

Consumer Protection Law in INDIA and Some Important Judgments

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Abstract

The establishments of Consumer Protection Councils were at the State and Central levels by the Consumer Protection Act were to spread the consumer awareness. The main objectives of the councils are to protect and promote the rights of consumers. Consumers affected by unethical Business practices can make complaints. The appeals of the consumers' are lodged with the appropriate Consumer Forums at State or Central levels. Their grievances are redressed at these Forums. Proper awareness on the laws makes consumers to comprehend their rights. This empirical Research paper is on laws and judgments of Consumer Protection. The Entire three case details of the consumer forums were studied in detailed by the Author and from the observation, the author precise the entire case details into nutshell for easy understanding. This article provides awareness on judicial laws and helps the consumers to learn their rights.

Key words: *Consumer Protection, Judgments of Consumer Forums, Consumer Rights, Consumer Awareness, Supreme Court verdicts on Consumer Laws.*

Introduction:

Consumers have basic rights to get protected from unethical malpractices by the business that leads to consumer exploitation. Consumer protection is a measure to protect the interest and the rights of consumers. The rights of consumers are the right to be protected, the right to be informed, the right to be assured, the right to be heard, the right to seek redressal and the right to consumer education. Any Business must pursue social and ethical norms. The Social responsibility of any business safeguards the interest of the consumers and gives consumer satisfaction. In present days consumers are more conscious of their rights. "restrictive trade practice" means any trade practice which requires a consumer to buy, hire or avail of any goods or, as the case may be, services as a condition precedent for buying, hiring or availing of other

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goods or services

The Consumer Protection Act was passed in the year 1986 and it came into force from 1st July 1987. The main objective of the act was to provide better protection to consumers and safeguard consumers against exploitations like unfair trade practices, defective goods and bad services. It provides speedy redressal for consumer grievances.

There are numerous consumer associations and organizations that takes endeavor to build consumer awareness. These associations guide the consumers in captivating their cases at various levels. Consumer Awareness is spread by various Organisations such as Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution and so on. Programmes on Consumer Awareness intensify Consumer grievance redressal machinery, standards laboratories of weights and measures, National Policy on Consumer Protection, etc.

Reviews:

Garima Tiwari (2014), in his book entitled “Understanding Laws-Consumer Rights” aimed to imparting knowledge on laws using practical situations, gives awareness to effectively protect and promote consumer rights. It contains formats for complaints, appeals and legal notices for better understanding.

Sushil Kumar Sen (2017), in his book entitled “Consumer Protection Rights in India: Role of National Forums” observed the concepts and definitions of Consumer Protection Rights in India, the various circumstances under which consumer can approach National Forums and its role.

Objective of the Study:

This article aims to summarize some of the important cases and Judgments given by the Supreme Court that augment awareness of consumer protection and consumer rights. Also aims to throw light on the legal and policy framework in the country through the judgments of Consumer Forums.

Machinery for Settlement of Grievances:

Under the Consumer Protection Act, 1986 the judicial machinery set up consist of Consumer Forums (Courts). These Forums are at District levels, State and National Levels. They are called District Forum, State Commission and National Commission. State Commission is otherwise called State Consumer Disputes Redressal Commission and National Commission is otherwise called National Consumer Disputes Redressal Commission. Any affected consumer can go for these forums for redressal. If the consumer is not satisfied with the judgment of District Forum he can appeal the same before the State Commission. In case of unsatisfactory judgment with the State Commission, he can appeal further to National Commission. An appeal can be filed against the order of the National Commission to the Supreme Court. An affected consumer can take his case till the Supreme Court for judgment. The verdict of the Supreme Court is final. The verdicts of this judiciary set up give awareness to the consumers on their rights. There are 629 District Fora at district level, 35 state commissions at state level and one

National Commission functioning in the country to render inexpensive and quick redressal to consumer grievances. Out of over 35 lakhs cases filed before the consumer disputes redressal agencies, 89.77% already stand disposed of. This act with 35 sections and 4 chapters is enacted for the promotion and protection of consumer right to safety, right to information, right to choose, right to be heard, right to redressal and right to consumer education.²

FORUM UNDER CONSUMER PROTECTION ACT

	District Consumer Forum	State Consumer Forum	National Consumer Forum
President	District Judge	High Court Judge	Supreme Court Judge
Members	Two	Two	Five
Upper limit of compensation claimed	INR \leq 20 lacs	INR \geq 20 lacs To \leq 1 crore	INR \geq 1 crore
Appeal	State	National	Supreme Court

CASE: 1

Case name: Om Prakash v. Reliance General Insurance (2017)

SC: Insurance Company cannot reject Claims on Technical Grounds

An insured vehicle of the petitioner was robbed and consequently filed FIR. Theft of the vehicle was on 23.03.2010 and the FIR was filed on 24.03.2010. The claim petition was filed on 31.03.2010 with the respective company. The investigator appointed by the Insurance Company confirmed the factum of theft and consequently an amount of Rs. 7,85,000 was approved by the Corporate Claims Manager. After numerous requests made by the Appellant, seeking quick disposal of insurance claim, payment was not made by the Insurance Company. A legal notice was sent to the respondent but it was repudiated citing breach of condition of terms of Insurance by the Appellant. The impugned term was immediate information to the Insurer about the loss/theft of the vehicle.

Then the Appellant lodged a complaint before the District Consumer Disputes Redressal Forum requesting a direction to the respondent company for claim amount with interest and

compensation of Rs 1, 00,000. But the complaint of the appellant was dismissed by the District Forum.

The judgment from the State Commission as well as National Commission was similar to the District Forum when the case was appealed further. Finally the Appellant approached the Supreme Court against the National Commission's order.

Bench's Verdict

The Supreme Court accepted the Appellant appeal and the observations were

- The terms and policy of the Insurance Company must not bar the settlements of valid claims when the delay in intimation or submission of documents is due to unavoidable circumstances.
- Insurance company shall reject claim on valid grounds. Rejection of the claims on purely technical grounds in a mechanical manner will result in loss of confidence of policy-holders in the insurance industry.
- The Court ordered the Insurance Company to pay a sum of Rs. 8, 35,000 with an interest @ 8 % per annum from the date of filing the claim.

CASE: 2

Case Name: Manjeet Singh V. National Insurance Company Ltd. & Anr.

SC: Insurance Company Liable to Pay Claim of Hijacked Vehicle (December 2017)

A second hand truck purchased under a Hire Purchase agreement by the Appellant was stole. That was an insured truck. When the truck was on travel some persons stopped the truck by giving signal to the driver. The driver gave them lift on their request. After some distance the passengers assaulted the diver and fled away with the truck. The Appellant lodged a FIR and intimated to the respondent finance company. The claim was rejected by the Insurance Company.

The Appellant approached the District Consumer Forum to direct the Insurance Company give compensation for the loss of theft. The claim was rejected in the District Forum also on the ground of breach of terms of the policy submitted by the Insurance Company. The Insurance Company denied compensation by stating theft happened by giving lift to the passengers which was a violation of policy terms.

The Appellant received the same judgment when he filed the case before State Commission and National Commission. After that the Appellant approached the Supreme Court.

Bench's Verdict

The observations of the Supreme Court were:

- By referring to the case of Lakshmi Chand v. Reliance General Insurance, the Court held that the fault was not on the Appellant. The breach of policy must be fundamental in nature to bring the contract to an end.
- The two-Judge Bench of the Supreme Court allowed the appeal and ordered the respondent insurance company to pay 75% of the insured amount along with 9% interest p.a. from the date of filing the petition to till the date of payment of compensation. The insurance company was also directed to pay a sum of Rs 1, 00,000 as compensation.

CASE: 3

Case Name: M/S Emaar MGF Land Limited & Anr.v.Aftab Singh

Sc: Arbitration Clause does not bar filing of complaint with Consumer Forum (July 2017)

The Appellant had booked residential villas/flats/plots in projects of the Builder in Gurgaon/Mohali. Accordingly Buyers' Agreements was executed between them. But the Builder failed his commitment to deliver the possession of the villas/flats/plots under the Project by the date committed in the Buyers Agreement. The complainant seek out directions from the Consumer Forum to the builder for delivery and Possession of the villas/flats/plots along with compensation.

However the Consumer Forums rejected the appeal as the Builder filed a set of applications under the sec 8 (1) of the Arbitration & Conciliation (Amendment) Act, 2015. The Builder requested the parties be referred to Arbitration as per the Buyers' Agreements executed among them. The Appellant approached the Supreme Court.

Bench's Verdict

The observations of the Supreme Court were:

- The two-Judge Bench of the Supreme Court resolved that an Arbitration Clause in Buyer's Agreement cannot circumscribe the jurisdiction of Consumer Fora. An Arbitration Clause in a contract are not confined Jurisdiction of the Courts and the Tribunals.
- Consumer Forums are constituted under the Consumer Act. These Forums were not bound to refer disputes to Arbitration under Sec 8 of the Arbitration Act.

Conclusion:

Consumers must gain awareness on the Consumer laws in India and the Judiciary set up of the country. The knowledge on the laws helps the Consumers to lodge their grievances with the appropriate Forums for redressal. These Consumer Protection Forums protects the consumers from unfair trade practice, restrictive trade practice, defective goods and services. These cases mentioned in the article gives awareness about the laws and encourage the consumers to go for appeals when they are not genuinely affected by the Business circumscribe.

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