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## ONLINE DISPUTE RESOLUTION IN INDIA: BRIDGING LEGAL FRAMEWORKS AND TECHNOLOGICAL REALITIES

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### Abstract:

Online Dispute Resolution (ODR) has emerged as a transformative mechanism for addressing the growing challenges of delay, cost, and accessibility within India's justice delivery system. With courts burdened by massive pendency and procedural inefficiencies, ODR offers a technology-enabled alternative that integrates traditional Alternative Dispute Resolution (ADR) methods with digital tools such as video conferencing, electronic filings, digital signatures, and secure online platforms. This chapter critically examines the evolution, legal framework, institutional adoption, and technological architecture of ODR in India, highlighting its role in enhancing access to timely and affordable justice.

The study analyses the statutory foundations supporting ODR, including the Information Technology Act, 2000, the Arbitration and Conciliation Act, 1996, and the Indian Evidence Act, 1872, alongside judicial recognition of virtual hearings and electronic evidence. It further evaluates policy initiatives such as the NITI Aayog's ODR Policy Plan and sector-specific implementations by regulators like RBI, SEBI, and consumer dispute authorities. Emphasis is placed on the technological dimensions of ODR, including cybersecurity, data protection, digital authentication, artificial intelligence, and emerging applications of blockchain.

While acknowledging the efficiency and inclusiveness of ODR, the chapter also identifies critical challenges such as the digital divide, lack of uniform regulatory standards, cybersecurity risks, limited digital literacy, and concerns regarding enforceability. A comparative perspective with jurisdictions such as the United States, the United Kingdom, Singapore, and the European Union provides valuable insights for reform. The chapter concludes that with dedicated legislation, institutional integration, and robust technological safeguards, ODR can become a cornerstone of India's future justice system, ensuring transparency, efficiency, and wider access to justice.

**Keywords:** Online Dispute Resolution (ODR), Access to Justice, Legal Technology, Alternative Dispute Resolution (ADR), Digital Justice System.

### 1. Introduction:

Alternative Dispute Resolution (ADR) has become an important method for settling disputes without going through full court procedures. With the rapid rise of digital tools, ADR has begun shifting to online platforms. This online process is known as Online Dispute Resolution (ODR). ODR includes using video conferencing, digital documents, electronic communication, and online negotiation tools to resolve disputes in a fast and convenient manner. The need for ODR in India is increasing because the courts face heavy delays and millions of pending cases.<sup>1</sup>

India's justice system is overburdened, and timely justice is still a major challenge. Several policy reports highlight that India has more than 4.5 crore pending cases, which creates pressure on courts and affects access to justice.<sup>2</sup> As technology becomes a normal part of daily life, ODR provides a modern method to reduce these delays. The NITI Aayog's 2023 report notes that ODR has the potential to "significantly

<sup>1</sup> Forum IAS, Alternative Dispute Resolution (ADR) in India (8 October 2025) noting 4.57 crore pending cases, para 2.

<sup>2</sup> International Journal for Multidisciplinary Research, Shashwat Gupta, "Effectiveness of ADR in Reducing Judicial Backlog in India" Vol 7 Issue 4 (July-Aug 2025) p 1.



reduce court burdens and resolve disputes more efficiently."<sup>3</sup>

The COVID-19 pandemic further pushed courts and institutions to adopt virtual hearings and online processes. This experience showed that technology can support fair hearings without compromising neutrality. Courts also recognised electronic records and digital evidence as legally valid. For example, Section 65B of the Indian Evidence Act, 1872 provides for the admissibility of electronic records.<sup>4</sup> Indian courts have repeatedly upheld the validity of electronic evidence under Sections 65A and 65B.<sup>5</sup> This legal recognition strengthens the future of ODR in India.

This chapter aims to examine how ODR has grown in India, what laws support it, and how technology influences its success. The chapter also discusses how ODR can improve access to justice, especially for people from remote, rural, or economically weaker regions.<sup>6</sup>

The chapter further studies key laws such as the Information Technology Act, 2000, the Arbitration and Conciliation Act, 1996, and provisions of digital evidence under the Indian Evidence Act, 1872. Along with these legal foundations, technological aspects like cybersecurity, data protection, confidentiality, platform reliability, and digital literacy are also examined.<sup>7</sup>

Key questions guiding the chapter include:

- How prepared is India's legal system for ODR?
- What technological safeguards are necessary for secure and fair ODR?

- What challenges must be addressed to make ODR an integral part of India's justice system?

Thus, this introduction establishes why ODR is not only a technological tool but an essential method for improving access to timely, affordable, and transparent justice.

## 2. Conceptual Foundations of Online Dispute Resolution (ODR)

Online Dispute Resolution (ODR) is a form of dispute settlement that uses digital technology to help parties resolve conflicts without physically appearing before a forum. ODR combines traditional Alternative Dispute Resolution (ADR) methods such as arbitration, mediation, and conciliation with digital tools like video conferencing, electronic filings, online negotiation systems, and secure digital signatures.<sup>8</sup> It aims to provide quick, simple, and low-cost dispute resolution, especially useful for small-value disputes, commercial disagreements, consumer complaints, and cross-border issues.

ODR incorporates several modes: e-arbitration, where hearings and filings occur online; e-mediation, where mediators assist parties through digital platforms; e-conciliation, where conciliators guide settlement through electronic communication; and online negotiation tools, where parties communicate directly using structured online systems.<sup>9</sup> These processes do not remove human involvement; instead, technology enhances convenience, transparency, and record keeping.

ODR differs from traditional ADR because the entire process from filing to settlement can take place on a

<sup>3</sup> NITI Aayog, Designing the Future of Dispute Resolution: The ODR Policy Plan for India (2023) pp 12-13.

<sup>4</sup> Indian Evidence Act, 1872, s 65B(1).

<sup>5</sup> National Judicial Academy, Admissibility of Electronic Evidence (PPT, 2019) slide 4, noting use of ss 65A and 65B.

<sup>6</sup> NITI Aayog, ODR Policy Plan (2023) p 18, noting ODR improves access for rural and low-income groups.

<sup>7</sup> Ministry of Electronics & IT (MeitY), Digital Personal Data Protection Act, 2023 - Summary Report (2023) pp 4-6.

<sup>8</sup> NITI Aayog, Designing the Future of Dispute Resolution: The ODR Policy Plan for India (2023) pp 5-6, available at <https://www.niti.gov.in> (accessed 20 Nov 2025).

<sup>9</sup> SAMA ODR Platform, "Understanding ODR Methods" (2024), available at <https://www.sama.live/blog/what-is-odr> (accessed 20 Nov 2025).



virtual platform. This reduces costs, travel time, and paperwork. It also increases accessibility for people living in rural or remote areas.<sup>10</sup> The Supreme Court of India has also recognised that technology is essential to improving access to justice and should be integrated into the justice system wherever appropriate.<sup>11</sup> This recognition supports the idea that ODR is not merely an optional technique but an important tool for modern justice delivery.

The concept of ODR is supported by international practices as well. The UNCITRAL Technical Notes on ODR (2016) explain core principles such as fairness, transparency, accessibility, and confidentiality, which form the backbone of online dispute settlement.<sup>12</sup> These principles act as global standards for designing ODR systems. India's emerging ODR platforms follow these norms to ensure reliability and trust.

ODR systems also rely on several technological features to function effectively. Tools like secure servers, encryption, digital identity verification (e.g., Aadhaar e-KYC), digital signatures, and automated case-management systems are essential for ensuring the authenticity and security of online proceedings.<sup>13</sup> Many Indian ODR platforms use AI tools for scheduling, communication tracking, and even preliminary settlement suggestions, though final decisions remain human-led to preserve neutrality.<sup>14</sup>

Another important conceptual feature of ODR is party autonomy. Parties can decide the platform, mode of communication, timelines, and process for dispute resolution. The Arbitration and Conciliation Act, 1996

already recognises electronic communication as valid for arbitration agreements and notices, which strengthens the legal basis of ODR.<sup>15</sup> This flexibility helps create a user-friendly justice experience.

Thus, the conceptual foundation of ODR rests on combining ADR principles with modern technology to make justice accessible, efficient, and affordable for all users.

### 3. Evolution of Online Dispute Resolution in India

Online Dispute Resolution (ODR) in India has evolved gradually through institutional reforms, judicial initiatives, technological developments, and increasing acceptance of digital tools by government and private sectors. The evolution can be understood in four major phases: early experiments, institutional adoption, judicial support, and recent policy-level developments.

#### 3.1 Early Experiments and Initial Adoption

In the early 2000s, India saw the beginning of digital dispute resolution efforts primarily in the field of e-commerce and cross-border consumer disputes. Some early platforms experimented with email-based negotiation and online case tracking.<sup>16</sup> These early stages showed that technology could support dispute resolution, but wider acceptance remained limited due to low internet penetration, digital illiteracy, and lack of legal clarity.

The Information Technology Act, 2000 played an important role in this early stage by recognising digital signatures and electronic records as legally valid.<sup>17</sup>

<sup>10</sup> NITI Aayog, ODR Policy Plan (2023) p 18 (noting ODR improves access for rural and low-income groups).

<sup>11</sup> Supreme Court of India, In Re: Guidelines for Court Functioning Through Video Conferencing (2020) para 5, available at <https://main.sci.gov.in> (accessed 21 Nov 2025).

<sup>12</sup> UNCITRAL, Technical Notes on Online Dispute Resolution (2016) paras 7-10, available at <https://uncitral.un.org> (accessed 21 Nov 2025).

<sup>13</sup> Ministry of Electronics & IT, Digital Personal Data Protection Act, 2023 - Overview pp 4-5, available at <https://www.meity.gov.in> (accessed 20 Nov 2025).

<sup>14</sup> Presolv360, "Role of AI in Online Dispute Resolution" (2024), available at <https://presolv360.com> (accessed 20 Nov 2025).

<sup>15</sup> Arbitration and Conciliation Act, 1996, s 3(1)(a) (recognising electronic communication including data messages).

<sup>16</sup> Vidhi Centre for Legal Policy, ODR: The Future of Dispute Resolution in India (2020) pp 3-4, available at <https://vidhilegalpolicy.in>.

<sup>17</sup> Information Technology Act, 2000, ss 4 and 5 (recognising electronic records and digital signatures).



This laid the foundation for using electronic communications in legal processes, including ADR.

### 3.2 Expansion through the E-Courts Project

A major step forward came with the E-Courts Mission Mode Project, launched in 2005 by the Government of India under the National e-Governance Plan.<sup>18</sup> This initiative digitalised case management, introduced online cause lists, and enabled e-filing in several courts. Although the project focused primarily on judicial digitisation rather than ODR, it created the technological environment required for online hearings and remote dispute resolution mechanisms.

The National Judicial Data Grid (NJDG), part of the project, increased transparency and provided real-time data on case pendency.<sup>19</sup> This helped demonstrate the urgent need for Alternate and Online Dispute Resolution systems to reduce court burden.

### 3.3 Rise of Private ODR Platforms

Around 2017-2020, private ODR platforms such as SAMA, Presolv360, and CADRE began offering online mediation, conciliation, and arbitration services. These platforms focused especially on small-value commercial disputes, fintech disputes, MSME matters, and housing disputes.<sup>20</sup> Their success showed that ODR is efficient, cost-effective, and user-friendly.

These platforms also developed secure digital interfaces, automated scheduling systems, and encrypted communication tools, which increased public trust in ODR processes.

### 3.4 Acceleration during the COVID-19 Pandemic

The COVID-19 pandemic marked a turning point for ODR in India. With physical courts closed, virtual hearings became the primary method of ensuring

continuity of justice. The Supreme Court issued specific guidelines for video-conferencing hearings.<sup>21</sup> Courts across the country adopted online platforms such as Cisco Webex, Zoom, and Jitsi.

This period proved that online hearings could be fair, efficient, and legally valid. It also encouraged parties and lawyers who were previously hesitant to use technology. As a result, ODR gained legitimacy and acceptance nationwide.

### 3.5 Policy-Level Developments and Institutional Support

After 2021, ODR received strong policy-level support. The most significant development was the NITI Aayog's ODR Policy Plan (2023), which proposed a national framework for ODR, technical standards, training programs, and integration of ODR with existing legal institutions.<sup>22</sup>

Additionally, several regulators and ministries adopted ODR:

- RBI issued instructions encouraging fintech and digital lenders to use ODR for grievance resolution.
- SEBI introduced digital dispute resolution mechanisms for securities and investor complaints.
- Consumer Commissions began using the E-Daakhil platform for online filings and hearings.
- The proposed Mediation Bill, 2023 recognised online mediation as valid, further strengthening ODR.<sup>23</sup>

These developments show that ODR is now transitioning from an optional mechanism to a mainstream component of India's justice system.

<sup>18</sup> Department of Justice, E-Courts Mission Mode Project Overview (2021) para 2, available at <https://doj.gov.in>.

<sup>19</sup> National Judicial Data Grid, "About NJDG" (2023), available at <https://njdg.ecourts.gov.in>.

<sup>20</sup> SAMA ODR Platform, "ODR in India: Growth and Impact" (2023), available at <https://www.sama.live>.

<sup>21</sup> Supreme Court of India, In Re: Guidelines for Court Functioning Through Video Conferencing (2020) para 5, available at <https://main.sci.gov.in>.

<sup>22</sup> NITI Aayog, Designing the Future of Dispute Resolution: The ODR Policy Plan for India (2023) pp 12-15, <https://www.niti.gov.in>.

<sup>23</sup> Mediation Bill, 2023, cl 30 (recognising online mediation using electronic means).



#### 4. Legal Framework Governing ODR in India

The legal framework for Online Dispute Resolution (ODR) in India is not contained in a single statute. Instead, it is supported by a combination of legislation, judicial decisions, government policies, and sector-specific regulations. Together, these create a flexible but evolving foundation for ODR in India.

##### 4.1 The Information Technology Act, 2000 (IT Act)

The IT Act is the core legislation that provides legal recognition to digital processes in India.

- Section 4 recognises electronic records as legally valid.<sup>24</sup>
- Section 5 gives legal validity to digital signatures.
- Section 10A upholds the validity of electronic contracts.

These provisions allow arbitration agreements, mediation agreements, notices, filings, and communications to be made electronically, forming the backbone of ODR transactions. The Act also contains provisions on cybersecurity, authentication, and secure digital procedures, which support safe online dispute resolution.

##### 4.2 Arbitration and Conciliation Act, 1996

The Arbitration and Conciliation Act permits wide party autonomy and supports the use of technology:

- Section 3(1) (a) recognises electronic communication for arbitration notices.<sup>25</sup>
- Section 24(1) allows hearings to be conducted through written statements or documents, enabling virtual hearings.

- Section 28 and 19 permit flexible procedures chosen by parties, which can include online platforms.

The Supreme Court has affirmed that the Act is technology-friendly and permits electronic arbitration agreements.<sup>26</sup> This supports both e-arbitration and hybrid arbitration processes.

##### 4.3 Indian Evidence Act, 1872

ODR relies heavily on digital evidence. The Evidence Act ensures electronic material is admissible:

- Sections 65A and 65B lay down rules for admitting electronic records.<sup>27</sup>
- Courts have repeatedly held that digital records (emails, PDFs, screenshots, metadata) are valid if the requirements of Section 65B(4) are satisfied.<sup>28</sup>

These provisions make it legally possible to submit and rely on digital documents during ODR proceedings.

##### 4.4 Supreme Court Directions on Virtual Hearings

In 2020, during the pandemic, the Supreme Court issued binding Guidelines for Court Functioning through Video-Conferencing. The Court held that virtual hearings are legally valid and form part of "open court" processes when conducted with transparency.<sup>29</sup>

Although the guidelines relate to courts, they indirectly validate ODR methods and normalise technology in justice delivery.

<sup>24</sup> Information Technology Act, 2000, s 4 (legal recognition of electronic records).

<sup>25</sup> Arbitration and Conciliation Act, 1996, s 3(1)(a) (electronic communication as valid notice).

<sup>26</sup> Supreme Court of India, *Shakti Bhog Foods Ltd v. Kola Shipping Ltd* (2009) 2 SCC 134, para 12 (recognising wide party autonomy in arbitration).

<sup>27</sup> Indian Evidence Act, 1872, ss 65A-65B.

<sup>28</sup> *Arjun Panditrao Khotkar v. Kailash Kushanrao Gorantyal* (2020) 7 SCC 1, paras 52-56.

<sup>29</sup> Supreme Court of India, *In Re: Guidelines for Court Functioning Through Video Conferencing* (2020) para 5, available at <https://main.sci.gov.in> (accessed 22 Nov 2025).



#### 4.5 NITI Aayog's ODR Policy Plan (2023)

The NITI Aayog ODR Policy Plan is the first major national-level attempt to develop a regulatory and institutional framework for ODR.

The report recommends:

- standardising ODR platforms,
- integrating ODR into government grievance systems,
- training neutrals for online procedures,
- establishing a national ODR network,
- ensuring data protection and cybersecurity.<sup>30</sup>

This policy strongly pushes for mainstreaming ODR across India.

#### 4.6 Sector-Specific ODR Rules and Regulations

Several regulators have incorporated ODR into their frameworks:

(a) Reserve Bank of India (RBI): RBI has directed digital lenders and fintech platforms to adopt ODR for grievance redressal in small-value disputes.<sup>31</sup>

(b) Consumer Protection Framework: The Consumer Protection Act introduced E-Daakhil, which allows online complaint filing, hearings, and document submissions.

(c) Securities and Investor Disputes: SEBI has promoted online processes through SCORES and online arbitration mechanisms in stock exchanges.

(d) MSME Sector: MSME Samadhan portal provides online filing and settlement, indirectly functioning as sector-specific ODR.

These regulatory initiatives show that ODR is gaining formal recognition across multiple sectors.

<sup>30</sup> NITI Aayog, Designing the Future of Dispute Resolution: The ODR Policy Plan for India (2023) pp 12-18, available at <https://www.niti.gov.in>.

<sup>31</sup> RBI, Digital Lending Guidelines (2022) para 18, available at <https://rbi.org.in> (accessed 22 Nov 2025).

#### 5. Institutional and Sector-Specific ODR Mechanisms in India

Online Dispute Resolution (ODR) in India has developed not only through legislation and judicial decisions but also through institutions that actively use online methods to settle disputes. Several courts, tribunals, regulators, and private bodies have adopted ODR mechanisms to improve access to justice and reduce delays. This section explains the main institutions and sector-specific mechanisms where ODR is now functioning effectively.

##### 5.1 ODR in Consumer Disputes

Consumer disputes form one of the largest categories suitable for online resolution. The Consumer Protection Act, 2019 introduced digital systems to simplify complaint filing.

The main platform is E-Daakhil, which allows consumers to:

- file cases online,
- upload documents,
- attend hearings online, and
- track progress digitally.<sup>32</sup>

Many State Consumer Commissions and District Consumer Commissions now conduct online hearings through video-conferencing. The Department of Consumer Affairs reports that E-Daakhil has improved speed and reduced physical visits by consumers.<sup>33</sup>

##### 5.2 ODR in Commercial and Corporate Disputes

ODR is widely used in commercial disputes, especially:

- MSME payment disputes,
- contract enforcement matters,
- digital lending conflicts, and

<sup>32</sup> Department of Consumer Affairs, "E-Daakhil Portal Overview" (2023), available at <https://edaakhil.nic.in> (accessed 22 Nov 2025).

<sup>33</sup> Ministry of Consumer Affairs, Annual Report (2022-23), Chapter 6, p 14, available at <https://consumeraffairs.nic.in>.



- real estate disputes.

Private ODR platforms such as SAMA, Presolv360, and CADRE conduct online mediation and arbitration for commercial disputes.<sup>34</sup> These platforms are widely used by start-ups, fintech companies, NBFCs, e-commerce companies, and housing societies.

Stock exchanges such as NSE and BSE provide online arbitration and conciliation systems for investor disputes through the SEBI-mandated SCORES system.<sup>35</sup>

### 5.3 ODR for MSMEs and Payment Disputes

The MSME Samadhaan Portal allows small and medium enterprises to file delayed payment claims electronically under the MSME Development Act, 2006.<sup>36</sup> Many conciliations and settlements happen online through district-level facilitation councils. This system is particularly important because MSMEs face major payment-related conflicts.

Online filing, document verification, and virtual hearings make the process efficient and faster for small businesses.

### 5.4 ODR in Financial and Fintech Disputes

The financial sector has seen strong adoption of ODR.

The Reserve Bank of India (RBI), through its 2022 Digital Lending Guidelines, encouraged lenders and fintech companies to adopt ODR for grievance redressal in small-value disputes.<sup>37</sup>

Banks, NBFCs, and digital lending companies now frequently refer disputes related to:

- loan defaults,
- recovery notices,
- EMI disagreements, and

- service complaints to ODR platforms.

Fintech companies choose ODR because it is quick, cost-effective, and dispute records remain digital for compliance.

### 5.5 ODR in Family, Matrimonial, and Community Disputes

Family disputes require sensitive and confidential processes. Several State Legal Services Authorities (SLSAs) conduct online mediation sessions, especially during Legal Services Lok Adalats.<sup>38</sup>

The introduction of hybrid (online + offline) Lok Adalats after 2021 expanded access for parties living in different cities.

Online mediation has become popular for:

- matrimonial disputes,
- maintenance issues,
- custody matters, and
- community conflicts.

### 5.6 Digital Lok Adalats and Virtual Settlement Platforms

The National Legal Services Authority (NALSA) has launched Digital Lok Adalats, which use technology for:

- online notice generation,
- automatic case listing,
- e-filing, and
- virtual settlement hearings.

Over 1.3 crore cases were handled through hybrid and digital Lok Adalats in 2022-2023, showing strong acceptance of online dispute settlement mechanisms.<sup>39</sup>

<sup>34</sup> SAMA ODR Platform, "ODR in India: Impact and Growth" (2024), available at <https://www.sama.live>.

<sup>35</sup> SEBI, "SCORES and Online Arbitration Mechanism for Investors" (2023), available at <https://sebi.gov.in>.

<sup>36</sup> Ministry of MSME, "MSME Samadhaan Portal Details" (2024), available at <https://samadhaan.msme.gov.in>.

<sup>37</sup> RBI, Guidelines on Digital Lending (2022), para 18, available at <https://rbi.org.in>.

<sup>38</sup> NALSA, "Online Mediation Initiatives by SLSAs - Annual Review 2022" (2023), available at <https://nalsa.gov.in>.

<sup>39</sup> NALSA, "Digital Lok Adalat Dashboard Report" (2023), available at <https://nalsa.gov.in/dla>.



### 6 - Technology Architecture Behind ODR:

Technology is the base on which Online Dispute Resolution (ODR) works. Without reliable and secure digital systems, ODR cannot function effectively. The first important part of this technological structure is the ODR platform itself. These platforms allow parties to file disputes online, upload documents, track progress, and communicate with mediators or arbitrators. Automated case-management tools help assign neutrals, generate notices, schedule sessions, and maintain digital records, improving efficiency and reducing human error.<sup>40</sup>

Online hearings are another major part of the ODR process. Many hearings take place through video-conferencing tools that support features such as screen-sharing, breakout rooms, and digital document sharing. Indian courts have already used online platforms like Cisco Webex, Zoom, and Tisi during virtual hearings, which set examples and technical standards for ODR processes.<sup>41</sup> The ability to create private "virtual rooms" makes mediation more confidential and convenient.

Digital signatures and electronic authentication tools are essential for giving legal validity to online settlements, agreements, and awards. Indian law recognises Aadhaar-based e-sign, digital signature certificates, and other forms of electronic authentication.<sup>42</sup> These tools ensure that documents signed online are legally enforceable and secure.

Security and privacy form another key element of the ODR technology structure. Because ODR involves sensitive personal, commercial, and financial information, digital communication must be encrypted, access to documents must be restricted, and secure servers must be used. Platforms also maintain

audit trails to ensure transparency and traceability of every step. The National Cyber Security Policy emphasises the need for secure digital systems to protect online processes from unauthorised access or cyberattacks.<sup>43</sup>

Data protection laws also support the technological framework. The Digital Personal Data Protection Act, 2023 requires digital platforms, including ODR providers, to protect user data, prevent misuse, and ensure data minimisation and purpose limitation.<sup>44</sup> Safeguarding personal data is particularly important because online hearings and digital exchanges may contain private or commercially sensitive material.

Digital identity verification is another essential part of ODR. Tools like Aadhaar e-KYC, PAN validation, and mobile-based OTP verification confirm party identity and reduce the risk of impersonation. India's digital identity system makes it easier for parties to participate in ODR from any location.<sup>45</sup>

Artificial Intelligence (AI) has also started playing a role in ODR, mostly to support administrative tasks rather than decision-making. AI tools help schedule hearings, sort documents, analyse case patterns, and generate draft suggestions for negotiation. They do not replace human neutrals but make the process more efficient and organised. The NITI Aayog ODR Policy Plan highlights that AI can help reduce administrative burdens and improve user experience.<sup>46</sup>

Some ODR platforms even experiment with blockchain and smart contracts. Blockchain helps create tamper-proof records of submissions, agreements, and timelines, which increases trust in digital proceedings. Smart contracts automatically execute certain conditions once parties agree to them,

<sup>40</sup> SAMA, "How ODR Platforms Work - Case Management Overview" (2024), available at <https://sama.live> (accessed 23 Nov 2025).

<sup>41</sup> Supreme Court of India, Guidelines on Video-Conferencing for Courts (2020) para 5, <https://main.sci.gov.in>.

<sup>42</sup> Controller of Certifying Authorities (CCA), "Digital Signature Guidelines" (2023), <https://cca.gov.in>.

<sup>43</sup> National Cyber Security Policy, Ministry of Electronics & IT (MeitY), 2013, pp 7-8, <https://meity.gov.in>.

<sup>44</sup> Digital Personal Data Protection Act, 2023, ss 8-9.

<sup>45</sup> UIDAI, "Aadhaar e-KYC and Authentication Framework" (2023), <https://uidai.gov.in>.

<sup>46</sup> NITI Aayog, ODR Policy Plan (2023) p 21.



which may be useful for commercial and cross-border transactions. International bodies like UNCITRAL have encouraged exploring these technologies in dispute resolution.<sup>47</sup>

Overall, the technology behind ODR is built on secure platforms, reliable communication tools, electronic authentication, data protection measures, strong cybersecurity, and trusted digital identity systems. These technological components together support a fair, efficient, and accessible online dispute resolution ecosystem.

### 7 - Key Challenges in Implementing ODR in India:

Despite the rapid development of Online Dispute Resolution (ODR) in India, several challenges continue to limit its full adoption. The first major challenge is the digital divide. Large sections of India's population still lack stable internet access, smart phones, or digital literacy, especially in rural and semi-urban regions.<sup>48</sup> For many individuals, participating in an online hearing, uploading documents, or signing digital forms remains difficult. This limits the inclusiveness of ODR and risks excluding those who already face barriers in accessing the justice system.

Another challenge is the lack of consistent legal and regulatory standards for ODR platforms. Although the IT Act, the Arbitration and Conciliation Act, and the Evidence Act support electronic processes, India still does not have a dedicated ODR law or unified guidelines governing online hearings, platform standards, appointment of neutrals, cybersecurity protocols, or data storage norms.<sup>49</sup> This regulatory gap

creates uncertainty about enforceability, confidentiality, and procedural fairness in different ODR platforms.

Cybersecurity and data protection concerns also pose significant challenges. ODR involves sensitive personal, financial, and business data, and any breach can cause serious harm to parties. The Digital Personal Data Protection Act, 2023 requires platforms to follow strict data protection rules, but cyberattacks, data leaks, and unauthorised access remain ongoing risks.<sup>50</sup> Many users remain hesitant to upload confidential documents or participate in online mediation because they doubt the privacy and security of digital systems.

There are also issues related to the quality and training of mediators, arbitrators, and conciliators who conduct online proceedings. Many traditional neutrals are familiar with offline processes but are not trained to manage virtual sessions, digital evidence handling, or online communication techniques.<sup>51</sup> Poor training can affect the fairness and effectiveness of ODR, especially in complex or sensitive disputes. Additionally, many lawyers remain unfamiliar or uncomfortable with online dispute resolution, which slows adoption.

Another challenge is the lack of standard technology infrastructure across platforms. ODR systems vary widely in their features some use secure servers and encrypted communication, while others depend on basic video-calling tools.<sup>52</sup> Without uniform technological standards, the quality of ODR experiences can differ significantly from one platform to another. This inconsistency affects trust, user

<sup>47</sup> UNCITRAL Working Group Report, "Smart Contracts and Blockchain Applications in ADR" (2022) pp 4-6, <https://uncitral.un.org>.

<sup>48</sup> Internet and Mobile Association of India (IAMAI), India Internet Report 2023 pp 9-11, available at <https://www.iamai.in>.

<sup>49</sup> Vidhi Centre for Legal Policy, A Framework for Online Dispute Resolution in India (2020) pp 6-8, <https://vidhilegalpolicy.in>.

<sup>50</sup> Digital Personal Data Protection Act, 2023, ss 8-9.

<sup>51</sup> NITI Aayog, ODR Policy Plan (2023) p 28 (noting gaps in ODR training).

<sup>52</sup> Ministry of Electronics & IT (MeitY), National Cyber Security Policy 2013 pp 7-8, <https://meity.gov.in>.



satisfaction, and the credibility of ODR as a reliable justice mechanism.

Concerns about enforceability and jurisdiction also arise. While online arbitration awards are enforceable, doubts remain about cross-border ODR, online mediation settlements signed electronically, and whether certain disputes can legally be resolved entirely online.<sup>53</sup> Parties often hesitate to choose ODR because they are unsure whether the outcome will be recognised by courts without procedural objections.

Language barriers and accessibility issues further complicate ODR implementation. Many users are not comfortable reading long documents in English or navigating web interfaces.<sup>54</sup> Persons with disabilities, elderly individuals, and those unfamiliar with digital tools may require special assistance, which is not always available on private ODR platforms. Finally, there is a general lack of awareness about ODR among citizens, small businesses, and even government departments. Although NITI Aayog, RBI, and courts have promoted ODR, many potential users still do not know that disputes can be resolved online quickly and affordably.<sup>55</sup> Without widespread awareness, the adoption of ODR will remain limited. Together, these technological, legal, socio-economic, and institutional challenges show that India needs a more coordinated approach, stronger regulations, better digital infrastructure, and wider public education to fully realise the potential of ODR.

## 8 - Comparative Perspectives on Online Dispute Resolution (ODR):

Online Dispute Resolution (ODR) is growing rapidly across the world, and several countries have developed strong digital mechanisms to support effective and accessible justice. Understanding how other jurisdictions have used technology for dispute

resolution helps identify reforms that India can adopt. Countries such as the United States, the United Kingdom, Singapore, and members of the European Union have shown that ODR can significantly reduce court burdens, improve access to justice, and increase settlement rates when supported by clear laws, government commitment, and user-friendly systems. These comparative experiences offer valuable guidance for India as it continues strengthening its ODR ecosystem.

### 8.1 ODR in the United States

The United States has pioneered the concept of integrating ODR into mainstream court systems. Many state courts run structured ODR programs for small claims, traffic disputes, landlord-tenant conflicts, consumer matters, and family disputes. For example, the Michigan Online Dispute Resolution System allows parties to negotiate online with the help of facilitators, reducing the need for physical hearings.<sup>56</sup> Similarly, the Utah ODR Program requires parties in small-claims matters to attempt online negotiation before coming to court, significantly reducing case backlog.

Private ODR platforms have also influenced U.S. practice. Modria, developed by the founders of eBay and PayPal's dispute resolution system, introduced automated negotiation and online arbitration tools.<sup>57</sup> These systems resolved millions of disputes every year in e-commerce, demonstrating that online negotiation can be efficient, quick, and user-friendly.

The U.S. experience shows that ODR works well when integrated directly into the judicial process. Court-annexed ODR in the U.S. emphasises simplicity, user-friendly interfaces, and clear procedural guidelines principles that India can adopt for its own court-linked ODR initiatives.

<sup>53</sup> Arbitration and Conciliation Act, 1996, Part I (enforcement of awards).

<sup>54</sup> National Judicial Academy, Access to Justice in India: Digital Challenges (2022) p 13.

<sup>55</sup> RBI, Digital Lending Guidelines (2022), para 18, encouraging adoption of ODR, <https://rbi.org.in>

<sup>56</sup> National Center for State Courts (NCSC), "Online Dispute Resolution in U.S. Courts" (2022) p 4, available at <https://www.ncsc.org>.

<sup>57</sup> Modria, "About Modria ODR Technology" (2023), <https://www.tylertech.com>.



### 8.2 ODR in the United Kingdom

The United Kingdom has taken a highly structured and government-driven approach to ODR. The HM Courts & Tribunals Service (HMCTS) operates the Online Civil Money Claims (OCMC) platform, allowing individuals to:

- file claims electronically,
- upload supporting evidence online,
- negotiate settlements digitally,
- receive case updates, and
- participate in remote hearings when required.<sup>58</sup>

The UK was one of the first jurisdictions to publish a national governmental report on ODR: the Civil Justice Council's ODR Report (2015).<sup>59</sup> The report recommended a three-tier ODR system including information tools, online negotiation, and online judicial determination. This report strongly influenced the UK's later development of digital justice systems.

The UK model highlights the importance of a single integrated platform supported by the government. India's fragmented system of multiple private ODR platforms could benefit from a similar centralised approach.

### 8.3 ODR in Singapore

Singapore is widely regarded as one of the world's most advanced jurisdictions for integrating technology into the justice system. The Community Justice and Tribunals System (CJTS) is a fully digital dispute resolution platform that allows parties to file cases, communicate with mediators, upload evidence, and attend hearings online.<sup>60</sup> The CJTS handles small-value disputes, community conflicts, and employment issues, providing a simple and accessible user interface.

Singapore's approach focuses heavily on training mediators and arbitrators in technology-enabled procedures. Institutions such as the Singapore Mediation Centre (SMC) and the Singapore International Arbitration Centre (SIAC) regularly use hybrid and online mechanisms for complex commercial disputes. Clear procedural rules and strong data protection laws enhance public trust in the digital system.

This model shows India that a specialised digital court system, combined with trained neutrals and high data security standards, is essential for building reliable ODR systems.

### 8.4 ODR in the European Union

The European Union (EU) has created one of the most structured cross-border ODR systems globally. The EU ODR Platform, launched under Regulation (EU) No. 524/2013, enables consumers to file complaints online for cross-border e-commerce disputes.<sup>61</sup> Once a complaint is filed, the platform automatically connects the consumer to a certified ADR body in the relevant EU country.

The EU system emphasises:

- multilingual support,
- standardised procedural rules,
- accredited ADR institutions, and
- integration with consumer protection laws.

For India, the EU's system demonstrates the need for standardisation of ODR procedures, accreditation of ODR service providers, and multilingual platforms especially given India's linguistic diversity.

### 8.5 Guidance from UNCITRAL and International Standards

Internationally, the UNCITRAL Technical Notes on ODR (2016) serve as a global reference point for

<sup>58</sup> HMCTS, "Online Civil Money Claims: System Overview" (2022), available at <https://www.gov.uk>.

<sup>59</sup> Civil Justice Council UK, *Online Dispute Resolution for Low Value Civil Claims* (2015) pp 8-10.

<sup>60</sup> Singapore Ministry of Law, "Community Justice and Tribunals System (CJTS)" (2023), <https://www.mlaw.gov.sg>.

<sup>61</sup> European Commission, "EU ODR Platform: Consumer Dispute Resolution" (2023), <https://ec.europa.eu/consumers/odr>.



designing ODR systems. The Notes outline principles of fairness, transparency, accessibility, confidentiality, and procedural integrity.<sup>62</sup> Many countries, including India, reference these Notes when drafting ODR policies. The Technical Notes emphasise simple processes, user-friendly technology, and mechanisms for resolving low-value and high-volume disputes.

Other international bodies, such as the International Chamber of Commerce (ICC) and the World Bank, have also issued guidance on digital dispute resolution, highlighting the importance of cybersecurity, digital signatures, and cross-border enforceability.

Comparative experience shows that successful ODR adoption requires strong government leadership, clear regulations, trained neutrals, public awareness, and robust technical infrastructure. Singapore's model demonstrates the importance of advanced digital systems and skill-based training, while the U.S. and UK models show the value of integrating ODR directly into court systems.<sup>63</sup> The EU model signals the need for multilingual platforms and accredited dispute resolution bodies. Together, these models highlight that India can strengthen its ODR ecosystem by developing unified national ODR rules, establishing accreditation standards, improving digital literacy, and promoting trust in online dispute resolution.

### 9 - The Future of Online Dispute Resolution (ODR) in India

The future of Online Dispute Resolution (ODR) in India is promising, but it requires systematic reforms, strong institutional support, and continuous technological innovation. As courts, government agencies, and private institutions increasingly adopt

digital systems, ODR is expected to evolve into a mainstream method of resolving disputes. India's digital ecosystem supported by Aadhaar, UPI, e-sign, and widespread Smartphone use provides a strong base for scaling ODR. However, the future trajectory of ODR depends on how effectively India addresses legal, technological, and socio-economic challenges while adopting global best practices.

#### 9.1 Need for a Dedicated ODR Legislation

One of the most important steps for the future of ODR in India is the creation of a dedicated ODR Act or comprehensive national guidelines. While the IT Act, Arbitration Act, and Evidence Act indirectly support ODR, still no single legal framework sets procedural standards, platform requirements, neutrality guidelines, cybersecurity norms, and enforcement clarity for ODR decisions.<sup>64</sup> A dedicated ODR law would build public trust, ensure uniformity, and provide legal certainty similar to standards adopted in the UK and Singapore.

The legislation should:

- define ODR processes,
  - certify and accredit ODR platforms,
  - prescribe training standards for neutrals,
  - specify privacy and data protection requirements, and
- establish enforceability rules for online settlements and awards.

Such a framework would reduce fragmentation and provide clarity for citizens, courts, and institutions.

#### 9.2 Integration of ODR with Court Systems

The long-term future of ODR in India depends on integrating ODR into the judicial system. The Supreme Court has already recognised the value of virtual hearings and digital court processes.<sup>65</sup> A

<sup>62</sup> UNCITRAL, Technical Notes on Online Dispute Resolution (2016) paras 7-15.

<sup>63</sup> NITI Aayog, ODR Policy Plan for India (2023) pp 23-26.

<sup>64</sup> Vidhi Centre for Legal Policy, A Framework for Online Dispute Resolution in India (2020) pp 6-9, available at <https://vidhilegalpolicy.in>.

<sup>65</sup> Supreme Court of India, In Re: Guidelines for Court Functioning Through Video Conferencing (2020) para 5, <https://main.sci.gov.in>.



national online negotiation and mediation platform linked with District and High Courts could help resolve lakhs of cases before they reach full hearings. Small claims, traffic disputes, cheque bounce cases, family matters, and consumer grievances are particularly suited for mandatory pre-litigation ODR.

Courts could adopt a "digital-first" approach, where parties must attempt ODR before litigation, except in urgent or sensitive matters. This model already works successfully in the U.S. and UK.<sup>66</sup>

### 9.3 National ODR Grid and Unified Digital Standard

India could also create a National ODR Grid, similar to the National Judicial Data Grid, to integrate various private and public ODR platforms. Such a grid would:

- standardise technical requirements,
- ensure interoperability between platforms,
- provide a central repository of neutrals,
- track performance and turnaround time, and
- promote transparency.

Unified digital standards for security, data protection, and case management are necessary to avoid the current fragmented approach. NITI Aayog has already proposed such standardisation in its ODR policy plan.<sup>67</sup>

### 9.4 Growth of AI-Enabled ODR

Artificial Intelligence (AI) will increasingly shape the future of ODR in India. AI tools can support:

- automated triage and case categorisation,
- document summarisation,
- online negotiation suggestions,
- fraud detection, and
- predictive analytics.

Although AI cannot replace human decision-makers due to neutrality concerns, it can significantly reduce administrative workload. Studies show that AI-assisted negotiation tools have increased settlement rates in pilot projects.<sup>68</sup> India may soon adopt hybrid systems where AI manages case flow and humans provide final decisions. However, to maintain fairness and transparency, ethical guidelines for AI in ODR must be developed.

### 9.5 Expansion of Blockchain and Smart Contracts

With increasing digital transactions, blockchain-based ODR will likely expand. Blockchain can ensure secure record-keeping, tamper-proof submissions, and transparent timelines. Smart contracts can automatically trigger dispute resolution steps or execute settlement terms once all conditions are met.<sup>69</sup>

This will be especially powerful in cross-border e-commerce disputes, fintech transactions, and MSME supply chains. The future of digital commerce in India will depend on this combination of automated contracts and ODR.

### 9.6 ODR for Cross-Border and International Disputes

India's participation in global e-commerce and digital trade is increasing. Therefore, the future of ODR includes expanding it to cross-border disputes. The EU already uses cross-border ODR for consumer complaints.<sup>70</sup> India could develop bilateral or regional ODR partnerships with countries in South Asia, ASEAN, and the Middle East, especially for migration-related and commercial matters.

India may also incorporate UNCITRAL's ODR principles and create globally acceptable ODR standards.

<sup>66</sup> HMCTS, "Online Civil Money Claims: System Overview" (2022), <https://www.gov.uk>.

<sup>67</sup> NITI Aayog, ODR Policy Plan for India (2023) pp 12-18.

<sup>68</sup> National Center for State Courts (NCSC), "AI and Online Dispute Resolution: Pilot Study Findings" (2022) p 7, <https://ncsc.org>.

<sup>69</sup> UNCITRAL Working Group IV, Smart Contracts and Blockchain in Dispute Resolution (2022) pp 4-6, <https://uncitral.un.org>.

<sup>70</sup> European Commission, "EU ODR Platform" (2023), <https://ec.europa.eu/consumers/odr>.



### 9.7 Building Digital Capacity: Training and Awareness

Effective ODR requires trained mediators, arbitrators, conciliators, lawyers, and court staff. Many neutrals still lack digital skills, which affects the quality of proceedings. Capacity-building programs through NALSA, State Judicial Academies, and Bar Councils are essential. E-learning modules, certification programs, and simulation-based training will become necessary to prepare legal professionals for digital justice.<sup>71</sup>

Public awareness campaigns through legal literacy drives, government portals, and community centres are needed so that more citizens know that disputes can be resolved online quickly and affordably.

### 9.8 The Vision for ODR in India by 2030

By 2030, India's ODR system could evolve into a fully integrated, inclusive, and technology-driven justice mechanism.

The vision includes:

- A Centralised national ODR platform,
- Mandatory pre-litigation ODR for selected cases,
- AI-supported dispute screening,
- Blockchain-enabled evidence and settlement systems,
- Multilingual ODR interfaces, and
- Nationwide digital literacy support centres.

If implemented effectively, ODR can significantly reduce court backlogs, promote ease of doing business, and improve justice accessibility for millions. India's digital infrastructure provides the foundation; what is needed now is coordinated policy action and sustained institutional commitment.

### 10. Conclusion:

Online Dispute Resolution (ODR) has emerged as a powerful tool for enhancing access to justice in India. As courts continue to face heavy pendency and long delays, technology-enabled dispute resolution offers a

practical, efficient, and affordable alternative for resolving conflicts. The evolution of ODR in India has been supported by legal reforms, technological progress, and policy-level initiatives. The Information Technology Act, 2000, Arbitration and Conciliation Act, 1996, and Indian Evidence Act, 1872 provide the legal foundations necessary to support electronic communication, digital signatures, and online evidence. These statutory provisions enable parties to conduct arbitration, mediation, and conciliation using digital platforms in a legally valid manner.

Judicial decisions, particularly the Supreme Court's guidelines on virtual hearings, have further strengthened the legitimacy of online processes. The COVID-19 pandemic accelerated this shift, proving that virtual hearings can maintain fairness, transparency, and efficiency. The growing use of ODR platforms by regulators such as RBI, SEBI, and consumer authorities highlights institutional acceptance of digital dispute resolution models.

Technological development has also played a central role in the growth of ODR. Secure platforms, digital signatures, encryption systems, and AI-assisted tools have made online resolutions faster and more reliable. The Digital Personal Data Protection Act, 2023 has added strong obligations on privacy and security, providing greater trust in digital proceedings. However, challenges remain. The digital divide, low technical literacy, limited awareness, and lack of standardised procedures continue to restrict the expansion of ODR across all regions of India.

International experience shows that countries like Singapore, the United Kingdom, and the United States have successfully integrated ODR into their judicial systems. Their models emphasis clarity in law, user-friendly design, and strong government leadership. These lessons are important for India, as the country seeks to strengthen its own ODR ecosystem. With global trade increasing and cross-border disputes becoming more common, India also needs to align its

<sup>71</sup> NALSA, Online Mediation and Training Report (2023) p 11.



ODR framework with international standards such as the UNCITRAL Technical Notes on ODR.

In conclusion, ODR represents a transformative opportunity for India's justice system. With effective policies, stronger legal frameworks, and continued technological innovation, ODR can help India deliver justice that is more accessible, faster, transparent, and citizen-friendly. The future success of ODR will depend on sustained collaboration between the judiciary, government, legal institutions, and technology providers.

### 11. Suggestions:

Based on the analysis in this chapter, the following suggestions may help strengthen the ODR ecosystem in India:

1. Introduce a special ODR act to establish the processes, platform parameters, accreditation and enforceability of online settlements.
2. Build a National ODR Grid that brings together courts, tribunals, and private platforms and connects them to one digital system of justice.
3. Mandatory ODR to be used in the selected disputes particularly cases that are small in value, commercial, consumer, cheque bounces, and civil matters.
4. Establish the minimum cybersecurity requirements of all the ODR platforms such as encryption, secure servers, and periodic audits.
5. Launch country-training courses that would prepare mediators, arbitrator, and lawyers in digital and online communication skills.
6. Increased use of digital literacy projects by CSCs, legal aid centres and community centres to enable participation of users in ODR.
7. Establish pathways that allow more citizens with the multilingual ODR platforms that will enable citizens of different language groups to find online systems easy to use and comprehend.
8. The awareness campaigns should be launched countrywide to educate citizens, MSMEs, and businesses about the existence and benefits of ODR.

9. Encourage application of AI and blockchain in ODR to manage cases automatically, maintain unaltered records, and smart settlements.

Incorporate cross-border ODR mechanisms that are consistent with the international standards to mediate international e-commerce and digital trade conflicts.

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