

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

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**LOK SABHA**

STARRED QUESTION NO. 349  
TO BE ANSWERED ON WEDNESDAY, THE 17<sup>TH</sup> JULY, 2019

**DISPUTE RESOLUTION**

**\*349.** SHRI M.K. RAGHAVAN:

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

- (a) whether the Government has taken note of the Economic Survey of the Ministry of Finance which has pointed out that the slow resolution of economic and commercial cases was one of the biggest stumbling blocks in reviving the investment cycle in the country and if so, the details thereof;
- (b) whether it is also a fact that these are hampering dispute resolution and contract enforcement, discouraging investment, stalling projects, hampering tax collections, stressing taxpayers and escalating legal costs and if so, the details thereof; and
- (c) the details of the coordinated action taken between the Government and the judiciary including a kind of horizontal Cooperative Separation of Powers to complement vertical Cooperative Federalism between the Central and State Governments to address the Law's delay and boost economic activity?

**ANSWER**

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

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**(a) to (c)** A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (c) OF LOK SABHA STARRED QUESTION NO.\*349 FOR 17.07.2019, REGARDING 'DISPUTE RESOLUTION' BY SHRI M.K. RAGHAVAN, HON'BLE M.P

(a): Yes Sir, the Government is aware of the position as stated in the Economic Survey.

(b)& (c):The Government in its endeavour to ensure resolution of Commercial cases expeditiously, fairly and at reasonable cost to the litigant, has enacted the Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts Act, 2015, and the act was further amended in 2018, which facilitates the fast tracking of Commercial disputes by reducing the specified value of a commercial dispute to Rs. 3 lakh from the earlier Rs. 1.00 Crore and establishment of Commercial Courts at District Judge level in the jurisdiction of High Courts enjoying Ordinary Original Civil Jurisdiction. A mandatory provision of "Pre-Institution Mediation and Settlement" (PIMS) (an Alternative Dispute Resolution Mechanism) in cases which do not contemplate urgent interim relief has also been introduced by the amended Act to facilitate out of court settlement and ease the work load of the Courts. The Government also amended the Arbitration and Conciliation Act, 1996, by the Arbitration and Conciliation (Amendment) Act, 2015, which, inter-alia, provides time limit for arbitral award, incentivizing quick disposal of disputes, neutrality of arbitrator, timely execution of arbitral award by restricting the scope for challenging it. The Government has also taken steps to promote institutional arbitration in the country.In

this regard, the New Delhi International Arbitration Centre Ordinance 2019 has been promulgated on 2<sup>nd</sup> March, 2019. The Government has also amended the Specific Relief Act, 1963, which inter-alia empowers the State Government in consultation with the Chief Justice of the High Court to designate certain civil courts as Special Courts within the local limits of the area to exercise jurisdiction and to try a suit under the Act in respect of contracts relating to infrastructure projects. As a result of the continuous efforts of the Government, India in Doing Business Report 2019 released on 31<sup>st</sup> October 2018, achieved 77<sup>th</sup> position out of the 190 economies, a jump of 23 positions from the 100<sup>th</sup> position in the previous report. In Enforcing Contracts indicator, India's ranking improved by 1 position – from 164 in the 2018 Report to 163 Rank in the 2019 report. Further, the Government is also fully committed to speedy disposal of cases and reducing pendency and has, in conjunction with the judiciary, taken many corrective steps. The Government has taken several initiatives to provide an ecosystem for faster disposal of cases by the judiciary. The National Mission for Justice Delivery and Legal Reforms established by the Government has adopted a coordinated approach for phased liquidation of arrears and pendency in judicial administration through various strategic initiatives, including improving infrastructure for courts, leveraging Information and Communication Technology (ICT) for better justice delivery, and filling up of vacant positions of Judges in High Courts and Supreme Court.

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