence of trust might not give satisfactory results and thus failing to resolve the dispute. However, the disadvantages have not affected the working of ADR and its mechanisms have proved to be effective and efficient.

## **VII. PROBLEMS IN ADR MECHANISMS:**

- 1) Winning is the only thing matters to the parties: Most of the time parties do not want to compromise and they only want to win the dispute. ADR mechanism can be applied when both the parties are at the negotiable position and culpable of some

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<sup>25</sup> <https://www.barandbench.com/columns/50-landmark-decisions-on-arbitration-law-in-india-2018-2019-part-i>

<sup>26</sup> (COMM) 136/2017

<sup>27</sup> <https://www.barandbench.com/columns/50-landmark-decisions-on-arbitration-law-in-india-2018-2019-part-i>

decree. But when the one party is right and when the millions are at stock it is become hard to choose ADR over litigation.

- 2) It is seen only as an alternative by the parties not as the method of choice: Still, after so many years companies see it as the alternative measure to resolve the dispute not the primary reason and they bring less important dispute for ADR and more the important dispute they prefer litigation.
- 3) Many cases ADR is not much different from litigation: sometimes ADR procedures take so long and it's cost reaches almost the cost of litigation despite replacing it. The more serious commitment of the company towards ADR which makes it rigid with strict rules or hard to achieve the position of compromise are some of the reasons behind this.

### **VIII. SUGGESTIONS FOR IMPROVING THE MECHANISM OF ADR IN INDIA:**

For improving the ADR mechanism in India Awareness, acceptance, and implementation of the mechanism is very much important. The ADR mechanism needs more awareness among the common people so that the ADR can be used by the common people also and the more people can use it. By awareness, ADR can go beyond the cities to small towns and villages. And with the increasing awareness, more people use alternative dispute resolutions in place of litigation. Fewer people will aware of it than the fewer people will use it and this is the reason that awareness is very important.

Many people still think that ADR is less effective and they do not accept ADR over the litigation. For solving this problem the better implementation of ADR is necessary so that people can trust it and prefer it more.

More and more ADR centres should be created for settling disputes out-of-court. ADR methods will achieve the objective of rendering social justice to the people, which is the goal of a successful judicial system.<sup>28</sup>

### **IX. CONCLUSION**

The concept of ADR draws its roots from ancient times. The mechanisms of ADR take place with the help of the third party whose main objective is to reach an amicable solution that is satisfactory in the eyes of the conflicting parties. ADR mechanisms not only help to settle civil cases but mechanisms like Lok Adalat resolves criminal cases as well. Alternative

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<sup>28</sup> Government of India, Law Commission of India, 222<sup>nd</sup> report, 'Need for Justice-dispensation through ADR etc.', at ¶ 1.69.

Dispute Resolution mechanisms have proved to be an effective parallel to the litigation process in India. It is not costly and consumes less time as compared to the court redressal mechanisms. It is not only affordable for the people but also reduces the backlog of cases. It is not only useful to the individuals but also to the business entities. Growing at both national and international level, it helps in the dispense of justice in simpler ways. ADR does not act as a replacement for the court redressal mechanisms rather it is used to make the litigation process more efficient. However, ADR mechanisms require provisional changes and enactments for its better functioning. Provisions should be made for the improvement in the conduct of mediators, arbitrators, and lawyers. Online platforms should be made to settle corporate or commercial matters. Moreover, awareness should be made regarding the practice and working of Alternative Dispute Resolution Mechanisms. However, alternative dispute resolution mechanisms have been effective in attaining peace and harmony.

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