

## Working of District Consumer Forum with Special Reference to Kalaburagi District Consumer Forum: A Study

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### Abstract

Consumer and consumerism stands unequivocally similar but appears to be differing in their basic degree of application. Consumer is a person who buy the goods and services for consumption and no one is outside the purview of consumer it means each one us will be one or other way we are consumers. Whereas, the consumerism is a movement of civil society including the consumers to assert better protection against the unscrupulous sellers. Man has passed through several ages and found civil society where he started to produce more ushering itself into industrial society and attracted with more consumption. The same has been put forth by Victor Lebow a great economist in 1955: "Our enormously productive economy demands that we make consumption our way of life, that we convert the buying and use of goods into rituals, that we seek our spiritual satisfaction and our ego satisfaction in consumption. We need things consumed, burned up, worn out, replaced and discarded at an ever-increasing rate."

More and more production leads to more consumption wherein an increased development of relationship of buyer and seller leads towards exploitation by the seller and assortment of buyer for better protection in the marketplace. Modern states came out with their own regulations in the form of legislations governing the relationship of sellers and their consumers.

Government of India has legislated an enactment the Consumer Protection Act in 1986 which assures better protection of the interest of the consumers.

This paper examines the aim and objectives of the Consumer Protection Act, 1986 and makes some filed based study of Kalaburagi District in respect of agency meant for protection of consumers i.e., Kalaburagi District Consumer Redressal Forum.

**Keywords:** Consumer; Grievances; Interest; Protection; Welfare.

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### Introduction

Man is a social animal it is well accepted statement, but we may extend him by adding

that "every man is a consumer". Man also born with certain basic rights along with, he also dependent on certain other rights. In the more extensive meaning of concept of right we think consumers rights because they are very essential

without which, these all rights becomes 'vessel without water'.

The reality in our country is that litigation for the common man is closely and time consuming and hence, getting justice becomes a myth. The Consumer Protection Act has come to the rescue of the common man.

It provides a forum for inexpensive and speedy justice to the consumers almost at their doorsteps. Initially, almost for two decades, there was no court fee, but now a nominal fee is payable while filing a petition. The complainant need not engage a lawyer and a complaint can be filed through mail. The procedure for dealing with a complaint is simple and the technicalities are avoided [1].

The need for consumer protection is paramount in India in view of the fact that there is an ever increasing population and consequently an increasing need for many goods and services for which there is no matching supply. In India, consumer awareness has a very recent origin. The reasons appear to be lack of education, poverty, illiteracy, lack of information, and ignorance of legal rights and remedies available. Taking all of these into consideration the Indian Government established consumer dispute redressal commission /forum under the Consumer Protection Act, 1986 (COPRA) on the initiation of the United Nations Guidelines on Consumer Protection, 1985 and the Constitution of India. At present there are 35 state commissions, one each in a state/VT (all are currently functioning), and 629 district fora among which 601 district fora are currently working [2].

### Historical Background

The term 'consumer' has been defined in various ways by different persons. The 'consumer' may be defined in a very simple manner as one who purchases (hire-purchases) goods as services for private use or consumption. Naturally therefore, individuals, households and groups are considered primary consumers. Therefore, a consumer is one who gets goods and services by paying for them. As such the consumer is one who pays the money as the price or the cost of goods and services and deserves to get what he pay for in real and good quality.

The main object of the Consumer Protection Act is to "provide better protection of the interest of consumer" and "to settle consumer disputes in a speedy and simple manner". In this sense all of us may be called consumers whenever we purchase, movable or immovable property or hire services for

various purposes. But the word "consumer" has been used in the Act in a specific sense [3].

The expression 'consumer' has been defined in Section 2(1)(d), which means any person who -

1. Buys any goods for consideration which has been paid or promised or partly paid and partly promised, or any system of deferred payment and includes any user of such goods other than the person who buys such goods for consideration paid or promised or partly paid or partly promised, or under any systems of deferred payment when such use is made with the approval of such person who obtains such goods for resale or for any commercial purpose, or
2. "hires or avails" of any services for a consideration which has been paid or promised or partly paid or promised, or under any system of deferred payment and includes any beneficiary of such services other than the person who hires avails of the services for consideration paid or promised, or partly paid and promised or under any system of deferred payment, when such services are availed of the first mentioned persons, but does not include a person who avails of such services for any commercial purpose [4].

#### *a. Growing Importance of the Consumers*

Mahatma Gandhi, the father of Nation, had 'rightly stated the importance of the consumer or customers in these words in 1934'.

"A consumer is the most important visitor in our premises. He is not dependent on us, we are dependent on him. He is not interference in our work. He is the purpose of it. He is not an outsider on our business. He is 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" [5].

Consumerism in India the ancient Hindu society was very much duty conscious and made a comprehensive set of consumer laws which covered almost every aspect of consumerism as enshrined in ancient Hindu scriptures like Manusmriti, Brahaspati, Yagnavalakya and Kautilya's Arthashastra. A heavy and severe punishment was also provided for every criminal act, especially for adulteration, deceit and fraud. It can be said that the rules framed by Ancient Hindu society were pro-consumer and protection oriented which are still relevant in the present commercial world.

Today those rules are being followed by developed countries like USA and UK. The composition of the

ancient Indian judicial system was also in an orderly and highly developed form. The most remarkable thing is the presence of modern democratic ideas even during that period. The whole system was so beautifully framed that it did not only punish the guilty but also provided adequate relief to the aggrieved or innocent consumer [6].

Consumerism has been the subject matter of attention of various state agencies and courts since long. Consumerism has been all pervading. The term should be fully understood in its historical retrospect with reference to consumer's position in common law. Prevalent areas of regulation controls on advertising labeling standards and the like. Consumerism is of such a wide magnitude and importance that, it has established its conscious place in the encyclopedia Britannica [7].

In the olden days the principles of *caveat emptor*, which meant buyer beware governed the relationship between seller and buyer. In the era of open markets, buyer and seller came face to face, seller exhibited his goods, buyer thoroughly examined them and purchased them. It was assumed that he would use all care and skill while entering into transaction. The maxim relieved the seller of the obligation to make disclosure about the quality of the product. In addition, the personal relation between the buyer and the seller was one of the major factors in their relations. But with the growth of trade and its globalization the rule no more holds true. It is now impossible for the buyer to examine the goods before hand and most of the transactions are concluded by correspondence [8].

In the absence of consumer movement the consumer cannot be saved from being exploited by the traders in spite of various laws existing for the protection of consumers. In the present day scenario, the subject of consumerism is very important for every citizen of the country as each one of them is a consumer in one or the other way. Consumers do not constitute a separate class, everybody included, the young and old, the rich and poor, literate and illiterate and so on. In India, the last four decades have witnessed ever expanding interest on consumerism. In other parts of the world consumer movement has started to protect the rights of the consumers. The prominent countries include United States, England, Japan, Germany, Malaysia, Australia, South Africa, etc.[9]

For effective consumer protection movement, it is necessary that the consumer should be vigilant, responsive and responsible. Therefore, consumer education is necessary to avoid for their-own victimization in the marketplace. Consumer should

recognize their rights and fight for their protection by organizing themselves and with the help of redressal agencies established by the government in each district. When majority of the consumers become vigilant and reactive, businessmen would be compelled to pay, proper attention to the consumer rights for their own survival [10].

These guidelines acted as impetus for many legislation framed in different countries. The Consumer Protection Act, 1986 is one such legislation in India. Every year, the 15<sup>th</sup> March is observed as the World Consumer Rights Day. The Consumer Protection Act, 1986, however, is not the only law that deals with the consumer protection and is not the first of its kind. There are number of pre-constitutional laws and also the post constitutional laws that aim at the protection of the consumer interests [11].

Consumerism is humanism and humanism is a consumerism, observed Justice Krishna Iyer, himself a messiah of human rights and protector of individuals' life, liberty, dignity and provider of a justice (when he was a judge). Indian constitution in its provisions and philosophy embodies the spirit and content of justice – socio, economic political etc. The state is obligated to enact laws in tune with the spirit underlined in the constitution. Consumer justice is a part of socio-economic justice as enshrined in the preamble of the constitution [12].

The Constitution of India which is the fundamental law of the land also contains a number of provisions which go a long way in protecting the rights of the consumers. These provisions include Article 21, which deals with the right to life and personal liberty, Article 47 which guarantees the Right to Health and Article 48 A which aims at a pollution free environment for all citizens etc. The only difference between these laws and the Consumer Protection Act of 1986 is that in the case of former, each enactments deals with a special class of consumers and that too with regards to only a particular area of consumer behaviour, whereas the latter is a general legislation which lays down a uniform set of laws, producer and forum for protection the rights of all kinds of consumers. Thus, it brings into existence a separate class of people called consumers and endeavours to protect their rights irrespective of the nature of the transition that takes place between

the consumer and the seller. The advantage of this legislation is that it provides a speedy, informal, inexpensive justice within the reach of all the consumers [13].

#### *b. Importance of the Consumer Law*

As we know all of us are consumers, hence, it was thought have a separate law to protect consumers' interest. As per the U.N.O. direction in 1986 passed Consumer Protection Act.

Indirectly it creates the social responsibility on the manufacturer, seller, service provider, some extent. 'Buyer must beware' doctrine shifted liability towards seller, even on behalf of consumer state government or Union government can file the complaint in the interest of the consumer to protect them agony and distress.

#### **Analysis of Working Method of District Consumer Forum Kalaburagi**

Apart from courts to give cheaper and speedy justice to the consumers, district consumer forums working as a bottom redressal agency in the hierarchy of consumer redressal system. The working of district consumer forums available at the door steps of a consumer, it boosted, consumers rights, it accelerates, campaign to court fees, district consumer fees is very nominal (cheaper) more over every complainant know about getting the award within prescribed period of three months (in special cases five months), it makes to aware such facilitating by suppressed consumers. In case of courts of justice, due to huge burden of cases it is very difficult to get speedy disposal of the case, hence, it causes long delay, that's why it is said that "justice delayed is justice denied".

The atmosphere in the consumer forum is feasible as compared to the courts and even without the assistance of the advocate, any consumer may plead his complaint directly. It made manufactures/sellers be cautious about their product and services.

#### *a. Procedure for Filing a Complaint*

Original complaint along with two spare copies are to be filed before the district forum for the presiding officer along with additional copies for effective service upon the opposite parties, the registry shall only entertain the complaint when it is accompanied with the prescribed fee payable.

#### *b. Jurisdiction of the District Forum under Consumer Protection Act*

If the cost of goods or services and compensation asked for, is up to rupees Twenty lakhs, then the complaint can only be filed in the district forum having jurisdiction, on payment of the prescribed fee.

#### *c. Appeals from the District Forum to the State Commission*

- Against the finding of the district forum the aggrieved party may prefer an appeal to the state commission within a period of 30 days from the date of the order. The limitation of 30 days can be condoned if the state commission is satisfied that there is sufficient cause for not filing the same within the period of 30 days.
- However, no appeal shall be entertained by the state commission, unless the person, who is required to pay any amount in terms of an order of the district forum has deposited fifty percent of the amount so awarded or Rs. 25,000 whichever is less.

#### *d. Functioning of District Consumer Forum Kalaburagi*

District Consumer Forum, Kalaburagi started functioning from 1989 under the Presidentship of Sri. C.B.R.J. Nazareth and the other members include Sri. Maruthi D. Maley and Smt. Ratna V. Kusunur.

Presently, the president of Kalaburagi District Consumer Forum is Sri. N. Sharnappa, and a member is Sri. Nagsheatty Gandge another member position is vacant.

Presently, the forum has jurisdiction over 10 talukas, out of which 7 talukas from Kalaburagi district such as-

1. Sedam,
2. Chincholi,
3. Chittapur,
4. Jewargi,
5. Afzalpura,
6. Aland,
7. Kalaburagi and 3 talukas from Yadgiri district such as
  1. Shahapur,
  2. Surpur,
  3. Yadgiri till district consumer forum is established and functioning Yadgiri district.

The Consumer Protection (Amendment) Act, 2002

came into force where after nominal fee for filing complaints have been provided by notification of Government of India (Table 1) [14].

### Analysis of Data

The analysis of data mainly focused on the complaints filed, disposed and pending before the CDRF, Kalaburagi and stressed on how many cases disposed in favour of and against the consumers and

dismissed on technical grounds. It has also made point on period taken for disposal of the complaints. Specifically data have been analyzed by using simple and complex method of statistical techniques represented in (Table 2 – 4).

**Table 1:** Fee Structure (Prescribed fee payable for filing a complaint under Rule 9A of the Consumer Protection Rules, 1987)

Sl. No.	Total value of goods or services and the compensation claimed	Amount of fee payable
<b>I. District Forum</b>		
1.	Up to one Lakh rupees for complainants who are under the Below Poverty Line holding Antyodaya Anna Yojana cards	Nil
2.	Up to one lakh rupees for complainants other than Antyodaya Anna Yojana card holders.	Rs. 100
3.	Above one lakh and up to five lakh rupees	Rs. 200
4.	Above five lakh and up to ten lakh rupees	Rs. 400
5.	Above ten lakh and up to twenty lakh rupees	Rs. 500
<b>II. State Commission</b>		
1.	Above twenty lakh and up to fifty lakh rupees	Rs. 2000
2.	Above fifty lakh and up to one crore rupees	Rs. 4000
<b>III. National Commission</b>		
1.	Above one crore rupees	Rs. 5000

**Table 2:** Total number of complaints filed, disposed and pending before the CDRF, Kalaburagi from 1989 to 2017 (as on 31<sup>st</sup> December, 2017)

Sl. No.	Year	Filed	Total Complaints Disposed	Pending
1.	1989	1	1	0
2.	1990	113	113	0
3.	1991	203	203	0
4.	1992	173	173	0
5.	1993	175	175	0
6.	1994	182	182	0
7.	1995	117	117	0
8.	1996	79	79	0
9.	1997	84	84	0
10.	1998	84	84	0
11.	1999	81	81	0
12.	2000	100	100	0
13.	2001	115	115	0
14.	2002	106	106	0
15.	2003	128	128	0
16.	2004	93	93	0
17.	2005	108	108	0
18.	2006	196	196	0
19.	2007	181	181	0
20.	2008	243	243	0
21.	2009	186	186	0
22.	2010	224	224	0
23.	2011	197	197	0
24.	2012	149	149	0
25.	2013	153	152	1
26.	2014	144	144	0
27.	2015	132	128	4
28.	2016	118	71	47
29.	2017	119	26	93
	Total	3984	3839	145

Source: Records of CDRF, Kalaburagi

This table 2 reveals the total number of complaints filed, disposed and pending before the CDRF, Kalaburagi during the year 1989 to 2017. During the period, a total 3984 complaints were filed, 3984 complaints were disposed of and 145 complaints were pending during the present study. It further shows that a fluctuating trend in the number of complaints filed. A minimum of 1 complaint was filed in the year 1989 and a maximum of 153 in the year 2013.

The table 3 and 4 reveals that total number of different categories of complaints filed, disposed and pending before the Forum from 1989 to 2017. During

the period a total 3980 complaints were filed, 3836 complaints were disposed of and 145 complaints were pending during the present study. It further shows that a fluctuating trend in the members of complaints filed.

The objectives of enacting the legislation can be achieved only if it is effectively implemented. To implement the objectives of the Consumer Protection Act, 1986, it has provided for the establishment of Consumer Dispute Redressal Fora (CDRF). These Redressal Fora are responsible for the implementation of the objectives effectively.

**Table 3:** Execution Petition Filed, Disposed and Pending from 1989 to December 2017 (as on 31<sup>st</sup> Dec. 2017)

Sl. No.	Filed	Disposed	Pending
1.	1042	932	110

Source: Records of CDRF, Kalaburagi

**Table 4:** Complaints on Various Categories of Services and Goods at CDRF, Kalaburagi (as on 31<sup>st</sup> Dec., 2017)

Sl. No.	Categories of services and goods	Filed	Disposed	Pending
1.	Bank	336	336	31
2.	Railway	50	48	2
3.	Airlines	0	0	0
4.	Insurance	989	925	66
5.	Telecom	141	141	0
6.	Postal	38	38	0
7.	<b>Housing</b> Govt.	56	55	1
	Private Societies/ Builders	34	34	0
8.	Electricity	308	303	5
9.	Medical Negligence	57	52	5
10.	Defective Household Goods	459	459	0
11.	Education	69	68	1
12.	Road Transport	72	69	3
13.	Miscellaneous	1341	1308	31
	Total	3980	3836	145

Source: Records of CDRF, Kalaburagi

## Conclusion

It is known fact that without active participation of consumers the government alone cannot protect consumers from being exploited by business man or service provider. There are plenty of laws to take care of consumers and their numbers are constant increased however, there is no doubt that these can prove to be affective only when consumer are alert. In this context district consumer forums make awareness to the consumer feasibility/availability of the consumers.

A consumer today is much better informed about his rights. He is aware of the forum he should choose to obtain his remedies in the most efficient and least expensive way. The Consumer Protection Act

provides cheap, expeditious, quick and swift remedy. It is a measure to bring justice to the door steps of the consumer. Thus, the Act has been immensely beneficial to consumers in helping them to enforce some of their legal rights; nevertheless there is a common perception among the consumer activists, consumer organizations, consumer and legal scholars that a lot more needs to be done to ensure justice to the vulnerable and exploited consumer.

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