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In the past decade, India's dispute resolution landscape has undergone a visible transformation. What was once viewed largely as a slow-moving, procedural system is now being reshaped by targeted legislative reform, judicial intervention and a steady shift in commercial behaviour. The change has emerged through a series of calibrated interventions – commercial courts, arbitration reform, mediation frameworks, tribunalisation, digital court infrastructure and an expanding role for alternative dispute resolution.

As India's economy integrates more deeply with global markets through foreign investment, cross-border transactions and complex M&A activity, the nature of disputes has correspondingly evolved. Commercial disagreements today involve layered contracts, regulatory overlap, technology-driven evidence, competing jurisdictions and urgent interim relief. Courts, therefore, are no longer merely adjudicators of past conduct.

This article examines how dispute management in India presently operates, where the system has matured, where tensions remain, and how courts and alternative dispute resolution (ADR) mechanisms together are shaping the future of commercial justice.

Dispute management



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India's dispute resolution framework continues to rest on a three-tier judicial structure: district courts, high courts and the Supreme Court. Alongside these courts sits a dense ecosystem of specialised tribunals dealing with company law, insolvency, consumer disputes, tax, the environment, securities and other sector-specific regulations.

This reflects a pragmatic reality: Enforceability, interim protection and finality still derive authority from the judicial system.

The Commercial Courts Act, 2015, represents perhaps the most important structural. By carving out “commercial disputes” and subjecting them to stricter timelines, case management hearings, summary judgment powers and mandatory pre-institution mediation (in non-urgent cases), the act sought to impose discipline on business litigation. While implementation varies across states, commercial courts in jurisdictions such as Delhi and Mumbai have demonstrably altered litigation behaviour, particularly in how pleadings are drafted, evidence is front-loaded, and adjournments are resisted.

Commercial litigation lifecycle

Commercial litigation in India does not follow a single path. Its stages depend on the forum – civil court, commercial court, tribunal or arbitral forum – with certain common threads.

Most disputes now begin well before a case is filed. Parties assess limitation, jurisdiction, forum selection clauses, arbitration agreements and regulatory overlays. In commercial

matters, pre-institution mediation has become an important gatekeeping stage, although its success depends on both parties' intent and institutional capacity.

Once litigation is initiated, interim relief often becomes the defining moment. Injunctions restraining termination, asset dissipation, IP misuse or parallel proceedings frequently determine leverage and trajectory. Courts continue to apply the familiar triad: prima facie case, balance of convenience and irreparable harm; but do so with increasing sensitivity to commercial consequences rather than abstract rights.

Trials themselves have become more document driven. Email trails, financial records and digital evidence now dominate over oral testimony. The enactment of the Bharatiya Sakshya Adhinyam, 2023 (Indian Evidence Act) has reinforced this shift by recognising electronic records, introducing presumptions for older digital data, and expanding the scope of expert evidence. Appeals remain available, but appellate courts increasingly discourage dilatory tactics.

ADR as a parallel system



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India's dispute resolution strategy is no longer solely court centric. Arbitration and mediation now operate as parallel systems.

Arbitration has gained prominence in high-value commercial disputes, cross-border transactions and infrastructure projects. Legislative amendments and judicial interpretation have narrowed the scope of court interference, clarified enforcement standards, and

recognised mechanisms such as emergency arbitration. Institutional arbitration has matured, with domestic centres reporting increased caseloads and improved timelines.

Yet, arbitration is dogged by enforcement delays, inconsistent application across jurisdictions, and lingering uncertainty around certain procedural aspects. The proposed arbitration amendments seek to address some of these gaps, but structural reform must be matched by consistent judicial application.

Mediation, meanwhile, has undergone its own transformation. The Mediation Act, 2023 provides a statutory framework for institutional mediation, time-bound processes, confidentiality and enforceable settlements. Courts have become proactive in directing parties towards mediation, particularly where disputes involve ongoing commercial relationships, gradually embedding it into dispute resolution strategy.

Case management, cost

Another low-key shift in India's dispute resolution landscape has been the gradual move towards procedural discipline, particularly in commercial litigation. This change has come through a combination of judicial practice, statutory timelines, and an evolving intolerance for delay-driven litigation strategies.

Commercial courts have begun to treat procedure as a tool for efficiency rather than formality. With courts increasingly being reluctant to indulge serial interlocutory applications or tactical delays, strict timelines for filing reply and written statements, frontloading of documents, structured case management hearings, and limits on adjournments have altered how parties approach litigation.

Cost jurisprudence has also evolved in a pragmatic direction. While the traditional reluctance to award full, actual costs persists, commercial courts have shown greater willingness to impose realistic or exemplary costs in appropriate cases.

Technology has reinforced this shift. Digitisation, e-filing, virtual and hybrid hearings, and electronic case management have reduced many transactional inefficiencies associated with traditional court processes.

Taken together, these developments signal a subtle but important recalibration. Indian courts are increasingly positioning themselves as managers of commercial disputes, conscious of time, cost and the economic impact of prolonged litigation.

Cross-border litigation

India's courts have become more confident in dealing with cross-border disputes and now apply structured tests to determine whether foreign litigation is oppressive, vexatious or designed to undermine agreed dispute resolution mechanisms.

The enforcement of foreign judgments and arbitral awards remains a critical metric of investor confidence. While challenges persist, courts have clarified the limited grounds on which enforcement may be resisted, and have increasingly pushed back on attempts to reopen the merits under the guise of public policy.

Digital economy

The year 2025 underscored how deeply dispute resolution is now intertwined with regulation, particularly in the digital economy. Alongside this regulatory assertiveness, legacy regimes under information technology, telecommunications and data governance are being recalibrated through updated rules and delegated legislation.

New frameworks such as the Digital Personal Data Protection regime and sector-specific guidelines for online intermediaries, fintech and AI-enabled services are also coming into force.

Notably, the regulatory approach reflects a preference for phased implementation, compliance flexibility and sectoral consultations, rather than blanket restrictions applied beforehand.

Regulatory enforcement has increasingly operated through a combination of formal orders and informal pressure – compliance advisories, takedown portals, payment restrictions and licensing uncertainty. This has led to litigation that is less about contract breach and more about constitutional balance: due process, proportionality and the limits of delegated power.

Whether in challenges to disputes over AI training data or questions of regulatory overreach, the judiciary's role has expanded beyond traditional commercial adjudication into governance oversight.

Jurisprudence

Many of the most consequential shifts in India's dispute resolution landscape have come not from statute, but from judicial interpretation. Courts have clarified the sanctity of contractual

risk allocation, limited the scope of implied terms, reinforced the finality of arbitral awards, and delineated the boundaries of insolvency proceedings.

Challenges

Despite progress, challenges remain. Delays persist, particularly outside major commercial centres. Procedural discretion is not always exercised consistently. Tribunal capacity varies widely. Mediation uptake depends heavily on judicial encouragement. Enforcement, while improving, is not uniformly efficient.

Perhaps most importantly, dispute resolution reform remains unevenly distributed. While metropolitan commercial courts and arbitration centres reflect global best practices, smaller jurisdictions still struggle with infrastructure and capacity.

Conclusion

India's dispute resolution framework is best understood not as a system transformed, but as one in transition. Courts remain central, as guarantors of enforceability, fairness and legitimacy. Arbitration and mediation no longer operate at the margins but are integral to commercial strategy.

The trajectory is clear: greater structure, greater specialisation and greater emphasis on early resolution. Whether India fully realises its ambition of becoming a global dispute resolution hub will depend less on new laws and more on consistent application, institutional capacity and judicial confidence.

For businesses, counsel and investors alike, the message is equally clear. Disputes in India can no longer be approached tactically or reactively. Strategy begins before the contract is signed, continues through risk allocation and forum design, and culminates in choosing the right mix of litigation and ADR. In that sense, most disputes are indeed won or lost long before they ever reach the courtroom.

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