

Performance Of Consumer Forums : An Empirical Study Of Kadapa District Consumer Forum

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ABSTRACT

Majority of the consumers in India - whether rich or poor, literate or illiterate, urban or rural often become the victims of adulterated, spurious, hazardous and substandard goods as well as wrong measurements and high prices. Shortage in supply of several commodities, unethical and deceptive advertisements enable the businessmen and traders to make quick money at the cost of the consumers. Even the goods/services of State undertakings, nationalized banks, electricity and tele-communications etc., are not exceptions. Despite a number of laws to protect the interests of the consumers, the Indian consumer is mostly unaware of his rights. Against this backdrop, the authors intended to evaluate the working of the District Consumer Forum (DCF), Kadapa in terms of safeguarding the interests of the consumers from the unscrupulous business practices.

Keywords: Consumer Forum, Redressal, Consumer Protection Act, Consumer Disputes and Grievances

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"A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. We are not doing him a favour by serving him. He is doing us a favour by giving us the opportunity to serve him".

Mahatma Gandhi

INTRODUCTION

Majority of the consumers in India - whether rich or poor, literate or illiterate, urban or rural often become the victims of adulterated, spurious, hazardous and sub-standard goods as well as wrong measurements and high prices. Shortage in supply of several commodities, unethical and deceptive advertisements enable businessmen to make a quick buck at the cost of the consumers. Even the goods/services of State undertakings, nationalized banks, electricity and tele-communications etc., are not exceptions.

Despite a number of laws passed to protect the interests of the consumers, the Indian consumer is mostly unaware of his rights. Consumers constitute the largest un-organised public body in the country, and protection of their interest and rights is of vital significance in a welfare State like India. This calls for establishment of a well - regulated and independent mechanism to provide quality of goods, services and utilities to the satisfaction of the consumers. The government's commitment to the cause of the common consumer is amply reflected in the enactment of the Consumer Protection Act, 1986, a bold comprehensive legislation to protect the consumers from various fraudulent and unscrupulous activities of businessmen.

THE CONSUMER PROTECTION ACT, 1986 - AN OVERVIEW

The Consumer Protection Act is a revolutionary piece of legislation to safeguard the interests of the consumers in the country. The Act enshrines all the consumers' rights which are internationally accepted. The main rights provided to the consumers under this Act are :

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- ❖ The right to be protected against marketing of goods which are hazardous to life and property.
- ❖ The right to be informed about quality, potency, purity, standard and price of goods.
- ❖ The right to be assured access to a variety of goods at competitive prices.
- ❖ The right to seek redressal against unfair trade practice or unscrupulous exploitation of consumers and consumer education.
- ❖ The right to consumer education.

❖ **Redressal Mechanism :** The provisions of the Act are simple and more effective than the civil procedure code. It is designed to give relief to the consumers who are not in a position to go to the regular courts to seek redressal because of the high cost of litigation, and that they should be given a forum where Justice is cheap and quick. To meet this objective, the Act provides for three-tier Quasi - Judicial Redressal Machinery at the District, State and National levels for speedy redressal of consumer disputes and grievances. A Consumer Disputes Redressal Forum to be known as the 'District Forum' was established by the State Government in each district of the State by notification. A Consumer Disputes Redressal Commission known as the 'State Commission' was established by the State Government and a 'National Consumer Disputes Redressal Commission' was established by the Central Government by notification. At present, there are 35 State Commissions, one in each State/UT and 589 district forums besides the National Commission.

An appeal from the findings of the District Forum lies to the State Commission and from the findings of the State Commission to the National Commission and from the findings of the National Commission to the Supreme Court. The Jurisdiction of the District Forum is original, while that of the State Commission and of the National Commission is both appellate and original.

❖ **Fee Structure :** The pecuniary jurisdiction of the District Forum is upto ₹ 20 lakhs, and that of the State Commissions is above ₹ 20 lakhs and below ₹ 1 crore and claims involving more than ₹ 1 Crore are to be filled directly before the National Commission (Table 1).

OBJECTIVES OF THE STUDY

Against this backdrop, the authors intended to evaluate the working of the District Consumer Forum (DCF), Kadapa in terms of safeguarding the interests of the consumers from unscrupulous business practices. Precisely, the objectives of the present study are as follows :

- ❖ To examine the performance of DCF (District Consumer Forum), Kadapa in respect of cases filed and disposed off, and also category wise analysis of cases filed and disposed off;
- ❖ To promote general awareness on the rights of the consumers ;

Table 1: Fee Structure in 3 - Tier Consumer Forum		
Sl. No.	Forum / Commission	Amount of Fee (₹)
I	District Forum	
	Upto ₹ 1 lakhs	100
	Above ₹ 1 lakh and upto ₹ 5 lakhs	200
	Above ₹ 5 lakhs upto ₹ 10 lakhs	400
	Above ₹ 10 lakhs and upto ₹ 20 lakhs	500
II	State Commission	
	i) Above ₹ 20 lakhs upto ₹ 50 lakhs	2000
	ii) Above ₹ 50 lakhs upto ₹ 1 Crore	4000
III	Central Commission	
	Above ₹ 1 Crore	Min. 5000
Source: Official records of District Consumer Forum, Kadapa, A.P.		

- ❖ To induce the business community to maintain quality of the products and services ;
- ❖ To encourage consumer activities to strengthen the existing institutional set-up for consumer dispute redressal; and
- ❖ To evolve a package of measures for effective and better consumer protection.

METHODOLOGY

To achieve the objectives set-forth, the study is based on both primary and secondary data. Primary data was collected from the sample respondents. In all, 112 disputes were registered with the DCF, Kadapa in 2011; out of which 97 were disposed off. Of the total disputes filed, 50 complaints were selected at random. The sample size constituted of more than 50 per cent of the universe. Pre-tested schedules were constructed and were administered to the respondents. The consumers were interviewed and discussions were held in detail regarding the various aspects relating to their cases for making the forum effective.

Secondary data was collected from authentic records of DCF, Kadapa and other sources like the internet and Journals like Yojana, Kurukshetra, SEDME etc., newspapers like The Hindu Business Line, The Economic Times, and local newspapers were also referred to so as to get meaningful inferences with respect to the objectives of the study. The researchers gathered data for a period of ten years i.e. from 2002-2003 to 2011-12.

DCF, KADAPA: A PROFILE

A brief profile of DCF, Kadapa in the State of Andhra Pradesh is presented here:

The Kadapa Consumer Disputes Redressal Forum started its functioning formally in the district from the year 1989. Initially, the forum was operating in the Collectorate Office under the control of the acting Judge. In 1994, the Forum became independent and full-fledged. The formal organizational structure of the DCF consists of a judge and staff (Superintendent-1; Senior Assistants-2, Junior Assistant-1; Stenographer-1, Typist-1, Attendants - 3). The Forum, even now, is working with inadequate staff. It works on every working day except on Saturday. In the beginning, the Forum used to organize camp courts at Proddatur, Rajampet and Pulivendla twice in a month in the district.

❖ **Comparison With The State :** The Table 2 presents the statistics of the cases filed, disposed off and pending with DCF Kadapa in comparison with other District Consumer Forums in the State of Andhra Pradesh since its inception to 2012. Out of the total 189315 cases filed at the State level, 6935 cases are filed with DCF, Kadapa, representing 3.66 per cent. Of the total cases disposed in the State, DCF, Kadapa shared 3.72 per cent. In case of pending cases, the share of DCF, Kadapa was recorded at 1.78 per cent.

❖ **Performance of DCF, Kadapa - An Evaluation :** It is noteworthy to mention here that the disposal of cases by DCF, Kadapa was almost hundred per cent and that majority of the disputes were disposed off in favour of the consumers except during the years 2011 and 2012. To illustrate the fact, the Table 3 is presented. It is observed that a total of 6936 cases were registered with the District Consumer Forum and 6833 cases were disposed off. The pending cases were only 103, showing only 1.78 per cent of the total cases filed to be pending. It is interesting that there were no pending cases from 1998 to 2010. Also, there had been a substantial decline in the cases registered with DCF, Kadapa. It may be either attributed to the reason that consumers in the recent years have become more aware and not easily duped by the traders, or that they may be dissatisfied with the admission and disposal of the cases at DCF, Kadapa.

Table 2 : No. of Cases Filed, Disposed Off And Pending With The DCF, Kadapa In Comparison With The State For The Year 2012				
Sl. No.	Particulars	AP	Kadapa	Percentage
1.	Cases Filed	189315	6936	3.66
2.	Cases Disposed	183527	6833	3.72
3.	Cases Pending	5788	103	1.78
Source: http://apscdrc.ap.nic.in				

Table 3 : Number of Consumer Disputes Filed, Disposed and Pending With The DCF, Kadapa During The Period From 1998 To 2012			
Year	Cases Filed	Cases Disposed	Cases Pending
1998	286	286	-
1999	229	229	-
2000	233	233	-
2001	364	364	-
2002	265	265	-
2003	328	328	-
2004	306	306	-
2005	192	192	-
2006	122	122	-
2007	138	138	-
2008	129	129	-
2009	144	144	-
2010	123	123	-
2011	112	97	15
2012	90	02	88
Source: Figures compiled from the records of District Forum, Kadapa.			

❖ **Category- Wise Cases Filed :** The details with regard to category-wise filing of the cases with DCF Kadapa are indicated in the Table 4.

It is observed that the disputes in case of the insurance sector were on the higher side when compared with banking, tele-communication and electricity. The percentage of cases in insurance ranged in between 6.86 to 30.43 per cent during the period from 2003 to 2012 followed by banking (3.65 to 22.32 per cent), tele-communication (2.60 to 14.29 per cent) and electricity (1.04 to 21.43 per cent). The percentage of cases in other areas ranged between 39.86 and 82.02 per cent. It may be concluded that the number of cases registered with DCF declined from year to year. There were a total of 328 cases registered with DCF in the year 2003, but surprisingly, the number of cases declined to 90 in the year 2012. The same trend could be observed in case of category wise cases registered with the DCF.

❖ **Disposal of Cases :** The Table 5 indicates the category-wise analysis of cases disposed by DCF, Kadapa. As stated earlier, the disposal of the cases in the Forum was almost hundred percent and that most of the cases were disposed off in favour of the customers and as well as against the customers. It is obvious that the percentage rate of disposal in insurance is higher than that of banking, tele-communication and electricity. Overall, the number of cases registered and disposed were 328, recording a 100 per cent disposal rate during the year 2003. The same trend could be observed till 2010. But the disposal rate for the period from 2011 to 2012 decreased.

RESULTS AND ANALYSIS

In order to arrive at meaningful inferences in the light of the set-forth objectives, 50 sample respondents were selected at random. They made different complaints against the functioning of the consumer forum. However, there were respondents who were not even aware about the existence of the consumer forum. The field study covers the educational background of the sample respondents and their opinions on cost structure, trade practices adopted by the businessmen, mode of filing the cases, time taken to decide the cases, and the respondents' satisfaction with the judgments. It is apparent from the Table 6 that a majority of the respondents (22 - 44 per cent) were educated only upto the primary level. 12 respondents (24 per cent) were illiterate, followed by respondents educated upto the SSC/SSLC level (11 - 22 per cent) and graduates were a few in number i.e. 5 respondents (10 per cent). It was observed that during the field survey, a majority of the respondents were not aware of the existence of the District Consumer Forum. Lack of proper education and low level of education may be attributed as the main reasons for this

Table 4: Category-wise Analysis of Filed Cases						
Year	Category					Total
	Insurance	Telecom	Banking	Electricity	Others*	
2003	37 (11.28)	09 (2.75)	12 (3.65)	10 (3.06)	260 (79.26)	328 (100)
2004	21 (6.86)	09 (2.94)	19 (6.22)	06 (1.96)	251 (82.02)	306 (100)
2005	49 (25.53)	05 (2.60)	18 (9.37)	02 (1.04)	118 (61.46)	192 (100)
2006	36 (29.51)	02 (1.64)	17 (13.93)	03 (2.46)	64 (52.46)	122 (100)
2007	42 (30.43)	10 (7.25)	16 (11.59)	07 (5.07)	55 (39.86)	138 (100)
2008	36 (27.91)	06 (4.65)	26 (20.16)	17 (13.18)	44 (41.46)	123 (100)
2009	24 (16.67)	12 (8.33)	32 (22.22)	21 (14.58)	55 (38.20)	144 (100)
2010	18 (14.64)	08 (6.50)	27 (21.95)	19 (15.45)	51 (41.46)	123 (100)
2011	22 (19.64)	16 (14.29)	25 (22.32)	24 (21.43)	25 (22.32)	112 (100)
2012	15 (16.67)	10 (11.11)	14 (15.56)	12 (13.33)	39 (43.33)	90 (100)
Source: Field Study						
Note : 1. Figures in parentheses represent percentage to total.						
2. * include medical, railways, postal, transport, real estates, chit funds etc.,						

Table 5: Category-wise Analysis of Disposed Cases						
Year	Category					Total
	Insurance	Telecom	Banking	Electricity	Others#	
2003	37 (11.28)	09 (2.75)	12 (3.65)	10 (3.06)	260 (79.26)	328 (100)
2004	20 (6.86)	09 (2.94)	19 (6.22)	06 (1.96)	251 (82.02)	306 (100)
2005	49 (25.53)	05 (2.60)	18 (9.37)	02 (1.04)	119 (61.46)	192 (100)
2006	36 (29.51)	02 (1.64)	17 (13.93)	03 (2.46)	64 (52.46)	122 (100)
2007	42 (30.43)	10 (7.25)	16 (11.59)	07 (5.07)	55 (39.86)	138 (100)
2008	36 (27.91)	06 (41.65)	26 (20.61)	17 (13.18)	44 (34.10)	129 (100)
2009	24 (16.67)	12 (8.33)	32 (22.22)	21 (14.58)	55 (38.20)	144 (100)
2010	18 (14.63)	08 (6.50)	27 (21.95)	19 (15.45)	51 (41.47)	123 (100)
2011	19 (19.59)	14 (14.43)	21 (21.65)	20 (20.62)	23 (23.71)	97 (100)
2012	01 (50.00)	- (-)	- (-)	- (-)	01 (50.00)	02 (100)
Source: Field Study						
Note : Figures in parentheses represent percentage to total.						

state of affairs.

It can be observed from the Table 7, that out of the total respondents, 36 respondents reported that the cost structure at the DCF was reasonable. However, some of the respondents also complained that they incurred additional expenses towards advocate's fee etc.

The Table 8 presents the unfair trade practices reported by the respondents. 24 (48 per cent) respondents reported that the unfair practices were used by traders ; followed by middlemen, as reported by 10 (20 per cent) respondents and 16 (32 per cent) respondents reported that they were duped by unknown persons. Thereby, it is understandable that the consumer must be aware and thoroughly check the goods while making a purchase.

It can be deduced from the Table 9 that most of the respondents (37) approached the advocates for filing cases due to lack of awareness of DCF. The consumers directly appealing to the DCF were very small in number. Consequently, the complainants have to pay more costs (advocate's fee, etc.)

It is evident from the Table 10 that 35 respondents were satisfied with the outcomes (judgment) of the cases filed by them. 22 respondents were neither satisfied nor dissatisfied with the outcome, and dissatisfied consumers were meager in number. Though the percentage of satisfied complainants was more than the dissatisfied ones, it is the duty

Table 6: Educational Background of The Respondents		
Sl. No.	Level of Literacy	No. of respondents
1.	Illiterate	12 (24)
2.	Primary Education	22 (44)
3.	SSC/SSLC	11 (22)
4.	Graduate and above	5 (10)
	Total	50 (100)
Source: Field Study		
Note : Figures in parentheses represent percentage to total		

Table 7: Opinions of The Respondents On The Cost Structure		
Sl. No.	Respondents Opinion	No. of respondents
1.	Cost is high	08 (16)
2.	Cost is reasonable	36 (72)
3.	Cost is less	06 (12)
	Total	50 (100)
Source: Field Study		
Note : Figures in parentheses represent percentage to total		

Table 8: Unfair Trade Practices Reported By The Respondents		
Sl. No.	Type of Practice	No. of respondents
1.	Traders	24 (48)
2.	Middlemen	10 (20)
3.	Un-knowingly	16 (32)
	Total	50 (100)
Source: Field Study		
Note : Figures in parentheses represent percentage to total		

Table 9: Mode of Filing of Cases By The Respondents		
Sl. No.	Mode	No. of respondents
1.	Through Advocates	37 (74)
2.	Approaching DCF directly	13 (26)
	Total	50 (100)
Source: Field Study		
Note : Figures in parentheses represent percentage to total		

Table 10: Respondents' Satisfaction Level With The Judgements		
Sl. No.	Opinion	No. of respondents
1.	Satisfied	35 (70)
2.	Dissatisfied	22 (24)
3.	Neither satisfied Nor dissatisfied	03 (06)
	Total	50 (100)
Source: Field Study		
Note : Figures in parentheses represent percentage to total		

Table 11: Respondents' Opinion On Time Taken To Decide The Cases		
Sl. No.	Time	No. of respondents
1.	More time	43 (86)
2.	Enough time	06 (12)
3.	Meager time	01 (02)
	Total	50 (100)
Source: Field Study		
Note : Figures in parentheses represent percentage to total		

of DCF to achieve 100 per cent satisfaction level. Several remedial measures need to be initiated by the DCF to achieve 100 per cent satisfaction level. The Table 11 depicts the time taken to wrap up the cases. 43 (86 per cent) respondents reported that the DCF was taking more time to solve the cases. Understaffing was the main reason for the time lag observed in the settlement of the cases. Delayed judgement discourages the consumers to approach the DCF when they are exploited by the fraudulent business activities as now-a-days, time is the most important element for persons who are seeking justice from courts.

FINDINGS AND SUGGESTIONS

Findings : The following are the major findings of the study :

- ❖ Most of the respondents were educated upto the primary level, and some respondents were illiterate. Consequently, the majority of the complainants were not aware of DCF.
- ❖ Most of the respondents viewed that the present cost system was reasonable. But a majority of the respondents were dependent on advocates, which increased the costs indirectly.
- ❖ Unfair trade practices committed by the traders were more in number.
- ❖ Most of the respondents were satisfied with regard to the judgments.
- ❖ Most of the respondents strongly complained that the district forums were taking more time to solve the cases. They further opined that the forums have to give the verdict in the cases within the stipulated time.

Suggestions : The consumers should adopt the following measures while purchasing a product/service :

- ❖ The consumer must demand or obtain a proper bill after the purchase of any product.
- ❖ He must take warranty as well as guarantee for the product obtained by him.
- ❖ He must check the manufacturing date as well as expiry date of the product before purchasing any product.
- ❖ In case of purchasing any property like site, building, house, apartment etc., he must thoroughly go through and verify the title deed of the property, and other documents related to the land/ building.

Remedial Measures : In order to promote awareness among the customers, the following remedial measures have been suggested :

- ❖ Published periodicals and product specific booklets, pamphlets, cassettes, CDs, slides, documentary films and other devices of mass communication need to be made available for promoting consumer awareness in English, and especially, in regional languages.
- ❖ A scheme has to be launched to set up consumer clubs at schools and colleges to educate the students about their rights as a consumer, and to mobilize youngsters to strengthen the consumer movement in the country.
- ❖ The business community should maintain adequate standards in the quality of the products and services.
- ❖ Organizing and conducting seminars, workshops and group discussions and thus providing a platform for threadbare discussion on the issues and evolving suitable remedial action.
- ❖ Conducting motivational campaigns for groups of potential customers both in the urban and rural areas.
- ❖ Periodic interaction with electronic and print media on success stories of consumers should take place.

❖ In case of chits, the consumers must go through the terms and conditions of the chit and other things specified in the documents.

CONCLUDING REMARKS

The Consumer Protection Act, 1986 appears to be a boon to the consumers who often become the victims of adulterated, hazardous and sub-standard goods as well as wrong measurements and high prices. Further, the problems that are encountered at civil courts, like cumbersome legal formalities, abnormal delays, production of witness, heavy expenses could be overcome by approaching the consumer forums which are provided under the Consumer Protection Act. The provisions of the Consumer Protection Act are simpler and more effective than the civil procedure code.

In case of Kadapa District Forum, many cases were disposed off in favor of the consumers. However, there were some cases that were settled against the consumers. The disposal of cases in this forum was recorded at hundred per cent, and one can aptly admit the fact that the functioning of the Forum is quite satisfactory, even though the forum was understaffed. The reasons may be due to improper presentation of disputes, complaints filed without any evidence, irregular attendance to the forum. It was also found that a majority of the consumers were not convergent with the proceedings of the forum, and they quite often approached the advocates by paying more fees. It was also observed that the consumer disputes, which reached the forum through the voluntary consumer societies were less than the disputes that reached the forum through advocates. It is needless to say that creation of awareness and knowledge among consumers would solve many of their problems. Unless consumers become aware of their rights, prices, taxes, advertisements, quality and adulteration of the products, they will always be losers, and their plight will always be pathetic.

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