

**PROCEEDINGS OF THE NATIONAL CONFERENCE
ON
EFFECTIVE FUNCTIONING OF CONSUMER FORA**

HELD ON 29TH MAY, 2015 IN VIGYAN BHAVAN, NEW DELHI

A National Conference on "Effective Functioning of Consumer Fora" was organised by the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) on 29th May, 2015 in Vigyan Bhavan, New Delhi. Shri Arun Jaitley, Union Minister of Finance, Corporate Affairs and Information & Broadcasting was the chief guest. The Conference was presided over by Shri Ram Vilas Paswan, Union Minister of Consumer Affairs, Food and Public Distribution and attended by the President and Members of NCDRC, Ministers and Secretaries in charge of Consumer Affairs of the States/UTs, Presidents of State Consumer Disputes Redressal Commissions and officers from the Ministry, NCDRC, BIS and IIPA. The list of participants is at **Annexure-I** and the agenda of the Conference is at **Annexure-II**.

2. In his welcome address, Shri Keshav Desiraju, Secretary, Consumer Affairs, said that strengthening of the institutions created under the Consumer Protection Act, 1986 such as NCDRC, State Commissions and the District Fora are at the core of the functioning of the Department of Consumer Affairs. Consumer welfare and Consumer Protection are at the heart of the Department. People approach the Consumer Courts with the hope of getting simple and quick justice. There are, however, various issues which affect the functioning of the consumer courts such as complaints of inordinate delay, etc. We need to discuss the problems being faced by these consumer Fora and find out solutions to address the problems.

3. Hon'ble Justice D.K.Jain, President, NCDRC mentioned that a large number of consumers have benefitted from the enactment of the Consumer Protection Act, 1986 and the Consumer Courts, despite several problems being faced by them, have been trying to provide justice to the consumers. Still there is a lot to be done. He expressed concern about the large number of cases pending in the consumer courts, mentioning that out of the 3.8 lakh pending cases, 3 lakh cases are pending in the District For a alone. This presents a gloomy scenario and lower the confidence of the consumers in the system. He informed that with the concerted efforts of all concerned in NCDRC, the disposal rate of cases has improved during the last two years. They have further decided to consider all the final hearing cases in the summer vacation. He mentioned that lack of infrastructure both physical as well as manpower, non-filling of vacancies of President and Member in the Consumer Fora are the major reasons for pendency of cases. Though the Central Government provides financial assistance to State Governments for strengthening of

infrastructure of Consumer Fora, non-furnishing of Utilisation certificates pose a problem for release of further grants to the States.

3.1 President NCDRC made the following suggestions towards improving the functioning of the quasi-judicial mechanism:

- (i) National Commission may be provided with six more Members so that the backlog of cases can be cleared and disposal rate would be faster.
- (ii) NCDRC could be the nodal agency for release of grants directly to the State Commissions and District Fora as per need and this would facilitate furnishing of UCs by the Consumer Fora and enable the National Commission to monitor the functioning of the Consumer Fora.
- (iii) There should be permanent cadre staff, uniform pattern of support staff, uniform pay structure and uniform selection procedure for President and Members.
- (iv) Instructions could be issued, as was done in the past, to all Chief Secretaries for holding of Lok Adalats and mediation by the State Commissions and District For a for quick disposal of cases.
- (v) Suitable financial assistance may be provided for training of the non-judicial Members through National Judicial Academy and other judicial academies in States.
- (vi) As regards proposed amendments to the Consumer Protection Act, till there is a perfect piece of legislation, the suggestions of NCDRC on some important amendments to the Consumer Protection Act, 1986 may be implemented by adopting the Ordinance route.

4. Shri Ram Vilas Paswan, Union Minister of Consumer Affairs, Food and Public Distribution, in his address highlighted the importance of the Conference. He mentioned that while appreciating the contributions of the Consumer Courts in dispensing justice, especially to the poor consumers, the Hon'ble Prime Minister views that the powers of the Consumer Courts should not be diluted. He said that several problems are being faced by the Consumer Fora which hinder their smooth functioning such as lack of infrastructure, other facilities, non-filling of vacancies of Presidents and Members. Unless these problems are given due attention and addressed at the earliest, it would not be appropriate to blame the Consumer Fora for the pendency of complaints. The Hon'ble Minister of Consumer Affairs informed that the Department proposes to bring about comprehensive amendments to the existing Act to remove the shortcomings and to make it capable of meeting the new challenges such as e-commerce that have emerged over the years. He briefly mentioned that in the new Bill it is proposed to have provisions for establishment of a Central Consumer Protection Authority which will have powers to investigate, taking suo motu cognizance, matters of unfair trade practices and misleading advertisements and take class action in such matters; mediation as an alternate grievance redress mechanism, simplification of the adjudication process etc. He

asked all concerned to uphold the dignity of the system to instil confidence in the consumers.

5. Speaking on the occasion, Hon'ble Union Minister of Finance, Corporate Affairs and Information & Broadcasting, Shri Arun Jaitley observed that the Consumer Protection Act was framed in 1986 and since then a lot of developments have taken place. The volume of trade in e-commerce is going to increase as a result the consumers will face new challenges. Under these circumstances there is a need for a very powerful and efficient Consumer Fora. With increase in consumer spending in view of Indian economy transforming in past 20 years the Consumer Protection Act needs to be taken to the "next stage", giving powers to consumers to file class action suits. Globally, the best practice is to allow a class action in these cases. He further said that there is a need to regulate the extent of reviews and appeals and the grounds on which multiple appeals can be filed. The government is amending the Consumer Protection Act, 1986, factoring all the concerns.

6. Initiating discussion on the agenda items, Shri Ram Vilas Paswan, Union Minister of Consumer Affairs, Food and Public Distribution invited the Ministers from the States and other representatives to express their views and suggestions on the agenda items.

7. Shri Ram Vilas Sharma, Minister in charge of Consumer Affairs, Haryana, expressed concerns about misleading advertisements and food adulteration and suggested that there should be appropriate legal framework to check the misleading advertisements.

8. Shri Sadhan Pande, Minister of Consumer Affairs, Government of West Bengal, made the following suggestions:

- (i) If the State Commissions and the District Fora were to be strengthened, the Central Govt should consider providing adequate financial assistance.
- (ii) Under Jago Grahak Jago campaign, which is made in vernacular language also, the toll free consumer helpline number of the State should be mentioned so that the consumers can make complaints to the States.
- (iii) Interference of the High Courts in the decisions of the District Forum / State Commission was a cause of concern in dispensing quick justice to the consumers. The State Govt is proposing to file an SLP against this and the Central Govt should be a party in the SLP.
- (iv) As e-commerce is coming in a big way in the future, there should be a national policy on e-commerce, which should be followed by the State Govts.
- (v) Any financial assistance to any Voluntary Consumer Organisation for consumer welfare activities should be given in consultation with the State Governments and not directly.
- (vi) Modalities should be framed for mediation process so that there would be fewer cases in the Consumer Fora.

- (vii) The pecuniary jurisdiction of the Consumer Fora should be enhanced.
- (viii) The National Commission should hold sittings in each state so that the consumers need not come to Delhi.

9. In response to the points raised by the Minister of Consumer Affairs of West Bengal, Shri Ram Vilas Paswan, Hon'ble Union Minister of Consumer Affairs, Food and Public Distribution assured that the toll free helpline numbers of the States would be mentioned in the advertisements under Jago Grahak Jago and that the Ministry of Consumer Affairs would consider being party in the SLP at appropriate time. He further clarified that provisions on e-commerce and mediation have been included in the proposed new Bill. He informed that in the last financial year a grant of Rs 5.08 crores had been released to the Govt of West Bengal under the scheme of strengthening Consumer Fora.

10. Secretary, Consumer Affairs further added that the new Bill contains a full chapter on mediation and after it is enacted, rules would be framed for other details. The new Bill would meet all the requirements.

11. Shri Ramesh Kumar, President of Jharkhand State Commission, made the following suggestions:

- (i) Where there are three Members in a Consumer Fora it may be clarified that one more Member should be from judicial side.
- (ii) Where there are less number of cases in a District Forum, there should be provision that a President of some other District Forum can function as President of such District Forum.
- (ii) It should be clarified that the Presidents of District Forum can be transferred.
- (iii) There should be provision for disciplinary authority in respect of Members of the District Forum.

12. Shri Naushad Ali, President, State Commission, Andhra Pradesh suggested that there should be clarity in the qualification for recruitment of Non-judicial Members. He opined that there should be provision in the Act itself for power to transfer and power to take disciplinary action. Observing about identity crisis, he mentioned that there should be uniform designation of the Presidents of Consumer Fora. He requested for release of necessary funds for construction of Consumer court buildings. Drawing attention to the fact of pending UCs from Andhra Pradesh, Secretary, Consumer Affairs requested to take up the matter with the State Government so that the Ministry could be able to release further grants.

13. Maharashtra State Commission President opined that there should be uniform salary structure for the President and Members of the Consumer Fora and that the

Consumer Fora should have their own cadre. The recruitment process should be assigned to the State Public Service Commission. He further suggested that IT infrastructure should be strengthened.

14. Shri Shailesh Kumar Sinha, President, Bihar State Commission, said that there was problem of manpower and infrastructure which affect the functioning of the Consumer Fora. He suggested that the Central Govt should persuade all the state Govts to have a separate Department of Consumer Affairs with a view to giving filip to the consumer movement. On recruitment, he mentioned that there should be guidelines including written examination and interview so that these could be followed uniformly by all the State Govts. He further suggested that the remuneration for the Members should be lucrative.

15. Shri Basir Kirmani, President of the State Commission, J&K, suggested that the Govt of J&K should be persuaded to establish the District and State Consumer Councils. Informing that in J&K the District Civil Judge is the ex-officio President of the District Forum who does not find enough time to focus on the Consumer Forum, suggested that the State Govt could be asked by the Central Govt to amend the State Act providing for recruitment of retired judges or other well qualified candidates as President of Consumer Forum. On nomenclature of Consumer Fora, he suggested that it could be something in between a court and a Forum and it would perhaps be appropriate if it is called 'Consumer Tribunal'.

16. President of State Commission, Arunachal Pradesh informed that there is no complete separation of judiciary in the state. The Deputy Commissioners in charge of judiciary function as Presidents of District Fora. There are large pendency of consumer complaints in the District Fora. Remuneration of Members of Consumer Fora in Arunachal Pradesh is deplorable and needs to be enhanced.

17. Representative from Delhi State Commission also raised the issue of shortage of subordinate staff. She suggested that the Registrar should be from judicial background.

18. Smt Merla Shreeshha, Member, NCDRC raised the issue of interpretation of the provision on finality of orders under Section 24 of the Consumer Protection Act, 1986 by some High Courts especially Andhra Pradesh High Court. President, NCDRC observed that NCDRC has already decided such issues and the State Commissions should go by the orders passed by NCDRC in this regard.

19. Secretary, Consumer Affairs observed that the Ministry is committed to strengthening the infrastructure of the State Commissions and District Consumer Fora, but the Ministry finds it difficult to release further financial assistance due to pending Utilisation Certificates. He drew attention of the State representatives to the statement of pending Utilisation Certificates of the grants released by the Central Government under the scheme of 'Strengthening Consumer Fora' and requested

them to expedite furnishing of the UCs to enable the Ministry to consider release of further grants.

20. Responding to the issues raised during discussion, the Union Minister of Consumer Affairs, Food and Public Distribution asked all the Presidents of the Consumer Fora to forward to the Ministry in writing their suggestions for improving the functioning of the Consumer Fora and their immediate requirements in the areas of manpower, infrastructure and other problems etc which hamper the functioning of the Consumer Fora so that all the Chief Ministers and the Ministers in charge of Consumer Affairs in the states would be requested to look into those issues on priority basis.

21. The Conference noted and unanimously agreed that:

- (i) There should be uniform recruitment procedure and uniform salary structure for Presidents and Members of the Consumer Fora.
- (ii) The question of strengthening the infrastructure of Consumer Fora should be given priority by all the stakeholders. The State Governments should expedite furnishing the pending Utilization Certificates of the grants provided by the Central Government under the scheme of 'Strengthening Consumer Fora" to enable the Central Government to consider releasing further grants.
- (iii) All the Consumer Fora need to use complete workflow of the Online Case Monitoring System (OCMS) application under the CONFONET Scheme. The State Governments should cooperate in implementation of the scheme and in making it fully operational.
- (iv) Efforts should be made by all concerned to reduce the delay in disposal of consumer complaints. The State Governments were asked to initiate timely action for filling up of the vacancies of President and Member in the Consumer Fora. Endeavour should also be made by the Consumer Fora to adhere to the time limits prescribed in the Consumer Protection Act, 1986.
- (v) To meet the training needs of the Members of the Consumer Fora without having any legal background, it was emphasised that in addition to the training programme being administered by IIPA, training through National Judicial Academy and other academies of States may be explored.
- (vi) The National Commission will hold Circuit Benches in places wherever required depending on the pendency of cases.
- (vii) There will be Regional Conferences on functioning of Consumer Fora, starting with Chandigarh.

22. The Conference ended with a vote of thanks by Shri G.Gurucharan, Additional Secretary, Department of Consumer Affairs.