

**1. WHAT DO YOU UNDERSTAND BY “CLASS ACTION LAWSUIT”? WHEN JUDICIARY IN INDIA IS ALREADY OVERBURDENED, DO YOU THINK THAT CLASS ACTION LAW SUITS WOULD PUT FURTHER PRESSURE ON IT?**

In a lawsuit, under which a group of people affected with the same or similar injuries or loss by the same product or action by a company or any legal body sue the defendant as a group, it is called a ‘Class Action Lawsuit’. It is traditional instrument of justice delivery found in many countries of the west. Although standards differ in countries, class action suits are most common where the allegations involve a large section number of people such as Satyam Fraud and Nestle issue in India.

It is a recent innovation in Indian context. The Companies Act, 2013 in India contains the provision pertaining to class action suits. For this purpose National Company Law Tribunal (NCLT) has been established on 1 June 2016 under the said act. Section 245 of the Act provides for class action suits, which can be filed by a group of shareholders or depositors before the Tribunal.

Under the provision of the Companies Act, class action lawsuits can be filed only in NCLT and not in the higher judiciary. The decision of the NCLT is binding upon the company, though with an appeal to higher judiciary. The system can expedite justice delivery process in a single instance at an affordable expenditure by a group of stakeholders, thereby overcoming the shortcomings like undue delay and high cost of suits the judiciary in India suffer from