

Role of Lok Adalat in The Protection of Consumers' Rights

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Abstract

Ubi Jus Ibi Remedium states that when there is a right there is a remedy, which implies that right and remedy exist together. If any of yours right has been infringed then you have a right to obtain the corresponding remedy. But the harsh reality is that the procedure of court is so complicated, lengthy and expensive that individuals are not able to approach the court to obtain relief and thus do not get any sort of justice. Even though some people approach the court but they are not able to obtain justice because of huge pendency of cases in the court.

The population of consumers in India is increasing day by day and different problems are coming into the picture. To solve these problems of consumers, the legislature provides for an alternative dispute resolution mechanism so that the consumers can obtain justice in least time and in an inexpensive manner. These alternative dispute resolution mechanism ensures protection of consumers' rights in different ways such as through public interest litigation, lok adalats, redressal forums, mediation and negotiations etc. Out of these, lok adalat is one of the most effective manners.

Thus, the aim of this research is to critically analyse the effectiveness of the various provisions regulating these Lok Adalats and to assess the effectiveness of these bodies in imparting speedy and inexpensive justice to the consumers.

Keywords

Lok Adalat, Permanent Lok Adalat, Speedy and Inexpensive Justice, Legal Service Authorities Act, 1987, Effectiveness of Lok Adalat.

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Introduction

The evolution of a legal system, courts and various forums took place so as to provide a machinery which can ensure redressal of the grievances of the members of our society and provide them justice. This is in fact the reason that we have an independent and impartial judiciary to act as a custodian of the rights of its citizens. But the question is that is this judiciary really serving its purpose? Are the consumers able to get justice and get their grievances redressed in various courts? An outer view would suggest that these courts are effectively catering to the grievances of consumers and doing their best to ensure that consumers get justice but the reality is not what it seems. The harsh reality is that though various courts and forums have been established at various levels for the protection of consumers but not every consumer is able to secure the protection of such courts. The term consumer includes every person living in this society but the irony is that these courts and forums are accessible only by the individuals living in urban areas as more than half of the rural population of our country is not even aware of the existence of these courts and forums due to lack of education and adequate knowledge on their part. Moreover, such consumers are not even aware of the various rights that they have and the corresponding available remedies in case of violation of those rights. Even those people who are residing in urban areas and have knowledge of their rights and the corresponding remedies are also not able to get their grievances redressed in these courts due to the lengthy procedures and the high cost involved in getting the disputes solved through these courts. In fact, due to the huge pendency of cases in these courts, it takes too long for these courts to deliver justice to the consumers and as it is said that justice delayed is justice denied so such justice is equivalent to no justice. To solve these hindrances in the path of consumer protection and grievance redressal, Lok Adalats have come into the picture. It is the Lok Adalats that can offer a solution to all the above-mentioned problems.

Importance of Lok Adalats vis-à-vis Consumer Rights' Protection

Lok Adalats are one of the most effective modes of imparting speedy and effective justice to the parties. By availing the remedy in a speedy and inexpensive manner, Lok Adalats act as the guardian and saviour of the Consumer's Rights. According to Justice Ramaswamy, "Resolving disputes through Lok Adalat not only minimizes litigation expenditure, it saves valuable time of the parties and their witnesses and also facilitates inexpensive and prompt remedy appropriately to the satisfaction of both the parties"¹.

The above words of Justice Ramaswamy put emphasis on the two important benefits of a Lok Adalat: -

a. **Speedy Justice:** Lok Adalats help the individuals in escaping the lengthy court procedures and availing speedy remedy. These Adalats are aimed at bringing an amicable settlement between the parties and thereby, prevent the parties from getting entangled in a lengthy suit or proceeding. Thus, these Adalats act as an effective aid towards the realisation of the right to speedy trial, which has also been held to be a fundamental right under Article 21 of the Constitution of India in **Hussainara Khatoun v. Home Secretary, State of Bihar (1979)**².

b. **Inexpensive Justice:** Article 39A of Indian Constitution states that the "State shall secure that the operation of the legal system promotes justice, on a basis of equal opportunity, and shall, in particular, provide free legal aid, by suitable legislation or schemes or in any other way, to ensure that opportunities for securing justice are not denied to any citizen by reason of economic or other disabilities"³. Thus, Lok Adalats by providing free justice conform to Art 39A of our Constitution and also to the principle of reasonable, just and fair procedure. In "**Suk Das v. Union Territory of Arunachal Pradesh (1986)**, the Supreme Court held that free legal aid at the State cost is a fundamental right of an accused person under Art.21 of the Constitution"⁴.

Analysis of the provisions regulating the Lok Adalats

Lok Adalats are set up and are regulated by the Legal Service Authorities Act, 1987⁵. The Act aims at organising Lok Adalats and providing free and competent legal services to the weaker sections of the society⁶. The essence of the Act lies in imparting social justice and in acting as an aid to the Indian Justice Delivery System.

As far as the provisions of the Lok Adalats, in this Act, are concerned, there are five Authorities⁷ that have been given the power to organise Lok Adalats, namely, State Authority, District Authority, Supreme Court Legal Services Committee, High Court Legal Services Committee and Taluk Legal Services Committee. These Authorities can organise the Lok Adalats at different intervals and places and also have the power to determine the jurisdiction, area and the composition of such organised Lok Adalats. In order to ensure effective disposal of the cases, such Adalats "comprise of serving or retired judicial officers along with the other persons belonging to that area"⁸. These Lok Adalats can deal with a wide variety of cases, including the cases⁹ of Negotiable Instruments, Bank Recovery, Labour Disputes, Service Matters, Criminal Compoundable Matters (such Lok Adalats cannot deal with the offences which are non-compoundable¹⁰ in nature), Motor Accident Claims, etc. The Lok Adalats possess the same powers¹¹ as a Civil Court under the Code of Civil Procedure, 1908 in respect of discovery, production, summoning and the like and also have the power to specify its own procedure for the determination of any dispute coming before it.

In order to reduce the pendency of the existing cases in the Courts, a Lok Adalat can be organised for a Court and, any matter already pending before such a Court can be referred to the Lok Adalat. Such a reference can be made in any of the following ways:

- a. Both the parties can mutually agree to refer the matter to the Lok Adalat¹²;
or
- b. One of the parties can make an application to the Court for a reference of the dispute to the Adalat but the Court must be prima facie satisfied that the matter can be so referred. However, before such reference, the parties will have to be given a reasonable opportunity of being heard by the Court, in consonance with principles of natural justice¹³; or
- c. The Court can itself refer the parties to the Lok Adalat if it is satisfied that the matter is fit for such reference. Here also, the Court will have to give a reasonable opportunity of hearing to the parties before referring the matter to the Adalat¹⁴.

On a reference in the above manners, the Lok Adalat will proceed to dispose¹⁵ the matter by bringing a compromise or settlement between the parties and while doing so, it will have to act in accordance with justice, equity, fair play and other legal principles¹⁶. If it is able to bring a settlement/compromise then “it’s award will be deemed to be a decree of the Civil Court or any other Court and shall be final, binding and non-appealable and, the court fee will be refunded to the concerned party”¹⁷. However, if it’s unable to bring a settlement then “it will return the record of the case to the Court, which had referred the parties, for disposal of the case from the stage which was reached before such reference”¹⁸.

Also, the remedy of dispute resolution through these Adalats can be availed even if the case is not already pending before the Court but falls within its jurisdiction. The party can apply to the Authority or Committee organising the Lok Adalat in the area to refer its case to the Adalat and the Authority/ Committee can make such reference after giving a reasonable opportunity of being heard to the other party¹⁹. After the referral of the case, if the Lok Adalat is unable to bring a settlement/ compromise between the parties then it will advice the parties to approach the Court for availing the remedy²⁰. This mechanism prevents the party from incurring the court fee expenditure that is involved in the case of a civil suit and offers an opportunity of settling the dispute in a speedy, cost effective and mutually agreed manner. However, if the Lok Adalat is able to bring a settlement/compromise between the parties, it’s “award shall be deemed to be a decree of the Civil Court or any other Court and will be final and binding on the parties, against which no appeal will be

allowed”²¹. In the case of “**Board of Trustees of the Port of Visakhapatnam v. Presiding Officer, Permanent, Lok Adalat-cum-Secretary, District Legal Services Authority, Visakhapatnam and Anr. (2000)**”, it was observed that the award of a Lok Adalat is enforceable as a decree and it is final. The endeavour is only to see that the disputes are narrowed down and make the final settlement so that the parties are not again driven to further litigation or any dispute”²². Board of Trustees of the Port of Visakhapatnam v. Presiding Officer, Permanent, Lok Adalat-cum-Secretary, **District Legal Services Authority, Visakhapatnam and Anr. (2000)**, it was observed that the award of a Lok Adalat is enforceable as a decree and it is final. The endeavour is only to see that the disputes are narrowed down and make the final settlement so that the parties are not again driven to further litigation or any dispute”²². Further, in the case of “**Punjab National Bank v. Lakshmidhand Rai (2000)**”, it was held that Lok Adalat is conducted under an independent enactment and once the award is made by Lok Adalat, the right of appeal shall be governed by the Legal Services Authority Act as it has been specifically mentioned in S. 21(2) that no appeal shall lie against an order of a Lok Adalat”²³.

Permanent Lok Adalat: An effective aid in speedy redressal of public utility service disputes

Apart from the organisation and regulation of the regular Lok Adalats, the Act has also endowed the Central and State Authorities with the power to establish²⁴ by way of a notification, Permanent Lok Adalats for specified jurisdiction and areas, to resolve disputes relating to one or more “public utility services, namely, transport service, postal, telegraph or telephone service, supply of power, light or water to the public, system of public conservancy or sanitation, service in hospital or dispensary, insurance service, or any other service declared so by the Central or State Government”²⁵. However, the Permanent Lok Adalats cannot exercise its jurisdiction over a matter dealing with a non-compoundable offence²⁶ or a matter wherein the value of the suit property exceeds ten lakhs’ rupees²⁷. In order to avail the remedy of dispute resolution by way of these permanent adalats, a party needs to apply to such an Adalat before the dispute reaches the Court²⁸. Such Permanent Lok Adalats possess two-fold powers, one with respect to bringing a conciliation²⁹ between the parties before the dispute reaches the Court and secondly, with respect to the determination of a dispute on merits³⁰ if the parties are unable to reach an agreement (except when the case deals with an offence³¹). This feature distinguishes such Adalats from ordinary Lok Adalats as ordinary Lok Adalats cannot decide a dispute and can only attempt to bring a settlement between the parties. These powers of Permanent Lok Adalats also ensure certainty in the reduction of the workload of Civil Courts as once a dispute has

been referred to a Permanent Lok Adalat, it will either result into an agreement between the parties or a decision on merits by the Adalat, whose “award will be deemed to be a decree of the Civil Court and will be final and binding and can be sent for execution to the Civil Court having the local jurisdiction over the matter”³².

Analysis of the effectiveness and efficiency of the Lok Adalats over the past years

After understanding the legislative mechanism of the Lok Adalats, it’s important to look at the practical effectiveness of this body in protecting the consumers’ right of obtaining speedy and effective remedy and in reducing the burden of the Indian Judiciary. Over the years, various National Lok Adalats, State Lok Adalats and Permanent Lok Adalats have been organised across the country and are said to have settled numerous disputes at a great settlement value. In order to analyse the same, we have studied the reports and the various statistics of the past four years, that is 2018-2021, that were available on the websites of various Legal Service Authorities and have gained the following inputs:

➤ In the year 2018, National Lok Adalats settled a total of 58,82,561 cases and the other Lok Adalats settled a total of 13,57,963, thereby settling 72,40,524 cases in a span of one year.³³

➤ In the year 2019, National Lok Adalats settled 52,93,273 cases; the State Lok Adalats settled 6,24,659 cases; and the Permanent Lok Adalats settled a total of 1,14,233 cases. Thus, 60,32,165 cases were settled in this year.³⁴

➤ In the year 2020, National Lok Adalats settled 12,64,935 cases out of 60,36,006 pre litigation cases and 12,83,433 cases out of 51,15,168 pending cases, thereby settling a total of 25,48,368 cases out of 73,19,439 taken up cases. The State Lok Adalats settled 1,12,432 cases out of 2,50,283 pre litigation cases and 4,26,361 cases out of 8,09,015 pending cases, thereby settling a total of 5,38,793 cases out of 10,59,298 taken up cases. The Permanent Lok Adalats settled 47,475 cases out of the 74,862 taken up cases. Thus, a total of 31,34,636 cases were disposed in this year.³⁵

➤ In the year 2021, four National Lok Adalats were organised across the country and they settled³⁶ 48,44,89; 27,06,552; 41,11,598; and 54,84,690 cases respectively in the months of April, July, September and December. Similarly, other Lok Adalats contributed to the speedy disposal of numerous cases, this year.

Conclusion

It can be concluded that the Lok Adalats are one of the most effective modes of Alternate Dispute Resolution and if, they are conducted continuously and

effectively, they can go a long way in protecting the consumers' rights, contributing to the reduction of pending judicial cases and protecting the Courts from being burdened by excessive litigation. The provisions of Lok Adalats in the Legal Services Authorities Act, 1987 are also very well framed in that respect. Further, as far as the statistics are concerned, it can be stated that the Lok Adalats have resolved a good number of disputes over the past few years. However, considering the present number of cases that are pending before the Courts, it is necessary that the Lok Adalats increase their current rate of dispute resolution and take up the required measures in that respect. One of the most important measures to promote the settlements via Lok Adalats is the increase in the awareness amongst the consumers of the existence and the benefits of the mechanism of Lok Adalat. It is praiseworthy that in order to communicate the effectiveness and success of Lok Adalats, NALSA had in 2018³⁷, created 21 episodes in the name of 'Akele Nahin Hain Aap' and had telecasted and uploaded them on Doordarshan, Youtube and the website of NALSA. More such initiatives at the local level are needed to add more efficiency and effectiveness to the current mechanism of Lok Adalats.

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