

Arbitration

The Arbitration and Conciliation Act, 1996 provides for the Arbitration and Conciliation Modalities. Arbitration process has been proven to work in the business environment, especially in respect of disputes involving joint ventures, mergers, construction projects, partnership differences, intellectual property rights and personal injury and product liabilities.

Lok Adalat

Article 39A of the Constitution provides that the State shall secure that the operation of the legal system promotes justice on the 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 the opportunities for securing justice are not denied to any citizen by reason of economic or other disabilities.

To achieve the abovementioned objectives and to provide free legal aid it was considered desirable to have an institution for the disposal of cases expeditiously and without much cost. The Legal Services Authorities Act, 1987 was enacted to fulfill the desirable.

Lok Adalats are vested with the power of Civil Court under the Code of Civil Procedure. It is empowered to summon and enforce the attendance of any witness, to discover and produce any document, to receive evidence on affidavits, to requisite any public record or document or copy of such record or document from any court of law and/or office.

By virtue of section 22B of the Legal Services Authorities Act, 1987, Permanent Lok Adalats for exercising jurisdiction in respect of public utility services including supply of power and light can be established. For example, in Delhi, single judge, two Permanent Lok Adalats have been established.

However, Permanent Lok Adalat will not have jurisdiction where the value of the dispute is more than 10 lakhs. The people's courts are guided by the principles of natural justice, objectivity, fair play, equity, and other principles of justice, and are not bound by the Code of Civil Procedure, 1908 and the Indian Evidence Act, 1872. It is also provided that when the parties fail to reach at an agreement, the Permanent Lok Adalat shall decide the case. However, the dispute must not relate to any offence.

Other notable legislations, *inter alia*, which provide for out of court settlement are:

- (1) Section 84 of the Multi-State Co-operative Societies Act, 2002;
- (2) Section 158 of the Electricity Act, 2003;
- (3) Section 18 of the Micro, Small and Medium Enterprises playing an enabling role by providing remedy to the aggrieved person. However, some experts are of the view that the amount of compensation is very low, if we compare the same with western democratic countries. This kind of nominal compensation only gives some consolation to the aggrieved party.