

**GOVERNMENT OF INDIA
MINISTRY OF LAW & JUSTICE
DEPARTMENT OF JUSTICE**

LOK SABHA

**UNSTARRED QUESTION NO. 1067
TO BE ANSWERED ON FRIDAY, THE 3RD DECEMBER, 2021**

**DISPUTE RESOLUTION MECHANISM TO IMPROVE
EASE OF DOING BUSINESS**

1067. SHRI M. SELVARAJ:

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

- (a) whether the Ministry has made any suggestion to implement effective dispute resolution mechanism in the country as it is a determining factor to improve and promote ease of doing business; and**
- (b) if so, the details regarding the same?**

ANSWER

MINISTER OF LAW AND JUSTICE

(SHRI KIREN RIJJU)

(a) & (b): In order to create an environment conducive for investment and business, continued efforts have been made by implementing reforms to enable expeditious enforcement of contracts to improve Ease of Doing Business in India. One of the key reforms undertaken in this direction is enactment of the Commercial Courts Act, 2015 to expedite resolution of commercial dispute at a affordable cost to the litigants. The Act was further amended in 2018 to facilitate the fast tracking of commercial disputes by duly constituted dedicated Commercial Courts in all High Courts having original jurisdiction. The specified value of commercial dispute has been amended to reduce to Rs. 3 lakh from the earlier Rs.1 crore in the 2018 amendment Act. To implement effective dispute resolution, mandatory provision of “Pre-Institution Mediation and

Settlement” (PIMS) has also been introduced by the amendment Act to facilitate out of Court settlement and ease the work load of the Courts to deal with cases which do not contemplate urgent interim relief.

The Government has also amended the Arbitration and Conciliation Act, 1996, by the Arbitration and Conciliation (Amendment) Act, 2019 and enacted the New Delhi International Arbitration Centre Act, 2019 to promote institutional arbitration in place of ad-hoc arbitration. Institutional arbitration in turn promotes the laying of uniform standards, make arbitration process more party friendly, cost effective and ensure timely disposal of arbitration cases, by Arbitral Institutions in order to ensure improving and promoting ease of doing business in the country.

Further, to facilitate institutional mediation and arbitration, some High Courts have provided for Mediation and Arbitration centres annexed to the Commercial Courts, while other High Courts are facilitating commercial mediation through ADR/Mediation Centres run by the Legal Services Authority.
