

Court Annexed Mediation; Successes, Challenges and Future Prospects

by

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Abstract

With Indian courts facing a massive backlog of cases and growing pressure to clear pending litigations, alternative methods for resolving disputes have gained increasing importance. Court-annexed mediation has emerged as a powerful tool in this regard, especially for civil and family-related matters. It allows parties to settle their issues outside the traditional courtroom setting, saving both time and money while encouraging peaceful resolution. Initiatives like the establishment of mediation centers in district courts and the proactive role of the Mediation and Conciliation Project Committee (MCPC), under the Supreme Court's guidance, have played a significant role in promoting this mechanism. These developments mark a shift toward a more efficient and citizen-friendly legal system. Despite this progress, the impact of court-annexed mediation varies between regions due to differing social and cultural contexts. Urban populations tend to show greater trust and participation in the process, likely due to higher legal literacy, access to trained professionals, and a more individual-focused approach. On the other hand, in rural settings, traditional community-led solutions such as village panchayats still dominate. Limited access to formal mediation centers, lack of awareness, and social pressures often hinder the effectiveness of court-annexed mediation in these areas. As the legal system modernizes, new technologies—particularly Artificial Intelligence—are being considered to enhance the mediation process. AI tools could help in sorting suitable cases for mediation, selecting appropriate mediators based on past trends, and even facilitating digital mediation platforms.¹ However, integrating such technology presents its own set of difficulties, including ethical concerns, limited digital

¹ Out of Court Settlement, Ezy Legal, <https://www.ezylegal.in/blogs/what-is-the-procedure-for-out-of-court-settlement>, Last Visited on 1st April, 2025.

infrastructure, and the risk of biased algorithms.² In view of these developments, the questions that emerge are: To what extent has court-annexed mediation contributed to reducing judicial pendency in civil and family disputes across Indian district courts? What role do cultural and community dynamics play in the success of court-annexed mediation in rural vs. urban areas? In the modern era of AI, can artificial intelligence tools be integrated into court-annexed mediation systems to improve case filtering and mediator selection? What are possible challenges to the process of mediation?

Keywords: Court-annexed, mediation, pendency, urban, rural, Artificial Intelligence etc.

Introduction

People who wish to resolve their disputes outside of court might do it with the help of the alternative dispute resolution concept. It is essential since it saves the parties time and effort. The parties find that resolving the issue through a regulated process outside of court is more convenient than going to court. In the event that the other party chooses to use one of the alternative dispute resolution procedures, legal notification must be provided. Alternative Dispute Resolution comes in the following varieties:

1. Arbitration
2. Mediation
3. Conciliation
4. Negotiation³
5. Lok Adalat or People's Courts

Alternative Dispute Resolution (ADR) offers a more efficient and streamlined approach to handling conflicts, significantly easing the burden on the judiciary by delivering quicker outcomes. It is also a more affordable option than traditional litigation, making justice accessible to a broader range of individuals and businesses. The confidential nature of ADR proceedings makes it

² Alternate Dispute Resolution, Legal School, <https://thelegalschool.in/blog/alternative-dispute-resolution>, Last Visited on 1st April, 2025.

³ Supra Note 1.

particularly suitable for sensitive issues, such as those involving family matters or commercial interests. Additionally, ADR allows parties to customize the process according to their specific needs—something the rigid structure of formal courts does not permit. Importantly, because ADR emphasizes cooperation rather than confrontation, it helps preserve, and in some cases, even strengthen relationships between the disputing parties.⁴

Alternative Dispute Resolution (ADR) is becoming more and more popular, yet a number of obstacles still stand in the way of its broad use and efficacy. Lack of knowledge is a big issue because many people, especially in rural and semi-urban regions, are still ignorant of alternative dispute resolution (ADR) processes and still only use the old court system to settle disputes. Inadequate enforcement of arbitral rulings is another major issue; these awards are frequently contested in court, which prolongs the case for years and negates the very point of using ADR. The absence of qualified arbitrators, mediators, and conciliators in rural India and even some urban areas is another serious problem that compromises the caliber and legitimacy of ADR procedures. ADR infrastructure is also severely lacking, particularly in smaller towns and villages where suitable facilities are either nonexistent or insufficient. Furthermore, it is imperative to align alternative dispute resolution (ADR) processes with international standards, especially in commercial arbitration, while maintaining the fundamental tenets of regional legal systems in order to guarantee worldwide validity. These difficulties show that in order to fully utilize ADR in India, structural changes, improved training, and increased public involvement are required.⁵

Mediation in India: Evolution, Legal Framework, and Judicial Perspectives

Statutory Basis and Legal Framework

By encouraging ADR procedures, Section 89 of the CPC aims to reduce case backlogs in the Indian legal system. The Malimath Committee and the 129th Law Commission Report, which promoted prompt justice, were the sources of this clause.⁶

⁴ Supra Note 2.

⁵ Supra Note 2.

⁶ Mediation in India, IDRC, [https://theidrc.com/content/mediation/mediation-in-india#:~:text=models%20are%20practised?-,Ans.,mediation%20\(conciliation\)%20in%20India](https://theidrc.com/content/mediation/mediation-in-india#:~:text=models%20are%20practised?-,Ans.,mediation%20(conciliation)%20in%20India), Last Visited on 2nd April, 2025.

With the goal of facilitating extrajudicial settlements and minimizing court workload, Section 89 of the Code of Civil Procedure (CPC) gives courts the authority to refer matters to alternative dispute resolution (ADR) procedures including mediation, conciliation, or arbitration. This clause was included in 1999 to encourage parties to settle disagreements out of court in order to promote a quicker and more cordial resolution. Pre-litigation mediation is required for civil and business disputes under the Mediation Act of 2023, unless there is an emergency. According to the Mediation Act of 2023, mediation agreements have the same legal standing as court orders and must be resolved within 120 days, with an additional 60 days allowed if necessary. However, mediation is not applicable in situations involving criminal violations, third-party rights, or taxes.

Important Judicial Interpretations

Two landmark cases assessing Section 89 of the CPC are Salem Advocate Bar Association v. Union of India and Afcons Infrastructure Ltd. v. Cherian Varkey Construction Co. (P) Ltd.

- In Salem Advocate Bar Association, the Tamil Nadu Bar Association filed a writ petition challenging CPC amendments. The Supreme Court affirmed the constitutionality of Section 89, highlighting its function in reducing the workload of the judiciary and accelerating case resolution. ADR's main objective, according to Justice Y. Sabharwal, is to guarantee that not all matters need judicial adjudication in order to avoid creating more backlogs. The decision made it clear that conciliation and judicial settlements are still subject to court supervision, but when parties choose arbitration, the Arbitration and Conciliation Act, 1996 takes effect, removing the case from court jurisdiction. In order to promote a more effective legal system, the ruling reaffirmed the need for courts to determine whether a matter is appropriate for alternative dispute resolution (ADR) and refer it appropriately.⁷
- The Supreme Court addressed the uncertainty of Section 89 and issued rules for its application in the case of Afcons Infrastructure Ltd. v. Cherian Varkey Construction Co.

⁷ Scope and Effect of S.89 CPC, Lawoctopus, <https://www.lawctopus.com/academike/the-scope-and-effect-of-section-89-cpc/#:~:text=Section%2089%20of%20the%20CPC%20addresses%20these,conciliation%2C%20and%20mediation%20to%20ease%20court%20burdens.&text=The%20ruling%20clarified%20that%20when%20parties%20opt,and%20judicial%20settlements%20remain%20under%20court%20oversight>, Last Visited on 3rd April, 2025.

The court noted that Section 89's wording caused misunderstandings, especially with relation to mediation and conciliation. It stated that simple conflicts might be sent to mediation or to the Lok Adalat, but complicated issues that needed judicial supervision should stay in court. This decision made it clearer to practitioners how Section 89 should be applied correctly and made it clear that the clause should help courts rather than add needless formalities.⁸

Court-Annexed Mediation: Assessing Its Impact on Civil and Family Case Backlogs in Indian District Courts

Approximately 0.11 million cases were resolved through mediation between April 2022 and June 2023, according to recent statistics released by the National Legal Services Authority⁹ a federal agency created under the Legal Services Authorities Act, 1987. According to a 2016 report by the Vidhi Centre for Legal Policy, court-referred mediation was used to settle more than 41,500 family dispute cases. Furthermore, according to a National Judicial Academy (NJA) report, 21,987 related cases were also resolved, while 29,160 cases were resolved through mediation.¹⁰

More family disagreements are addressed to mediation than any other kind of disputes, in India. Merely following legal, technical, and procedural norms is insufficient because of the subjective nature of the disagreement, which involves sentiments and emotions. It is widely accepted that the first and most crucial step in resolving family conflicts is always communication between the parties involved. The adjudicator bears a great deal of responsibility in this case, so it is crucial to have a mediator who can devote enough time to comprehending the specifics of the conflict in order to promote cooperation and communication between the parties. Mediation is the best dispute resolution process for family concerns because of the confidentially component of each mediation process. Numerous cases have emphasized the importance of confidentiality in mediation, such as *Moti Ram Tr. v. Ashok Kumar*, where the courts emphasized the need for confidentiality while also stating that mediators must not reveal transcripts of the proceedings when submitting their mediation reports to the court. All they had to do was state whether the

⁸ Supra Note 7.

⁹ Payel Chatterjee, Will the ADR wave pickup momentum, <https://www.ibanet.org/india-mediation-act-2023-will-the-ADR-wave-pick-up-momentum>, Last Visited on 3rd April, 2025.

¹⁰ Supra Note 9.

mediation was successful and, if so, what kind of settlement or compromise was reached. The anonymity that mediation procedures guarantee could be a much-needed reprieve in a nation like India where family troubles are viewed as "inside matters" and people are reluctant to file cases for fear that doing so will make their disagreements public.¹¹

In Indian district courts, court-annexed mediation has demonstrated a noteworthy contribution to the reduction of judicial pendency in civil and family conflicts. Mediation reduces the workload for courts and speeds up dispute resolution by settling conflicts outside of the official legal system, especially in civil and family issues. This strategy streamlines the justice delivery system by enabling courts to concentrate on more complicated cases, such as criminal and constitutional issues.¹²

Testing the Waters; AI Incorporation into Mediation

There is a lot of room for incorporating AI technologies into court-annexed mediation systems in the current period, especially to improve the mediator selection and case screening procedures. According to the Harvard Law School Program on Negotiation article, artificial intelligence (AI) has the potential to revolutionize mediation by simplifying conflict resolution procedures. The effectiveness of case filtering can be increased by using AI systems to evaluate past case data and forecast which disagreements are most appropriate for mediation. AI can assist in determining the possibility of successful mediation by using algorithms that take into account different dispute features, party actions, and previous outcomes. This ensures that only the most appropriate situations move on to this stage. This focused strategy can improve access to justice and lessen court workloads.¹³

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¹¹ Kamakshi Puri, Mediation in Family Law Disputes, <https://jgu.edu.in/mappingADR/mediation-in-family-law-disputes-in-india/>, Last Visited on 4th April, 2025.

¹² Mediation as A Solution, Drishti IAS, <https://www.drishtiiias.com/daily-updates/daily-news-analysis/mediation-as-a-solution-to-judicial-backlog>, Last Visited on 6th April, 2025.

¹³ Katie Shonk, Mediation Using AI, Harvard Edu, <https://www.pon.harvard.edu/daily/mediation/ai-meditation-using-ai-to-help-mediate-disputes/>, Last Visited on 6th April, 2025.

has the potential to revolutionize mediation by simplifying conflict resolution procedures. The effectiveness of case filtering can be increased by using AI systems to evaluate past case data and forecast which disagreements are most appropriate for mediation. AI can assist in determining the possibility of successful mediation by using algorithms that take into account different dispute features, party actions, and previous outcomes. This ensures that only the most appropriate situations move on to this stage. This focused strategy can improve access to justice and lessen court workloads. AI algorithms can also help choose mediators by connecting cases with mediators whose success rates, style, and areas of expertise match those of the parties. This procedure of matching based on data may reduce biases and improve outcome satisfaction. Crucially, even if AI can increase productivity, the paper stresses that human judgment is still essential in mediation, particularly in complex or emotionally charged cases. AI should be seen as an aid rather than a substitute for human mediators. AI integration must also take ethical issues like algorithmic accountability, privacy, and transparency into account. In conclusion, if AI is carefully integrated into court-annexed mediation systems, it can improve case selection and optimize mediator assignment, increasing the efficacy of dispute resolution—as long as it enhances rather than replaces the human element.¹⁴

Cultural and Community Dynamics in Court-Annexed Mediation: Exploring Differences in Rural and Urban Contexts

Due to a variety of circumstances, including infrastructure, cultural norms, and legal understanding, court-annexed mediation in India shows different adoption and success rates in both urban and rural locations. The use of mediation services is more prevalent in urban areas. For example, from 2007 to 2020, the Bangalore Mediation Center settled 54,515 out of 77,839 referred cases, indicating a 66% success rate. Comparably, from 2011 to 2015, the Delhi High Court Mediation and Conciliation Center had a 56% success rate. These numbers demonstrate the urban population's preference for effective dispute resolution procedures, increased legal literacy, and availability of qualified mediators. On the other hand, formal mediation is used much less frequently in rural areas. Village panchayats and other traditional conflict settlement procedures are still widely used because of their accessibility and ingrained cultural acceptance. The Gram

¹⁴ Supra Note 13.

Nyaya Layas Act, 2008 aimed to establish village courts for rural justice delivery; however, as of 2019, only 208 out of the proposed 5,000 courts were operational, highlighting implementation challenges.¹⁵

In conclusion, due to improved infrastructure and awareness, court-annexed mediation is more widely used and successful in metropolitan areas, but traditional procedures are still used in rural areas. Improving infrastructure, raising awareness, and integrating with current community customs are all necessary to strengthen formal mediation in remote areas.¹⁶

Challenges to Mediation

Court-annexed mediation, though a forward-looking approach to dispute resolution, continues to face numerous obstacles that limit its effectiveness across the country. One of the primary issues is the *limited understanding and awareness* among litigants and even some legal practitioners. Many are unaware of the key benefits of mediation—such as privacy, cost-effectiveness, and quicker outcomes—and therefore continue to prefer traditional litigation. This tendency is also driven by a legal mindset that prioritizes court-based adjudication.¹⁷

Another significant challenge lies in the *absence of a regulatory framework*. Although the Mediation Act of 2023 proposes the formation of the Mediation Council of India (MCI) to govern and streamline mediation practices, this body has yet to be established. In the absence of such a regulatory institution, the mediation process lacks uniformity, standardization, and proper oversight.¹⁸

Additionally, the *voluntary and non-binding nature* of mediation makes it difficult to ensure resolution. Since parties are not obligated to reach a settlement, they can withdraw from the process without any conclusive outcome, which often discourages genuine participation. Additionally, there exists the issue of *inadequate institutional infrastructure*. Several courts, especially in

¹⁵ Settling Marriage Disputes, Times Of India, <https://timesofindia.indiatimes.com/city/nagpur/settling-marriage-disputes-through-mediation-on-rise/articleshow/49445039.cms>, Last Visited on 6th April, 2025.

¹⁶ Future of Dispute Resolution, SCC Blog, <https://blogsconline.azurewebsites.net/blog/post/2020/06/25/mediation-the-future-of-dispute-resolution/>, Last Visited on 7th April, 2025.

¹⁷ Difficulties faced By Mediation, Via mediation Centre, <https://viamediationcentre.org/readnews/MTQzMg==/Difficulties-Faced-by-Mediation-in-India>, Last Visited on 7th April, 2025.

¹⁸ Supra Note 17.

smaller towns and rural regions, do not have dedicated mediation centers or trained personnel to facilitate the process.¹⁹ This lack of accessibility severely restricts the reach and impact of court-annexed mediation, particularly for economically and socially marginalized groups. These persistent challenges underscore the urgent need for structured implementation, increased awareness, and infrastructural development to make mediation a more viable and trusted mechanism for resolving disputes in India.²⁰

Suggestions

- To enhance the effectiveness of court-annexed mediation in reducing the burden on Indian district courts, especially in civil and family matters, several targeted reforms are necessary. Firstly, there is a critical need to increase public and professional awareness of mediation as an effective alternative dispute resolution mechanism. Judges, lawyers, and litigants should be sensitized through regular capacity-building programs, media outreach, and grassroots legal literacy campaigns, particularly in rural regions where cultural hesitations may hinder acceptance. Secondly, infrastructural and administrative support needs substantial improvement. Court-annexed mediation centers must be uniformly established across districts, equipped with qualified mediators, and backed by a dedicated oversight body to ensure standards, accountability, and accessibility.
- Moreover, as India moves toward digitization, integrating artificial intelligence into mediation systems can drastically improve case triage, mediator allocation, and data-driven policy reform. AI can also support parties in preparing documentation, assessing suitability for mediation, and even offering predictive outcomes.
- Lastly, culturally nuanced strategies are vital. Mediation models must be adapted to local social dynamics—for instance, using community elders or culturally sensitive mediators in rural settings—to foster trust and cooperation.

¹⁹ Mediation in India, NLIU, <https://cbcl.nliu.ac.in/contemporary-issues/mediation-in-india-challenges-recommendations-and-relevance-in-post-covid-scenario/>, Last Visited on 7th April, 2025.

²⁰ Supra Note 12.

Conclusion

One effective strategy for reducing the strain on India's overburdened legal system is court-annexed mediation. It has the ability to change dispute settlement by encouraging a less combative and more cooperative attitude, even though its incorporation into the Indian legal system is still developing. The achievements in nations like the US and Singapore show how beneficial mediation can be when it is widely accepted and used. Mediation has been successfully integrated into the legal system in Singapore. The Singapore Mediation Centre (SMC) and the State Courts Mediation Centre have streamlined the resolution of civil disputes, achieving high settlement rates and drastically reducing court congestion.

In addition to expediting conflict settlement and saving significant judicial resources, the mandatory mediation policy for civil matters has established a global standard for successful mediation integration. In a similar vein, court-annexed mediation programs have shown great effectiveness in the US in places like California and New York. These states have implemented mandatory mediation programs for specific types of cases, leading to increased settlement rates, reduced litigation costs, and higher satisfaction among parties involved. These programs are considered crucial in enhancing access to justice, especially in complex and high-volume areas such as family law and commercial disputes. The Indian experience, though nascent, has seen successful pilot projects such as the Mediation and Conciliation Project Committee (MCPC) in partnership with the judiciary.²¹

Systemic changes are necessary, though, in order for India to fully realize the potential of mediation. These include improving mediator training, raising awareness, and filling in the infrastructure gaps in rural areas. India may use court-annexed mediation as a powerful instrument to increase access to justice, clear backlogs, and boost public trust in the legal system by taking inspiration from these international achievements. The key to success lies in the systematic

²¹Implementing Court Annexed Mediation, SDR Centre, <https://sdrcentre.wordpress.com/2019/11/08/implementing-court-annexed-mediation-to-reduce-case-backlogs-in-kenyan-courts/>, Last Visited on 7th April, 2025.

expansion of mediation initiatives, the adoption of best practices, and ensuring that the process remains fair, confidential, and efficient.²²



²²World Wide Use of Mediation, City Edu, https://www.cityu.edu.hk/slw/adr_moot/doc/Worldwide_Use_of_Mediation_%28by_Prof_Tang_Houzhi%29.pdf?, Last Visited on 8th April, 2025.