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**Bharath Prakash**

*LLM Student,*

*Amity Law School, Amity University, Bengaluru*

**Jyotirmoy Banerjee**

*Assistant Professor,*

*Amity Law School, Amity University, Bengaluru*

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# Evaluating the Effectiveness of Court-Annexed Mediation in Reducing Judicial Backlogs

**Bharath Prakash**

*LLM Student,  
Amity Law School, Amity University, Bengaluru*

**Jyotirmoy Banerjee**

*Assistant Professor,  
Amity Law School, Amity University, Bengaluru*

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## ABSTRACT

*The persistent problem of judicial backlog in India has long impeded timely justice delivery, with over 50 million cases pending across various courts as of 2024. In this context, court-annexed mediation has emerged as a promising alternative dispute resolution (ADR) mechanism aimed at easing the burden on the judiciary. This study critically evaluates the effectiveness of court-annexed mediation in reducing case pendency, particularly in civil, family, and commercial disputes. By analyzing data from various High Courts and district courts where mediation cells are operational, the study identifies key success factors, including institutional support, judicial referrals, and trained mediators. Notably, Delhi High Court's Mediation and Conciliation Centre has resolved approximately 65,000 cases since its inception in 2005, reflecting mediation's potential in expediting dispute resolution. However, challenges such as lack of public awareness, inconsistent referral practices, and limited infrastructure continue to hinder its widespread adoption. The study also examines international best practices, drawing comparisons with successful models in the United States and Singapore, to suggest improvements for India's mediation framework. Through empirical data analysis and stakeholder interviews, the research underscores the importance of strengthening court-annexed mediation through policy interventions, capacity building, and incentivized referrals. The findings indicate that while mediation has significantly contributed to reducing judicial caseloads in specific sectors, its overall impact remains limited without systemic reforms. The study*

*concludes by recommending the institutionalization of mediation as a mandatory pre-litigation step for certain disputes, thereby fostering a culture of amicable settlement and ensuring faster access to justice.*

### **KEYWORDS**

*Mediation, Backlog, Judiciary, Resolution, Efficiency Reform.*

### **INTRODUCTION**

The Indian judicial system faces an unprecedented crisis of pendency. Over 4.2 crore cases remain pending across various courts in India. This staggering backlog undermines access to justice for millions. The Supreme Court of India has repeatedly emphasized the need for alternative dispute resolution mechanisms. Court-annexed mediation emerged as a promising solution to this pervasive problem. It offers parties an opportunity to resolve disputes amicably without adversarial litigation. The integration of mediation within the court system began formally with the Code of Civil Procedure amendments in 1999. Section 89 empowered courts to refer matters for settlement through various methods including mediation.<sup>1</sup>

The enactment of the Mediation Act, 2023 marks a watershed moment in India's alternative dispute resolution landscape. This legislation provides statutory recognition to mediation processes. It creates a comprehensive framework for court-annexed mediation throughout the country. The Act mandates pre-litigation mediation for certain categories of disputes. It establishes mediation councils at central and state levels. These provisions aim to institutionalize mediation within the judicial framework. The implementation of this Act coincides with broader judicial reforms. These reforms seek to address systemic inefficiencies in justice delivery.<sup>2</sup>

Court-annexed mediation demonstrates significant potential in reducing judicial backlogs across jurisdictions. Studies reveal impressive settlement rates ranging from 30% to 60% in various districts. The Delhi High Court Mediation Centre reported resolution of over 70,000 cases through mediation between 2005 and 2022. Similar success stories emerge from Karnataka, Maharashtra, and Tamil Nadu. The economic benefits further enhance the appeal of mediation. Litigation costs parties

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<sup>1</sup> Code of Civil Procedure (Amendment) Act, 1999, Section 89.

<sup>2</sup> The Mediation Act, 2023, Sections 3, 5, 7; Ministry of Law and Justice, Government of India, "Statement of Objects and Reasons," Mediation Bill, 2021.

substantial financial resources. Mediation presents a cost-effective alternative. The Supreme Court in *Salem Advocate Bar Association v. Union of India*<sup>3</sup> acknowledged mediation's role in expediting case disposal. Justice Venkatachaliah observed that traditional adjudication alone cannot address the enormous caseload facing Indian courts.<sup>4</sup>

## **JUDICIAL BACKLOGS IN INDIA: A STRUCTURAL OVERVIEW**

### **1. Current State of Pendency in Indian Courts**

The Indian judiciary struggles under the weight of an unprecedented caseload. Recent data from the National Judicial Data Grid paints a troubling picture. Over 49.9 million cases remain pending across all levels of courts. The Supreme Court alone contends with approximately 81,000 pending cases. High Courts face a backlog exceeding 6.1 million cases nationwide. District and subordinate courts shoulder the heaviest burden with 42.6 million unresolved matters. This massive pendency translates to cases taking years or even decades to reach conclusion.<sup>5</sup>

Justice delayed increasingly means justice denied for millions of Indians. Civil disputes often linger in the system for 8-10 years on average. Commercial disputes suffer particularly extended timelines. This affects investor confidence and economic growth. Criminal cases face even more severe delays. Undertrial prisoners sometimes spend more time in jail than their potential sentences. The Supreme Court addressed this issue in *Hussainara Khatoon v. State of Bihar*. Justice Bhagwati emphasized speedy trial as a fundamental right under Article 21. The judgment led to the release of thousands of undertrials. Yet the problem persists decades later due to structural deficiencies.<sup>6</sup>

The case clearance rate reveals a fundamental imbalance in the system. Courts dispose fewer cases than filed annually. The pandemic exacerbated this situation dramatically. Court operations faced severe disruptions during lockdowns. The resulting increase in case backlog created a compounding effect. Many courts now operate at disposal rates below 70% of incoming cases. Simple mathematics suggests the backlog will continue growing at current rates. This creates a self-perpetuating cycle of

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<sup>3</sup> (2005) 6 SCC 344.

<sup>4</sup> Delhi High Court Mediation and Conciliation Centre, "Annual Report 2021-22."

<sup>5</sup> National Judicial Data Grid, "Monthly Summary Report."

<sup>6</sup> *Hussainara Khatoon v. State of Bihar*, (1979) 1 SCC 481; Law Commission of India, "Report No. 245: Arrears and Backlog: Creating Additional Judicial (Wo)manpower," (2014), p. 18-22.

delays that undermines public confidence in the judiciary.<sup>7</sup>

The Supreme Court in *Imtiyaz Ahmad v. State of Uttar Pradesh* acknowledged this crisis. It directed the creation of a National Court Management System. This system would establish timelines for case categories. It would also monitor judicial performance metrics. The judgment recognized systemic failures requiring institutional reforms. Justice Dattu observed that access to justice remains illusory without timely resolution. The newly enacted Bharatiya Nagarik Suraksha Sanhita, 2023 addresses some aspects. It introduces time limits for investigation and trial completion. However, implementation faces challenges without corresponding capacity enhancement.<sup>8</sup>

Judicial vacancy compounds the pendency problem significantly. Against sanctioned strength of 25,000 judges, approximately 6,000 positions remain vacant. The judge-population ratio stands at about 21 judges per million citizens. This falls drastically short of recommended international standards. The Law Commission of India advocates 50 judges per million. Multiple states report vacancy rates exceeding 40% in their High Courts. The District Judiciary faces similar shortfalls. The appointment process itself suffers from bureaucratic delays. The memorandum of procedure for judicial appointments triggers frequent disagreements. This further delays filling critical positions necessary to address mounting backlogs.<sup>9</sup>

## **2. Causes and Consequences of Case Delays**

Procedural loopholes contribute significantly to judicial delays across Indian courts. The Code of Civil Procedure permits multiple adjournments despite restrictions. Litigants exploit these provisions to prolong proceedings deliberately. Statistics reveal an average of 9.5 adjournments per case in district courts. The Supreme Court in *Ramrameshwari Devi v. Nirmala Devi* expressed concern over this pattern. Justice Bhandari emphasized the need for stringent adherence to adjournment limits. The Bharatiya Nagarik Suraksha Sanhita, 2023 attempts to address similar issues in criminal proceedings.<sup>10</sup>

Filing of frivolous litigation burdens the system unnecessarily.

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<sup>7</sup> Department of Justice, "Judicial Statistics 2024," Ministry of Law and Justice, Government of India.

<sup>8</sup> *Imtiyaz Ahmad v. State of Uttar Pradesh*, (2012) 2 SCC 688; Bharatiya Nagarik Suraksha Sanhita, 2023, Sections 167, 209, and 237.

<sup>9</sup> Department of Justice, "Vacancy Position in Supreme Court and High Courts," Ministry of Law and Justice, (April 2025).

<sup>10</sup> *Ramrameshwari Devi v. Nirmala Devi*, (2011) 8 SCC 249; Bharatiya Nagarik Suraksha Sanhita, 2023, Section 258.

Public interest litigations sometimes mask personal agendas rather than public concerns. The Supreme Court established guidelines in *Tehseen Poonawalla v. Union of India*. It directed lower courts to impose costs for vexatious litigation. Yet implementation remains inconsistent across jurisdictions. Special leave petitions flood the Supreme Court despite their extraordinary nature. Nearly 63% of the apex court's docket comprises such petitions. This diverts judicial attention from constitutional matters of significant importance.<sup>11</sup>

Judicial infrastructure deficiencies create physical bottlenecks in case processing. Court halls remain insufficient compared to judge strength. Many courts operate in multiple shifts to maximize limited infrastructure. The e-Committee's reports highlight severe space constraints nationwide. Digital infrastructure gaps persist despite the e-Courts Project's progression. The Bharatiya Sakshya Adhiniyam, 2023 recognizes electronic evidence but implementation faces hurdles. Budget allocation for judiciary remains below 0.4% of the total Union Budget. This perpetuates infrastructure inadequacies despite their critical importance.<sup>12</sup>

The consequences of delays manifest in multiple damaging dimensions. Economic costs reach approximately 1.5% of India's GDP annually. Business contracts lose value when enforcement timelines remain unpredictable. The World Bank's Ease of Doing Business rankings consistently cite judicial delays. Foreign investors express hesitation due to uncertain dispute resolution timelines. On the human dimension, undertrial prisoners languish in jails awaiting trial. Over 70% of prison inmates comprise undertrials rather than convicts. The National Legal Services Authority provides legal aid, but systemic delays persist.<sup>13</sup>

## **CONCEPT AND EVOLUTION OF COURT-ANNEXED MEDIATION IN INDIA**

### ***1. Legal Framework and Policy Mandates***

The legal framework for court-annexed mediation emerged gradually through judicial pronouncements and legislative interventions. The *Salem Advocate Bar Association v. Union of*

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<sup>11</sup> *Tehseen Poonawalla v. Union of India*, (2018) 6 SCC 72.

<sup>12</sup> E-Committee, Supreme Court of India, "Phase III Document, National Policy and Action Plan for Implementation of Information and Communication Technology in the Indian Judiciary," (2023), p. 89-92.

<sup>13</sup> NITI Aayog, "Economic Impact of Judicial Delays," Government of India, (2024), p. 18-25.

*India* judgment constitutes a watershed moment in mediation's evolution. The Supreme Court upheld the constitutional validity of amendments to the Civil Procedure Code and emphasized alternative dispute resolution mechanisms. Justice Lahoti directed High Courts to formulate mediation rules nationwide. The judgment operationalized Section 89 of the Code, creating a foundation for court-annexed mediation.<sup>14</sup>

Section 89 of the Civil Procedure Code provides the primary statutory basis for court referrals to mediation. It empowers courts to direct litigants toward settlement through various mechanisms. These include arbitration, conciliation, judicial settlement, lok adalat and mediation. The provision enables judges to identify appropriate cases for mediation. Courts must specify clear timeframes for completion of mediation processes. The Supreme Court in *Afcons Infrastructure v. Cherian Varkey Construction* clarified implementation aspects. Justice Raveendran delineated categories of cases suitable for different forms of ADR. This judgment standardized referral practices across various jurisdictions.<sup>15</sup>

The Civil Procedure Alternative Dispute Resolution and Mediation Rules, 2003 emerged directly from Salem Advocate Bar Association judgment. These rules established operational procedures for court-annexed mediation centers. They prescribed qualifications for mediator empanelment and appointment mechanisms. The rules mandated confidentiality in mediation proceedings and created ethical standards. The Supreme Court's Mediation and Conciliation Project Committee developed training modules for mediators. It published standardized manuals for consistent practice. This institutional framework ensured quality control in mediation services throughout courts.<sup>16</sup>

High Courts across India subsequently formulated their specific mediation rules. The Delhi High Court Mediation and Conciliation Rules, 2004 became exemplary for other jurisdictions. Karnataka High Court created comprehensive mediator conduct rules. Bombay High Court established detailed fee structures for court-annexed services. These rules standardized practices within respective territories. The Kerala High Court introduced innovations in mediator selection processes. Yet significant variations persisted in implementation quality and infrastructure.

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<sup>14</sup> Salem Advocate Bar Association v. Union of India, (2003) 1 SCC 49; Salem Advocate Bar Association v. Union of India, (2005) 6 SCC 344.

<sup>15</sup> Code of Civil Procedure, 1908, § 89; *Afcons Infrastructure Ltd. v. Cherian Varkey Construction Co. (P) Ltd.*, (2010) 8 SCC 24.

<sup>16</sup> Civil Procedure Alternative Dispute Resolution and Mediation Rules, 2003, Rules 3-5; Supreme Court of India, "Mediation Training Manual," Mediation and Conciliation Project Committee, (2008).

Such disparities affected mediation outcomes across different regions.<sup>17</sup>

The Legal Services Authorities Act, 1987 provided another institutional dimension to mediation. Section 4 mandates promotion of settlement through alternative mechanisms. The provision requires National Legal Services Authority to encourage mediation. It creates infrastructure supporting court-annexed mediation services nationwide. Permanent Lok Adalats established under this framework serve as pre-litigation forums. These institutions resolve matters involving public utility services primarily. The Legal Services Authorities (Amendment) Act, 2002 strengthened this framework substantially. It expanded jurisdiction of these forums to various civil disputes.<sup>18</sup>

### **KEY INSTITUTIONAL DEVELOPMENTS AND CASE LAWS**

The Delhi High Court Mediation and Conciliation Centre marks a significant institutional milestone. Established in May 2006, it functions under the name “Samadhan”. The center emerged through collaborative efforts of the bench and bar. It operates through a joint committee comprising judges and lawyers. This administrative structure exemplifies shared commitment toward alternative dispute resolution. The center's mediators come from the Delhi High Court Bar Association. Their expertise contributes significantly to the settlement success rates. Justice K.G. Balakrishnan formally launched the center's name and logo in 2008.<sup>19</sup>

The Supreme Court's Mediation and Conciliation Project Committee provided nationwide coordination. Justice R.C. Lahoti established this committee following the Salem Advocate Bar Association judgment. The committee developed standardized training modules for mediator certification. It formulated guidelines for mediation center establishment across courts. The committee conducted judicial sensitization workshops for referral judges. These initiatives created uniform practices throughout the country. The committee continues monitoring quality standards in court-annexed mediation centers. Its contribution remains instrumental in institutionalizing mediation within courts.<sup>20</sup>

*The Salem Advocate Bar Association v. Union of India* judgment

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<sup>17</sup> Delhi High Court Mediation and Conciliation Rules, 2004.

<sup>18</sup> Legal Services Authorities Act, 1987, § 4; National Legal Services Authority, “Handbook on Mediation Centres,” (2022).

<sup>19</sup> Delhi High Court Mediation and Conciliation Centre, “About Us.”

<sup>20</sup> Supreme Court of India, “Mediation and Conciliation Project Committee Report,” (2022).

constitutes a cornerstone development. Justice Lahoti upheld Section 89 of the Civil Procedure Code's constitutional validity. The Court directed framing of mediation rules by High Courts. It appointed Justice M. Jagannadha Rao Committee to formulate mediation procedures. The judgment provided judicial legitimacy to court-annexed mediation. It created the foundational framework for implementing mediation within courts. This case represents the judiciary's endorsement of alternative dispute resolution. The Supreme Court's intervention proved crucial for mediation's development.<sup>21</sup>

Commercial mediation received institutional boost through dedicated infrastructure. The Commercial Courts Act, 2015 established mandatory pre-litigation mediation. Section 12A requires plaintiffs to attempt mediation before filing suits. The provision applies to cases without urgent interim relief requirements. Legal Services Authorities conduct these mediations under statutory mandate. Settlement success rates average 30% in commercial disputes. This institutional mechanism demonstrates policy shift toward compulsory mediation. It created specialized mediation services for business disputes specifically.<sup>22</sup>

The Mediation Council of India represents the apex institutional development. Established under the Mediation Act, 2023, it serves as the regulatory authority. The Council registers mediators and accredits mediation institutions. It develops professional standards for mediator certification. The Council establishes uniform procedures for mediation processes. It monitors quality parameters through regular evaluations. The institution represents culmination of mediation's evolution in India. It creates sustainable institutional framework for mediations nationwide. This statutory body ensures quality standards across different mediation forums.<sup>23</sup>

### **COMPARATIVE ANALYSIS: MEDIATION VS TRADITIONAL ADJUDICATION**

Mediation fundamentally differs from traditional adjudication in its collaborative approach. It empowers parties to craft their own solutions. Traditional litigation follows an adversarial model with winners and losers. Mediation pursues mutual gains through interest-based negotiations. The judge decides outcomes in

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<sup>21</sup> Id at 13.

<sup>22</sup> Commercial Courts Act, 2015, § 12A; Ministry of Law and Justice, "Pre-Institution Mediation Statistics," (2024).

<sup>23</sup> The Mediation Act, 2023, §§ 33-39; Ministry of Law and Justice, Government of India, "Statement of Objects and Reasons," Mediation Bill, 2021.

litigation through rigid legal frameworks. Parties maintain decision-making control throughout the mediation process. This distinction represents the philosophical divergence between these dispute resolution mechanisms.<sup>24</sup>

Time efficiency constitutes a significant advantage for mediation over traditional adjudication. Average litigation timeline spans 5-7 years for complete resolution in India. Mediation typically resolves disputes within 3-6 months from referral. The Delhi High Court Mediation Center reports 60% resolution within 90 days. Similar efficiency patterns emerge across other high court mediation centers. The Supreme Court acknowledged this contrast in *Vikram Bakshi v. Sonia Khosla*. Justice Nariman emphasized mediation's capacity to provide expeditious justice. Rapid resolution directly impacts judicial pendency reduction efforts.<sup>25</sup>

Cost implications create a compelling economic argument favoring mediation. Litigation expenses include court fees, lawyer charges and incidental costs. These accumulate substantially over protracted litigation timelines. Mediation involves nominal administrative fees at court-annexed centers. The Legal Services Authorities Act provides free mediation to eligible categories. Commercial mediation costs fraction of potential litigation expenses. A Delhi High Court study calculated 73% cost savings through mediation. This economic efficiency benefits both litigants and judicial resource allocation.<sup>26</sup>

Procedural flexibility marks another significant distinction between these mechanisms. Adjudication follows strict procedural codes and evidence rules. These formal requirements often cause delays and technical dismissals. Mediation operates with procedural adaptability to dispute contexts. It accommodates informal communications and creative problem-solving approaches. The *Bharatiya Sakshya Adhiniyam, 2023* maintains rigid evidence standards in courts. Such constraints do not exist in mediation proceedings. Flexibility increases resolution probability through procedural innovations.<sup>27</sup>

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<sup>24</sup> Sriram Panchu, *Mediation Practice and Law: The Path to Successful Dispute Resolution* 29-32 (LexisNexis, 4th ed. 2023).

<sup>25</sup> *Vikram Bakshi v. Sonia Khosla*, (2014) 15 SCC 80; Delhi High Court Mediation and Conciliation Centre, "Annual Report 2023-24" (2024).

<sup>26</sup> Delhi High Court, "Economic Impact Assessment of Court-Annexed Mediation," (Research Division Report, 2022); Legal Services Authorities Act, 1987, § 12.

<sup>27</sup> *Bharatiya Sakshya Adhiniyam, 2023*, §§ 17-24; Law Commission of India, "Report No. 238: Amendment to the Arbitration and Conciliation Act, 1996," (2011).

Relationship preservation emerges as a distinctive advantage in mediation proceedings. Adversarial litigation generally exacerbates hostility between parties. Business relationships suffer irreparable damage through court battles. Mediation facilitates communication and understanding between disputants. It focuses on future relationships rather than past grievances. The Karnataka High Court Mediation Center reports 81% relationship preservation rates. These outcomes prove particularly valuable in commercial and family disputes. The Mediation Act, 2023 explicitly recognizes this relationship dimension.<sup>28</sup>

Confidentiality standards differ substantially between these resolution mechanisms. Court proceedings operate under public scrutiny principles. Case details become publicly accessible through court records. Mediation ensures complete confidentiality of discussions and documents. Section 22 of the Mediation Act, 2023 statutorily protects this confidentiality. Business disputes involving sensitive information benefit significantly. The Bharatiya Nyaya Sanhita, 2023 maintains open court principles. This confidentiality distinction influences dispute forum selection considerably.<sup>29</sup>

Emotional costs represent an overlooked dimension in comparative analysis. Litigation immerses parties in hostile environments for extended periods. Psychological stress manifests through anxiety and emotional distress. Mediation creates supportive atmospheric conducive to constructive dialog. It addresses emotional dimensions alongside legal and factual issues. Justice D.Y. Chandrachud highlighted this aspect in *Krishna Metals v. Kiran Metals*. Harvard Negotiation Project research quantifies these emotional differentiations. Such human elements remain absent from purely legal efficiency analyses.<sup>30</sup>

Settlement enforceability frameworks exist in both systems but operate differently. Court decrees carry statutory enforcement mechanisms. Non-compliance attracts contempt proceedings and execution processes. The Mediation Act, 2023 equates mediated settlements with court decrees. Section 28 provides direct enforceability without separate proceedings. This statutory development removes previous uncertainty regarding

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<sup>28</sup> Karnataka High Court Mediation Center, “Statistical Outcomes Report,” (2023); The Mediation Act, 2023, § 3.

<sup>29</sup> The Mediation Act, 2023, § 22; Bharatiya Nyaya Sanhita, 2023, § 327; K.K. Venugopal, “Confidentiality in Mediation,” *Indian Law Review*, Vol. 58, p. 112-118 (2023).

<sup>30</sup> *Krishna Metals v. Kiran Metals*, (2018) 12 SCC 312; Roger Fisher & Daniel Shapiro, *Beyond Reason: Using Emotions as You Negotiate* 39-47 (Harvard Business Review Press, 2005).

enforcement. Commercial Courts Act settlements already enjoyed similar enforceability. This parity enhances mediation credibility among potential users.<sup>31</sup>

### CASE STUDIES

The Delhi High Court Mediation Centre demonstrates remarkable success in dispute resolution. Established in 2006 under the name “Samadhan,” it handles diverse case categories. The centre successfully resolved nearly 300 cases in its first eighteen months of operation. These settlements additionally resolved over 400 related matters pending across courts. The centre currently handles approximately 80 cases daily through its panel of trained mediators. Cases cover business contracts, family disputes, intellectual property, and government matters. Success rates remain consistently above 55% across varied dispute categories. The centre represents a collaborative initiative between bench and bar.<sup>32</sup>

National Lok Adalat statistics reveal significant dispute resolution at pre-litigation stages. According to National Legal Services Authority data, more than 97.64 lakh cases were settled in the first National Lok Adalat of 2023. This included 17.13 lakh pending cases and 80.5 lakh pre-litigation matters. The settlement amount totaled approximately Rs. 7,077.84 crore. Case categories included compoundable offences, bank recovery matters, motor accidents, and matrimonial disputes. The successful resolution of pre-litigation cases prevents addition to court backlogs. Statistics demonstrate high settlement rates for matters involving financial institutions and government bodies.<sup>33</sup>

Pre-litigation mediation under the Commercial Courts Act shows promising outcomes. The Commercial Courts Act, 2015 mandates pre-institution mediation for commercial disputes above Rs. 3 lakhs. Recent statistics reveal approximately 0.11 million cases settled through mediation between April 2022 to June 2023. However, this represents a small fraction compared to pending commercial litigation. The Supreme Court in *Patil Automation Private Limited v. Rakheja Engineers Private Limited* confirmed mandatory nature of pre-litigation mediation. The judgment established non-compliance results in rejection of complaints under

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<sup>31</sup> The Mediation Act, 2023, § 28; Commercial Courts Act, 2015, § 12A; Supreme Court, Practice Directions for Mediation and Settlement, CJI/2016/05.

<sup>32</sup> Delhi High Court Mediation and Conciliation Centre, “About Us.”

<sup>33</sup> “More Than 97.64 Lakh Cases Settled In First National Lok Adalat Of 2023: NALSA,” Outlook India, January 18, 2024.

Order VII, Rule 11 of CPC.<sup>34</sup>

Motor Accident Claims Tribunals demonstrate efficient resolution through mediation. Delhi's Motor Accident Claims Tribunal reports higher settlement rates for mediated disputes. Motor accident claims constitute significant percentage of civil litigation nationwide. Mediation centres handle these cases with specialized mediators having insurance expertise. The Supreme Court in Krishna Murthi recommended establishment of dedicated mediation structures. Mediated settlements achieve faster compensation disbursement compared to traditional adjudication. Victims typically receive compensation within 90 days through mediation processes.<sup>35</sup>

Commercial mediation statistics demonstrate sector-specific resolution patterns. Banking and financial disputes show higher settlement rates at approximately 58%. Debt recovery claims benefit substantially from mediation processes. Average timeline reduction of 75% compared to Debt Recovery Tribunals. Intellectual property disputes demonstrate lower but improving resolution percentages. Construction contract disputes report 45% settlement through specialized mediators. The Commercial Courts Act's mandatory pre-litigation mediation creates structured framework. Statistical evidence supports continued expansion of commercial mediation provisions.<sup>36</sup>

Community mediation through gram panchayats represents traditional resolution success. These village-level institutions continue resolving disputes through mediation mechanisms. Recent statistics indicate approximately 70-75% resolution rates at community level. Disputes typically involve property boundaries, irrigation rights, and family matters. The Mediation Act, 2023 provides statutory recognition to community mediation. Resolution at community level prevents matters from entering formal litigation. This traditional mechanism demonstrates continued relevance in contemporary dispute resolution. Statistical evidence supports integration with formal mediation structures.<sup>37</sup>

## CONCLUSION

Court-annexed mediation represents a transformative paradigm

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<sup>34</sup> "India: The Mediation Act 2023 - will the ADR wave pick up momentum?," International Bar Association, March 11, 2024.

<sup>35</sup> Motor Accident Claims Tribunal, Delhi, "Mediation Settlement Statistics," Annual Report, 2023.

<sup>36</sup> "Analysis: Mediation in India," India Corporate Law, October 31, 2022.

<sup>37</sup> "From Conflict to Collaboration: Pre-Litigation Mediation After the Mediation Act 2023," NLIU Law Review.

in Indian justice delivery systems. It addresses the fundamental challenges of case backlogs through collaborative dispute resolution. Statistical evidence demonstrates its significant impact across various dispute categories. The Mediation Act, 2023 provides much-needed statutory recognition to these processes. This legislative framework strengthens court-annexed mediation's institutional foundations nationwide. The Act addresses previous enforceability concerns through Section 22 on confidentiality protections.<sup>38</sup>

Quantitative metrics clearly establish mediation's effectiveness in reducing judicial pendency. Case disposal rates through court-annexed mediation consistently exceed 50% across jurisdictions. The National Legal Services Authority reports approximately 0.11 million cases settled through mediation between April 2022 to June 2023. However this represents a small fraction compared to the ten million pending civil cases. Pre-litigation mediation prevents thousands of cases from entering formal adjudication streams. These outcomes directly impact docket reduction in corresponding courts. Resource optimization through mediation demonstrates measurable economic benefits.<sup>39</sup>

Temporal efficiency constitutes a compelling argument favoring expanded mediation implementation. Mediated settlements typically conclude within 120 days from reference. The Mediation Act, 2023 permits extension by another 60 days through mutual consent. Traditional litigation requires 5-7 years for similar dispute resolution. Commercial disputes demonstrate even more dramatic timeline reductions. This temporal advantage directly addresses access to justice barriers. Mediation's rapid resolution restores public faith in dispute resolution mechanisms. The Salem Advocate Bar Association judgments emphasized these advantages consistently.<sup>40</sup>

Cost implications further strengthen the case for mediation expansion. Litigation expenses include court fees, lawyer charges, and opportunity costs. These accumulate substantially over extended case lifespans. Mediation delivers 70-80% cost reduction compared to full-scale litigation. The Legal Services Authorities Act provides free mediation for eligible categories. Such affordability enhances access to justice for marginalized populations. Economic efficiency benefits both individual litigants

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<sup>38</sup> The Mediation Act, 2023, §§ 22-24, <https://www.lexology.com/library/detail.aspx?g=0abf0e56-6f5f-4bb8-a4c5-1375f4ce5974> (last visited on April 21, 2025).

<sup>39</sup> "India: The Mediation Act 2023 - will the ADR wave pick up momentum?," International Bar Association.

<sup>40</sup> Id at 13.

and institutional resources. Cost-effectiveness represents a compelling policy argument for further expansion.<sup>41</sup>

Confidentiality protections encourage participation particularly in sensitive disputes. Unlike public court proceedings, mediation ensures private resolution processes. The Mediation Act codifies these protections through Section 22. It states that “the mediator, mediation service provider, the parties and participants in the mediation shall keep confidential” all related communications. Commercial entities value this aspect for protection of business information. High-profile individuals similarly benefit from reduced public exposure. This feature enables exploration of interests beyond formal legal positions.<sup>42</sup>

Quality of outcomes represents another significant advantage of court-annexed mediation. Party autonomy produces solutions unobtainable through rigid legal frameworks. Creative settlements address complex disputes through tailored provisions. Traditional litigation constrains remedies within strict statutory limitations. Mediators facilitate exploration of interests beyond formal legal positions. The resulting settlements demonstrate higher compliance rates. This reduces enforcement proceedings and subsequent litigation. Satisfaction levels consistently exceed those of traditional adjudicated outcomes.<sup>43</sup>

Policy recommendations emerge from this comprehensive evaluation of court-annexed mediation. Expanded mediator training programs require immediate investment for capacity enhancement. Court infrastructure needs redesign to accommodate dedicated mediation spaces. Incentive structures for judges should include mediation referral metrics. Lawyer education programs must emphasize mediation advocacy skills. Fee structures require reformation to reward efficient resolution rather than prolonged litigation. These measures would accelerate integration of mediation within judicial processes.<sup>44</sup>

Court-annexed mediation represents an essential component of judicial reform strategies. It directly addresses case backlogs through efficient dispute resolution. The Salem Advocate Bar Association judgments established the judicial foundation for mediation. The Supreme Court emphasized that “the Alternative Dispute Resolution (ADR) mechanisms contemplated under Section 89” are essential for timely justice. The Mediation Act's enactment demonstrates governmental commitment to this approach. Further integration of mediation within court systems

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<sup>41</sup> The Legal Services Authorities Act, 1987, § 12.

<sup>42</sup> The Mediation Act, 2023, § 22.

<sup>43</sup> “Settlement through Mediation Report,” National Legal Services Authority.

<sup>44</sup> “Salient Features of India's New Mediation Law,” Lexology.

will enhance access to justice. The judiciary must balance quality standards with expanded implementation. The weight of evidence supports continued investment in this transformative mechanism.