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ONLINE DISPUTE RESOLUTION IN INDIA: THE FUTURE OF ADR IN A DIGITAL WORLD

~ *PREETI R MUGAD*

ABSTRACT

The Indian judiciary has struggled to fulfil the long-standing constitutional promise of access to justice, as more than fifty million cases are pending across all courts at all levels, through which the limitations of the traditional adversarial system have become impossible to ignore. The Alternative Dispute Resolution (ADR) mechanisms, though, have emerged as a partial solution, yet are lacking in terms of accessibility and wider reach. Thus, Online Dispute Resolution (ODR) has emerged as a transformative paradigm in this aspect, which helps in getting the principles of ADR a wider reach, along with the efficiency of information and communication technology. This paper aims to delve deeply into various aspects relating to the conceptual foundation, legal framework, global initiatives, advantages and challenges of ODR in India. By relying on various scholarly materials, this paper argues that ODR is no more futuristic aspiration but a current necessity in the Indian judicial system.

Keywords: ADR, ODR, Technology, Indian Judicial System, Traditional Adversarial System

INTRODUCTION

The administration of justice has always been shaped by the tools and technologies that are available to a society at large. India's dispute resolution mechanisms have consistently evolved, it might be from the panchayat system to the formal civil courts, from written pleadings to

electronic filings, the dispute resolution systems have always evolved with change in time. Today, as the internet and digital communication systems have embedded themselves so much in the judicial system, the ODR, which is widely defined as the use of information and communication technology to facilitate the resolution of disputes between the parties, is no longer a digitised version of ADR, but it represents a paradigm shift in how justice is sought to be conceived and delivered.¹

The idea that justice should be accessible, affordable, and delivered in a timely manner is enshrined under Article 39A of the Indian Constitution.² Yet, for the majority of the citizens, it is delayed either due to the complexities involved in the procedure or due to their inability to afford the cost of litigation. This was further escalated due to the COVID-19 pandemic, which led to the closure of the physical courts across the country. However, this was unexpected but resulted in an important catalyst or a way because of which the courts had to shift to online/virtual hearings conducted through video conferencing, e-filing became a norm, arbitral tribunals and institutional ADR mechanisms moved to online platforms, etc.³ What was once thought to be arriving in the future became a complete necessity overnight. Even now, when things are back to normal, this transition has continued to influence the Indian legal system, which has motivated policymakers and professionals to explore the long-term benefits of ODR as a mechanism for speedily resolving disputes.⁴

The ADR mechanisms have come to the limelight recently, with many companies choosing them to resolve their disputes on time, instead of waiting for justice to be given for years. However, when the traditional ADR mechanisms fall behind, it is the ODR that takes it forward, by further easing the process as the disputes can be resolved digitally, and both parties can participate from the comfort of their home without any need for travelling. India, where there are so many backlogs of cases, with an estimation of over five crore cases and also a country with a rapidly expanding digital economy, has so many benefits from ODR, and thus it is both urgent and necessary.⁵ Thus, this paper mainly focuses on the contention that ODR is

¹ Medha Singh, *Online Dispute Resolution: Future of Mediation in India*, 7 INDIAN J. L. & LEGAL RES. 8089, 8090 (2025).

² INDIA CONST. art. 39A.

³ Dhatri Singh and Kalpana Devi, *Online Dispute Resolution (ODR): A Paradigm Shift in Access to Justice*, 7 INT'L J. FOR MULTIDISCIPLINARY RES. 1, 2 (2025).

⁴ Singh, *supra* note 1.

⁵ Deeksha and Medha Tiwari, *Online Dispute Resolution (ODR) and its Future in Emerging India*, 6 INT'L J. RES. PUBLICATION & REVS. 7383, 7384 (2025).

the future of ADR in a digital India, provided that it is developed properly, regulated appropriately and inserted into the Indian judicial system in a systemic manner.

A BRIEF OVERVIEW OF ODR

A. DEFINITION AND EVOLUTION OF ODR

The ODR is defined as the use of information and communication technology (ICT) to facilitate the resolution of disputes outside the formal court processes. The United Nations Commission on International Trade Law (UNCITRAL) defined ODR as “a system that uses electronic means to facilitate the resolution of disputes arising from e-commerce and other civil or commercial relationships.”⁶ It emerged in the mid-1990s, when the disputes arising out of e-commerce matters were solved through online mechanisms. It was basically negotiation, mediation and arbitration conducted through online mode, with the help of technology, which acts as a ‘fourth party’, which not just facilitates the resolution of disputes but also acts as an active participant which shapes the process as well.⁷ The evolution of ADR into the digital age is represented by ODR, which facilitates negotiation, mediation, and arbitration through the usage of artificial intelligence (AI), blockchain, and video conferencing technology, with everything being entirely in an online mode.⁸

ODR consists of three main processes, one being the online negotiation, where the parties communicate and bargain through the digital platforms, which is aided by the AI tools that suggest possible agreements between the parties based on their positions, second one being online mediation which involves a third neutral party, the mediator, who facilitates the resolution of dispute, the same as that happens in the offline mode, with only the process being conducted through video conferencing or dedicated mediation platforms and lastly online arbitration, the most structured one among the three, which involves a tribunal that adjudicate the disputes based on the written submissions online hearings and issuing an enforceable award.⁹

⁶ Vijay Kannan L, *A Comparative Study on Online Dispute Resolution (ODR) and Traditional Mediation under Indian Law*, 6 INT'L J. RES. PUBLICATION & REV. 2326, 2330 (2025).

⁷ Singh and Devi, *supra* note 3, at 8091.

⁸ Sushila, Meenakshi and Manjinder, *Online Mediation and Arbitration: Reimagining ADR in the Digital Age*, 7 INT'L J. L. POL'Y & SOC. REV. 170, 171 (2025).

⁹ Singh and Devi, *supra* note 3, at 8091.

ODR is also attributed to reducing the bias, as the text-based and video-based platforms detach audio-visual cues that are related to gender, caste, etc, from the dispute resolution process, thereby allowing neutrality and the merits of the claim to be heard. The ODR is also environmentally friendly, as everything happens digitally, thereby reducing the usage of paper. It also allows the weaker sections, that is, the persons with disabilities, women, old aged to participate in the resolution mechanism without formally entering the court premises, and also allows parties in rural or remote areas to gain access to justice through the resolution of their disputes digitally.¹⁰

B. TECHNOLOGY AS THE TRANSFORMATIVE ELEMENT

The use of technology is pivotal as it empowers the modern ODR. The technological tools such as Video conferencing tools enable virtual hearings, AI algorithms, blockchain technology, automated negotiation tools, etc., assist in carrying out the process seemingly, with AI tools helping for case screening, analysing the documentary evidence, even generating possible settlement recommendations to the parties, the blockchain technology executing the contracts, offering tamper-proof record keeping, etc., basically it acts as a digital ledger, these technologies make ODR not only a simple and a cheaper mechanism to resolve dispute when compared to ADR, but also a timely and qualitatively different mode of dispute resolution.¹¹

THE GLOBAL DEVELOPMENTS OF ODR

The development of ODR in the global platform is significant. The most influential one is eBay's ODR platform, which resolved over sixty million disputes annually, setting a benchmark which was later followed by PayPal's dispute resolution mechanism.¹² These demonstrated that ODR was the ideal method through which low-value commercial disputes could be solved. Even the UNCITRAL, by publishing its Technical Notes on Online Dispute Resolution in 2017, provided a non-binding framework for ODR in matters of cross-border e-commerce transactions. The European Union (EU), through Regulation 524/2013, established a pan-European ODR platform for consumer disputes, which requires all online traders dealing

¹⁰ P. Jogi Naidu and Bhagavatula Naga Sai Sriram, *Online Dispute Resolution (ODR) in India: Opportunities, Challenges, and Future Prospects*, 6 INT'L J. LEGAL SCI. & INNOVATION 750, 761-762 (2024).

¹¹ Singh, *supra* note 1, at 8092.

¹² Sushila, Meenakshi and Manjinder, *supra* note 8.

with EU customers to provide them with a link to the platform so that they can engage with the ODR process. The British Columbia Civil Resolution Tribunal (CRT) in Canada handles small claims and property disputes online and encourages negotiated resolution of disputes. This has been specifically praised for its efficiency and serves as an example of an accessible ODR system to designers around the world.¹³ Even China's Internet Courts in Hangzhou, Beijing, and Guangzhou represent the most successful integration of ODR into a public court system. These courts operate completely in the online mode, using blockchain for securing digital evidence, AI tools for case management, and digital KYC for identity verification.¹⁴ The comparative lesson for India is that to have an effective ODR system, three characteristics are essential: that the ODR is dealt with a specific statute, the capabilities of the government, judicial and private sector are combined, and lastly, they are designed on the values to ensure that they are user-friendly and accessible.¹⁵

ODR IN INDIA: EMERGENCE AND CURRENT STATE

The ODR system in India has developed unevenly, but with increased momentum. On the private side, platforms such as SAMA (Society for Accessible Mediation and Arbitration) and Presolv360 have been developed that have emerged as leading ODR platforms, which offer end-to-end digital dispute resolution services across different matters such as financial, consumer, employment, commercial, etc. SAMA, which was founded in 2019, operates as a digital mediation and arbitration platform which has resolved over thousands of disputes.¹⁶ Presolv360 offers AI-assisted pre-litigation resolution by handling defaults through online conciliation, even before the formal legal proceedings are initiated.¹⁷ These platforms have shown that ODR is technically feasible in India and can achieve high settlement rates within a very short time when compared to the courts. Various other centres, such as the Centre for Online Resolution of Disputes (CORD) and CADRE (Centre for Advanced Dispute Resolution Excellence), provide institutional support and are emerging ODR institutions.¹⁸

¹³ Shayad Gurung, *Safeguarding Consumers in the Digital Age: The Role of Online Dispute Resolution in Rapidly Advancing Technology*, 4 INDIAN J. INTEGRATED RES. L. 1039, 1043-1044 (2024).

¹⁴ Namita Dwivedi, *Online Dispute Resolution (ODR) as a Crucial Complement to Enforcement*, SCC ONLINE BLOG (May. 29, 2026, 9:29 PM), <https://www.scconline.com/blog/post/2025/12/18/online-dispute-resolution-complement-to-enforcement-india/>.

¹⁵ Singh, *supra* note 1, at 8101.

¹⁶ Naidu and Sriram, *supra* note 10, at 758.

¹⁷ Singh, *supra* note 1, at 8096.

¹⁸ Naidu and Sriram, *supra* note 10, at 758.

The Reserve Bank of India (RBI) in 2020 issued a framework, which mainly aims at facilitating ODR in disputes involving digital payment, thereby requiring the payment system operators and payment service providers to include the ODR mechanisms in their dispute resolution or grievance redressal system. This serves as a major guideline, coming directly from RBI, and so helps in the speedy resolution of disputes. The Securities and Exchange Board of India (SEBI) issued guidelines for Online Resolution of Disputes through the Indian Securities Market Regulations in 2023, laying down a framework where disputes arising between the investors and market intermediaries may be resolved by using the ODR mechanism. The most comprehensive policy of ODR came in 2021, when NITI Aayog published its ODR Handbook, titled 'Designing the Future of Dispute Resolution: The ODR Policy Plan for India', which clearly depicted India's vision towards ODR as it laid down a comprehensive guideline to develop the ODR system in India. It identified key sectors where ODR can have a direct impact, such as e-commerce, banking, finance, insurance, real estate, and labour disputes and also made certain recommendations regarding the development of technology, legal reforms, etc. It proposed various things for the proper development of ODR in India, with the two main ones being the creation of a national ODR policy and the establishment of a regulatory body to oversee the ODR institutions. The National Legal Services Authority (NALSA) also took initiative in expanding its Lok Adalat programme to digital platforms, through its e-Lok Adalat programme, thereby providing for conducting virtual Lok Adalat, which has also played a vital role in the development of ODR in India, as through the virtual means, the parties can now participate in the dispute resolution process without worrying much about the travel difficulties. The SAMADHAAN portal, launched by the Ministry of MSME in 2017, enables e-filing and online settlement of disputes arising out of delayed payment involving the micro and small enterprises. These regulatory responses highlight India's urge to move towards ODR.¹⁹

LEGAL AND REGULATORY FRAMEWORK FOR ODR IN INDIA

India does not have an ODR statute. The legal framework is developed from the provisions of different laws, none of which were specifically created keeping ODR in mind.

¹⁹ Gurung, supra note 13, at 1044-1045.

- a. The Arbitration and Conciliation Act, 1996, governs arbitration proceedings in India. Although it does not explicitly contain provisions relating to ODR, it does not prohibit it either. Section 19²⁰ of the Act grants arbitral tribunals a broad discretion over the procedure to be followed while carrying out arbitration. Many reforms have been introduced through various amendments, but a specific ODR mechanism remains absent.
- b. The Mediation Act, 2023, for the first time, provides a statutory framework for conducting mediation proceedings in India, thereby including provisions for pre-litigation mediation in disputes arising from commercial matters. It also recognises online mediation as a valid form, provides for the enforceability of agreements arising out of mediated settlement, and establishes the Mediation Council of India as a regulatory body. However, it does not provide a comprehensive framework for ODR.²¹
- c. The Information Technology Act, 2000, deals with electronic transactions and digital communications in India. The validity of ODR proceedings and their outcomes can be decided through the provision relating to electronic signatures, electronic records, and digital contracts. However, its provisions related to cybersecurity raise important questions about the confidentiality and security of the ODR process.²²
- d. Section 89²³ of the Code of Civil Procedure, 1908, empowers the courts to refer the disputes to ADR mechanisms, such as arbitration, mediation, conciliation, and Lok Adalat, which acts as a basis for court-annexed ODR programmes, even the e-Courts Phase III project provides for an integration of ODR into the court referral process.
- e. The Consumer Protection Act, 2019, provides for e-filing of the complaints, thereby recognising the digital consumer dispute resolution and also the Online Consumer Mediation

²⁰ The Arbitration and Conciliation Act, 1996, § 19, No. 26, Acts of Parliament, 1996 (India).

²¹ The Mediation Act, 2023, No. 32, Acts of Parliament, 2023 (India).

²² The Information Technology Act, 2000, No. 21, Acts of Parliament, 2000 (India).

²³ The Code of Civil Procedure, 1908, § 89, No. 5, Acts of Parliament, 1908 (India).

Centre²⁴, whereas the Consumer Protection (E-Commerce) Rules, 2020, recognises the ODR by mandating the e-commerce entities to develop an internal grievance redressal mechanism.²⁵

JUDICIAL RECOGNITION

The Indian judiciary has provided crucial legitimacy to ODR through a series of significant precedents. In *State of Maharashtra v. Dr Praful B. Desai*²⁶, the Supreme Court upheld that video conferencing as a valid mode for recording evidence, and also emphasised that it fulfils the requirement of the word ‘presence’ under the Code of Criminal Procedure, as it is classified as electronic presence. The Supreme Court in *Trimex International FZE Ltd. v. Vedanta Aluminium Ltd.*²⁷, confirmed that the arbitration agreements that are concluded via email are also enforceable, and also held that the contracts that are concluded electronically are also enforceable even in the absence of a physical signature. The Supreme Court in *Amar Jain v. Union of India*²⁸ (2025) held digital access as an integral part of Article 21, which guaranteed the right to life. By such interpretation, the Court has again widened the scope of the right to life and personal liberty and has again proceeded further in extending fundamental rights to fight contemporary challenges. The Supreme Court in *Swapnil Tripathi v. Supreme Court of India*²⁹, emphasised that live streaming of proceedings is an instrument of transparency and access. In *Shakti Bhog Foods Ltd. v. Kola Shipping Ltd.*³⁰, the Supreme Court upheld the validity of arbitration agreements formed by electronic communications, which acts as a basis for the ODR.

KEY CHALLENGES TO ODR IN INDIA

A. THE DIGITAL DIVIDE

This is the most fundamental challenge. Though the internet and its access have expanded significantly, a wide number of India’s population consists of rural people, elderly people and economically marginalised communities, who lack internet access, digital literacy, etc. An

²⁴ The Consumer Protection Act, 2019, No. 35, Acts of Parliament, 2019 (India).

²⁵ Consumer Protection (E-Commerce) Rules, 2020 (India).

²⁶ *State of Maharashtra v. Dr. Praful B. Desai*, (2003) 4 SCC 601.

²⁷ *Trimex International FZE Ltd. v. Vedanta Aluminium Ltd.*, (2010) 3 SCC 1.

²⁸ *Amar Jain v. Union of India*, (2025) 7 SCC 191.

²⁹ *Swapnil Tripathi v. Supreme Court of India*, (2018) 10 SCC 639.

³⁰ *Shakti Bhog Foods Ltd. v. Kola Shipping Ltd.*, (2009) 2 SCC 134.

ODR system that is not accessible to those who need it most causes disparity in access to justice.³¹

B. DATA PRIVACY AND CYBERSECURITY

ODR proceedings involve the collection, preservation, and transmission of sensitive and personal information. The threat of cyber-attacks, data breach and unauthorised access to case records pose significant risk to the integrity of ODR. Though the Digital Personal Data Protection Act, 2023, provides a general framework for data protection, it does not specifically address the confidentiality requirements of dispute resolution proceedings, thereby leaving a lacuna that needs to be filled.³²

C. ENFORCEABILITY OF ODR OUTCOMES

Though the Mediation Act, 2023 and the Arbitration and Conciliation Act, 1996, provide for the enforceability of mediated settlement agreements and arbitral awards, respectively, the direct enforcement of outcomes arising from ODR raises certain legal questions on the authenticity of electronic signatures, validity of arbitral awards, the enforceability of outcomes arising from tribunals that have never met physically, etc.³³

D. TRUST AND BEHAVIOURAL RESISTANCE

Trust is the foundation of everything. The trust that face-to-face interactions bring cannot be substituted by any AI tool. The parties may be doubtful of such tools, as they might be unfair while laying down a possible settlement. Addressing such concerns becomes utmost important as parties can only opt for such mechanisms when they trust them.³⁴

THE WAY FORWARD

³¹ Singh, *supra* note 1, at 8099.

³² *Id.* at 8100.

³³ *Id.*

³⁴ Sushila, Meenakshi and Manjinder, *supra* note 8, at 172.

The most important step is to enact a dedicated ODR statute or even an amendment to the existing ADR legislation. Such a law should explicitly recognise the validity of ODR agreements, proceedings, address the evidentiary value of electronic records and digital communications in ODR, provide for data security, maintain the standards of confidentiality and also provide a framework for overseeing the working of ODR institutions.

Since India consists of socio-cultural diversity, a purely online ODR mechanism is neither appropriate nor it is sufficient. Thus, a hybrid model, which combines both digital proceedings and face-to-face interaction as required, is necessary to effectively resolve the dispute between the parties. Disputes such as commercial, consumer, cheque bounce cases, etc, are better suited for ODR, but disputes involving family, marriage, community, etc., may require face-to-face interaction in order to effectively resolve the disputes.

Mandatory pre-litigation ODR, for certain recognised dispute categories, has proven effective in various countries, including Italy, Turkey, and Brazil, resulting in reducing court filings without denying parties the right to ultimately seek judicial resolution. India should also consider implementing such a model, firstly beginning with e-commerce, banking, and insurance disputes, then slowly expanding it to other disputes as well.

The rural people or those who are unaware of this digital mechanism to resolve disputes must be made aware through targeted reforms, thereby increasing public awareness and digital literacy, which plays a vital role in the development of ODR in India. To ensure that the ODR institutions are meeting the minimum standards of technology infrastructure, procedural fairness, and professional competence, proper training should be given to the ODR institutions for them to function in a better manner.³⁵

CONCLUSION

ODR stands at the intersection of India's two most important challenges. One is expanding access to justice, and another being using digital technology for the social and economic transformation. The pandemic has shown that resolving disputes digitally is not just theoretically, but also practically possible. This has also been supplemented by various other frameworks, resolutions and judicial decisions, which have laid down a foundation for the expansion of ODR in India. The benefits of ODR are never-ending, as it ensures the timely

³⁵ Naidu and Sriram , supra note 10, at 763-764.

resolution of disputes. Through video conferencing, the parties can join from anywhere in the world without the need to physically travel to the location. It is cost-friendly and helps in reducing the burden on the Indian judicial system.

Yet, the gaps remain. With no dedicated legislation, institutional mechanisms, lack of digital literacy, etc, the potential of ODR is not fully realised. The challenge before Indian policymakers, technologists, etc, is to fill this gap to ensure that the digital revolution extends to all citizens, not just to those who are privileged and digitally literate. If these challenges are met, then ODR has the potential to reshape the Indian judicial system, by reducing the burden from an overburdened judiciary, expanding access to justice to millions of people, businesses, who will benefit from the timely resolution of dispute and this development will also place India on the list of countries well versed in the field of digital dispute resolution system as the future of ADR in a digital India is through online mode and the time to build that future is now.