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Compromise Based Justice Though Lok Adalats in India: A Critical Study

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Abstract

'Hasty justice is the counter-part of blind injustice'
-Francis Bacon

The sole purpose of instituting Lok Adalat system as an Alternate Dispute Resolution (ADR) in India was to provide equality of justice by providing remedy to the people at low costs; and to reduce the vast pendency of court cases by being an 'out of the court' settlement. These Adalats have been legally established and recognized under the Legal Services Authorities Act since 1987, and have been quite pragmatic since its conception. However, as famously quoted by William E. Gladstone, that justice delayed is justice denied, but justice hurried is justice buried, we see the justice so delivered by these People's Courts are in fact providing quick remedies, but at the cost of compromising the quality of justice so rendered. Articles 12 and 14 of the Indian Constitution emphasize on providing to every individual, free and equal justice along with the observance of principles of natural justice. Since Lok Adalats function on Gandhian principles, a contrast can be seen as the awards so passed by these courts, although are deemed to be decrees so passed by civil courts, yet, provide no further provision of filing an appeal against such orders once passed, since they are final and binding on the parties. The present functioning of the institution of Lok Adalats, burdened with factors like lack of reasoned decisions, political pressure from parties with high bargaining power, voluntariness of consent, institutional pressure of the courts to dispose high number of cases and inefficient implementation of the governing statutory provisions, further highlight the research gap that needs to be addressed and brought in the forefront. This research paper therefore, critically analyses the functioning of Lok Adalats under the Legal Services Authorities Act, 1987, by discussing case laws. The researcher by applying doctrinal methodology also provides for a brief comparison of international comparison of Lok Adalats with other forms of ADR, followed in other major democracies, particularly in USA, UK and Switzerland.

Keywords: Lok Adalats, Alternate Dispute Resolution, Legal Services Authorities Act 1987, Articles 12 and 14, Compromise Based Justice, Access to Justice

1. Introduction

- **Lok Adalat: Concept and Meaning**

The Indian Government introduced several out of the court settlements in order to address the persistent

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issue of huge backlog of cases. These settlements included arbitration, conciliation, mediation, negotiation and also Lok Adalats. Lok Adalats, famously known as the People's Court, is one of the Alternate Dispute Resolution mechanism (hereinafter referred to as ADR), which is outside the conventional, adversarial court system. These Adalats aims to provide quick, easy, and accessible justice to the masses, in an informal manner, by doing away with the court room formalities. It provides for an amicable disposal of cases between the parties by compromise and settlement, which are either pending before the court of law; or are at a pre-litigation stage[3], except matters that are non-compoundable in nature[4].

In other words, unlike the ordinary courts where a decision is adjudicated and imposed on the parties to the suit by the presiding officer, Lok Adalats, pushes the parties to bring out a compromise based settlement which is mutually acceptable. The Apex Court in the case of **State of Punjab V. Jalour Singh (2008),** emphasized that Lok Adalats do not have any independent adjudicatory jurisdiction but they perform entirely a conciliatory function[5].

2. Origin, concept and evolution of Lok Adalats

Lok Adalats, in the pre-independence era, had its origin since the medieval period in ancient India, as highlighted in the Vedas. These Adalats were rooted in ancient Indian tradition of 'panchayats' wherein the community disputes were settled by the elderly, at the village level. The disputes were essentially resolved through reconciliation and collective wisdom, which in present day is called arbitration. This system proved to be an effective 'out of the court settlement' during those times. This settlement mechanism has been thoroughly evolved over the period of time, while still retaining the philosophy of arbitration, negotiation and mediation in its essence[6].

The post-independence Lok Adalats however focused to address the complex pendency of cases along with increased costs of litigation. Being based on the model of Gandhian principles, one can say that these Adalats owe its origin from both Indian legal history as well as culture. The very first Lok Adalat was set up in Junagarh, Gujarat in March 1982 and later it was extended throughout the country and became an important component of the present-day ADR framework in India[7].

Presently, the organization of Lok Adalats have evolved to the following levels. The levels of Lok Adalats range from; (i) taluk level, (ii) district level, (iii) High court level Lok Adalat, (iv) State level Lok Adalat, at the State level; and National Lok Adalat and Permanent Lok Adalat at the Central level[8].

3. Legal and Constitutional framework for Lok Adalats

The constitutional mandate of equal justice and free legal aid under Articles 14 and 39 A respectively of the Indian Constitution highlights that it shall be the duty of the state to secure a legal system that

[3] Kumar MM, "Lok Adalat project report: An overview of its evolution and impact", Studocu, 2020/2021. https://www.studocu.com/in/document/vinayaka-missions-law-school/legal-english/lok-adalat-project-report-an-overview-of-its-evolution-and-impact

[4] Legal Services Authorities Act 1987, Section 19(5).

[5] State of Punjab V. Jalour Singh (2008), 2 SCC 660.

[6] B2B Ranker Webinar, "Lok Adalats: Origin, Evolution, Jurisdiction, Powers", CivilsDaily. https://www.civilsdaily.com/lok-adalats-origin-evolution-jurisdiction-powers/

[7] Ekantika Shaha, "A study on Lok Adalats in Indian Legal System, Amity Law School Noida", Scribd. https://www.scribd.com/document/652265837/ADR-PROJECT-EKANTIKA-SHAHA-9048-SEC-A

[8] Levels and Composition of Lok Adalats, National Legal Services Authority, Department of Justice. https://nalsa.gov.in/lok-adalats/

promotes justice based on equal opportunity; along with the provision of free legal aid at the behest of the State to ensure that economic or other disabilities do not hinder any citizen to secure justice he/she deserves[9]. This mandate formed the constitutional foundation of the Lok Adalat system.

Lok Adalats are legally recognized under the Legal Services Authorities Act of 1987, which came into force in 1995. Section 2(d) of the Act defines Lok Adalats as Adalats organized under Chapter VI of the Act[10]. The Legal Services Authorities Act was amended in the year 2002, to introduce the concept of 'Permanent Lok Adalats' under Chapter VI A of the Act in order to settle disputes pertaining to public utility services thereby keeping up with the need to address diverse classification of disputes.[11]

The decisions or awards passed by Lok Adalats, as emphasized in Section 21 of the Act, are final and binding in nature on the parties to the suit. Even the Supreme Court in the case of **P.T. Thomas v. Thomas Job (2005),** highlighted the binding nature of the awards passed by Lok Adalats and them having the effect of a decree passed by a civil court[12]. This however brings us to the challenges and lacunae which are inherent in Lok Adalat justice delivery system and the implementation of its nodal legislation.

4. Challenges to the functioning of Lok Adalats

Although Lok Adalats emerge as an effective mechanism for quick and cost effective resolution of disputes, it is seen to focus more on disposal rather than compromise, and it thereby raises significant concerns regarding voluntariness, legal representation, and equality and quality of justice delivered. In this section, we aim to discuss the significant challenges in the functioning of justice delivery system by Lok Adalats along with those in implementation of the legislation.

4.1. Excessive focus on disposal

The most significant contribution of Lok Adalats in Indian judiciary is disposal of cases. According to Ministry of Law and Justice, 259.92 lakh cases were taken up by Lok Adalats out of which, 53.38 lakh cases were disposed of, as of 2022[13]. Fourth National Lok Adalat of 2025 notably resolved 2.59 crore disputes, as of 2025[14]. While this remarks a significant and huge contribution in removing the pendency of cases, it does not however ensure that these settlements and compromises were fair, voluntary and based on principles of natural justice, thereby raising another concern of quality vs. quantity, since mass disposal cannot always ensure the maintenance of meaningful delivery of justice.

4.2. Inequality in bargaining power of the parties

The parties to the dispute which is referred to Lok Adalats, may possess unequal financial or legal resources, information and bargaining power. For example, if an individual has to enter into a compromise against a financial institution or an insurance company or anyone having political background, then such aggreived is likely to compromise at unfair terms, which would affect the equity and quality of negotiation entered into. The opposite party on the other hand, having higher advantage of

[9] The Constitution of India, Article 39 A.
[10] Legal Services Authorities Act, 1987, Section 2(d).
[11] The Legal Services Authorities (Amendment) Act, 2002.
[12] P.T. Thomas v. Thomas Job (2005), 6 SCC 478.
[13] Ministry of law and Justice, "The Lok Adalat is one of the important Alternative Disputes Resolution (ADR) Mechanism available to common people". https://www.pib.gov.in/PressReleasePage.aspx?PRID=1884151&reg=3&lang=2
[14] Vision IAS, "Fourth National Lok Adalat of 2025 successfully resolved 2.59 crore disputes", 15th Dec 2025. https://visionias.in/current-affairs/news-today/2025-12-15/polity-and-governance/fourth-national-lok-adalat-of-2025-successfully-resolved-259-crore-disputes

their dominating position or status will use it as a leverage to enter into such compromises which might be more beneficial to them rather than the aggrieved.

4.3. Finality of Awards

As discussed before, the decisions passed by Lok Adalats are given the similar effect like that of a decree passed by a civil court. These decrees are final and binding on the parties to the suit[15]. This means that when a party is aggrieved by such award so passed, no appeal can be filed before a court of law against the same however, the parties are free to initiate litigation by following the required procedure before a court of appropriate jurisdiction.

In case a party wants to challenge an award passed by a Lok Adalat, they need to start again from the first step, after having already going through the entire process of litigation and settlement process. This in fact discourages the parties to stand for their rights, and also making it inconvenient for them to engage in litigation fees, especially in those cases where the consent wasn't voluntarily given or was obtained through unfair means.

4.4. Lack of appellate authorities

Since the awards of Lok Adalats are final and binding, it implies that there is no provision of appeal which consecutively means that there is no provision of appellate authorities. This is in a way related to the issue of finality of awards. The Supreme Court in the case of **P.T. Thomas v. Thomas Job,** highlighted the binding nature of Lok Adalat awards and that having a lack of appellate scrutiny further stresses upon the concepts of voluntariness and genuine consent along with adherence of procedural fairness and informed participation of the parties[16].

4.5. Pressure to compromise

As discussed before, since Lok Adalats emphasize more on disposal of cases, it creates two-fold pressure on the stakeholders of the disposal mechanism. On one hand, the litigants representing the parties are pressurized to enter into compromises particularly in those cases of prolonged and extensive litigation in order to meet the constant pleas of their parties to end their suits as soon as possible. One the other hand, the institutional pressure which is created on the judiciary which is to complete a required number of units i.e., disposal of cases in order to keep up their protocols, although ensures a standard for the removal of backlog of cases. These units aid the officers present a positive image in their performance reports. However, the cases cannot be dealt with by every Judge in the same manner since it subjective in nature. This can even result in higher rates of acquittal of the accused. Judges would be motivated to send a significant number of cases to be disposed via Lok Adalats, which from their perspective would result in quicker disposal and quicker achievement of units.

4.6. Possibility of frivolous and unnecessary claims

A significant feature of these forums is that it provide easy access of justice in cost effective manner, which means, it doesn't charge any court fees from the parties and when a matter from the court is referred to Lok Adalats, and when the same is settled subsequently then the court fees which was originally paid by the complainant also gets refunded to the parties. This however happens when cases are pending and are already instituted before the court of law[17].

[15] Legal Services Authorities Act, 1987, Sec 21, 22E.
[16] Supra note 10.
[17] Nitya Mehrotra, "Lok Adalat: A Catalyst for change in the Indian Judicial Structure", Manupatra Articles. https://articles.manupatra.com/article-details/Lok-Adalat-A-Catalyst-for-change-in-the-Indian-Judicial-Structure

On the other hand, when cases are at a pre-litigation stage, the parties can directly approach the Lok Adalats without approaching the courts; in other words without having the need to deal with court fees in the first place itself. In such cases when the matter is resolved, there is left no option to refund the court fees to the beneficiaries. This however, also creates the possibility of institution of false, frivolous and unnecessary claims, which indirectly again increasing the pendency of suits, although not directly before the court of law[18].

4.7. Gaps in implementation of Legal Services Authorities Act 1987

All lacunae in the nodal legislation governing Lok Adalats, have been summed up under this heading. Although the law has already created significant adjudicatory bodies of National, Permanent Lok Adalats and Legal Services Authorities at the State and District level, factors like adequate funding and infrastructure, it should be noted that the existence of trained personnel and advocates equally stand important for an efficient implementation of the legislation and its authorities[19].

5. Judicial approach to the role of Lok Adalats

The Indian judiciary has adopted quite a cautious approach towards the functioning of Lok Adalats. Although the courts recognizes its importance in bringing cost effective remedy in short period of time, it time and again, also emphasizes through several landmark judgments that the justice delivery mechanism adopted by Lok Adalats should be vigilantly exercised.

The Supreme court in **State of Punjab v. Jalour Singh (2008),** critically highlighted the limited role and approach of Lok Adalats, by stating that when parties fail to arrive at a compromise, these court cannot adjudicate disputes on merits but merely acts as a conciliatory body. This decision of the Apex court mentioned that the role of Lok Adalats cannot be to serve as a substitute for regular courts and Lok Adalat members cannot give their views on parties, but they only act as conciliators[20].

This decision was landmark since it was reiterated by the Supreme Court in the case of **Bhargavi Constructions v. Kothakapu Muthyam Reddy, (2018).** The court also mentioned that since the awards of Lok Adalats are final and binding, there is no provision of appeal. Even though a challenge can be brought under Article 226 and 227 of the Indian Constitution, but such interference is limited[21].

Recently, the Orissa High court in **Madhuchanda Sahani v. Saroj Kumar Dani (2026),** emphasized that the parties to the dispute must be aware of their rights in order to have a genuine settlement without coercion and Lok Adalat members assuming a judicial role was frowned upon by the Court[22].

The Kerala High court in **Vaisakh A. Nair v. Managing Director, KSRTC & Ors (2025)[23],** while dealing with a Lok Adalat award relating to motor accident claim, which was passed on a person who was impersonating as the petitioner without the latter's knowledge, specifically issued guidelines to be followed by the District Legal Service Authority and the Lok Adalats. The court stressed upon the imperative duty of these authorities to verify the identities of the parties to the dispute before commencing with the settlement proceedings and even before passing of an award.

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[18] , Shruti Naik, "Manpower Malady: Managing Legal Aid Institutions", Daksh India. https://www.dakshindia.org/Daksh_Justice_in_India/legal-aid-institutions-india

[19] Indian Legal System, "The Legal Services Authority Act 1987: A Milestone in India's Legal Aid Movement", 3rd December 2025. https://thelaw.institute/indian-legal-system/legal-services-authority-act-1987-india-aid-milestone/

[20] Supra note 3.

[21] Bhargavi Constructions v. Kothakapu Muthyam Reddy, (2018), 13 SCC 480.

[22] Madhuchanda Sahani v. Saroj Kumar Dani, *W.P.(C) No.31132 of 2025.*

[23] Vaisakh A. Nair v. Managing Director, KSRTC & Ors., 2025 KER 32571.

The limited grounds on which a Lok Adalat award can be challenged, as time and again reiterated by the courts in **Sri Durga Malleswari Educational Society v. District Legal Services Authority (Lok Adalat), Vijayawada,[24] Sri Praveen Anand v. Union of India & Anr. among others**[25], are fraud, misrepresentation or statutory non-compliance. This means only when these grounds are proved, the award can be challenged or else, it is not ordinarily amenable to judicial review.

This again increases the possibility of abuse of settlement procedure observed by Lok Adalats which isn't already following the standard court room litigation requirements and procedures since it is an informal mechanism. Further, if there are other irregularities in the procedure particularly with respect to voluntariness of the parties to the dispute, then no specific provision of appeal is made but only to approach the High Courts if there are cases of fraud or misrepresentation.

6. International Comparison of Lok Adalat and other ADR mechanisms

A brief comparison of Lok Adalats as an Alternate Dispute Resolution Mechanism in India with other out of the court settlements followed in other countries has been drawn in the following section in order to have a holistic view of its functioning as well as its inadequacies. Most countries rely on mediation proceedings at an early pre-litigation stage. But since Lok Adalats in India also are based on the models of mediation and negotiation, we can hence draw a parallel comparison between the Lok Adalats in India and mediation followed in other countries as discussed below.

6.1. United States of America

The US follows a court-annexed mediation mechanism, where in, all the disputes of civil nature are referred to mediation process before proceeding with the suit. Here, a neutral third party called the mediator facilitates the entire negotiation process however he does not impose any decision. If any settlement is arrived at between the parties during this session, then such settlement is recorded as a binding order. All the Alternate Dispute Mechanisms are given a statutory status under the Alternative Dispute Resolution Act, 1998 in the federal district courts[26].

Takeaways for India- USA's out of the court settlement procedures are enriched with trained professional mediators and it strictly complies with the procedural requirements through structured pre-trial mediation which is regularly and systematically monitored[27].

6.2. United Kingdom

United Kingdom encourages parties to the dispute to go through mediation process. It also provides free mediation services through Small Claims Mediation Service for those eligible to small claims. The mediator here rather than adjudicating facilitates the dispute[28].

Takeaways for India- India could adopt a referral system for the dispute at an early stage of litigation conducted by trained professionals who would mediate the disputes including small claim disputes.

6.3. Singapore

Singapore is recognized as a significant global hub for Alternate Dispute Resolution through several

[24] Sri Durga Malleswari Educational Society v. District Legal Services Authority (Lok Adalat), Vijayawada, 2012 (3) ALT 211 (DB).
[25] Sri Praveen Anand v. Union of India & Anr. 2024 (8) eILR (PAT) HC 361.
[26] Dispute Resolution Home, "Dispute Resolution Overview". https://www.americanbar.org/groups/dispute_resolution/resources/overview/
[27] , Michael McManus, Brianna Silverstein, "Brief History of Alternative Dispute Resolution in the United States", 1st November 2011, Cadmus Journal. https://www.cadmusjournal.org/node/98
[28] Eversheds Sutherland, "England and Wales- Global Guide to Alternative Dispute Resolution". https://ezine.eversheds-sutherland.com/global-guide-to-alternative-dispute-resolution/england-and-wales

structured methods of out of the court settlements. It also follows a structured court-annexed mediation mechanism through institutions like Singapore Mediation Centre (SMC) and State Courts Centre for dispute resolution. The judges encourage the parties to engage in mediation proceedings and successful settlements are further recorded as enforceable orders[29].

Takeaways for India- Provision of specialized mediation panels along with accreditation mechanisms can be adopted by India pertaining to Lok Adalats as well to ensure a systematic and specialized delivery of justice.

7. Recommendations and conclusion

Based on the above discussion of functioning and international comparison of Lok Adalats, we can draw out certain fundamental recommendations. Keeping in mind and contributing in alignment of the significant contributions of the Supreme Court in **State of Punjab v. Jalour Singh (2008*[30]*)**, that the role of Lok Adalats should not be adjudicatory but only conciliatory, we draw the following recommendations;

1. Provision of professional and vocational training to presiding officers of Lok Adalat, along with required accreditation by the relevant authorities for Lok Adalat members including conciliators can significantly aid the quality of justice rendered, particularly in negotiations and indentifying inequality of bargaining power of the parties.
2. Having separate mediators and conciliatory officers specialized in different areas of disputes particularly, recovery of money and small claims, motor accident claims, cheating, fraud and mischief etc., can help in having a precise basis for arriving at a compromise and settlement which will no longer have ambiguity pertaining to technicality of any area of dispute.
3. Emphasizing on voluntariness in settlements by ensuring that the parties are aware of invoking their rights even during informal nature of Lok Adalat proceedings, creates an atmosphere of trust and confidence of the parties in the judicial system. Conciliators should ensure that parties must be aware of the fact that no one can compel them and should not compel them, to accept any term of the settlement with which they do not agree.
4. In order to ensure fairness and observance of principles of natural justice, an efficient screening of cases which include complex questions of law including fraud, third party rights or power imbalance, should be cautiously carried out, since every dispute cannot be settled by compromise.
5. Factors like party satisfaction, compliance with settlements, existence of voluntariness and less participation in fresh litigation by ensuring proper use of power of finality of award, must be kept in consideration along with disposing cases.
6. Roles and functions of mediators presiding over Lok Adalats should focus on conciliation by indirectly facilitating parties and giving them an active role, rather than focusing on adjudication. Since Lok Adalats are also presided over by judicial magistrates, they tend to dispose cases in a court-room like manner they should rather focus on conciliation elements rather than adjudication.
7. Compliance of certain procedural safeguards like identity verification, ensuring parties awareness of their rights, adequate explanation of consequences of settlement should be observed as a mandate.

[29] SG Courts, "Alternatives to trial". https://www.judiciary.gov.sg/alternatives-to-trial.
[30] Supra note 3.

It can hence be concluded, that Lok Adalats and its complete system has on paper benefitted the Indian judiciary to a significant level. However, since this functions on a grass root level and being cost effective is majorly accessed by poorer section of the society, whether justice is actually delivered to the satisfaction of these parties still remains uncertain. Internationally, India can learn a lot with respect to dispute settlement, especially from factors including systematic case screening, and quality vocational training along with accreditation of members presiding over these settlements, not to mention ensuring voluntariness of parties arriving at a settlement, since there is no specific provision of appeal against such awards.

Therefore, just a proper, timely and efficient implementation of the governing law along with close observance of international approach towards out of the court settlements, and giving a heed to these recommendations suggested above can bring quality of justice by Lok Adalats to a better level at least to some extent. The sole purpose of entering into a Lok Adalat should be to have more of 'justice over quantity' inclined settlements. This study therefore concludes, that Lok Adalats from an eagle's point of view, needs a targeted procedural and institutional reform and that the functioning of Lok Adalats should focus on speedy disposal of cases only as a means to bring justice to the society and not to make it a substitute of justice itself.