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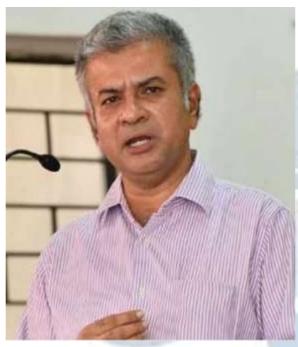
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Dr. Neha Mishra is Associate Professor & Associate Dean (Scholarships) in Jindal Global Law School, OP Jindal Global University. She was awarded both her PhD degree and Associate Professor & Associate Dean M.A.; LL.B. (University of Delhi); LL.M.; Ph.D. (NLSIU, Bangalore) LLM from National Law School of India University, Bengaluru; she did her LL.B. from Faculty of Law, Delhi University as well as M.A. and B.A. from Hindu College and DCAC from DU respectively. Neha has been a Visiting Fellow, School of Social Work, Michigan State University, 2016 and invited speaker Panelist at Global Conference, Whitney R. Harris World Law Institute, Washington University in St.Louis, 2015.

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More than 25 Publications in renowned National and International Journals and has authored a Text book on Cr.P.C and Juvenile Delinquency law.



### **Subhrajit Chanda**

BBA. LL.B. (Hons.) (Amity University, Rajasthan); LL. M. (UPES, Dehradun) (Nottingham Trent University, UK); Ph.D. Candidate (G.D. Goenka University)

Subhrajit did his LL.M. in Sports Law, from Nottingham Trent University of United Kingdoms, with international scholarship provided by university; he has also completed another LL.M. in Energy Law from University of Petroleum and Energy Studies, India. He did his B.B.A.LL.B. (Hons.) focusing on International Trade Law.

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WHITE BLACK LEGAL is an open access, peer-reviewed and refereed journal providededicated to express views on topical legal issues, thereby generating a cross current of ideas on emerging matters. This platform shall also ignite the initiative and desire of young law students to contribute in the field of law. The erudite response of legal luminaries shall be solicited to enable readers to explore challenges that lie before law makers, lawyers and the society at large, in the event of the ever changing social, economic and technological scenario.

With this thought, we hereby present to you

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# ALTERNATE DISPUTE RESOLUTION: A VIABLE ALTERNATIVE TO INDIGENT SUITS

AUTHORED BY - MIKE RUBAN G & GOURAV THAKUR1

#### **Abstract**

This paper critically examines the role of Alternate Dispute Resolution (ADR) methods, including arbitration, mediation, and conciliation, in providing an accessible and cost-effective alternative to indigent suits as outlined under Order XXXIII of the Civil Procedure Code. ADR offers an innovative mechanism that overcomes the financial and procedural barriers faced by indigent litigants in accessing justice. The paper discusses various categories of legal costs, such as direct, indirect, and implementation costs, and highlights how ADR, with its flexibility and efficiency, can ease these financial burdens. It further explores existing legal aid schemes, proposing improvements to integrate ADR within these frameworks to serve indigent litigants more effectively. By analysing case law and legal doctrine, this paper outlines how ADR could bridge the gap in the justice system, particularly in sensitive matters such as family disputes, while promoting greater legal equity for disadvantaged individuals.

#### Introduction

In a country like India, where economic disparity is widespread and legal proceedings can be prohibitively expensive, access to justice remains an uphill battle for a significant portion of the population. Many indigent persons—those unable to afford the prescribed court fees or legal representation—struggle to have their day in court. Order XXXIII of the Civil Procedure Code addresses this issue by permitting such individuals to file suits without paying court fees, but the process remains complex and inaccessible to many. Simultaneously, the traditional litigation process is burdensome, lengthy, and expensive.

Alternate Dispute Resolution (ADR)<sup>2</sup> methods, such as arbitration, mediation, and conciliation, present a viable alternative to litigation, offering reduced costs and faster resolution. This paper

<sup>&</sup>lt;sup>1</sup> Mike Ruban, Assistant Professor, Vinayaka Mission's Law School, Vinayaka Mission's Research Foundation, Deemed University. B. Com, LL. B (Hons), LL.M (International Law & Organisations)
Gourav Thakur, Research Scholar, Himachal Pradesh National Law University, B. A. LL. B (Hons) LL.M (Criminal Law)

<sup>&</sup>lt;sup>2</sup> Alternate Dispute Resolution will be further referred as ADR throughout this Research Paper.

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aims to examine how ADR can be utilized to bridge the gap for indigent litigants, ensuring that they receive fair access to justice. The shift toward ADR could reduce the strain on an overburdened judiciary while providing an alternative pathway for resolving disputes that is both cost-effective and efficient.

To better understand how ADR can serve as an alternative to indigent suits, it is essential to first understand the intricacies of indigent suits and the role that ADR can play in overcoming these challenges.

#### **Research Methodology**

This paper adopts a doctrinal research methodology, analysing existing legal frameworks, case laws, and scholarly articles. Through this approach, the paper aims to explore the integration of ADR in indigent suits and to assess its potential in improving access to justice for marginalized communities.

#### **Indigent Suits and Legal Aid Framework**

In India, indigent persons are those who are unable to pay the court fees prescribed by law to institute a suit. As per Order XXXIII of the Civil Procedure Code, indigent persons may file a suit without paying court fees if they can prove that they do not have sufficient means to do so. However, the burden of proving indigence is not trivial. The applicant must provide evidence that they are unable to afford the fees, which often requires a detailed financial declaration and can involve complex legal procedures.

The definition of an indigent person is broad, and the courts have interpreted this category in various ways. The landmark case of **M. H. Hoskot v. State of Maharashtra** (1978)<sup>3</sup> elaborated on the constitutional obligation of the state to provide legal aid to those unable to afford it. The Supreme Court held that a person who is unable to secure legal representation due to financial incapacity has a constitutional right under Article 21 to have a lawyer appointed by the state, thereby expanding the scope of legal aid to include the right to appeal and seek special leave to appeal (SLP) in cases where the person is unable to afford legal representation.

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<sup>&</sup>lt;sup>3</sup> M.H. Hoskot v. State of Maharashtra, (1978) 3 SCC 544

The case of **Hussainara Khatoon v. State of Bihar** (1979)<sup>4</sup> further affirmed that the right to free legal aid is an essential part of the right to a fair trial under Article 21<sup>5</sup>. The judgment acknowledged that those who are impoverished should not be denied access to justice simply because they cannot afford the cost of litigation.

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However, despite these rulings, the practical challenges of accessing legal aid are numerous. Legal aid schemes are often underfunded, and the assistance provided is often insufficient to support the needs of indigent litigants. Moreover, legal procedures can be complex and intimidating, particularly for individuals from rural or marginalized communities who may not have the requisite education or resources to navigate the system effectively.

#### The Role of Alternate Dispute Resolution (ADR)

ADR refers to a collection of processes used to resolve disputes outside of traditional court systems. Key ADR methods include:

- **Arbitration**: A formal process where a neutral third party, known as an arbitrator, hears both sides of a dispute and makes a binding decision.
- **Mediation**: A process where a mediator facilitates discussions between the parties to help them reach a mutually agreeable solution.
- Conciliation: A similar process to mediation, but the conciliator may take a more active role in suggesting solutions to the parties.
- Lok Adalat's: Informal courts that help resolve disputes through conciliation and mediation without resorting to formal litigation.

ADR has been gaining prominence in India as an effective method to ease the burden on the judicial system, particularly considering the increasing backlog of cases. According to the 221st Law Commission Report<sup>6</sup>, the judicial system in India faces a staggering number of pending cases. As of 2023, there were over 4 crore cases pending in various courts, with delays stretching from several months to decades in some instances. ADR provides an expedited, more flexible alternative to traditional litigation.

<sup>&</sup>lt;sup>4</sup> Hussainara Khatoon v. State of Bihar, (1979) 3 SCR 169

<sup>&</sup>lt;sup>5</sup> Article 22(1) provides that "A person arrested should not be detained in custody without being informed of the grounds for such arrest and should not be denied the right to consult and be defended by a legal practitioner of his choice." Article 38 urges that "The State should strive to promote the welfare of the people by securing and protecting as effectively as it may by a social order in which justice: social, economic and political shall inform all the institutions of national life."

<sup>&</sup>lt;sup>6</sup> http://lawcommissionofindia.nic.in/reports/report221.pdf

#### **The Benefits of ADR for Indigent Litigants**

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- 1. Cost Efficiency: One of the most significant advantages of ADR is its affordability. Litigation, particularly in India's overburdened courts, is expensive. Court fees, lawyer fees, and the costs of travel and documentation can quickly add up. ADR, on the other hand, typically involves lower fees and allows parties to bypass many of the associated costs of litigation.
- **2. Speed**: ADR processes are generally faster than litigation. Arbitration and mediation often take months, rather than years, to reach a resolution. For indigent persons, who may not be able to sustain prolonged legal battles, this speed is critical in ensuring timely access to justice.
- 3. Flexibility and Accessibility: ADR processes are more flexible and can be tailored to the specific needs of the parties involved. Mediation and conciliation allow parties to negotiate and come to a solution that is mutually beneficial, rather than having a decision imposed on them by a judge. Moreover, ADR can be conducted outside of the traditional court system, making it more accessible, particularly for those who live in rural or underserved areas.
- **4. Confidentiality**: ADR processes, particularly mediation, offer a level of confidentiality that traditional litigation does not. For sensitive cases, such as family disputes, this can be a crucial advantage, as it allows the parties to resolve their issues privately without the public scrutiny of a courtroom.
- **5. Enforceability**: Arbitration awards are binding and enforceable in the same way as court judgments. Mediation and conciliation agreements, while not automatically enforceable, can be formalized into a court order, giving them legal force. This adds an element of security for indigent parties, knowing that the resolution reached will be legally recognized.

#### **Challenges and Limitations of ADR in India**

While ADR has numerous advantages, its widespread adoption faces several challenges:

1. Lack of Awareness: Despite the growing recognition of ADR's benefits, many individuals, particularly from rural areas, remain unaware of these alternative methods. The general public's lack of understanding of how ADR works often leads them to default to traditional litigation, even when ADR may be a more appropriate and accessible solution.

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2. Quality of ADR Services: The quality of ADR services varies significantly, particularly in mediation and conciliation. The absence of a robust infrastructure and trained professionals often results in subpar outcomes. As State of Karnataka v. S. M. H. Basha (1990)<sup>7</sup> pointed out, not all mediators or conciliators possess the skills needed to facilitate productive discussions, and without institutional support, ADR could fail to meet its intended goals.

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- 3. Enforceability of Mediation Agreements: Unlike arbitration, which results in binding decisions, mediation agreements are not automatically enforceable. In cases where one party refuses to adhere to the terms of a mediated settlement, the process can lose its value. Afcons Infrastructure Ltd. v. Cherian Varkey Construction Co. Ltd. (2010)<sup>8</sup> highlighted the importance of enforcing ADR agreements and ensuring that the outcomes are respected by both parties.
- **4. Costs in Arbitration**: While arbitration is generally less expensive than litigation, it can still be costly, particularly if institutional arbitration is involved. Arbitrator fees and administrative costs can add up quickly. This remains a challenge for indigent parties who may not have the financial resources to engage in arbitration, especially when compared to the cost-free access provided by indigent suits under Order XXXIII.

#### Case Studies and Examples

The success of ADR in India can be illustrated through several case studies. In **K.K. Verma v. Union of India** (2017)<sup>9</sup>, the Delhi High Court held that a well-structured ADR system could significantly reduce the backlog of cases in courts. The court recognized that ADR could be especially beneficial for cases involving smaller amounts of money or issues that do not require extensive judicial expertise. Similarly, **Badrinath v. Government of Tamil Nadu** (2000) demonstrated the effective use of Lok Adalat's in resolving family disputes, with a focus on providing quick, amicable resolutions.

In the realm of commercial disputes, **Indian Oil Corporation Ltd. v. Amritsar Gas Service** (1991) showcased how arbitration could be used to resolve long-standing contractual issues without resorting to protracted litigation. The court emphasized the need for creating a more efficient arbitration system to make it accessible even to smaller players in the market.

<sup>&</sup>lt;sup>7</sup> State of Karnataka v. S.M.H. Basha, (1990) 3 SCC 440

<sup>&</sup>lt;sup>8</sup> Afcons Infrastructure Ltd. v. Cherian Varkey Construction Co. P. Ltd., (2010) 8 SCC 24

<sup>&</sup>lt;sup>9</sup> K.K. Verma v. Union of India, (1954) AIR Bom 358

#### **Conclusion**

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ADR holds significant promise as an alternative to traditional litigation, especially for indigent persons who face financial barriers to accessing justice. With its lower cost, faster resolution, and greater flexibility, ADR provides a more accessible and effective means of dispute resolution. However, the implementation of ADR in India faces challenges, including a lack of awareness, inconsistent quality, and concerns about the enforceability of agreements.

To fully realize the potential of ADR for indigent litigants, it is essential to address these challenges. The government must invest in public awareness campaigns, ensure the training of mediators and arbitrators, and work towards reducing the costs associated with arbitration. Furthermore, the integration of ADR within the existing legal aid framework can ensure that indigent individuals are provided with the tools they need to resolve disputes efficiently and fairly.

The Following recommendations can be implemented to make it more efficient.

#### 1. Strengthening ADR Awareness Campaigns

To increase the adoption of ADR among indigent persons, the government and legal bodies should launch awareness campaigns, particularly in rural areas, to educate people about ADR's benefits and availability. Collaborate with NGOs, local legal aid cells, and bar associations to promote ADR through workshops, community outreach, and online resources in regional languages.

#### 2. Mandatory ADR for Certain Cases

Mandatory ADR should be implemented for specific types of cases, such as family disputes or small claims, before litigation proceeds. This reduces court burden and offers indigent persons quicker, affordable resolutions. The judiciary should direct certain cases to ADR processes before formal litigation, particularly family, landlord-tenant, and commercial disputes.

#### 3. Enhancing ADR Quality

The quality of ADR services can be improved by establishing a national accreditation body for mediators and arbitrators, ensuring well-trained professionals are available to handle disputes effectively. Create a national accreditation body for ADR professionals and provide incentives for training institutions, ensuring high standards of practice in ADR.

#### 4. ADR Centers in Rural Areas

Establish ADR centers in rural districts to make ADR accessible to indigent persons, reducing travel costs and delays. Mobile ADR units can be introduced for remote areas. Fund the establishment of ADR centers in rural areas and introduce mobile ADR units to offer on-the- spot mediation and legal assistance.

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#### 5. Financial Support for ADR Costs

Introduce a legal aid fund specifically for ADR-related expenses, ensuring that indigent persons are not excluded from ADR due to financial constraints. Establish a government fund to cover ADR-related costs for indigent litigants, ensuring they can access ADR without financial barriers.

#### 6. Promoting Online Dispute Resolution (ODR)

Encourage the use of ODR, particularly for rural or remote indigent litigants, to resolve disputes efficiently and affordably via digital platforms. Support the development of ODR platforms, train legal aid bodies, and make online dispute resolution accessible to indigent persons.

#### 7. Strengthening ADR Enforcement Mechanisms

Strengthen the enforcement of ADR outcomes, particularly mediation and conciliation agreements, by making them legally binding and enforceable. Amend the Arbitration and Conciliation Act to ensure the automatic enforcement of mediation and conciliation agreements.

Ultimately, ADR presents a powerful tool for increasing access to justice in India. By streamlining dispute resolution and offering an alternative to costly litigation, ADR can help create a more equitable and accessible legal system for all.