

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

LOK SABHA

STARRED QUESTION NO 188  
TO BE ANSWERED ON 10.03.2016

Validity of Settlement through Mediation

\*188 SHRI OM PRAKASH YADAV:  
SHRIMATI SUPRIYA SULE:

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

- (a) whether the Government proposes to bring legislation to accord statutory validity to the disposal of disputes through mediation and out-of-court settlement process and if so, the details and the present status thereof;
- (b) whether the Government has examined the effectiveness of Alternative Dispute Resolution (ADR) mechanism in the settlement of disputes and if so, the details and the present status thereof;
- (c) whether the Government proposes to introduce arbitration and mediation clauses in work contracts of various stakeholders and if so, the details and the present status thereof;
- (d) whether the Government has urged High Courts to invoke Section 258 of CrPC and if so, the details thereof; and
- (e) the other measures taken/being taken by the Government to encourage disposal of disputes/litigations through mediation and out-of-court settlement process?

ANSWER

MINISTER OF LAW AND JUSTICE  
(SHRI D. V. SADANANDA GOWDA)

(a) to (e) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF LOK SABHA  
STARRED QUESTION NO.188 FOR ANSWER ON 10<sup>TH</sup> MARCH, 2016.

(a) No, Madam. There is no such proposal.

(b) The subject matter of the question is occupied by statutory provisions i.e. Section 89 of the Code of Civil Procedure, 1908 (effective from 01.07.2002) which provides for settlement of disputes out of court including settlement through mediation. The objective of the said section is that where it appears to the court that the settlement of disputes between the parties is possible, it may refer the matter for settlement through (a) arbitration; (b) conciliation; (c) judicial settlement including settlement through LokAdalat; or (d) mediation.

The Law Commission of India has examined the effectiveness of ADR mechanism in the settlement of disputes from time to time including the 14<sup>th</sup>, 100<sup>th</sup>, 176<sup>th</sup> and 246<sup>th</sup> reports of Law Commission. Based on the 246<sup>th</sup> report, the Government has amended the Arbitration and Conciliation Act, 1996 recently.

(c): In the work contracts executed by the Government, it is the general practice to have an arbitration clause. However, there is no proposal to introduce mediation clause in the work contracts executed by the Government.

(d): No, Madam.

(e): Other measures:

LokAdalats:

(i) LokAdalat is an important Alternative Disputes Resolution Mechanism available to a common people. It is a forum where the disputes/cases pending in the court of law or at pre-litigation stage are settled/compromised amicably and within a short period. The LokAdalat has been given statutory status under the Legal Services Authorities Act, 1987. Under this Act, an award made by the LokAdalat is deemed to be a decree of a civil court and is final and binding on all parties and no appeal lies against thereto before any court. In order to reduce the pendency of cases in courts, the legal services institutions under the Legal Services Authorities Act, 1987 organise weekly/monthly and also mega LokAdalats during the year. In addition to this, the National LokAdalats on various subject matters, such as, bank matters/Section 138 of the Negotiable Instruments Act, 1881, revenue/MNREGA/Land acquisition cases, Labour and family matters, MACT and insurance claims/electricity/water/telephone/public utility disputes, criminal compoundable matters, traffic/petty matters, municipal matters are

being organised during the year 2016 as per Calendar approved by the Executive Chairman, NALSA. The State Legal Services Authorities have been issued guidelines/directions by the NALSA under the National Legal Services Authority (LokAdalat) Regulations, 2009 to organise more and more LokAdalats so that pendency of cases can be reduced. The number of LokAdalats held and cases settled in the last three years are given below:

2013-14		2014-15		2015-16 (Upto December, 2015)	
Number of LokAdalats held	Number of cases settled	Number of LokAdalats held	Number of cases settled	Number of LokAdalats held	Number of cases settled
1,14,231	90,17,100	1,81,493	2,75,05,397	1,22,037	1,02,45,244

- (ii) In addition to the other services, the Government has recently declared, (i) education or educational institutions (ii) housing and real estate service, to be public utility service under section 22 A of the Legal Services Authority Act, so that more and more cases can be taken up for settlement through LokAdalats.