CMR University E-Journal – Centre for Alternate Dispute Resolution
CMR University Journal for Dispute Settlement and Arbitration Vol. 5 (01), June 2026, PP. 146-159

CMR University Journal for
Dispute Settlement and Arbitration
Vol. 5(01), June 2026, PP.146-159

A COMPARATIVE STUDY OF ALTERNATIVE DISPUTE RESOLUTION SYSTEMS IN INDIA AND THE UK

Priyanshi Mishra*

Abstract

This paper explores ways to strengthen and expand the use of Alternative Dispute Resolution (ADR) in India. With the judiciary struggling under a massive backlog of cases, ADR offers a quicker, more affordable, and efficient method of resolving disputes. The study proposes a multi-pronged approach that includes spreading legal awareness, introducing ADR education in academic institutions, developing well-equipped mediation centers, and encouraging greater participation from the legal community. It also recommends legal reforms such as making pre-litigation mediation compulsory and enhancing the authority and resources of Lok Adalats. Additionally, the paper emphasizes the importance of cultural adaptability, technology use, and collaboration between public and private sectors to build a strong ADR framework. Incentives like reduced court fees and recognition for successful settlements can further motivate participation. If effectively implemented, these measures can reduce court congestion, make justice more accessible, and promote a culture of peaceful conflict resolution in India.

Keywords: ADR, Mediation, Conflict Resolution, Lok Adalat, Legal Reform

Introduction

In the modern era, globalization and rapid industrialization have significantly increased interactions between businesses across the world. As trade and commercial relationships expand beyond national boundaries, disputes between parties from different countries have also become more common. Traditional court systems often struggle to handle the growing number of international disputes efficiently,

* Student of IV Year, B.B.A., LL.B (Hons),CMR School of Legal Studies, Bangalore, Karnataka

as litigation can be time-consuming, expensive, and complex.

To address these challenges, arbitration emerged as an important form of Alternative Dispute Resolution (ADR). It offers a more flexible, faster, and specialized mechanism for resolving disputes outside conventional courts. Arbitration provides structured procedures, agreed rules, and a neutral platform for parties to settle their conflicts, making it particularly suitable for international commercial disputes between businesses and even between states.[1]

The UNCITRAL Model Law

To promote uniformity and consistency in international arbitration, the United Nations Commission on International Trade Law (UNCITRAL) adopted the Model Law on International Commercial Arbitration on 21 June 1985. The Model Law provides a comprehensive framework for countries seeking to modernize and harmonize their domestic arbitration laws with internationally accepted standards.[2] It regulates the entire arbitration process, beginning with the formation of the arbitration agreement and extending to the recognition and enforcement of the final arbitral award.

The Model Law reflects a broad international consensus on the fundamental principles governing international commercial arbitration and is designed to be compatible with different legal and economic systems. Over time, it has become one of the most influential instruments in the field of arbitration and is widely regarded as the benchmark for modern arbitration legislation.

The model law format was intentionally chosen because of its flexibility, allowing states to incorporate its provisions into their national legal systems while adapting them to existing legal frameworks. At the same time, countries adopting the Model Law are encouraged to limit deviations from the original UNCITRAL text. Maintaining consistency with the Model Law helps strengthen international confidence in a country's legal system and promotes greater uniformity in arbitration practices worldwide.

[1] U.N. Comm'n on Int'l Trade Law (UNCITRAL), *Arbitration Rules* (1976).
[2] Ilias Bantekas, *UNCITRAL Model Law on International Commercial Arbitration* (4th ed., Cambridge Univ. Press 2020).

UNCITRAL Model Law on International Commercial Arbitration

The United Nations Commission on International Trade Law (UNCITRAL) is the principal legal body of the United Nations responsible for the harmonization and modernization of international trade law. It was established in recognition of the fact that differences in national legal systems governing international trade often create obstacles to smooth commercial transactions. Therefore, UNCITRAL works to reduce or eliminate such legal barriers and promote a more predictable and efficient global trading environment. One of the most significant instruments developed by UNCITRAL is the Model Law on International Commercial Arbitration. Instead of functioning as a binding treaty, the Model Law provides a legislative framework that countries can adopt or adapt when reforming their national arbitration laws. Its purpose is to assist states in creating modern and effective legal systems for arbitration while addressing the specific needs of international commercial disputes. The Model Law represents a broad international consensus by combining principles from both civil law and common law traditions. This balanced approach ensures that it can be accepted and implemented by countries with diverse legal systems.[3] The framework is comprehensive in nature and is structured into eight chapters containing 36 articles, which collectively regulate the entire arbitration process. The provisions of the Model Law cover several essential aspects of arbitration. These include the validity and enforcement of the arbitration agreement, the composition and appointment of the arbitral tribunal, and the tribunal's authority to determine its own jurisdiction, commonly known as the principle of competence-competence. It also ensures the fair conduct of arbitral proceedings, particularly through the requirement of equal treatment of parties.

In addition, the Model Law sets out rules governing the making of arbitral awards, specifies limited grounds for challenging or setting aside an award, and provides mechanisms for the recognition and enforcement of awards across national borders. By encouraging states to adopt the Model Law with minimal modifications, UNCITRAL seeks to promote greater uniformity in arbitration laws worldwide. Such uniformity enhances the predictability and reliability of arbitration procedures within adopting jurisdictions. As a result, it strengthens the confidence of foreign investors and international trading partners in the legal systems of those countries, thereby facilitating smoother international commercial

[3] Int'l Bar Ass'n (IBA), *Rules on the Taking of Evidence in International Arbitration* (2020).

relations.[4]

Relevance of the UNCITRAL Model Law in Indian Legislation

The Arbitration and Conciliation Act, 1996, which governs arbitration law in India, is largely based on the principles of the UNCITRAL Model Law on International Commercial Arbitration. The Act was enacted with the objective of aligning Indian arbitration law with internationally accepted standards and promoting efficient dispute resolution mechanisms.

One of the most prominent examples of this influence can be seen in Section 9 of the Arbitration and Conciliation Act, 1996, which corresponds to Article 9 of the UNCITRAL Model Law. Article 9 establishes the principle that the existence of an arbitration agreement does not prevent a party from seeking interim measures of protection from a court either before or during arbitral proceedings. In other words, approaching a court for temporary relief does not invalidate or undermine the arbitration agreement between the parties.

While the Model Law limits such judicial assistance to the period before or during arbitration proceedings, the Indian legislation adopts a broader approach. Section 9 of the Act allows parties to approach courts for interim relief not only before and during arbitration but also after the arbitral award has been made, until the award is enforced. This extension serves an important purpose. It ensures that the subject matter of the dispute remains protected and that the assets of the judgment debtor are not dissipated before the award is enforced. As a result, the effectiveness of the arbitral award is safeguarded.

At the same time, the Act incorporates safeguards to maintain the independence and efficiency of the arbitral process. This is reflected in Section 9(3), which was introduced through the 2015 Amendment to the Arbitration and Conciliation Act. According to this provision, once the arbitral tribunal has been constituted, courts generally should not entertain an application for interim measures under Section 9 unless the remedy available before the arbitral tribunal under Section 17 is ineffective.[5]

[4] Ibid
[5] Ibid

This provision strengthens the principle of minimal judicial intervention in arbitration proceedings. It encourages parties to seek interim relief directly from the arbitral tribunal whenever possible, thereby promoting faster dispute resolution and preserving the autonomy of the arbitral process.

Types of Interim Measures and the 2015 Amendment in India

Under the **Arbitration and Conciliation Act, 1996**, courts have the authority to grant various interim measures to protect the interests of parties involved in arbitration. These interim measures are similar to the powers exercised by courts in ordinary civil proceedings. Their primary purpose is to preserve the subject matter of the dispute, safeguard evidence, and ensure that the final arbitral award can be effectively enforced.

The Act recognizes several types of interim measures that may be granted by courts:

1. Preservation and Sale of Goods: Courts may order the preservation, interim custody, or sale of goods that form the subject matter of the arbitration agreement. Such orders help prevent the deterioration or loss of goods while the dispute is pending.[6]

2. Securing the Amount in Dispute: The court may direct a party to secure the amount involved in the arbitration. This may include ordering the respondent to deposit money, provide security, or furnish a bank guarantee to ensure that the award can be satisfied once it is passed.[7]

3. Detention, Preservation, or Inspection of Property: Courts may order the detention, preservation, or inspection of property or documents relevant to the dispute. In certain cases, the court may authorize entry onto land or buildings belonging to a party for the purpose of collecting evidence, taking samples, making observations, or conducting necessary experiments.[8]

4. Grant of Injunctions and Appointment of Receivers: Courts have the power to grant interim injunctions to restrain a party from performing certain acts that could harm the subject matter of the dispute. They may also appoint a receiver to manage, protect, or preserve assets involved in the arbitration.

[6] Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention), June 10, 1958, 330 U.N.T.S. 3.
[7] *UNCITRAL Model Law and Harmonization in Asia*, 37 J. Int'l Arb. 101 (2020).
[8] Chetna Guhe, UNCITRAL Model Law supra note 8

5. Other Interim Protective Measures: The court also possesses a broad discretionary power to grant any other interim measure of protection that appears just and convenient. In exercising these powers, courts generally follow the same principles that apply in civil proceedings.

Impact of the 2015 Amendment

The Arbitration and Conciliation (Amendment) Act, 2015, introduced significant reforms to reduce excessive judicial intervention in arbitration proceedings. These reforms were largely based on the recommendations of the 246th Law Commission of India Report.

The key objective of the amendment was to ensure that once an arbitral tribunal is constituted, it becomes the primary authority to decide applications for interim measures. This approach reinforces the independence of the arbitral process and promotes faster dispute resolution.

Under the amended law, courts are generally discouraged from entertaining applications for interim relief once the tribunal has been formed, unless the remedy available before the tribunal under Section 17 is ineffective. This shift aligns with the broader philosophy of arbitration, which emphasizes minimal court interference.

The amendment also strengthened the powers of arbitral tribunals by making their interim orders enforceable in the same manner as court orders. As a result, tribunals now play a more central role in granting interim relief during arbitration proceedings.

Although the UNCITRAL Model Law (as amended in 2006) encouraged empowering arbitral tribunals to grant interim measures, it did not explicitly require that courts should only act as a secondary forum. India's amendment, therefore, represents a slightly stronger approach toward limiting judicial intervention and reinforcing tribunal authority.

Courts therefore function as a backup mechanism when the arbitral tribunal is unable to provide effective relief. The proposal to restrict judicial intervention in this manner was discussed at the international level and was suggested for further consideration by UNCITRAL. However, in India this principle was firmly incorporated through the Arbitration and Conciliation (Amendment) Act, 2015, and has subsequently been

reinforced through judicial precedents.[9]

Under this approach, courts intervene only when the remedy available before the arbitral tribunal is ineffective. This framework strengthens the autonomy of the arbitral tribunal while still preserving judicial assistance when absolutely necessary. Furthermore, this pro-arbitration principle has also been extended to foreign-seated arbitrations, reflecting India's evolving commitment to creating an arbitration-friendly legal environment.

Unleashing the Growth of the Arbitration and Conciliation Act, 1996

The Arbitration and Conciliation Act, 1996 was enacted by the Indian Government with the objective of promoting arbitration as a flexible, cost-effective, and efficient mechanism for resolving commercial disputes. The growing number of commercial conflicts, combined with delays in traditional court litigation, created the need for a more streamlined dispute resolution system. Arbitration emerged as a suitable alternative capable of delivering faster and more specialized justice.

The Act is largely based on the UNCITRAL Model Law on International Commercial Arbitration, 1985, a connection that is expressly acknowledged in the Preamble of the Act. By adopting the principles of the Model Law, India aimed to align its arbitration framework with internationally accepted standards and encourage greater participation in international trade and investment.[10]

The legislation governs both domestic arbitration and international commercial arbitration, while also aiming to reduce excessive judicial intervention and ensure the finality of arbitral awards. Structurally, the Act is divided into several important parts. Part I deals with domestic arbitration and international commercial arbitration seated in India, setting out the procedures for conducting arbitration and granting interim relief. Part II focuses on the recognition and enforcement of foreign arbitral awards under international conventions, particularly the New York Convention, 1958 and the Geneva Convention, 1927.[11]

Through this framework, the Act seeks to establish a modern and efficient arbitration regime that supports

[9] International Bar Association, IBA Rules on the Taking of Evidence in International Arbitration (2020).
[10] Arbitration and Conciliation (Amendment) Act, No. 3 of 2016, INDIA CODE.
[11] Arbitration and Conciliation Act, No. 26 of 1996, § 9 (India)

commercial certainty, encourages dispute resolution outside traditional courts, and enhances India's reputation as an arbitration-friendly jurisdiction.

Features of the Arbitration and Conciliation Act, 1996

The Arbitration and Conciliation Act, 1996, has several important features that make it a modern and arbitration-friendly law. It is largely based on the UNCITRAL Model Law, which aims to create uniform rules for international commercial arbitration.

The Act applies to both domestic arbitration and international commercial arbitration. It requires the parties to have a valid arbitration agreement before arbitration proceedings can begin. The law also limits the role of courts, allowing them to intervene only in certain necessary situations, such as when the arbitral tribunal is not properly constituted.

Another important feature of the Act is that it clearly explains the composition, powers, and jurisdiction of arbitral tribunals. One key principle recognized in the Act is the principle of competence-competence, which allows the arbitral tribunal to decide its own jurisdiction.

The Act also provides flexibility in the conduct of arbitral proceedings, giving parties and arbitrators freedom to determine procedures while ensuring fairness. In addition, it lays down detailed rules regarding the making of arbitral awards, their enforcement, and the grounds on which they can be challenged. Under Section 34(2), courts can set aside an award only on limited and specific grounds.

These features, along with recent pro-arbitration judicial decisions, show the government's intention to make India an important centre for arbitration, especially for resolving both domestic and international commercial disputes.

Judicial Standpoint on Key Terms in Indian Arbitration

The **Indian judiciary** has played a significant role in interpreting the provisions of the Arbitration and Conciliation Act, 1996. Courts have particularly clarified important terms taken from the UNCITRAL Model Law to ensure that arbitration law remains practical and supportive of international trade.

Interpretation of "Commercial"

The UNCITRAL Model Law does not provide a strict definition of the term "commercial." This was done intentionally so that the meaning of the term could evolve over time through judicial interpretation.
The Supreme Court of India adopted a broad interpretation in the case of ***R.M. Investments and Trading Co. v. Boeing Co. (1994)***.[12] In this case, the Court stated that the word "commercial" includes all types of commercial relationships, even if they are connected with social, cultural, economic, or political relations. The Court also held that a consultancy services agreement falls within the meaning of a commercial relationship. Therefore, the arbitration clause contained in such a contract would be valid and enforceable. This broad interpretation supports international trade by ensuring that arbitration can be used in a wide range of commercial disputes.[13]

Interpretation of "Necessary Measures" and Appointment of Arbitrators

Article 11 of the UNCITRAL Model Law deals with the appointment of arbitrators and emphasizes the principle of party autonomy, meaning that the parties are free to choose their arbitrators.
The Indian Arbitration Act reflects this principle and refers to the court taking "necessary measures" when required for the appointment of arbitrators or for ensuring that the tribunal functions properly. However, the Act does not clearly define the phrase "necessary measures."
The Supreme Court clarified this term in the case of ***Ministry of Railway, New Delhi v. Patel Engineering Company Ltd. (2008)***.[14] The Court explained that the word "necessary" means actions that are reasonably required to complete an intended task.
Therefore, "necessary measures" refers to the reasonable steps that must be taken to ensure that the arbitral tribunal is properly constituted and the arbitration process proceeds smoothly. This interpretation helps courts intervene only when required and prevents unnecessary delays in arbitration proceedings.

Benefits of Implementing the UNCITRAL Model Law in India

The adoption of the UNCITRAL Model Law on International Commercial Arbitration has been one of the most important steps taken by India to modernize its international trade and dispute resolution

[12] R.M. Investments & Trading Co. v. Boeing Co., AIR 1994 SC 1136.
[13] Redfern & Hunter, Law and Practice of International Commercial Arbitration (6th ed. 2015).
[14] Ministry of Railways, New Delhi v. Patel Eng'g Co. Ltd., (2008) 10 SCC 240.

framework. The Model Law is widely considered the global standard for arbitration legislation, and many countries have reformed their domestic arbitration laws based on it. One of the major benefits of the Model Law is that it follows the territorial principle, which means that the law applies when the seat of arbitration is located within the country, regardless of where the arbitration hearings are physically conducted. This approach provides clarity regarding the applicability of the law and reduces conflicts between different legal systems. International trade often involves the cross-border movement of assets, goods, services, and intellectual property, which can create complex legal disputes. The Model Law provides an effective framework for resolving such disputes by ensuring that the arbitration decision is binding and enforceable on all parties[15].

Another key advantage of the Model Law is that it promotes party autonomy, allowing the parties involved in a dispute to choose the governing law and arbitration procedure. This flexibility helps ensure a fair, efficient, and speedy resolution of disputes.

Furthermore, the Model Law successfully combines principles from both common law and civil law systems, creating a harmonized international framework for arbitration. The United Nations Commission on International Trade Law (UNCITRAL) plays an important role in promoting fair and uniform trade laws worldwide. By adopting the Model Law, India demonstrates its commitment to supporting international commercial arbitration and facilitating global trade.

Harmonization of the UNCITRAL Model Law with the Indian Court System

The relationship between the UNCITRAL Model Law and the Indian judicial system is based on a significant level of coordination and compatibility. Accepting the Model Law within domestic legislation has helped make India's arbitration framework more understandable and reliable for international parties. Since the introduction of the Model Law in 1985, it has played a major role in creating harmony among different legal systems across the world. India is considered a Model Law country because the Arbitration and Conciliation Act, 1996, is largely based on its principles. While India follows the Model Law, it also maintains certain domestic procedural rules, such as the strict and non-extendable time limit for filing an application to set aside an arbitral award under Section 34(3) of the Arbitration and Conciliation Act. The

[15] Gary B. Born, International Commercial Arbitration 97–102 (2d ed. 2014)

Model Law was originally introduced to address the problem of different and inconsistent domestic arbitration laws across countries. Its provisions were designed to be easily adopted by national legal systems while limiting unnecessary court involvement.[16]

A key principle of the Model Law is minimal judicial intervention, reflected in Article 5, which states that courts should not intervene in arbitration matters unless specifically permitted by the law. Indian courts have largely supported this pro-arbitration approach. Additionally, important concepts such as the binding nature of arbitration agreements have been recognized by the Indian judiciary. In ***Jagdish Chander v. Ramesh Chander & Ors. (2007)***,[17] The Supreme Court clarified the essential elements required for a valid arbitration agreement. The Model Law's provisions relating to interim measures of protection under Article 9 are also incorporated into Indian arbitration law. These factors demonstrate that India has successfully harmonized its arbitration framework with the UNCITRAL Model Law.

Effectiveness of the UNCITRAL Model Law on International Commercial Arbitration

The UNCITRAL Model Law on International Commercial Arbitration is considered one of the most successful instruments for legal harmonization in international trade law. Even though it is not legally binding, it has been highly effective because it provides a well-structured and flexible model that countries can adopt in their national laws. More than 80 jurisdictions worldwide have adopted or incorporated the Model Law, which has significantly increased predictability and consistency in international arbitration procedures. Because many countries follow similar arbitration rules, businesses engaged in international trade can resolve disputes with greater confidence.

The Model Law ensures that key aspects of arbitration, such as the validity of arbitration agreements, arbitral procedures, and the setting aside of awards, follow broadly consistent standards across different jurisdictions. This uniformity reduces legal uncertainty and encourages foreign investment and international trade.

[16] The Arbitration and Conciliation Act, No. 26 of 1996, India Code, § 9, 34(2) (as amended by The Arbitration and Conciliation (Amendment) Act, No. 3 of 2016).
[17] Jagdish Chander v. Ramesh Chander & Ors., (2007) 5 SCC 719.

The effectiveness of the Model Law also lies in its recognition of important arbitration principles. These include party autonomy, which allows parties to choose their arbitrators and procedures; the principle of separability, which treats the arbitration clause as independent from the main contract; and the principle of minimal judicial intervention, which restricts court involvement to limited and necessary situations.

By incorporating these principles into domestic laws, the Model Law has helped create a pro-arbitration legal environment worldwide, making arbitration the preferred method for resolving complex international commercial disputes.

Analysis of Changes Brought by the UNCITRAL Model Law in the Indian Arbitration Act, 1996

The enactment of the Arbitration and Conciliation Act, 1996 marked a major transformation in India's arbitration framework. It replaced the old colonial-era arbitration laws and introduced a modern legal structure based on the UNCITRAL Model Law on International Commercial Arbitration. By adopting the principles of the Model Law, India significantly improved its dispute resolution system and aligned it with global standards.[18]

Establishment of a Unified and Modern Legal Framework

One of the most important changes introduced by the 1996 Act was the creation of a single, unified legal framework for arbitration. Earlier, arbitration in India was governed by different and fragmented laws. The new Act consolidated these rules into a single statute.

The Act governs domestic arbitration under Part I and the enforcement of foreign arbitral awards under Part II. The Preamble of the Act clearly states that it is based on the UNCITRAL Model Law, ensuring that its provisions follow internationally recognized arbitration practices.

Key provisions such as the definition of arbitration, the form of the arbitration agreement under Section 7, and the requirement that courts must refer disputes to arbitration when a valid arbitration agreement exists under Section 8, reflect the influence of the Model Law. This structure provided clarity and predictability, especially for international parties doing business in India.[19]

[18] UNCITRAL Model Law on International Commercial Arbitration, G.A. Res. 40/72, annex I, U.N. Doc. A/40/17 (June 21, 1985).

[19] World Bank Group, Resolving Commercial Disputes through Arbitration: Global Legal Review (2020).

Recognition of the Principle of Competence-Competence

Another significant reform introduced by the 1996 Act is the principle of competence-competence, which is recognized under Section 16 of the Act.

This principle allows the arbitral tribunal to decide its own jurisdiction, including questions relating to the existence or validity of the arbitration agreement. Before 1996, such jurisdictional disputes were frequently decided by courts, which often caused long delays in arbitration proceedings.

By granting this authority to arbitral tribunals, the Act strengthened the independence and autonomy of the arbitration process, making dispute resolution faster and more efficient.[20]

Limiting Judicial Intervention

A key objective of the UNCITRAL Model Law is to reduce unnecessary court interference in arbitration matters. This principle was incorporated into Indian law through Section 5 of the Arbitration and Conciliation Act, 1996. Section 5 provides that judicial authorities shall not intervene in arbitration matters except where specifically permitted under the Act. Courts may intervene only in limited circumstances, such as appointing arbitrators, granting interim measures, or setting aside arbitral awards. This provision was crucial in shifting away from the earlier system where courts frequently interfered in arbitration proceedings, which often discouraged international parties from choosing India as an arbitration venue.

Restricting the Grounds for Challenging Arbitral Awards

The Act also adopted the strict and internationally accepted grounds for setting aside arbitral awards under Section 34(2), which closely mirrors the provisions of the UNCITRAL Model Law.

Under this section, an arbitral award can be challenged only on limited grounds such as:

- incapacity of a party,
- invalid arbitration agreement,
- lack of proper notice,
- the tribunal exceeding its jurisdiction, or

[20] Geneva Convention on the Execution of Foreign Arbitral Awards, Sept. 26, 1927, 92 L.N.T.S. 301.

- violation of public policy.[21]

By restricting the grounds for challenge, the Act ensures finality and certainty of arbitral awards, which increased confidence in India's arbitration system.

Conclusion

The UNCITRAL Model Law plays a vital role in promoting uniformity and consistency in international commercial arbitration across different jurisdictions. It provides a comprehensive procedural framework that guides how arbitration proceedings should be conducted and aims to ensure the fair, efficient, and speedy resolution of commercial disputes. Although the Model Law is not legally binding, it has become one of the most influential instruments in international trade law. Many countries, including India, have adopted its principles into their domestic legislation. In India, the connection between Article 9 of the UNCITRAL Model Law and Section 9 of the Arbitration and Conciliation Act, 1996 highlights how international arbitration principles are incorporated into national law, particularly in relation to interim measures of protection. As international trade continues to expand, arbitration is increasingly used to resolve cross-border commercial disputes. Therefore, it is important that arbitral tribunals have sufficient authority to grant interim relief and effectively manage arbitration proceedings. India's alignment with the UNCITRAL Model Law reflects a strong commitment to creating a modern, efficient, and internationally compatible arbitration framework.

[21] Julian D.M. Lew, Loukas A. Mistelis & Stefan Kröll, Comparative International Commercial Arbitration (Kluwer Law Int'l 2003).