

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

LOK SABHA

UNSTARRED QUESTION NO.2755

Growing Litigation in Courts

2755. SHRI KHAGEN MURMU

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

(a) whether the Government has taken any steps to reduce the ever-growing litigation burden in the Courts;

(b) if so, the details thereof;

(c) whether in spite of the numerous measures implemented for the improvement of the arbitration environment in India, there are still certain challenges; and

(d) if so, the details thereof and the measures taken by the Government to meet these challenges?

ANSWER

**MINISTER OF LAW & JUSTICE
(SHRI KIREN RIJJO)**

(a) & (b): Ministries and Departments like the Railways and Department of Revenue, involved in a high number of litigations have been taking several measures for reducing the number of Court cases. For instance, Railways have issued instructions for effective monitoring of Court cases at all levels. Zonal Railways and Production Units to take effective steps to reduce the number of

Government cases and lighten the burden of courts, expedite finalization of all the cases in all courts at the earliest to cut down the expenditure in contesting court cases. For this, emphasis has been laid on effective monitoring and regular meetings with empanelled advocates for briefing to be held and necessary directions given at the highest level, besides ensuring timely submission of replies, Counter replies and necessary documents

Similarly, under the Department of Revenue, the Central Board of Direct Taxes (CBDT) and the Central Board of Indirect Taxes and Customs (CBIC) have issued a slew of instructions and brought in several measures, by way of reducing litigations and the resultant burden on Courts. While the CBDT has issued circulars directing the field Officers that pending appeals before ITATs/HCs/SC with tax effect below the specified limits may be withdrawn/not pressed, and in the process facilitating a better and concerted focus on high demand litigations. CBDT has also clarified to the field officers that appeals should not be filed merely because the tax effect in a particular case exceeds the prescribed monetary limits and the filing of an appeal should be decided strictly on the merits of the case.

Similarly, the field formations under the CBIC have been instructed to withdraw appeals pending in High Court/CESTAT, where the Supreme Court has decided on identical matter. Besides, CBIC has also instructed its field formations not to contest further in appeal where the issue has been lost in two stages of appeals. It has been decided, however, that in cases where it is felt that the issue is fit for further appeal, then on proper justification and approval the Zonal Chief Commissioner, an appeal can be filed for the third time. Also, the field formation have been instructed to forward only those SLP proposals where in the issue involves substantial question of law or gross perversity or illegality in the appreciation of evidence.

In this direction, both the CBDT and the CBIC have also enhanced the threshold monetary limit for filing appeals, the details of which, are as follows:

CBDT

For filing appeals before	Monetary limit
Income Tax Appellate Tribunal	Rs. 50 lakhs
High Court	Rs.1 Crore
Supreme Court	Rs.2 Crore

CBIC

Monetary limits for filing appeals in cases relating to Central Excise and Service Tax before			Monetary limits for filing appeals in cases relating to Customs before		
CESTAT	High Court	Supreme Court	CESTAT	High Court	Supreme Court
Rs.50 lakhs	Rs.1 Crore	Rs. 2 Crore	Rs. 5 lakhs	Rs.10 lakhs	Rs.25 lakhs

(c) & (d): In its endeavor to make India a hub of International Commercial Arbitration and making arbitration process user friendly, cost effective, expeditious, the Central Government had amended the Arbitration and Conciliation Act, 1996 in the year 2015 & 2019. Through these amendments, the Government has provided timelines for completion of pleadings, arbitration proceedings, provision for fast track arbitration, and incentives for arbitrators for completing the arbitral proceedings within a period of six months. The Act also provides for reduction of fees of arbitrator in case of delay in arbitral proceedings attributable to Arbitral Tribunal. Provisions relating to automatic stay of enforcement of Arbitral awards have also been done away with.

To provide further options to ease out the need for resort to litigation, other Alternate Dispute Resolution (ADR) mechanism of mediation is also being encouraged. In this regard, the Commercial Courts Act, 2015 was amended in 2018 to *inter-alia* provide for Pre-Institution Mediation and Settlement (PIMS) mechanism. Under this mechanism a party which does not contemplate any urgent interim relief in a subject-matter of commercial dispute of specified value of Rs.3 lakh and above has to first exhaust the remedy of PIMS to be conducted by the authorities constituted under the Legal Services Authorities Act, 1987, before approaching the Court.