

An Analytical Study on Consumer Dispute Redressal Forum in India

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Abstract: *Consumers are the backbone of an economy. Consumers play a very important role in the development of an economic system, no business activities without the consumers. Protection of the interest of the consumer is also a very essential and integral part of the economic system of the country. Consumers are conscious of their rights in developed nations. But due to their poverty, illiteracy and lack of awareness of legal rights, the Indian consumers are being exploited. The present paper focuses on consumerism and the performance of Consumer Dispute Redressal Forum (CDRF) and also the challenges before the working of the forum. The performance of the forum is analyzed based on a number of cases filed and disposed of and pending at the National level State level and District level forum. The present study critically evaluates the performance of the consumer forum for the last 8 years using statistical techniques*

Keywords: Consumer Protection, Consumer Grievances, Redressal Mechanism, District Forum

I. INTRODUCTION

According to Consumer Protection Act, 1986, a consumer is a person who buys a product/ avails a service for his personal use against a consideration, however any person who buys good/ avails service for commercial purpose or without consideration is not a consumer. Consumers, being the end-users in the chain of distribution, plays vital role for the start over of the cycle again or it can be said that, the consumers are the pillars of the economy and whole economic activities revolve around them. Consequently, the producers should protect the interest of the consumers by providing them the right quality product at right place and at right price. Moreover, consumers should also be aware of their rights and responsibilities and must make use of the provisions available under the law, to protect themselves from the fraudulent trader.

The Consumer Protection Act, 1986 is a milestone in the history of socio economic legislation in the country. An act to provide for better protection of the interests of consumers and for that purpose to make provision for the establishment of consumer councils and other authorities for the settlement of consumers' disputes and for matters connected therewith. It was enacted after an in-depth study of consumer protection laws of a number of countries an in consultation with representatives of consumers, trade and industry and extensive discussions within the government. The main objective of the act is to provide for the better protection of consumers. Unlike existing laws which are punitive in nature, the provisions of this act are compensatory in nature. The act is intended to provide simple, speedy and inexpensive redressal to the consumers' grievances, and reliefs of a specific nature and award of compensation wherever appropriate to the consumer. The act has been amended in 1993 and 2002 both to extend its coverage and scope and to enhance the powers of the redressal Agencies.

The Quasi Judicial machinery is required to observe the principle of natural justice. They are empowered:

- To give relief of specific nature.
- To award wherever appropriate compensation to consumers.

Non compliance of orders of these bodies is subject to Penalties.

Consumer Rights can be defined as the right to have information about the quality, price, purity, potency, quantity and standard of goods and services. Some strong and clear laws have been implemented in India to defend consumer rights and ensure consumer protection. The Consumer Protection Act, 1986 is the most important law that has been enforced to protect the consumer rights.

The Act mandates the establishment of consumer protection councils at the Centre, States and in Districts with a view to safeguard the consumers. It also emphasizes the necessity of setting up strict Redressal mechanism that ensures the protection of consumers. There are Consumer Disputes redressal Commission functioning in Three tier form i.e. District Fora, State Commission and National Commission The study is intended to provide information regarding the redressal mechanism and its operation prevailing in our country.

Redressal of Consumer Disputes in India

Considering the ancient India, the book Arthashastra has made numerous references to the concept of consumer protection. In the modern era, the rapid industrialization and multifaceted developments led to many changes as it altered the relationship between consumer and the seller. The wide range of consumer goods and services and lack of awareness and poverty increased consumer exploitation especially in the rural sector of the country. The Sec 9 of the Consumer Protection Act, 1986 provides for three tier redressal of consumer disputes at the district, state and national level.

District Consumer Disputes Redressal Forum These fora are established by the state government in each district to deal with cases of complaints valuing up to Rs.20 lakhs. They have the power of civil courts.

State Consumer Disputes Redressal Commission It has been established in each state and union territory to take up complaints up to Rs.1 crore. It is the apex body for consumer redressal in states and has power to take cases pending at a district forum. There are 35 state commissions operating in India. **National Consumer Disputes Redressal Commission** This is the highest forum for consumer disputes redressal in the country established by the Central Govt. They can deal with claims exceeding Rs. 1 crore and appeals against the orders of any state commission. It was set up in 1988 and the headquarters is in New Delhi.

Operations of Redressal Forum

A complaint can be filed in a District Forum by

- 1) The consumer to whom such goods are sold or delivered or agreed to be sold or delivered.
- 2) Any recognized consumer association whether the consumer is a member of such association or not
- 3) One or more consumers where there are numerous consumers having the same interest.
- 4) The central or state government either in its individual capacity or as a representative of interests of consumers in general.

Redressal Mechanism District Forum consists of a person who is or has been or is qualified to be a District Judge as its President and two other members one of whom shall be a woman. For conducting any proceedings to solve a dispute at least two members including the President should be present. The aggrieved persons can appeal against such orders to the State Commission within 30 days from the date of the order. State Commission also consists of three members where the President shall be or has been a High Court Judge. National Commission should consist of five members with a Supreme Court Judge as its President. At least three members including the president should be present while settling disputes. As per Section 24A of The Consumer Protection Act, a consumer dispute can be filed within two years from the date on which the cause of action arises.

Powers of Redressal Agencies The Redressal Agencies have the following powers of the civil court.

- a) Summoning and enforcing of witnesses on oath
- b) Discovery and protection of any document or other material as evidence.
- c) Receiving evidence of an affidavit.
- d) Issuing commission for examination of witnesses.
- e) Requisitioning report or analysis from concerned council laboratory.

II. REVIEW OF LITERATURE

D.P.S. Verma (2002) made an analysis on performances of Consumer Forums. He revealed some facts in his study i.e. since inception of Grievances Redressal Agencies until March 31, 2001, the various State Commissions had received 229,162 cases and 136,168 of filed case were disposed of, around (59%). In District Forums across the country,

1,411,662 cases were filed and 522315 cases (37%) of them were disposed off. The National Commission disposed of 12,659 cases (57%) out of 22,275 cases during this period. He found that with increasing awareness created by the government, consumer associations and the mass media, the inflow of cases in the consumer courts was increasing day by day. A majority of cases (about 80 per cent) were decided in favour of (Consumers) complainants. More than 75 percent of the cases were related with services involving electricity boards, telephone corporations, housing boards, airlines, railways and road transport corporations, banks, finance companies and insurance companies. Rests of the cases were arisen out of the supply of defective products. He also found that developments in Consumer Protection in India despite comprehensive legislative measures, a network of consumer grievance redress agencies and consumer protection councils, is still a distant prospect. There was a heavy backlog of pending cases in Consumer Courts, particularly in the District Forum because it take time more than prescribed in the CPA. Consequently, providing justice to large masses is indeed a formidable task. Consumer information and education programmers need to be further strengthened, particularly in the rural areas, which account for about 75 per cent of the total population.

Rosy Kumar, Advocate (2003) made the study on ten District Consumer Forums situated in Delhi. He stated that although Consumer Courts were established across the country to lighten the load of the judiciary and to provide speedy redressal to the consumers, but facts revealed under the study were entirely different. He found that more than 13,000 cases were still in pending in Delhi alone. According to the law, a case should be disposed of with 90 days, but judgments were not being delivered on time because there were thousands of cases in which proceedings had been going on for over five years. He also found out some reasons of such poor performance. The reason: inadequate infrastructure, shortage of staff, delay in appointment of presidents and members were some of the major concerns. He also stated that officials across the nine Districts admitted that the number of new cases being registered has shot up because of increased consumer awareness. The New Delhi Forum, for instance, registers about 250 new cases every month while the Qutub Institutional area Forum, registers close to 150. A 10th District Court in now constituted in South Delhi to share the burden of existing Courts. However, 2400 cases were in pending in the former court, 2,000 cases were pending in the latter. He made some suggestions for improving the existing performance, such as, increase in number of Benches, promotion of Consumer Protection Act, speedy appointment of its members and clerical staff.

Garg (2010) in his study observed that the redressal agencies are effectively functioning to provide speedy and timely justice to consumers. But there is critical need of settlement of pending cases at the state and national level to facilitate ultimate justice to the consumers. The study observed that overall disposal rate of district forums is much better compared to State and National Commission.

Unnikrishnan (2013) also concluded that the performance of district forums are better compared to the other forums. He suggested that The National and State Commissions should review their working to dispose of the pending cases.

Deepa and Vijayarani (2015) evaluated the performance of Redressal Agencies from 2003 to 2014. They opined that there is critical need of settlement of pending cases at all three levels to facilitate ultimate justice to the consumers

Research Methodology The study is analytical in nature. It tries to evaluate the functioning of Consumer Disputes Redressal Agencies at National, State and District level. Secondary data have been collected and evaluated using statistical tools and diagrammatic presentation.

Embracing of technology by market sector has given many loopholes to the producers/sellers to fool the innocent consumers on the basis of superficial advertisements, substandard products, high prices and other unfair means, which is a challenging task for the general public to cognize. For the purpose, the Government has set up various Consumer Disputes Redressal Agencies (CDRAs) at District, State and National level to protect the consumers from all sorts of exploitation. Further, it is equally important to analyze that how these redressal agencies are performing.

Data Collection: The study is based on secondary data which is collected from the records of Consumer Redressal Commission. The time period of the study is from 2017 to 2024 on the basis of availability of data.

Table 1 - Analysis of the performance of Total number of cases filed disposed off and pending in National commission [2017-2024]

Year	No. of Cases filed	No. of Cases disposed	No. of Cases pending	% of disposal
2017-18	117430	100435	16995	85.53

2018-19	128456	112149	16307	87.31
2019-20	145928	115134	30794	78.89
2020-21	142581	117213	25368	82.21
2021-22	160117	119157	40960	74.42
2022-23	162585	125483	37102	77.18

Table 2 - Analysis of the performance of Total number of cases filed disposed off and pending in State commission [2017-2024]

Year	No. of Cases filed	No. of Cases disposed	No. of Cases pending	% of disposal
2017-18	52315	49446	2869	94.52
2018-19	54074	44132	9942	81.61
2019-20	59129	49152	9977	83.13
2020-21	67739	63069	4670	93.11
2021-22	85843	60529	25314	70.51
2022-23	92356	73948	18408	80.07

Suggestions: Following are some of the suggestions to

The consumer cases should be finalized within reasonable time period so that faith of the consumers on the consumer protection commission and forums could be enhanced.

The Government should encourage the voluntary consumer organizations to set up their branch offices at the district level or if possible at the block level. So that the consumers can get proper information related to consumer awareness, consumer rights and responsibilities and knowledge related to how to file the complaints.

There should be proper publicity of consumer rights and consumer protection legislations on television, radio, newspapers, magazines and internet.

In spreading awareness, social media and new media can play an important role. Blogs, twitter, Face book etc. should be used to educate people.

For more effective performance of Consumer Disputes Redressal Agencies Central and States Government provide adequate staff to the National, State and District forums.

Government should provide more facilities to the State and District forums staff for continuing daily work to clear the pending cases.

The central and state Government should identify the reasons for delays in disposal of cases.

Voluntary Consumer Organization should be more active and take initiation to clear the pending cases.

V. CONCLUSION

Although the structure of the Disputes Redressal Agencies is very well framed and these courts have been conferred with sufficient power to provide redressal to aggrieved consumers, the orders of Consumer Courts are not implemented on time because somewhere the Consumer Courts lack the executing power. As far as performance is concerned, the functioning of these Courts were examined for the period from 2003-2014. Comparatively, the speed of disposal of the District Forums was higher than that of the State Commissions. However, the speed of disposal all the Forums i.e. the National Commission, the State Commissions and the District Forums was low, in general but it was very low in case of the State Commissions. Although, the Consumer Protection Councils have been established according to the provisions of the CPA, their ultimate objectives remained unachieved.

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