

Performance of Consumer Forums in Karnataka: A Case Study of District Consumer Forum, Ballari

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Abstract

The moment of a person (human being) comes into the world by he starts consuming. He needs clothes, milk, oil, soap, water and many more things and these needy keep taking one form or the other all along with his life. Thus, we all (human beings) are consumers in the literally sense. When we approach the market as a consumer, we expect value for money i.e. right quality, right quantity, right price, information about the usage, etc. But there may be instances where a consumer is harassed or cheated.

The **Mahatma Gandhi** said that **“a customer is the most important visitor on our premises. He is not dependent on us but we are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not the outsider in our business. He is a part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us an opportunity to do so”**. In the voice of **Philip Kotler**, **“we are not the boss; the consumer is; what the consumer wants the consumer gets”**. The present study is need of the hour in the present situation for effective protection of interest of consumers. An effort has been made to understand and analyze the working condition of the Ballari District Consumer Forum, Karnataka in safeguarding the rights of the consumers of Ballari District.

Introduction

The Government understood that the need of protecting consumers from unscrupulous suppliers/sellers (so called unethical business practitioners). Therefore, it has formed several laws to protect him in the legal parlance and legislative grid. Some of those laws are the Indian Contract Act, 1872; the Sale of Goods Act, 1930; the Dangerous Drugs Act, 1920; the Agricultural Produce (Grading and Marketing) Act, 1937; the Indian Standards Institution (Certification Marks) Act, 1952; the Prevention of Food Adulteration Act, 1954; the Standards of Weights and Measures Act, 1976 etc. which contrary protect the consumers interests. However, these laws require the consumer to initiate the action by way of civil suits involving lengthy legal processes which are expensive and time consuming.

The Consumer Protection Act, 1986 (hereinafter ‘the Act’) was enacted by the Constitution of India to provide a simple and quick access of redress of consumer grievances and complaints. The Act for the first time introduced the concept of ‘consumer’ and conferred the additional rights on him. It is interesting to note that the Act does not seek to protect every consumer within the literal meaning but the protection is meant for a person who fits in the definition of ‘consumer’ propounded by the Act.

Now, we understand that the Act provides a means to protect consumers from getting cheated or harassed by unethical practitioners in the market parlance. The question arises how a consumer will seek protection? The answer is in the Act which has provided machinery whereby consumers can file their complaints which will be entertained by the Consumer Forums with special powers so as to take action against erring suppliers and if the possible put efforts for claiming compensation to consumers for the hardships he has undergone.

Review of Literature

Kaur (2013) stated that the disposal percentage of cases in both Karnataka State Consumer Disputes Redressal Commission and District Consumer Dispute Redressal Forums are in satisfactory level, but in case of disposal of cases in stipulated time, the performance of both are in poor which is a area of concern that the necessary steps like to the creation of additional benches and filling vacant post of presidents and members must be done at the earliest to ensure quick justice to harassed and unjustified consumers.

Singh (2012) explained that the major problem is the pending cases are more because the portion of pending cases is higher than portion of new registered cases. Speed of disposal cases is lesser than speed of new registered cases. The forum as any other individual problems hence performance is low.

Vijaya Kumar and Radha Krishna (2012) stated that consumer councils at national, state and district level are significantly contributing to provide justice to the consumers who are in need. The study shows that the consumer is having lack of knowledge on consumer rights, but the last few years the consumer showing interest to know the consumer rights.

Statement of the Problem

In India, as in many other countries, the trading community is well organized. They have powerful associations or federations to secure their interest whereas the consumers are unorganized. Consequently, the exploitation to which the consumer is subjected to bring into the organized class continues unchecked. Under the prevailing social conditions, consumer needs to be protected against the sale and supply of bad, substandard and duplicate consumer products in the market, non-supply and short supply of goods, unwarranted and excessive pricing and false and misleading advertisement camouflaging the truth. The one of the major problems is being faced by India is to the effective protection of the interest of the consumers. The present study is essential to tackle the problems of effective protection of interest of consumers. An appropriate attempt is made to understand and analyze the working condition of the Ballari District Consumer Forum, Karnataka in safeguarding the rights of the consumers of Ballari District.

Need and Importance of the Study

The Government of India is realizing the need and implementation of Consumer Protection Act to protect the interest of the consumers and also establishment of consumer forum which are primarily aimed at providing justice to the injustice consumers from marketing of goods which are hazardous to human life, style and unfair trade practices or unscrupulous exploitation. Hence, the present study is needed to evaluate the performance of consumer forum with special reference to Ballari district of Karnataka in order to evaluate their performance in creating consumer awareness.

Scope of the Study

The present study intends to examine the working and performance of the District Consumer Forum, in respect of cases filed, cases disposed and so far pending cases. This study has reviewed the Act and analysed the consumer awareness about the Act. It also confines only to the Ballari District Consumer Forum. The study helps to suggest appropriate improvements for toning up of the work as redressing agency, its functionaries etc.

Objectives of Study

1. To understand about the Consumer Forum in brief.
2. To examine the performance of District Consumer Forum, Bellary in respect of cases filed and disposed.
3. To promote general awareness of the rights of the consumer.

Consumer Organisations or Forums

Individual consumers could, no doubt, react in a number of ways for protecting their interests. But the individual or isolated efforts of consumers did not provide effective results. So, there arose the need for organized efforts of consumers to rise against erring businessmen. This led to the emergence of consumer organizations or forums. A number of consumer organizations were formed in developed countries to protect the interest of consumers.

In India, there was no consumerism worth mentioning till 1965. There were only occasional mass consumer demonstrations against shortages and rising prices. Even these demonstrations were organized mostly by political parties to attain their political objectives. It was only in 1965 that consumerism or consumer movement emerged in India. So, consumerism in India is of recent origin. In 1965, the housewives of Bombay established a voluntary organization called Aware (The Association of Women against Rising Expenses). This Association played a significant part in the areas of consumer education, protection and representation. The formation of Aware has given momentum to consumer movement in India. Some voluntary associations were established in various parts of the country for the protection of consumers' interests. There are also some consumer organizations at the national level

like the Federation of Consumer Organizations, National Consumer Protection Council, etc. to protect the interests of the consumers.

Consumer Protection in India

As stated earlier, consumer protection can be ensured in three ways, viz.,

1. By the consumers themselves, forming consumer organizations,
2. By businessmen undertaking socially responsible marketing and by the Government.

1. Consumer organizations: Consumer protection through consumer organizations has already been discussed.

2. Businessmen themselves, i.e., Businessmen themselves regulating their behaviour and adopting fair trade practices: Businessmen have not welcomed the consumer movement. They do not accept the view that the consumer movement is due to their misdeeds.

However, they have formed an association to regulate their trade practices. This association is called the Fair Trade Practices Association (FTPA). This was set up in 1966 by the business community of Mumbai with a view to promoting fair trade practices in the interests of consumers. It has developed a nine-point code of conduct. This code of conduct aims at regulating the quality of the products, stocks, prices, weights and measures, etc. The members of the association are under obligation to adhere to the code of conduct.

3. Government through Legislative Measures: The Government of India has enacted a number of laws to protect the interests of the consumers against the malpractices or unfair practices of the businessmen. Some of these legislative measures are:

The Consumer Protection Act, 1986

The Consumer Protection Act was passed in December, 1986. It came into force on 26th December, 1986. It was amended in 1987, 1992 and 1993. This Act extends to the whole of India except the state of Jammu and Kashmir, and applies to all goods and services.

This act provides for the better protection of the interests of consumers by making provision for the establishment of consumer councils and commissions for the redressal of consumer grievances (i.e., settlement of consumer disputes).

Consumer Protection Councils:

This Act provides for the establishment of a Central Consumer Protection Council by the Central Government at the national level, and State Consumer Protection Councils by the respective State Governments at the state level.

The Central Consumer Protection Council:

The Central Consumer Protection Council is set up at the national level by the Central Government. This Council consists of the Minister in charge of the Department of Food and Civil Supplies in the Central Government, who will be the chairman of this council, and such number of other official or non-official members representing such interests as may be prescribed. The Central Council will meet as and when necessary, but not less than three meetings should be held every year.

The objects of the Central Council are to promote and protect the following rights of the consumers:

- i. The right to be protected against marketing of goods which are hazardous to life and property.
- ii. The right to be informed about the quality, quantity, potency, purity, standard and price of goods or services.
- iii. The right to be assured, wherever possible, access to a variety of goods or services at competitive prices.
- iv. The right to be heard, and to be assured that consumers' interests will receive due consideration at appropriate forums.
- v. The right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers.
- vi. The right to consumer education.

The State Consumer Protection Council:

- The State Consumer Protection Council is established in each state by the respective State Governments.
- The State Council consists of such number of members as may be specified by the State Government.
- The object of every State Council is to protect within the State the rights of the consumers specified above.

Consumer Grievances Redressal Agencies

Under the Consumer Protection Act, 1986, consumer grievances redressal agencies have been established.

The consumer disputes or grievances redressal agencies have been established at three levels, viz., (1) at District Level, (2) at State Level and (3) at National Level. The consumer grievances redressal agency established at district level, i.e., in every district, is called District Forum. The consumer grievances redressal agency established at state level, i.e., in every state is called the State Commission. The consumer grievances redressal agency established at the national level is called the National Commission.

District Forum

The District Forum is established in every district. It is established by the State Government. **The important features of District Forum are:**

- i. It is established in every district.
- ii. It is established by the concerned State Government.
- iii. It consists of a president (who should be qualified to be a District Judge) and two members appointed by the State Government.
- iv. Only those complaints where the value of goods or services and the compensation claimed is less than Rs. Twenty lakhs can file in the District Forum.
- v. Complaint can be filed in the District Forum by the consumer to whom goods are sold or by many recognized consumer association.
- vi. The District Forum has to refer the complaint to the opposite party, and send the sample of goods for testing in a laboratory.
- vii. The District Forum, after being satisfied that the goods were defective, can issue an order to the opposite party, directing him either to remove the defect or replace the goods or return has price paid, or pay compensation to the consumer for loss or injury.
- viii. Any person, who desires, can file an appeal against the order of the District Forum to the State Commission within 30 days.

State Commission

The State Commission is established in the State. It is established by the State Government. **The important features of State Commission are:**

- i. It is established in the State.
- ii. It is established by the State Government.
- iii. It consists of a President (who is or has been a judge of High Court) and two other members. All the three are appointed by the State Government.
- iv. Only those complaints where the value of goods or services or compensation claimed is between Rs. Twenty lakhs and Rs. One Crore can be filed in the State Commission. Also appeals against the orders of any District Forum can file before the State Commission.
- v. The State Commission also has to refer the complaint to the opposite party, and send the sample of goods for retesting in a laboratory, if necessary.
- vi. The State Commission, after being satisfied that the goods were defective, can issue an order directing the opposite party to either remove the defect or replace the goods or return the price paid, or pay compensation to the consumer for loss or injury.
- vii. Any person who is aggrieved by the order of the State Commission can appeal against such order to the National Commission within 30 days.

National Commission

The National Commission is established at the national level. It is established by the Central Government. **The important features of National Commission are:**

- i. It is established at the national level.
- ii. It is established by the Central Government.
- iii. It consists of a president (who is or has been a judge of the Supreme Court) and four other members. All the five are appointed by the Central Government.
- iv. Only those complaints where the value of goods or services or compensation claimed is more than Rs. One Crore can be filed before the National Commission. Also appeals against the order of any State Commission can be filed before the National Commission.
- v. The National Commission has same powers as that of a Civil Court in dealing with cases and follows the procedures prescribed by the Central Government.
- vi. The National Commission has the power to issue order for recall of defective or unsafe products for replacement or removal of deficiency in services. This is to ensure that manufacturers comply with safety provisions and pay compensation for loss or injury caused.
- vii. Any appeal against the order of the National Commission can be filed in the Supreme Court within 30 days.

Performance of Consumer Forums in Ballari

Fee Structure in Consumer Forums

Sl. No.	Forum/Commission	Amount of Fee
1	District Forum	
	i) Up to Rs.1 lakh for complaints that are below poverty line holding Anthyodaya Anna Yojana Cards.	Nil
	ii) Up to Rs. 1 lakh for complaints other than Anthyodaya Anna Yojana Cardholders.	100
	iii) Above Rs. 1 lakh and Up to Rs. 5 lakh	200
	iv) Above Rs. 5 lakh and Up to Rs. 10 lakh	400
	v) Above Rs. 10 lakh and Up to Rs. 20 lakh	500
2	State Commission	
	i) Above Rs. 20 lakh and Up to Rs. 50 lakh	2000
	ii) Above Rs. 50 lakh and Up to Rs. 1 crore	4000

(Source: Official records of District Consumer Forum, Ballari)

Number of Consumer Disputes filed and Disposed and Pending with the DCF, Ballari during period from 1989 to 2014

Year	Cases Filed	Cases Disposed	Cases Pending
1989 to 2003	1504	1504	-
2004	113	113	-
2005	107	107	-
2006	123	123	-
2007	212	212	-
2008	189	189	-
2009	169	169	-
2010	213	213	-
2011	174	174	-
2012	178	177	1
2013	371	343	28
2014	217	60	157
TOTAL	3570	3384	186

(Source: Figures compiled from the records of District Forum, Ballari)

Cases pending and New Cases filed

Years	Previous Pending	New Filed	Total Cases	Cases Disposed	New Pending
2010	-	213	213	213	-
2011	-	174	174	174	-
2012	-	178	178	177	1
2013	1	371	372	343	29
2014	29	271	300	60	240
Total	30	1207	1237	967	270

(Source: Figures compiled from the records of District Forum, Ballari)

Category-wise Analysis of Cases

Sl. No.	Category	Cases Up to Previous			Cases During Current Month			Total		
		Filed	Disposed	Pending	Filed	Disposed	Pending	Filed	Disposed	Pending
1	Bank	220	211	9	2	-	2	222	211	11
2	Railway	35	34	1	-	-	-	35	34	1
3	Airlines	2	2	-	-	-	-	2	2	-
4	Insurance	776	705	71	4	3	1	780	708	72
5	Telecom	97	97	-	-	-	-	97	97	-
6	Postal	63	62	1	-	-	-	63	62	1
7	Housing									
	Government	38	38	-	-	-	-	38	38	-
	Private Societies/Builders	4	2	2	-	-	-	4	2	2
8	Electricity	160	150	10	-	-	-	160	150	10
9	Medical Negligence	28	27	1	1	-	1	29	27	2
10	Defective Household Goods	287	276	11	-	-	-	287	276	11
11	Education	29	29	-	-	-	-	29	29	-
12	Road Transportation	80	80	-	-	-	-	80	80	-
13	Miscellaneous	1722	1662	60	22	6	16	1744	1668	76
	Total	3541	3375	166	29	9	20	3570	3384	186

(Source: Figure compiled in District Consumer Forum, Ballari)

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