

Performance Evaluation of Consumer Disputes Redressal Agencies in India

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Abstract: The Consumer Protection Act was enacted in the year 1986. Under this act, consumer dispute redressal mechanism was established to provide justice to a common and aggrieved consumer. The consumer dispute redressal mechanism includes the agencies at various levels to redress the grievance of consumers. However, many cases related to the consumers' disputes are still pending at various levels. This paper attempts to find the effectiveness of Consumer Disputes Redressal Agencies in terms of disposal of cases. Study revealed that 13.74% cases are pending at the National Commission, 14.32% at State Commissions and 7.56 % at District Forums. It can be concluded that the District forums are performing well when compared to the National Commission and the State Commissions.

Key Words: Consumer Protection, National Commission, State Commission, District Forum, Disposal and Pendency of case

Date of Submission: 09-09-2017

Date of acceptance: 20-09-2017

I. Introduction

The Consumer Protection Act was enacted in 1986 with the objective of providing better protection for consumer interests. The year 1986 is a Magna Charta in the history of consumerism. It was the first ever legislation in India of its kind which solely aimed at the grief-stricken consumers who had been the victims of the unfair trade practices and sub-standard services rendered to them. The preamble to this Act reads as follows: "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 matter connected therewith". Thus preamble to this act makes the intentions of the framers clearly. The Consumer Protection Act is one of the socio-economic legislations. Unlike the existing laws, this act is compensatory in nature. This act also intends to provide simple, inexpensive and speedy redress to consumer problems. This act is based on the principle of "self-help".

Consumer Disputes Redressal Mechanism in India

The Consumer Protection Act of 1986 makes provisions for the establishments of appropriate machinery for the settlement of consumer disputes and redressal of consumer grievances at various levels.

1. A District Consumer Redressal Forum in each district, which deals with the transactions and relief up to 20 lakh. Forums are situated in the district headquarter. In India 569 District Forums are working in different states. District Forum consists of one president and two members.

2. A State Consumer Redressal Dispute Commission is located at every state, which deals with the cases in which the value of transaction and relief is more than 20lakhs and up to 1crore. It has jurisdiction of whole state in which it is constituted. It has the authority to hear appeals against the orders of district forums. Presently, 35 State Commissions are working in India. Each state has a state commission. The State Commission consists of one president and two members.

3. The National Consumer Dispute Redressal Commission is situated at Delhi. It consists of one President and four other members, which deals with the cases where the value of transaction and relief is above 1crore. It has the authority to hear appeals against the orders of State Commissions.

II. Review of Literature

1. **Dr. Sambhav Garg (2010), An Exploration into working and performance of consumer disputes redressal agencies in India.** The Researcher collected the data for the year 2008. The study revealed that disposal of cases at District Forums is better than the State Commissions as well as National Commission. The Study observed that 83% of cases were disposed of at the National Commission. It was observed from the analysis that 100% cases was disposed of at Sikkim and Daman and Diu and DNH state commissions. It was followed by Tripura with 98.92, Karnataka with 98.11%.

2. Shaji Unnikrishnan (2013), Performance Analysis of the Consumer Disputes Redressal Agencies in India. The Researcher found the performance of CDRAs based on the cases disposed of as on 28.10.2013. The Study revealed that 87% of cases disposed of at the National Commission, 85% at the State Commissions and 92% at District Consumer Redressal Forums. It was observed in analysis that the District Forums are performing better than the National and the State Commissions.

3. Dr.G.Deepa, Dr.K.Vijayarani (2014), Performance of Consumer Disputes Redressal Agencies in Tamil Nadu. They have studied the performance of National Commission, State Commission and District forums in Tamil Nadu state. They studied the National Commission's performance in terms of disposal of cases for period 2003 to 2014. The Study revealed that the percentage of disposal of cases increased slightly from 2003 to 2014. In study, it was found that the speed of disposal of cases at District Forums was higher than that of the State Commissions.

4. Preety Monga (2014): A Study on the working of customer disputes redressal agencies. The Study explained the performance of Consumer Disputes Redressal Agencies in India. The performance was analyzed based on the cases disposed of at all levels. The study revealed that the District Consumer Forums were performing better than the National and the State Commissions.

4. Dr.S.G.Vibhuti, Prof.Shvayogappa. R.Yemmi, Prof Gururaj Barki (2015), Consumer Dispute Redressal Forum in India-A Study. The study revealed that the performance of District Consumer Forums is far better than that of other agencies. The performance of State Commissions is better than that of the National Commission. The researchers studied the performance of the National Commission by taking 11 years data from 2004 to 2015. The percentage of pending cases at the National Commission has come down slowly from 2004-05 to 2014-15. The percentage of pending cases in 2004-05 was 21.97% and in 2014-15, it was 11.26%. It was found in the study that there is a significant difference between the cases filed and the cases disposed since inception of the Commission.

5. Prof.M.Manoharan, Mr.M.Anto Auxcelian (2015), Working performance of Consumer Disputes Redressal Agencies in India. The Study revealed that the performance of District Forums is better than that of the National and the State Commissions. It was found in the study that the Chandigarh State Commission stood first in terms of high disposal rate of 99.20%. The Nagaland State Commission stood least position with 24%. The District Forums of Punjab state has recorded best performance with 92.27% of disposal. It was observed in the study that the performance of CDRAs at all levels seems to be satisfactory.

III. Need for The Study

The Consumer Protection Act 1986 is a milestone in consumer movement. Under the Consumer Protection Act 1986, a three-tier mechanism was established to provide speedy and inexpensive justice to the aggrieved consumer. The three-tier quasi-judicial machinery must perform effectively in disposal of cases. The Consumer Disputes Redressal Agencies shall dispose the cases within the stipulated time frame. There is an opinion on these agencies that they are working like ordinary courts causing delays in dispose of cases. A study is needed to find the performance of Consumer Disputes Redressal Agencies with regards to disposal of cases.

OBJECTIVES OF THE STUDY: The present study has been carried out with the following objectives:

1. To analyze the performance of consumer disputes redressal agencies in respect to the disposal of cases.
2. To give suggestions to improve the effectiveness of consumer disputes redressal agencies.

SCOPE AND PERIOD OF THE STUDY: The performance of Consumer Disputes Redressal Agencies was measured by analyzing the number of cases filed, disposed of and pending. The data were collected from the annual reports for the period between 2012 and 2016.

SIGNIFICANCE OF THE STUDY: The present study is useful to find the performance of Consumer Disputes Redressal Agencies at various levels. The present study provides necessary suggestions to improve the performance of CDRAs.

RESEARCH METHODOLOGY: The Study was conducted to evaluate the performance of the Consumer Disputes Redressal Agencies. In order to analyze the effectiveness of consumer dispute redressal agencies, the data have been collected from the Annual reports published by Ministry of Consumer Affairs, Government of India. The Data were classified, tabulated and arranged according to the needs of the study. The Annual reports from 31.12.2012 to 31.12.2016 were analyzed. The performance of CDRAs was measured by analyzing the number of cases filed, disposed of and cases pending. Other related and required data were collected from Books, journals and websites. The collected data were analyzed with the help of percentages and comparative statements.

LIMITATIONS OF THE STUDY: The Study is confined to evaluate the performance of Consumer Disputes Redressal Agencies based on number of cases filed/disposed of/pending. In order to evaluate the performance of CDRAs, five years (2012-2016) data were collected.

IV. Data Analysis

TABLE A- Comparative Statement of Cases Filed / Disposed of/Pending in the National Commission

Particulars	As on 31.12.2012	As On 31.12.2013	As on 31.12.2014	As on 31.12.2015	As on 31.12.2016
Cases filed	78471	88166	93009	98952	113117
Cases disposed of since inception	68241	76731	81634	88893	97571
Cases pending	10230	11435	11375	10059	15546
Percentage of disposal	86.96%	87.03%	87.77%	89.83%	86.26%
Percentage of cases pending	13.03%	12.97%	12.23%	10.16%	13.74%

Source: Annual reports of Ministry of Consumer Affairs, Government of India

From the comparative statement of the National Consumer Redressal Commission for the year 2012 to 2016, it is found that every year on an average 8050 cases were filed at the National Commission. It can be observed that the percentage of cases disposed of has decreased by 0.7% from 2012 to 2016. In other words, the number of pending cases has increased by 0.7%. It was evident from the comparative statement; there was an increase in the number of cases filed from 2012 to 2016 by 44.15% and the number of cases disposed by 42.98%. This indicates the percentage in disposal is lower than the percentage in filing.

TABLE B- Comparative Statement of Cases Filed / Disposed of/Pending in the State Commissions

Particulars	As on 31.12.2012	As On 31.12.2013	As on 31.12.2014	As on 31.12.2015	As on 31.12.2016
Cases filed	591880	632333	697964	701099	760786
Cases disposed of since inception	498095	540908	601216	611588	651797
Cases pending	93785	91425	96748	89511	108989
Percentage of disposal	84.15%	85.54%	86.14%	87.23%	85.67%
Percentage of cases pending	15.84%	14.45%	13.86%	12.76%	14.32%

Source: Annual reports of Ministry of Consumer Affairs, Government of India

From the comparative statement of the State Consumer Redressal Commissions for the period between 2012 and 2016, it can be identified that the percentage of cases disposed of has increased by 1.52% from 2012 to 2016. In other words, the number of pending cases has decreased by 1.52%. It was evident from the statement that there was an increase in the number of cases from 2012 to 2016 by 28.53%, the number of cases disposed by 30.85%. This indicates that the percentage of disposal of cases is more than percentage of filing cases.

TABLE C-Comparative Statement of Cases Filed / Disposed of/Pending in the District Consumer Forums

Particulars	As on 31.12.2012	As on 31.12.2013	As on 31.12.2014	As on 31.12.2015	As on 31.12.2016
Cases filed	3214824	3398031	3605886	3659486	3995088
Cases disposed of since inception	2967966	3134189	3330848	3373529	3692798
Cases pending	246858	263842	275038	285957	302290
Percentage of disposal	92.32%	92.24%	92.37%	92.19%	92.43%
Percentage of cases pending	7.67%	7.76%	7.62%	7.81%	7.56%

Source: Annual reports of Ministry of Consumer Affairs, Government of India

The above comparative statement shows the performance of the District Consumer Redressal Forums for the period between 2012 and 2016. From the table, it can be concluded that the percentage of cases disposed of has increased by only 0.11% from 2012 to 2016. In other words, the number of pending cases has decreased by 0.11%. It was evident from the statement, there was an increase in the number of cases from 2012 to 2016 by 24.26% and the number of cases disposed of by 24.42%. That indicates the percentage of disposal of cases is slightly higher than the percentage of cases filed.

Table –D Statement shows disposal of cases in National, State Commissions and District Consumer Forums As on 31.12.2016

SL.No	Name of Agency	Cases filed since Inception	Cases disposed of since inception	Cases pending	% of total Disposal
1	National Commission	113117	97571	15546	86.26%
2	State Commission	760786	651797	108989	85.67%
3	District Forums	3995088	3692798	302290	92.43%
	Total	4868991	4442166	426825	91.23%

Source: Annual reports of Ministry of Consumer Affairs, Government of India

The above Table –D shows the performance of consumer disputed redressal machinery with regards to disposal of cases as on 31.12.2016. In 86.26% cases, the aggrieved consumers were awarded at National Commission; 85.67% cases were disposed of at State Commissions and 92.43% at District Consumer Forums. Overall 91.23% of cases were disposed of in CDRAs. However, only District Forums have more disposal rate than that of national average. It was observed from the Annual Reports that the Himachal Pradesh State Commission stood in the first position with 98.99% of disposal of cases. It was followed by Goa with 98.90%, Chandigarh with 98.41%. From Table A, B, &C, it can be concluded that the District Forums are performing better than the State Commissions and National Commission. In the District Forums, only 7.56% of pending cases was reported, in State Commissions, it is 14.32% and in the National Commission, it is 13.74%. When compared, the National Commission’s performance is better than that of the State Commissions.

V. Conclusions

It can be concluded that pendency of cases is a big challenge to the Consumer Disputes Redressal Agencies, as 13.74% cases are pending at the National Commission, 14.32% cases at the State commissions and 7.56% cases at District Consumer Forums. It can be concluded that the District Forums are performing better when compared to the National Commission and the State Commissions and the National Commission is performing better than the State Commissions.

SUGGESTIONS: The following suggestions can be made to improve the effectiveness of Consumer Disputes Redressal Agencies’ performance:

1. The Government should take necessary steps to clear the cases within the stipulated time frame. Cases can be cleared by establishing of Circuit Benches and cases may be settled through Lok Adalat.
2. Mediation has, of late, become an effective redressal device in various types of disputes. This can also be utilized for consumer disputes. The parties may be encouraged to settle their cases through mediation.
3. The facilities available in the Consumer Redressal Forums and Consumer Redressal Commissions must be improved. To that effect, the Governments should allot adequate staff to the District Consumer Forums at National and State level commissions. Then, speedy disposal is possible.
4. Even though the Consumer forums got computerized, case status is not updated regularly. So, case status should be updated regularly which provides an opportunity to the public to see status of their cases.
5. The redressal practices that are being followed by consumer forums and consumer commissions should be changed from time to time. Consumer forums should be established at Revenue Divisional level to facilitate common man and reduce the burden on existing forums at district level.
6. The Central and State Governments should identify the reasons for inordinate delays in disposal of cases. It is desirable to involve the Voluntary Consumer Organizations in disposal of cases
7. Voluntary Consumer Organizations should be more active and take initiation to clear the pending cases.

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IOSR Journal of Business and Management (IOSR-JBM) is UGC approved Journal with Sl. No. 4481, Journal no. 46879.

Dr.G.Rambabu. "Performance Evaluation of Consumer Disputes Redressal Agencies in India." IOSR Journal of Business and Management (IOSR-JBM) , vol. 19, no. 9, 2017, pp. 40–44.