

A Critical Evaluation on the Performance of Consumer Disputes Redressal commission in India

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Abstract: Consumers are the backbone of an economy. 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. That necessitated the implementation a serious legislation, Consumer protection Act, 1986. Consumer Disputes Redressal Commission in its three tier form has been formed to register the complaints of the consumers and settle their claims. The present study critically evaluates the performance of the commission for the last 8 years using statistical techniques viz. standard deviation, mean and correlation coefficient.

Key words: Consumer Protection, Redressal Mechanism, District Fora, National commission, State Commission

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I. Introduction

The Modern business has a socio-economic responsibility towards consumers. It has to deliver the goods and services and the standard of living as per the expectations of people. The ordinary consumer is to be protected from unsafe and hazardous products, cheap quality of goods and services, high prices, unfair trade practices and misleading advertisements. Consumer Rights Awareness is essential to protect the welfare of the consumers. But the awareness level regarding the rights remains low due to high levels of poverty, unemployment and poor literacy levels.

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. As per this Act, everybody including individuals, firms, HUF and company has the right to exercise their consumer rights for the purchase of goods and services. The consumer rights in India are classified into six ie.the right to safety, right to information, right to choose, right to be heard, right to redressal and right to consumer education.

Consumer Protection Act, 1986 lays down the rights of the consumers and provides for promotion and protection of the rights of consumers. It spells out the rights and remedies of the consumers in a market which was so far controlled by organized traders and manufacturers of goods and services.

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

Garg (2010)¹ 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)² 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)³ 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.

Manmohan and Auxcelian (2015)⁴ stated that the redressal machineries in India are playing a vital role to protect the interests of consumers by providing justice to the aggrieved consumers. The government should take steps to evaluate the efficacy of redressal agencies to avail speedy justice and betterment of consumer welfare.

Chaudhari (2015)⁵ suggested measures to improve the existing functioning of the agencies by using information technology and all the stakeholders should be proactive to resolve the consumer problems. Lack of awareness of the Act, inadequate staff, lawyer's delay tactics and huge number of filing cases are the probable reasons for pending cases, as per the study.

Rambabu and Vinodkumar (2017)⁶ collected data from 2012 to 2016. The performance of CDRAs were measured by analyzing the number of cases filed, disposed and cases pending. The study suggested that the facilities in the agencies should be improved. Consumer forums should be established at revenue divisional

levels to facilitate the common man. The voluntary organizations should be more active and take initiation to clear the pending cases.

III. Objectives of the study

This is a theoretical study to know more about The Consumer Disputes Redressal mechanism prevailing in India. The objectives of the study are:-

- 1) To study about the redressal mechanism prevailing in the country for settlement of consumer disputes.
- 2) To analyse the working of the agencies at District, State and National level and to evaluate their performance based on the cases filed and disposed.

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.

Method of Data Collection

The secondary information regarding the functioning of Consumer disputes Redressal commission at District, State and National levels has been collected from authorized published sources of Ministry of Food and Consumer Affairs over a period of 8 years from 2009-10 to 2016-17. Total cases filed, the rate of disposal and the number of pending cases has been collected from websites and other sources and they have been critically evaluated to analyze the performance of the three tier commission. The table.1 show the number of cases filed , disposed off and cases pending in the National Commission.

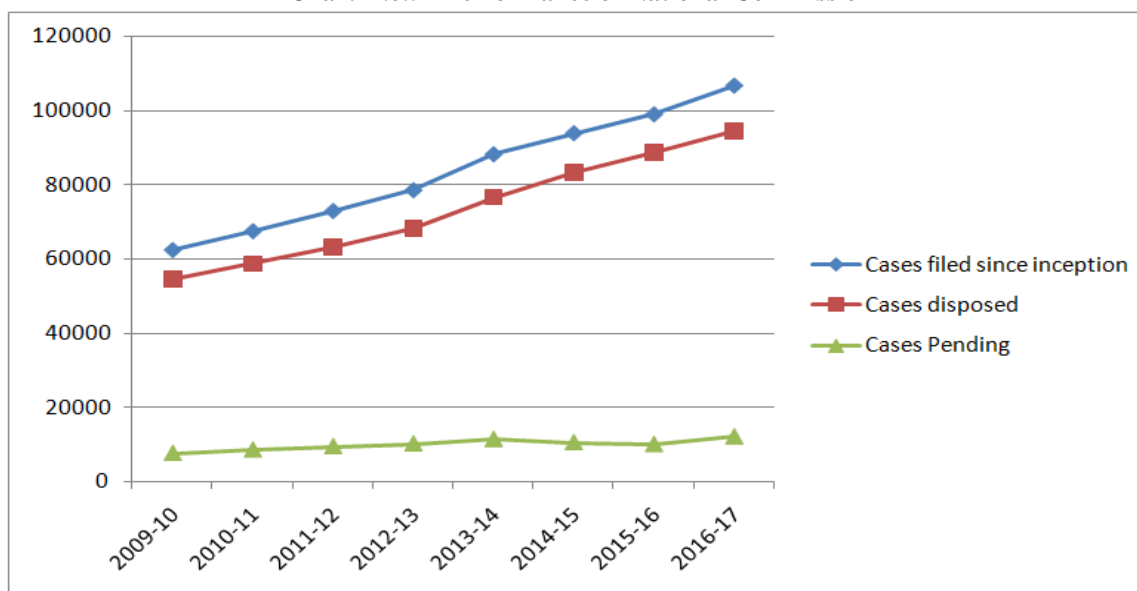
Table.1 National Commission

Year	Cases filed since inception	Cases disposed	Cases Pending	Percentage of disposal
2009-10	62320	54654	7666	87.70
2010-11	67413	58836	8577	87.28
2011-12	72863	63370	9493	86.97
2012-13	78471	68241	10230	86.96
2013-14	88166	76731	11435	87.03
2014-15	93860	83294	10566	88.74
2015-16	98952	88893	10059	89.83
2016-17	106711	94581	12130	88.63

Source: Annual Report, www.Fcamin.com

	Mean Value	Std.dev	Correl.coeff
Cases filed since inception	83594.5	14800	0.998
Cases Disposed	73575	13638	
Cases Pending	10019	1355	

Chart No.: 1 Performance of National Commission



From the table and graph it is clear that the number of cases filed has been increasing throughout the period ie.2009-10 to 2016-17and percentage of complaints disposed are also increasing each year. But as the pending cases increase, the National commission should take sufficient measures for the timely settlement of cases.

The average cases filed since inception is 83,594.5 but the average cases settled is 73,575. So, on an average 10,019 cases are pending every year which is not a good sign. The correlation coefficient between cases filed and cases disposed is very high. It is evident that the National Commission is performing its duties efficiently, but it has to take steps to increase the speed of disposal of cases filed.

The performance of State commission is shown in the table. II

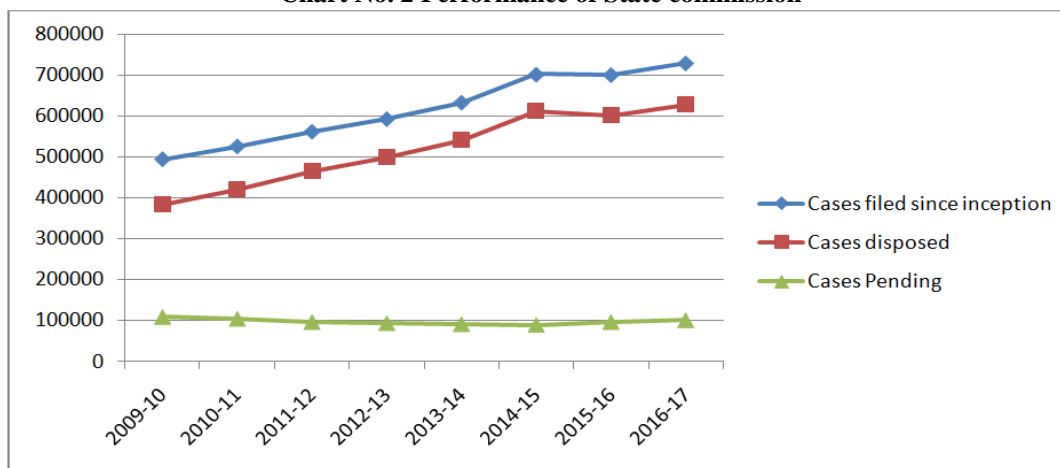
Table. II State Commission

Year	Cases filed since inception	Cases disposed	Cases Pending	Percentage of disposal
2009-10	493366	384089	109277	77.85
2010-11	524986	420392	104594	80.08
2011-12	560961	464243	96718	82.76
2012-13	591880	498095	93785	84.15
2013-14	632333	540908	91425	85.54
2014-15	701099	611588	89511	87.23
2015-16	699964	601216	96748	86.14
2016-17	728526	627289	101237	86.1

Source: Annual Report, www.Fcamin.com

	Mean Value	Std.dev	Correl.coef
Cases filed since inception	616639	82273	0.998
Cases Disposed	518477	85802	
Cases Pending	97911	6298	

Chart No. 2 Performance of State commission



From the table II showing the performance of State commission on the redressal of complaints, the rate of cases disposed of increased from 77.85% in the year 2009-10 to 86.1in the year 2016-17. The percentage of disposal is increasing but the average of 97,911 cases pending is an annoying factor. The standard deviation of cases disposed is more than the cases filed which shows the inconsistency in the commission performance. Though, the correlation coefficient is good, the State Commissions should take effective steps to speed up the disposal of complaints filed.

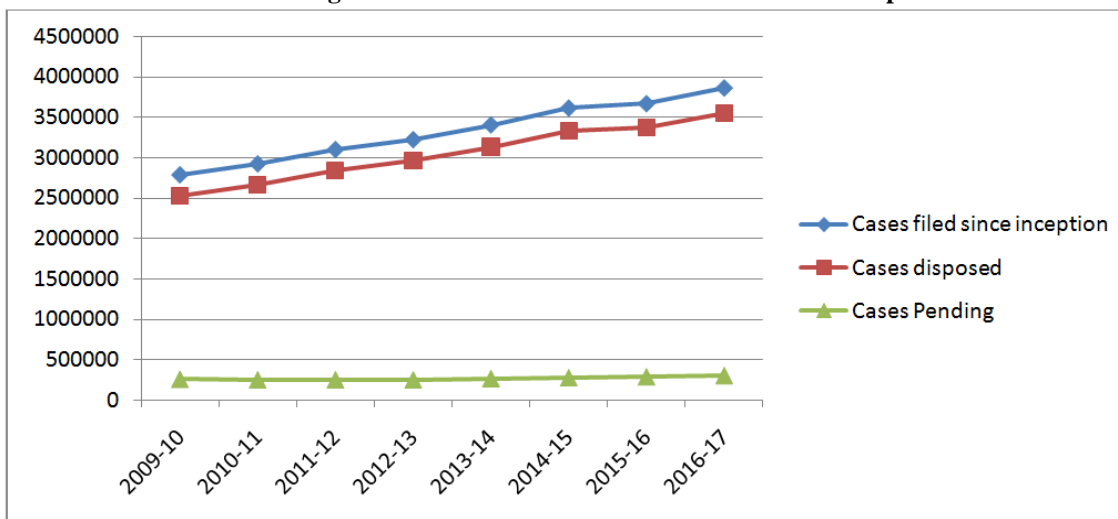
Table III District Fora

Year	Cases filed since inception	Cases disposed	Cases Pending	Percentage of disposal
2009-10	2781021	2526285	254736	90.84
2010-11	2916749	2667674	249075	91.46
2011-12	3093031	2845823	248108	91.98
2012-13	3214824	2967966	246858	92.32
2013-14	3398031	3134189	263842	92.24
2014-15	3605886	3330848	275038	92.37
2015-16	3659486	3373529	285957	92.19
2016-17	3853422	3551649	301773	92.17

Source: Annual Report, www.Fcamin.com

	Mean Value	Std.dev	Correl.coeff
Cases filed since inception	3315306	354104	0.999
Cases Disposed	3049745	337482	
Cases Pending	265673	18918	

Chart No. 3 Showing The District forum at the lower level and their performance



Considering the figures in Table III, the number of cases disposed off increases and the rate of disposal increased to 92.17% in the year 2016-17. But due to the increase in the number of cases filed, the pending cases are also showing an upward trend. The increase in the rate of disposal is less than that of the increase in the rate of cases filed. The average cases pending is 2, 65,673. The percentage of disposal is more than 90 and there is a very high correlation between the cases filed and cases disposed .But the district fora need to take sufficient steps to settle the pending cases to provide timely and fair justice to the aggrieved consumers.

Findings

- The percentage of disposal of National Commission has slightly increased ie. from 87.7 in 2009-10 to 88.63% in 2016-17. An average of 83,594.5 cases are filed in the Commission and 73,575 cases are settled . That result in 10,019 cases pending .The correlation between cases filed and cases disposed is highly positive which shows that the overall performance of the commission is good during these years but the rate of disposal should be increased further to decrease the pending cases.
- The performance of State Commission is also satisfactory as the rate of disposal of cases in State Commission increased during the period of eight years. But the average of pending cases raised up to 97,911 which should be seriously considered by the Commission
- The percentage of disposal of District Fora is better compared to the National and State Commission. There is an almost perfect positive correlation between the cases filed and disposed off. But the increase in the number of pending cases necessitates further action from the forum so as to provide justice to the aggrieved consumers.

IV. Conclusion

It is evident from the study that the Redressal Agencies under Consumer Protection Act, 1986 has played a key role in protecting the interests of consumers. All the forums are functioning efficiently and show considerably high rate of disposal. But sufficient action should be taken to curtail the hike in the number of pending cases .Further, many people especially those who belong to the rural sector are still unaware of such redressal mechanism prevailing in the country and they are still being exploited. There should be more awareness programmes to educate consumers about their rights and privileges.

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