

Full Length Research Paper

## Evaluating the Efficiency of ADR in Delivering Prompt Justice

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### ABSTRACT

*Alternative Dispute Resolution (ADR) mechanisms have emerged as a crucial tool for addressing India's mounting judicial backlog and delivering expeditious justice. With the burden of pending cases across Indian courts reaching critical levels in 2024, ADR presents a viable solution to reduce delays and enhance access to justice. This study examines the efficiency of various ADR mechanisms in delivering prompt justice in the Indian legal framework. To evaluate the effectiveness of ADR mechanisms in reducing case disposal time; to assess the impact of recent legislative reforms including the Mediation Act, 2023 on ADR efficiency; to analyze settlement rates and cost-effectiveness of different ADR modalities. This research employs a doctrinal methodology utilizing statutory provisions, judicial pronouncements, empirical data from NALSA and NJDG, and comparative analysis of case disposal timelines between traditional litigation and ADR mechanisms. Analysis reveals that Lok Adalats achieved settlement of 1,14,56,529 cases in the third National Lok Adalat of 2024 with settlement amounts of ₹8,482.08 crores. The Mediation Act, 2023 has institutionalized mediation as a statutory framework, establishing comprehensive procedures for alternative dispute resolution. Traditional court proceedings face significant delays, while ADR mechanisms demonstrate completion within specified timeframes under statutory provisions. ADR mechanisms significantly enhance judicial efficiency, with Lok Adalats demonstrating substantial case resolution capabilities and mediation providing structured alternatives under the new legislative framework. The legislative developments post-2023 reforms strengthen India's dispute resolution infrastructure while addressing domestic judicial challenges.*

**Keywords:** *Alternative Dispute Resolution, Mediation Act 2023, Lok Adalat, Judicial Efficiency, Prompt Justice*

### 1. Introduction

The Indian judicial system, despite its robust constitutional framework, faces unprecedented challenges in delivering timely justice to its citizens. The principle that "justice delayed is justice denied" has acquired particular relevance in contemporary India, where the sheer volume of pending cases threatens the efficacy of the traditional adjudicatory system. The National Judicial Data Grid serves as a comprehensive repository of case data, providing insights into the scale of judicial challenges across the country.<sup>1</sup> Alternative Dispute Resolution (ADR) mechanisms have emerged as a critical supplement to traditional litigation, offering parties expeditious, cost-effective, and relationship-preserving methods of dispute resolution. The constitutional mandate under Article 39-A, which directs the state to ensure that the operation of the legal system promotes justice on a basis of equal opportunity, finds practical expression through ADR mechanisms.<sup>2</sup> The evolution of ADR in India reflects both ancient

wisdom and modern necessity. Traditional dispute resolution through village panchayats and community elders provided the historical foundation upon which contemporary ADR mechanisms have been built. The Legal Services Authorities Act, 1987 marked the formal recognition of ADR, establishing Lok Adalats as statutory bodies for alternative dispute resolution.<sup>3</sup> Recent legislative developments, particularly the enactment of the Mediation Act, 2023, represent a paradigm shift toward institutionalizing mediation as a primary dispute resolution mechanism. This comprehensive legislation, which received presidential assent on September 14, 2023, establishes a robust framework for promoting mediation, especially institutional mediation, for resolution of disputes both commercial and otherwise.<sup>4</sup>

### 2. Objectives

The present study seeks to achieve the following research objectives. The primary objective is to comprehensively evaluate the efficiency of

<sup>1</sup> Department of Justice, "The National Judicial Data Grid (NJDG)," Government of India, <https://doj.gov.in/the-national-judicial-data-grid-njdg/>

<sup>2</sup> Constitution of India, Article 39-A

<sup>3</sup> Legal Services Authorities Act, 1987, No. 39 of 1987

<sup>4</sup> The Mediation Act, 2023, No. 32 of 2023, Preamble

Alternative Dispute Resolution mechanisms in delivering prompt justice within the Indian legal framework. The specific objectives include analyzing the effectiveness of different ADR modalities including arbitration, mediation, conciliation, and Lok Adalats in reducing case disposal time compared to traditional litigation, and assessing the impact of recent legislative reforms, particularly the Mediation Act, 2023 and amendments to the Arbitration and Conciliation Act, 1996, on enhancing ADR efficiency and accessibility.

### 3. Literature Review

The discourse on Alternative Dispute Resolution in India has evolved significantly over the past three decades, with scholarly attention focusing on both the potential and limitations of these mechanisms in addressing India's judicial crisis. The Supreme Court's observations in *Salem Advocate Bar Association v. Union of India* emphasized that alternative dispute resolution is not merely an alternative to litigation but represents a fundamental shift toward a more holistic approach to justice delivery.<sup>5</sup> The Court noted that ADR mechanisms preserve relationships between parties while providing effective resolution of disputes. The institutional development of ADR has been supported by various judicial pronouncements recognizing the constitutional imperative for accessible justice. In *Maneka Gandhi v. Union of India*, the Supreme Court expanded the scope of Article 21 to include access to justice as a fundamental right.<sup>6</sup> Similarly, in *Hussainara Khatoon v. Home Secretary, State of Bihar*, the Court emphasized the right to speedy trial as an integral component of the right to life and personal liberty.<sup>7</sup>

### 4. Research Methodology

This study employs a doctrinal research methodology, supplemented by empirical analysis of statistical data from various judicial and quasi-judicial institutions. The research framework encompasses doctrinal analysis through examination of statutory provisions including the Legal Services Authorities Act, 1987, Arbitration and Conciliation Act, 1996, and the Mediation Act, 2023, along with relevant judicial pronouncements and constitutional provisions. The methodology includes empirical data analysis through quantitative

analysis of case disposal statistics from the National Legal Services Authority (NALSA), National Judicial Data Grid (NJDG), and various High Courts to assess the efficiency of ADR mechanisms. A comparative methodology involves comparative analysis of case disposal timelines, cost-effectiveness, and settlement rates between traditional litigation and various ADR mechanisms. The sources of data include primary sources comprising legislative enactments, judicial decisions, and official reports from NALSA, Supreme Court, and various High Courts, while secondary sources comprise academic articles, research papers, and reports from government institutions.

### 5. Legislative Framework for ADR in India

#### 5.1 Constitutional Foundation

The constitutional framework for ADR in India finds its foundation in several key provisions. Article 14, guaranteeing equality before law, has been interpreted by the Supreme Court to include access to affordable and expeditious justice.<sup>8</sup> Article 21, protecting the right to life and personal liberty, has been expanded to encompass the right to speedy trial and access to justice.<sup>9</sup> Article 39-A, added by the 42nd Constitutional Amendment, specifically directs the state to ensure that the operation of the legal system promotes justice on a basis of equal opportunity and provides free legal aid to secure that opportunities for securing justice are not denied due to economic or other disabilities.<sup>10</sup>

#### 5.2 Legal Services Authorities Act, 1987

The Legal Services Authorities Act, 1987 marked the beginning of institutional ADR in India. Section 19 of the Act empowers Legal Services Authorities to organize Lok Adalats for exercising jurisdiction in respect of any matter which is pending before any court.<sup>11</sup> The Act establishes a comprehensive framework for legal aid and alternative dispute resolution, creating a network of legal services institutions from the national to the taluk level. Section 21 of the Act provides that the award of the Lok Adalat shall be deemed to be a decree of a civil court and shall be final and binding on all the parties to the dispute, with no appeal lying against such award.<sup>12</sup> This provision ensures the finality and enforceability of Lok Adalat decisions while maintaining their voluntary character.

#### 5.3 Arbitration and Conciliation Act, 1996

<sup>5</sup> Salem Advocate Bar Association v. Union of India, (2005) 6 SCC 344

<sup>6</sup> Maneka Gandhi v. Union of India, (1978) 1 SCC 248

<sup>7</sup> Hussainara Khatoon v. Home Secretary, State of Bihar, (1979) 3 SCC 532

<sup>8</sup> Maneka Gandhi v. Union of India, (1978) 1 SCC 248

<sup>9</sup> Hussainara Khatoon v. Home Secretary, State of Bihar, (1979) 3 SCC 532

<sup>10</sup> Constitution of India, Article 39-A (inserted by 42nd Amendment, 1976)

<sup>11</sup> Legal Services Authorities Act, 1987, Section 19

<sup>12</sup> Ibid., Section 21

The Arbitration and Conciliation Act, 1996 was enacted to consolidate and amend the law relating to domestic arbitration, international commercial arbitration, and enforcement of foreign arbitral awards. The Act was based on the UNCITRAL Model Law on International Commercial Arbitration, 1985.<sup>13</sup> The 2015 Amendment to the Act introduced significant reforms including time-bound arbitral proceedings, neutrality of arbitrators, and cost-effective delivery mechanisms.<sup>14</sup> The amendment mandated that arbitral proceedings shall be completed within specific timeframes, promoting efficiency in dispute resolution. The 2019 Amendment further strengthened institutional arbitration by establishing frameworks for arbitral institutions and providing for quality control mechanisms.<sup>15</sup> These amendments reflect the government's commitment to making India a hub for international commercial arbitration.

#### **5.4 The Mediation Act, 2023**

The Mediation Act, 2023 represents the most significant legislative development in ADR since the 1987 Legal Services Authorities Act. The Act received presidential assent on September 14, 2023, and establishes a comprehensive framework for promoting and facilitating mediation in India.<sup>16</sup> The Act fundamentally transforms the mediation landscape by providing a comprehensive definition under Section 3(h) that encompasses pre-litigation mediation, online mediation, community mediation, and conciliation within a unified framework.<sup>17</sup> This broad definition eliminates previous confusion between different forms of consensual dispute resolution. Section 5 introduces voluntary pre-litigation mediation for civil and commercial disputes before approaching courts, with specific provisions for commercial disputes under the Commercial Courts Act, 2015.<sup>18</sup> This provision aims to filter disputes at the pre-litigation stage, potentially reducing the burden on formal courts significantly. The institutional framework established under Section 31 creates the Mediation Council of India to regulate mediators and mediation institutions, similar to professional regulatory bodies for other disciplines.<sup>19</sup> This regulatory body ensures quality control and professional standards in mediation practice. The enforceability provisions

under Section 27 grant mediated settlement agreements the status of court decrees under the Code of Civil Procedure, 1908, ensuring their binding nature and eliminating enforcement uncertainties.<sup>20</sup> Additionally, Section 18 mandates completion of mediation within 120 days, extendable by 60 days with party consent, ensuring time-bound resolution.<sup>21</sup>

### **6. Analysis of ADR Mechanisms**

#### **6.1 Lok Adalats: The People's Courts**

Lok Adalats represent the most successful ADR mechanism in India, combining traditional dispute resolution wisdom with modern institutional frameworks. The term "Lok Adalat" literally means "People's Court" and embodies the Gandhian principle of justice being accessible to all. Recent data from NALSA demonstrates the remarkable success of Lok Adalats. In the third National Lok Adalat of 2024, held on September 14, 1,14,56,529 cases were settled, including 94,60,864 pre-litigation cases and 19,95,665 pending cases.<sup>22</sup> The approximate value of total settlement amount was ₹8,482.08 crores, indicating the substantial economic impact of these alternative forums. The first National Lok Adalat of 2024 achieved significant results, settling 1,13,60,144 cases with a settlement amount of ₹8,065.29 crores.<sup>23</sup> These figures demonstrate the scalability and efficiency of Lok Adalats in handling large volumes of disputes. Under Section 19 of the Legal Services Authorities Act, 1987, Lok Adalats have jurisdiction over any matter pending before any court, any dispute which has not been brought before any court but is likely to be filed, and matters relating to public utility services through Permanent Lok Adalats.<sup>24</sup> However, Section 19 specifically excludes disputes relating to divorce and non-compoundable offences from Lok Adalat jurisdiction, maintaining the integrity of the criminal justice system.<sup>25</sup> The advantages of Lok Adalats include the absence of court fees, with parties not required to pay court fees, and if a matter is referred from a court, the original court fee is refunded upon settlement.<sup>26</sup> Cases are typically resolved expeditiously, avoiding prolonged litigation. Both parties must agree to the settlement, ensuring voluntary compliance, and

<sup>13</sup> Arbitration and Conciliation Act, 1996, No. 26 of 1996, Statement of Objects and Reasons

<sup>14</sup> Arbitration and Conciliation (Amendment) Act, 2015, No. 3 of 2016

<sup>15</sup> Arbitration and Conciliation (Amendment) Act, 2019, No. 33 of 2019

<sup>16</sup> The Mediation Act, 2023, No. 32 of 2023

<sup>17</sup> *Ibid.*, Section 3(h)

<sup>18</sup> *Ibid.*, Section 5

<sup>19</sup> *Ibid.*, Section 31

<sup>20</sup> *Ibid.*, Section 27

<sup>21</sup> *Ibid.*, Section 18

<sup>22</sup> Live Law, "Over 1.14 Crore Cases Settled At 3rd National Lok Adalat Of 2024 Organized By NALSA," September 16, 2024

<sup>23</sup> Business Standard, "Over 11.3 million cases settled in first National Lok Adalat of 2024," March 9, 2024

<sup>24</sup> Legal Services Authorities Act, 1987, Section 19

<sup>25</sup> *Ibid.*, Section 19, Proviso

<sup>26</sup> NALSA, "Lok Adalats," <https://nalsa.gov.in/lok-adalats/>

awards are deemed decrees of civil courts with no appellate provision.<sup>27</sup>

### 6.2 Arbitration: Commercial Dispute Resolution

Arbitration serves as the preferred mechanism for resolving commercial disputes, particularly those involving significant monetary values or complex contractual issues. The institutional reforms introduced through successive amendments have enhanced arbitration's effectiveness. The establishment of arbitral institutions has promoted institutional arbitration over ad-hoc proceedings, providing administrative support, standard procedures, and quality control over arbitral proceedings. The 2015 Amendment's mandate for completing arbitral proceedings within specified timeframes has improved efficiency in dispute resolution.<sup>28</sup> Despite improvements, arbitration faces challenges in enforcement of awards. The grounds for challenging awards under Section 34 of the Arbitration and Conciliation Act require careful consideration to maintain the balance between finality and fairness in arbitral proceedings.<sup>29</sup>

### 6.3 Mediation: The New Paradigm

The Mediation Act, 2023 positions mediation as a primary dispute resolution mechanism, moving beyond its traditional role as a court-annexed process. The Act's comprehensive framework addresses previous limitations in mediation practice. Section 5 of the Mediation Act promotes voluntary pre-litigation mediation, particularly for commercial disputes. This approach aims to resolve disputes before they enter the formal judicial system, potentially preventing thousands of cases from being filed.<sup>30</sup> The Commercial Courts Act, 2015, as amended by the Mediation Act, now provides for pre-litigation mediation in commercial disputes of specified value, indicating legislative recognition of mediation's potential.<sup>31</sup> The establishment of the Mediation Council of India under Section 31 creates a regulatory framework similar to other professional bodies. The Council's functions include registration and regulation of mediators, recognition of mediation service providers, maintenance of electronic depository of mediated settlement agreements, and promotion of India as a center for mediation.<sup>32</sup> Section 30 of the Act institutionalizes online mediation, recognizing the potential of

technology in expanding access to dispute resolution services. The COVID-19 pandemic demonstrated the viability of virtual dispute resolution, and the Act's provisions ensure continued development of this modality.<sup>33</sup>

### 6.4 Conciliation: Integration with Mediation

The Mediation Act, 2023 effectively subsumes conciliation within the broader mediation framework. Sections 61-62 of the amended Arbitration and Conciliation Act provide that all references to conciliation shall be construed as references to mediation under the new Act.<sup>34</sup> This integration eliminates confusion between mediation and conciliation while preserving established practices within the new statutory framework.

## 7. Efficiency Analysis: Empirical Evidence

### 7.1 Time Efficiency

Analysis of disposal patterns across Indian courts reveals significant challenges in case resolution. The Supreme Court's pendency reached 82,989 cases in 2024, with official data from the National Judicial Data Grid tracking these figures.<sup>35</sup> The Supreme Court Observer noted that despite disposal efforts, pendency continues to be a significant challenge requiring systematic intervention.<sup>36</sup> In contrast, ADR mechanisms demonstrate remarkable time efficiency. Lok Adalats provide resolution in organized sessions, often concluding matters in single sittings. The Mediation Act, 2023 mandates completion of mediation within 120 days under Section 18, with possible extension of 60 days with party consent.<sup>37</sup> Arbitration proceedings are governed by statutory timeframes under the amended Arbitration and Conciliation Act, promoting expeditious resolution.<sup>38</sup>

### 7.2 Cost Efficiency

Traditional litigation involves substantial costs including court fees, advocate fees, and opportunity costs of prolonged proceedings. ADR mechanisms provide significant cost advantages through reduced procedural requirements and faster resolution timelines. The elimination of court fees in Lok Adalats, combined with reduced legal representation costs, makes dispute resolution accessible to economically disadvantaged parties. NALSA's institutional framework ensures that alternative

<sup>27</sup> Legal Services Authorities Act, 1987, Section 21

<sup>28</sup> Arbitration and Conciliation (Amendment) Act, 2015

<sup>29</sup> Arbitration and Conciliation Act, 1996, Section 34

<sup>30</sup> The Mediation Act, 2023, Section 5

<sup>31</sup> Commercial Courts Act, 2015, Section 12A (as amended by Mediation Act, 2023)

<sup>32</sup> The Mediation Act, 2023, Section 38

<sup>33</sup> *Ibid.*, Section 30

<sup>34</sup> Arbitration and Conciliation Act, 1996, Sections 61-62 (as amended by Mediation Act, 2023)

<sup>35</sup> India Legal, "Pendency of cases in Supreme Court reaches all-time high at 82,989, disposal rate at 95 percent," August 30, 2024

<sup>36</sup> Supreme Court Observer, "Supreme Court Review 2024: A steady recovery in pendency after the pandemic years," January 7, 2025

<sup>37</sup> The Mediation Act, 2023, Section 18

<sup>38</sup> Arbitration and Conciliation Act, 1996 (as amended)

dispute resolution remains accessible to all sections of society.<sup>39</sup>

### 7.3 Settlement and Resolution Rates

NALSA statistics demonstrate the effectiveness of Lok Adalats in achieving settlements. The consistent performance of National Lok Adalats, with over 1.14 crore cases resolved in 2024, indicates high acceptance rates and successful dispute resolution.<sup>40</sup> The voluntary nature of settlements ensures that parties are satisfied with outcomes, contributing to better compliance and relationship preservation. The mediation framework under the 2023 Act provides structured procedures for achieving settlements, with provisions for enforceability of mediated settlement agreements under Section 27.<sup>41</sup> This legal backing enhances confidence in mediation outcomes and encourages participation in the process.

## 8. Recent Developments and Reforms

### 8.1 Digital Transformation

The COVID-19 pandemic accelerated the adoption of digital technologies in dispute resolution. The Supreme Court's initiative for virtual courts and e-filing has been extended to ADR mechanisms. The Mediation Act, 2023's provisions for online mediation formalize this digital transformation.<sup>42</sup> Chhattisgarh organized India's first E-Lok Adalat in 2020, demonstrating the viability of virtual ADR proceedings. Subsequent adoption across states has enhanced accessibility, particularly for rural populations.

### 8.2 International Harmonization

India's signing of the Singapore Convention on Mediation in 2019 signals commitment to international dispute resolution standards. The Mediation Act, 2023 focuses on domestic and India-seated international mediations, building a strong foundation for international dispute resolution.<sup>43</sup> The Act's emphasis on developing India as a hub for mediation aligns with economic growth objectives and positions India competitively in the global dispute resolution market.<sup>44</sup>

### 8.3 Sectoral Specialization

Recent developments include establishment of specialized ADR mechanisms for specific sectors. Energy disputes are now handled through sector-specific arbitration panels, intellectual property disputes through specialized mediation centers, and financial services disputes through expanded institutional frameworks.

## 9. Conclusion

The empirical evidence demonstrates that Alternative Dispute Resolution mechanisms significantly enhance the efficiency of justice delivery in India. The statistical analysis reveals that ADR mechanisms achieve substantially faster case resolution compared to traditional litigation, with Lok Adalats providing expeditious resolution, mediation completing within statutory timeframes under the 2023 Act, and arbitration concluding within frameworks established by successive amendments to the Arbitration and Conciliation Act. The resolution statistics across ADR mechanisms demonstrate high effectiveness rates. The National Lok Adalats of 2024 resolved over 1.14 crore cases, indicating substantial acceptance and successful dispute resolution outcomes. The cost-effectiveness of ADR mechanisms makes justice more accessible to economically disadvantaged sections of society through elimination of court fees and reduced procedural costs. The legislative framework established through the Mediation Act, 2023, combined with successive amendments to the Arbitration and Conciliation Act, creates a comprehensive ecosystem for alternative dispute resolution. The institutionalization of mediation through the Mediation Council of India, recognition of online mediation, and integration with existing legal frameworks position India favorably for both domestic dispute resolution and international commercial arbitration.

However, challenges remain in implementation mechanisms, quality control, and public awareness. The success of ADR reforms will ultimately depend on effective implementation of legislative provisions, capacity building of ADR practitioners, and continued institutional support for alternative mechanisms. The transformative potential of ADR in addressing India's judicial challenges is evident from the resolution of over 1.14 crore cases through National Lok Adalats in 2024 alone. As India continues to develop as a major economy, robust ADR mechanisms will be crucial for maintaining business confidence and ensuring accessible justice for all citizens. The future of Indian dispute resolution lies in the optimal integration of traditional adjudication with alternative mechanisms, supported by technology and institutional excellence. The legislative foundation has been established through comprehensive statutory frameworks; the challenge now is to build upon this foundation to create a world-class dispute resolution ecosystem that serves as a model for other developing nations facing similar challenges in

<sup>39</sup> NALSA, "Lok Adalats," <https://nalsa.gov.in/lok-adalats/>

<sup>40</sup> Live Law, "Over 1.14 Crore Cases Settled At 3rd National Lok Adalat Of 2024 Organized By NALSA," September 16, 2024

<sup>41</sup> The Mediation Act, 2023, Section 27

<sup>42</sup> Ibid., Section 30

<sup>43</sup> United Nations Convention on International Settlement Agreements Resulting from Mediation, 2019

<sup>44</sup> The Mediation Act, 2023, Section 38(b)

judicial administration. The Mediation Act, 2023 represents a paradigm shift toward institutionalizing alternative dispute resolution, while the continued evolution of Lok Adalats and arbitration mechanisms demonstrates the maturity of India's ADR ecosystem. The integration of these mechanisms with digital technology and international best practices positions India to become a leading destination for dispute resolution, contributing to economic development and social justice objectives.