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B.Com Honours | Semester 1 | Calicut University

Consumer Awareness and Protection

Course Code: COM1FM105 (3) • Module 3 Notes

Calicut University Curriculum Compliance — Module III

Course: COM1FM105 (3) Consumer Awareness and Protection • **Semester:** I • **Module III:** ORGANIZATIONAL SET-UP UNDER THE CONSUMER PROTECTION ACT (10 Contact Hours)
Syllabus Units Covered: Unit 11: Advisory Bodies: Consumer Protection Councils at the Central, State, and District Levels • Unit 12: Adjudicatory Bodies: District Forums (Commissions) and State Commissions • Unit 13: National Commission: Their Composition, Powers, and Jurisdiction (Pecuniary and Territorial), Central Consumer Protection Authority (CCPA) • Unit 14: Role of Supreme Court of India in Consumer Jurisprudence • Comprehensive Statutory Comparative Tables & Calicut University Examination Bank (2, 5 & 10 Marks).

1. Structural Overview of the Consumer Protection Machinery

The enforcement and institutional implementation of consumer rights under the Indian legal system operates through a specialized, parallel institutional architecture created by Parliament to bypass the prohibitive delays, technical formalisms, and crippling procedural bottlenecks of traditional civil courts. Under the **Consumer Protection Act, 2019** (which repealed and superseded the Consumer Protection Act, 1986), this institutional mechanism is strategically bifurcated into two mutually reinforcing, distinct functional wings:

- **1. The Advisory / Consultative Machinery (Consumer Protection Councils):** Operating at the Central, State, and District tiers, these multi-stakeholder councils function as institutional consultative platforms mandated to review consumer policies, advise executive governments on market developments, recommend legislative and administrative interventions, and safeguard the fundamental rights of consumers. They possess purely *advisory and recommendation-making functions* without adjudicatory or punitive powers.
- **2. The Adjudicatory / Quasi-Judicial Machinery (Consumer Disputes Redressal Commissions):** A hierarchical, three-tier quasi-judicial structure comprising the **District Consumer Disputes Redressal Commission (DCDRC)** at the district level, the **State Consumer Disputes Redressal Commission (SCDRC)** at the state level, and the **National Consumer Disputes Redressal Commission (NCDRC)** at the apex national level. These bodies are judicial tribunals vested with summary procedures, civil court powers under the Code of Civil Procedure (CPC), 1908, and authority to issue legally binding determinations, award substantial monetary damages, order product recalls, and execute orders as civil court decrees or through criminal prosecution.
- **3. The Proactive Regulatory Wing (Central Consumer Protection Authority - CCPA):** Introduced under Chapter III of the 2019 Act, the CCPA operates as an empowered, proactive market regulator modeled on the US Federal Trade Commission (FTC) and UK Competition and Markets Authority (CMA). It addresses class actions, conducts market investigations via a dedicated Director-General, orders product recalls, and imposes heavy punitive fines on false and misleading advertisements and celebrity endorsers.
- **4. The Constitutional & Apex Appellate Authority (The Supreme Court of India):** The apex judicial body of the Republic of India, which exercises direct statutory appellate jurisdiction over original orders of the NCDRC under Section 67 of the Act, alongside its overarching constitutional jurisdiction under Articles 32 and 136 of the Constitution, shaping binding national consumer jurisprudence.

TAXONOMIC ARCHITECTURE OF CONSUMER INSTITUTIONS UNDER CPA 2019

Institutional Hierarchy

I. ADVISORY MACHINERY (Councils)

Central Consumer Protection Council (CCPC)
• Level: National / Union Government
• Headed by: Union Minister of Consumer Affairs
• Frequency: At least once every calendar year

State Consumer Protection Council (SCPC)
• Level: State Government
• Headed by: State Minister of Consumer Affairs
• Frequency: At least twice every calendar year

District Consumer Protection Council (DCPC)
• Level: Revenue District
• Headed by: District Collector / District Magistrate
• Frequency: At least twice every calendar year

II. ADJUDICATORY MACHINERY (Commissions)

Supreme Court of India (Apex Appellate Court)
• Statutory Appeals (§ 67) & Special Leave Petitions (Art. 136)

National Commission (NCDRC) [New Delhi]
• President: Sitting/Retired SC Judge or CJ of High Court
• Pecuniary: Claims > ₹2 Crores (post-2021 Rules)

State Commission (SCDRC) [State Capitals]
• President: Sitting/Retired High Court Judge
• Pecuniary: Claims > ₹50 Lakhs up to ₹2 Crores

District Commission (DCDRC) [Every District]
• President: Qualified District Judge
• Pecuniary: Claims up to ₹50 Lakhs (post-2021 Rules)

Statutory Foundations & Legislative Objectives

The Consumer Protection Act of 1986 pioneered consumer redressal in India but suffered from significant institutional handicaps over three decades: chronic vacancy in member appointments, inadequate infrastructure, lack of enforcement teeth, absence of investigative mechanisms for class actions, and an archaic territorial jurisdiction rule that forced consumers to travel to the manufacturer's registered office. The **Consumer Protection Act, 2019 (Act No. 35 of 2019)**, enacted on August 9, 2019, and brought into force on July 20, 2020, thoroughly revolutionized this landscape:

- **Upgraded Terminology:** The erstwhile "District Forum" was elevated to "District Consumer Disputes Redressal Commission", reflecting its judicial status and expanded powers.
- **Territorial Jurisdiction Revolution (§ 34(2)):** Complainants are now statutorily permitted to institute a complaint within the local limits of the District Commission where the *complainant resides or personally works for gain*, eliminating corporate harassment.
- **E-Filing & Virtual Hearings (e-Daakhil):** Mandatory digitization allowing consumers to file complaints, pay statutory fees online, and participate in arguments through video conferencing.
- **Alternative Dispute Resolution (ADR) Integration:** Formal establishment of court-annexed Consumer Mediation Cells attached to every District, State, and National Commission under Chapter V of the Act.

2. Unit 11: Advisory Bodies — Consumer Protection Councils

Consumer Protection Councils are consultative bodies created under Chapter II (Sections 3 to 9) of the Consumer Protection Act, 2019. Their primary statutory role is not adjudicating individual consumer disputes, but fostering a continuous, institutionalized policy dialogue between the government, industry representatives, consumer rights activists, legal academics, and disadvantaged groups.

The Central Consumer Protection Council (CCPC) — Sections 3 & 4

The Central Government is mandated under Section 3 of the Act to establish, by official notification, the **Central Consumer Protection Council** (commonly known as the Central Council).

Statutory Framework: Sections 3, 4 & 5 of CPA 2019

Section 3(1): The Central Government shall, by notification, establish with effect from such date as it may specify in such notification, a council to be known as the Central Consumer Protection Council.
Section 3(2): The Central Council shall consist of official and non-official members representing such interests as may be prescribed.
Section 4: The Central Council shall meet as and when necessary, but at least one meeting of the Council shall be held every year at such time and place as the Chairperson may think fit.
Section 5: The objects of the Central Council shall be to render advice on promotion and protection of the consumer rights under this Act.

Composition of the Central Council

As prescribed under the Consumer Protection (Central Consumer Protection Council) Rules, 2020, the Central Council consists of a diverse, representative body not exceeding 36 members:

- **Chairperson:** The Union Minister in charge of Consumer Affairs, Food and Public Distribution in the Government of India.
- **Vice-Chairperson:** The Minister of State in the Ministry of Consumer Affairs, Food and Public Distribution.
- **State Representation:** Two Ministers in-charge of Consumer Affairs from the States, one each from the northern and southern regions, and two from the eastern and western regions, nominated by rotation.
- **Parliamentary Representation:** One Member of Parliament from the Lok Sabha and one from the Rajya Sabha.
- **Departmental Heads:** Secretary to the Government of India in the Department of Consumer Affairs, representatives of the Central Consumer Protection Authority (CCPA), and regulatory authorities (such as FSSAI, BIS, TRAI, and IRDAI).
- **Non-Official Stakeholders:** Representatives from registered Voluntary Consumer Organizations (VCOs), representatives of industry associations (CII, FICCI, ASSOCHAM), women representatives, and representatives belonging to Scheduled Castes and Scheduled Tribes.

Operational Tenure & Meetings

The term of the Central Council is **three years**. The Council must hold *at least one formal plenary meeting every year*. The Chairperson possesses the prerogative to convene extraordinary meetings to address emerging consumer emergencies, such as nationwide food adulteration crises, predatory digital lending, or airline cancellations during public health emergencies.

The State Consumer Protection Council (SCPC) — Sections 6 & 7

Section 6 of the Act mandates every State Government to establish a **State Consumer Protection Council** for its territory.

- **Chairperson:** The Minister in charge of Consumer Affairs in the State Government.
- **Membership:** Such number of other official and non-official members representing diverse regional and sector-specific interests, including nominees of the Central Government (not exceeding 10 members nominated by the Centre).
- **Mandatory Meeting Frequency (§ 7):** The State Council is statutorily mandated to meet *not less than two times every calendar year*. The meetings take place at such times and venues within the State as the Chairperson deems appropriate.
- **Statutory Objectives (§ 8):** To review the enforcement of consumer protection laws within the State, monitor public distribution systems, address regional consumer vulnerabilities (such as local deceptive financial schemes and bogus cooperative societies), and tender policy recommendations to the State Cabinet.

The District Consumer Protection Council (DCPC) — Sections 8 & 9

To ensure consumer advocacy penetrates the grassroots, Section 8 mandates the State Government to establish a **District Consumer Protection Council** in every revenue district of the State.

- **Chairperson:** The **District Collector** (or District Magistrate / Deputy Commissioner) of the revenue district.
- **Membership:** Officials of district departments (Civil Supplies, Weights and Measures, Health, Agriculture) and non-official members representing rural consumers, women's self-help groups (such as Kudumbashree in Kerala), and local trader associations.
- **Meeting Frequency (§ 8(3)):** The District Council must meet *at least twice every year*.
- **Objects (§ 9):** Protecting and promoting consumer rights within the district, promoting local consumer literacy, monitoring fair price shops, checking weights and measures in local agricultural markets, and coordinating consumer grievance camps.

Comparative Analysis: Advisory Councils vs. Adjudicatory Commissions **Key Conceptual Distinction**

Why are Consumer Protection Councils denied judicial and enforcement powers?

Under the constitutional doctrine of separation of powers, policy formulation and judicial adjudication must remain distinct. Consumer Councils are deliberative, broad-based consultative bodies comprising political executives, civil servants, and trade representatives. If they were given judicial powers, their decisions would violate the fundamental principle of judicial impartiality (*nemo judex in causa sua*), as industry and political members would be sitting in judgment over commercial disputes. Therefore, Parliament restricted Councils to policy advocacy and created independent, court-like quasi-judicial Commissions headed by trained judicial officers to impartially resolve disputes.

Institutional Tier	Appointing Authority & Head	Statutory Mandate	Meeting Frequency	Key Limitations
Central Council (CCPC) (Section 3)	Central Government. **Chairperson:** Union Minister of Consumer Affairs.	National policy advice; evaluating central legislative impact; coordinating statutory regulators.	At least **once** every year.	Purely advisory; recommendations are non-binding; irregular meetings in practice.
State Council (SCPC) (Section 6)	State Government. **Chairperson:** State Minister of Consumer Affairs.	State-level policy review; monitoring state regulatory bodies; consumer education in regional languages.	At least **twice** every year.	Infrequent reconstitution; bureaucratic delays; lack of independent research staff.
District Council (DCPC) (Section 8)	State Government. **Chairperson:** District Collector / District Magistrate.	Grassroots consumer literacy; local market monitoring; coordinating with rural panchayats and schools.	At least **twice** every year.	District Collectors prioritize administrative/revenue duties; severe underfunding.

3. Unit 12: Adjudicatory Bodies (Part 1) — District Consumer Commission (DCDRC)

The primary portal for consumer grievance redressal in India is the **District Consumer Disputes Redressal Commission**, established under Section 28 of the Act. As the court of first instance for the overwhelming majority of consumer grievances, the District Commission represents the frontline of consumer justice.

Establishment, Composition & Bench Structure (§ 28 & 32)

Under Section 28(1), the State Government is statutorily bound to establish, by notification, a District Consumer Disputes Redressal Commission in each district of the State. If the State Government deems that the territorial area or case volume warrants it, it may establish more than one District Commission in a single district (as seen in metropolitan districts like Bengaluru Urban, Mumbai, or Delhi).

- **Composition (§ 28(2)):**
    - **President:** A person who is, or has been, or is qualified to be a District Judge.
    - **Members:** Not less than two, and not more than such number of members as may be prescribed in consultation with the Central Government. In practice, a standard District Commission consists of a President and two members, at least one of whom must be a **woman**.
- **Selection Mechanism & Judicial Oversight:** Following the landmark Supreme Court directives in *State of Uttar Pradesh v. All U.P. Consumer Protection Bar Association (2017)* and *Madras Bar Association v. Union of India (2021)*, members and presidents are recruited through a high-powered Selection Committee chaired by the Chief Justice of the High Court (or a sitting High Court Judge nominated by the CJ), ensuring judicial independence from executive interference.
- **Tenure & Age Limits:** Under the Tribunal Reforms Act, 2021 and governing Consumer Protection rules, the President and members hold office for a term of **four years** or until they attain the age of **65 years**, whichever is earlier, and are eligible for reappointment subject to selection procedure.
- **Constitution of Benches (§ 32):** Every proceeding must be heard by a bench consisting of the President and at least one member. Where a member differs on any point, the opinion of the majority prevails. If the members are equally divided, the point is referred to the other member or President for hearing, and decided according to the majority.

Comprehensive Jurisdiction of the District Commission (§ 34)

The jurisdiction of the District Commission is bifurcated into Pecuniary Jurisdiction and Territorial Jurisdiction, both of which underwent radical structural transformation under the 2019 Act and subsequent subordinate rules.

A. Pecuniary Jurisdiction — The Statutory Shift & 2021 Amendment Rules

One of the most consequential changes in CPA 2019 was the redefinition of the statutory test for pecuniary evaluation:

- **Under CPA 1986 (§ 11):** Pecuniary jurisdiction was determined by the value of the goods or services *plus the compensation claimed*. Dishonest litigants or clever lawyers routinely inflated compensation claims to ₹25 Lakhs or ₹1.05 Crores solely to bypass the District Forum and directly access the State or National Commission, leading to severe docket choking.
- **Under CPA 2019 (§ 34(1)):** Parliament eliminated compensation claims from the jurisdictional threshold! Pecuniary jurisdiction is now determined strictly on **"the value of the goods or services paid as consideration"**. Even if a consumer seeks ₹50 Lakhs in punitive damages for a defective refrigerator costing ₹35,000, the pecuniary forum is determined solely by the ₹35,000 purchase price.

Evolution of Pecuniary Limits of the District Commission

1. CPA 1986 Regime: Claims where value of goods/services + compensation ≤ ₹20,00,000 (Twenty Lakhs).

2. CPA 2019 Statutory Text (July 2020): Where value of goods or services paid as consideration does not exceed ₹1,00,00,000 (One Crore).

3. The 2021 Revision (Current Operative Law): Because the ₹1 Crore threshold flooded District Commissions with high-value commercial and builder disputes, the Central Government promulgated the *Consumer Protection (Jurisdiction of the District Commission, the State Commission and the National Commission) Rules, 2021* (w.e.f. December 30, 2021), revising the District Commission pecuniary limit to: **Value of consideration paid up to ₹50,00,000 (Fifty Lakhs)**.

B. Territorial Jurisdiction — The Historic Consumer Empowerment (§ 34(2))

Under the archaic Section 11(2) of CPA 1986, a consumer could file a complaint only where the opposite party resided, carried on business, or where the cause of action arose. When an e-commerce giant in Bengaluru or an airline in Gurugram defrauded a student in Calicut, the consumer was forced to initiate proceedings in Bengaluru or Delhi, rendering the legal remedy illusory.

Section 34(2)(d) of CPA 2019 — The Complainant's Residence Rule

A complaint shall be instituted in a District Commission within the local limits of whose jurisdiction:
(a) the opposite party or each of the opposite parties resides or carries on business or has a branch office; or
(b) any of the opposite parties resides or carries on business, provided the Commission grants permission; or
(c) the cause of action, wholly or in part, arises; or
(d) the complainant resides or personally works for gain.

By enacting clause (d), Parliament placed consumer convenience at the apex of procedural law. A consumer residing in Kozhikode who purchases a smartphone online from a seller based in Singapore or Noida can lawfully institute a complaint before the **District Consumer Disputes Redressal Commission, Kozhikode**.

Procedure on Receipt of Complaint (§ 35, 36 & 38)

The procedure before the District Commission is summary, time-bound, and strictly codified to prevent civil court delays:

1. **Filing & Admissibility (§ 36):** The complaint may be filed physically or electronically through the *e-Daakhil* portal. Under Section 36(2), the admissibility of the complaint must be decided within **21 days** from the date of filing. If the Commission fails to decide admissibility within 21 days, the complaint is statutorily *deemed to have been admitted*.

2. **Notice to Opposite Party (§ 38(2)(a)):** Upon admission, a copy of the admitted complaint is served to the opposite party within 21 days, directing them to file their written version within **30 days**. The Commission may grant an extension not exceeding **15 days**. In the landmark Constitution Bench ruling in *New India Assurance Co. Ltd. v. Hilli Multipurpose Cold Storage Pvt. Ltd. (2020)*, the Supreme Court held that the $30 + 15 = 45$ days period is an absolute statutory ceiling that cannot be extended under any circumstance, not even under Section 5 of the Limitation Act!
3. **Reference to Mediation (§ 37):** At the first hearing, if the Commission finds that there exist elements of a settlement acceptable to the parties, it may refer the dispute to the attached **Consumer Mediation Cell** with their written consent. If settled, a consent decree is passed against which no appeal lies.
4. **Laboratory Testing & Analysis (§ 38(2)(c)):** If the defect cannot be determined without technical analysis (e.g., adulterated diesel, structural failure of concrete, chemical toxicity in cosmetics), the Commission obtains a sample, seals it, and dispatches it to a recognized referral laboratory, directing the complainant to deposit the testing fees.
5. **Civil Court Powers (§ 38(9)):** The District Commission possesses the exact powers of a Civil Court under the CPC, 1908 in respect of: summoning and enforcing attendance of witnesses, discovery and production of documents, receiving evidence on affidavits, and requisitioning public records.
6. **Power of Review (§ 40):** The District Commission has the power to review any order passed by it within **30 days** of passing the order, provided there is an error apparent on the face of the record.

4. Unit 12: Adjudicatory Bodies (Part 2) — State Consumer Commission (SCDRC)

The **State Consumer Disputes Redressal Commission**, established under Section 42 of the Act, occupies the middle tier of the adjudicatory hierarchy. It performs a vital dual role: serving as a court of first instance for substantial commercial-scale claims, and acting as an appellate and supervisory tribunal over all District Commissions located within the State.

Composition, Qualifications & Appointment (§ 42 & 43)

- **Seat:** Located in the capital city of the State (e.g., Thiruvananthapuram / Ernakulam for Kerala), with statutory provisions allowing the State Government to establish circuit benches.
- **President:** A person who is, or has been, a **Judge of the High Court**, appointed by the State Government in consultation with the Chief Justice of that High Court.
- **Members:** Not less than **four**, and not more than such number of members as may be prescribed. At least one member must be a woman.
- **Tenure:** Four years or until the age of **67 years** for the President, and **65 years** for members, whichever is earlier.

Three-Fold Jurisdiction of the State Commission (§ 47)

The State Commission exercises three distinct statutory jurisdictions under Section 47:

1. Original Jurisdiction (§ 47(1)(a))

The State Commission entertains original consumer complaints where the value of goods or services paid as consideration falls within its designated financial bracket:

- **CPA 1986 Limit:** Claims exceeding ₹20 Lakhs up to ₹1 Crore.
- **CPA 2019 Original Text:** Value of consideration paid exceeding ₹1 Crore up to ₹10 Crores.
- **Revised 2021 Rules (Current Operative Limit):** Value of consideration paid **exceeds ₹50,00,000 (Fifty Lakhs) but does not exceed ₹2,00,00,000 (Two Crores)**.
- Territorial nexus: The complainant must reside within the State, or the cause of action/opposite party must fall within the territorial borders of that State.

2. Appellate Jurisdiction (§ 41 & 47(1)(a)(iii))

Any person aggrieved by an order passed by the District Commission within the State may file an appeal before the State Commission on grounds of fact, law, or procedural irregularity.

Statutory Appellate Rules: Limitation & Pre-Deposit (§ 41)

Limitation Period: The appeal must be preferred within **45 days** from the date of the order (expanded from 30 days under the 1986 Act). The State Commission may condone delay only upon proof of sufficient cause.

Mandatory Pre-Deposit: Under Section 41, *no appeal by a person who is required to pay any amount in terms of an order of the District Commission shall be entertained by the State Commission unless the appellant has deposited fifty per cent (50%) of that amount!*

Under the 1986 Act, the pre-deposit was capped at a trivial ₹25,000. Big corporate wrongdoers easily filed appeals to stall payouts. The mandatory 50% deposit under CPA 2019 has effectively eliminated frivolous corporate appeals.

3. Revisional Jurisdiction (§ 47(1)(b))

The State Commission possesses supervisory revisional jurisdiction. It may call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any District Commission within the State, if it appears that the District Commission:

- Has exercised a jurisdiction not vested in it by law; or
- Has failed to exercise a jurisdiction so vested; or
- Has acted in the exercise of its jurisdiction illegally or with material irregularity.

Distinction between Appeal and Revision: An appeal lies on questions of both fact and law as a matter of right. A revision is a discretionary supervisory remedy exercised strictly to correct jurisdictional errors and gross legal illegalities.

4. Administrative Superintendence & Transfer Powers (§ 48)

Under Section 48, the State Commission exercises administrative control over all District Commissions within its territorial jurisdiction. It has the statutory power to transfer any complaint or proceeding pending before one District Commission to another District Commission within the State, either on the application of any party or *suo motu*, in the interest of justice.

5. Unit 13: National Consumer Commission (NCDRC) & CCPA

The National Consumer Disputes Redressal Commission (NCDRC)

Constituted under Section 53 of CPA 2019 (and originally in 1988 under Section 9 of CPA 1986), the **National Consumer Disputes Redressal Commission** is an apex national judicial tribunal headquartered in New Delhi. It is the premier consumer court in the country, endowed with nationwide original, appellate, and revisional authority.

Composition & Qualifications (§ 54 & 55)

- **President:** A person who is, or has been, a **Judge of the Supreme Court of India** or the **Chief Justice of a High Court**, appointed by the Central Government in consultation with the Chief Justice of India.
- **Members:** Not less than **four**, and not more than such number of members as may be prescribed. Currently, the NCDRC operates with multiple specialized benches, including judicial members (retired High Court judges) and technical/administrative members (experienced civil servants and consumer jurists).
- **Tenure:** Four years or until attaining **70 years** of age for the President, and **67 years** for members, whichever is earlier.

Statutory Jurisdiction of the National Commission (§ 58)

- **Original Jurisdiction:**
  - CPA 1986: Claims where value exceeded ₹1 Crore.
  - CPA 2019 (Original): Where consideration paid exceeded ₹10 Crores.
  - **Revised 2021 Rules (Current Operative Law):** Entertains complaints where the value of goods or services paid as consideration **exceeds ₹2,00,00,000 (Two Crores)**.
  - Territorial: Pan-India jurisdiction across all States and Union Territories.
- **Appellate Jurisdiction (§ 51):** Entertains appeals against original orders passed by any State Commission. The appeal must be filed within **30 days** from the date of the order, accompanied by a mandatory pre-deposit of **50%** of the awarded amount.
- **Revisional Jurisdiction (§ 58(1)(b)):** Calls for records and revises orders of any State Commission where the State Commission has exceeded its jurisdiction, failed to exercise jurisdiction, or acted with material irregularity.
- **Power of Review (§ 60):** The National Commission has the statutory power to review any order passed by it within 30 days if there is an error apparent on the face of the record.
- **Administrative Control (§ 70):** Exercises general administrative superintendence and control over all State and District Commissions throughout the country, issuing uniform procedural guidelines, monitoring pending backlogs, and standardizing registry protocols.

Enforcement Powers & Penalties for Non-Compliance (§ 71 & 72)

Under the 1986 Act, consumer forums were often mocked as "paper tigers" because recalcitrant builders and corporations routinely ignored their final orders. The 2019 Act armed all three Commissions with formidable civil and criminal enforcement powers:

- **Civil Execution as a Court Decree (§ 71):** Every order passed by a District, State, or National Commission is enforceable in the exact same manner as a *decree of a civil court* under Order XXI of the Code of Civil Procedure, 1908. Commissions can attach bank accounts, freeze corporate assets, attach immoveable property, and auction assets to satisfy the award.
- **Criminal Penalties for Contemptuous Non-Compliance (§ 72):** Whoever fails to comply with any order made by a District, State, or National Commission shall be punishable with:
  - **Imprisonment:** A term which shall not be less than **one month**, but which may extend to **three years**; OR
  - **Fine:** Which shall not be less than **₹25,000**, but which may extend to **₹1,00,000**; OR both.
  - **Summary Criminal Trial Powers (§ 72(2)):** The Commission is vested with the powers of a **Judicial Magistrate of the First Class** under the Code of Criminal Procedure (CrPC), 1973 for the trial of offences under Section 72(1), allowing Commissions to issue arrest warrants and send directors directly to jail.

The Central Consumer Protection Authority (CCPA) — The Regulatory Powerhouse

The most radical institutional innovation of CPA 2019 is the establishment of the **Central Consumer Protection Authority (CCPA)** under Chapter III (Sections 10 to 27). Prior to 2019, the consumer framework was purely *reactive*: a consumer had to suffer injury, hire a lawyer, and file a case. If a company ran a dangerous, false advertisement targeting 50 million citizens, no authority had the power to stop it unless an individual victim complained. The CCPA converted the Indian regime into a *proactive regulatory model*.

STRUCTURE & SWEEPING POWERS OF CCPA (SECTIONS 10–27)

Executive Regulator

INVESTIGATION & ENFORCEMENT WING

- **Leadership:** Headed by a Chief Commissioner and supported by Commissioners.
- **Investigation Wing (§ 15):** Headed by a **Director-General** with nationwide investigative staff.
- **Powers of Search & Seizure (§ 22):** Authorized to enter commercial premises, seize documents, inspect manufacturing facilities, and impound defective inventories under the CrPC, 1973.

REGULATORY DIRECTIVES & PENALTIES

- **Suo Motu Inquiries (§ 19):** May initiate investigations on its own motion or upon government reference.
- **Class Action Lawsuits:** Empowers CCPA to file complaints before the National, State, or District Commissions on behalf of consumers as a class.
- **Product Recalls & Refunds (§ 20):** Mandatory recall of hazardous goods and reimbursement of purchase price.
- **Misleading Ads & Endorsers (§ 21):** Heavy fines up to ₹50 Lakhs and celebrity endorsement bans.

CCPA Penalties on Misleading Advertisements and Celebrity Endorsers (§ 21)

Section 21 confers extraordinary powers on the CCPA to regulate false, deceptive, and misleading advertising:

- **Penalties on Manufacturers & Advertisers:** The CCPA may impose a penalty of up to **₹10,00,000 (Ten Lakhs)** for the first false advertisement, and up to **₹50,00,000 (Fifty Lakhs)** for every subsequent violation.

- **Liabilities of Celebrity Endorsers:** If a celebrity, athlete, or social media influencer endorses a product making false claims without conducting due diligence, the CCPA may prohibit that endorser from endorsing *any product or service whatsoever for a period of up to one year* (extendable to **three years** for subsequent violations).
- **Recent Landmark Guidelines Issued by CCPA:**
  - *Guidelines on Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022:* Outlawed surrogate advertising (e.g., alcohol brands advertising soda or music CDs) and bait-and-switch pricing.
  - *Guidelines for Prevention and Regulation of Dark Patterns, 2023:* Prohibited 13 manipulative digital design patterns, including "False Urgency", "Basket Sneaking", "Confirm Shaming", "Forced Action", and "Subscription Traps".
  - *Guidelines on Levying Service Charges in Hotels and Restaurants (2022):* Prohibited automatic or default levying of service charges on dining bills.

6. Unit 14: Role of the Supreme Court of India in Consumer Jurisprudence

The Supreme Court of India sits at the pinnacle of the judicial pyramid. Beyond acting as the statutory appellate forum over the National Commission, the Supreme Court has fundamentally shaped Indian consumer jurisprudence through constitutional interpretation, expansive definitions, and landmark precedent.

1. Statutory Appellate Mechanism (§ 67)

Section 67 of CPA 2019 — Direct Statutory Appeal to Supreme Court

Any person aggrieved by an order made by the National Commission in exercise of its **original powers** under sub-clause (i) of clause (a) of sub-section (1) of Section 58 may prefer an appeal against such order to the Supreme Court within a period of **thirty days** from the date of the order.
Proviso (Pre-Deposit): No appeal shall be entertained by the Supreme Court unless the person who is required to pay any amount has deposited **fifty per cent (50%)** of that amount.

Crucial Statutory Nuance: A direct statutory appeal under Section 67 lies *only against original orders* of the NCDRC (where the claim exceeded ₹2 Crores / ₹10 Crores and was instituted originally before the National Commission). If the NCDRC passed an order in its *appellate or revisional jurisdiction* (affirming or reversing an order of the State Commission), no second statutory appeal lies to the Supreme Court! In such cases, an aggrieved litigant's sole recourse is to petition the Supreme Court under **Article 136 of the Constitution** for Special Leave to Appeal (SLP).

2. Constitutional Jurisdiction: Articles 32, 226 & 136

- **Special Leave Petitions (Article 136):** The Supreme Court exercises plenary constitutional discretion to grant special leave against any judgment or order of the NCDRC. The Court has clarified that it will not act as a regular court of third appeal to re-appreciate concurrent factual findings, but will intervene only where there is gross miscarriage of justice, complete lack of jurisdiction, or substantial questions of constitutional/statutory law.

- **Writ Jurisdiction & Alternative Remedies (Articles 32 & 226):** In *Whirlpool Corporation v. Registrar of Trade Marks (1998)* and *Cicily Kallarackal v. Vehicle Factory (2012)*, the Supreme Court ruled that High Courts should refrain from entertaining writ petitions under Article 226 against orders of consumer commissions when an efficacious, specialized statutory appellate hierarchy is available under the Consumer Protection Act, except where: (a) the order is passed in total violation of natural justice; (b) the tribunal acts completely without jurisdiction; or (c) the vires of an Act or rule is challenged.

3. Landmark Supreme Court Rulings Shaping Consumer Jurisprudence

The following canonical judgments delivered by the Supreme Court of India constitute the foundational jurisprudence governing every consumer court in the country:

PIVOTAL SUPREME COURT PRECEDENTS IN CONSUMER LAW

Leading Case Law

1. Lucknow Development Authority v. M.K. Gupta, AIR 1994 SC 787

Legal Question: Do statutory housing boards, municipal bodies, and development authorities fall within the ambit of the Consumer Protection Act when providing housing and urban development services? Can public servants be personally penalized?
Supreme Court Determination: The Court delivered an epochal ruling holding that statutory bodies undertaking commercial, housing, or construction activities for consideration perform a "service" under Section 2(1)(o). When a public authority acts arbitrarily, delays allotment of houses, or harasses citizens, it commits a "deficiency in service". The Court established the landmark principle that *exemplary damages awarded to a harassed consumer must be recovered directly from the personal salaries of the guilty, negligent public officers*, establishing bureaucratic accountability.

2. Indian Medical Association v. V.P. Shantha, (1995) 6 SCC 651

Legal Question: Does medical treatment provided by doctors, private nursing homes, and government hospitals constitute a "service" under consumer law? Does the doctor-patient relationship represent a "contract of personal service" (which is excluded)?
Supreme Court Determination: A historic three-judge bench held that medical services rendered by medical practitioners fall squarely under the Act. The Court clarified that a "contract of personal service" implies a master-servant relationship (e.g., full-time domestic cook or chauffeur), whereas a doctor operates under a "contract *for* personal service" as an independent professional. The Court established a three-tier classification:
• Category I: Purely free services rendered by government hospitals with no fee whatsoever — Excluded from CPA.
• Category II: Services rendered where everyone is charged — Included under CPA.
• Category III: Hospitals charging paying patients but treating poor patients free — Even the poor patients are treated as "consumers" because the cost is cross-subsidized by paying patients!

3. Morgan Stanley Mutual Fund v. Kartick Das, (1994) 4 SCC 225

Legal Question: Can a person who applies for prospective allotment of shares or mutual fund units be categorized as a "consumer" before the allotment takes place? Can consumer forums issue injunctions restraining public offerings?
Supreme Court Determination: The Court ruled that until shares or mutual fund units are actually allotted, there is no existing transaction of goods or services; there is merely an inchoate offer. A prospective investor is not a "consumer", and consumer commissions have zero jurisdiction to entertain pre-allotment complaints or grant temporary injunctions halting initial public offerings (IPOs), preventing malicious sabotage of capital markets.

4. Spring Meadows Hospital v. Harjol Ahluwalia, (1998) 4 SCC 39

Legal Question: Where a minor child suffers permanent brain damage due to an un-tested intravenous injection administered by an unqualified nurse, can both the parents (who paid the bill) and the child (the patient) claim independent compensation?
Supreme Court Determination: The Court held that under Section 2(1)(d), the term "consumer" includes not only the person who pays consideration (the parents) but also any beneficiary who uses the service with the payer's consent (the minor child). Both are distinct consumers. The child is

entitled to compensation for permanent physical disability and loss of future enjoyment of life, while the parents are entitled to separate compensation for mental agony and lifelong nursing hardship.

5. Pioneer Urban Land & Infrastructure Ltd. v. Govindan Raghavan, (2019) 5 SCC 725

Legal Question: Can real estate developers enforce one-sided, ex-facie unfair builder-buyer agreements against home buyers?
Supreme Court Determination: The Court held that standard-form builder-buyer contracts where the builder charges 18% compound interest for delayed buyer installments, but commits to pay only a meager ₹5 per sq. ft. (approx 2% p.a.) for multi-year project delays, constitute an **Unfair Trade Practice**. Consumers cannot be held hostage to unconscionable, one-sided clauses. A buyer is fully entitled to repudiate the agreement and seek a complete refund of consideration with high commercial interest.

6. Vodafone Idea Cellular Ltd. v. Ajay Kumar Agarwal, (2022) 6 SCC 496

Legal Question: Does Section 7B of the Indian Telegraph Act, 1885 (which mandates statutory arbitration for telegraph disputes) bar consumer courts from entertaining telecom complaints?
Supreme Court Determination: Overruling previous ambiguous decisions, the Supreme Court held that the remedy under Section 100 of CPA 2019 (and Section 3 of CPA 1986) is in *addition to, and not in derogation of, any other law*. A consumer has an absolute right to elect between statutory arbitration and a consumer court complaint. Consumer forums retain full concurrent jurisdiction over private and public telecom operators.

7. Comprehensive Comparative Statutory Synthesis

The following multi-parameter synthesis table consolidates the governing statutory provisions, institutional compositions, pecuniary thresholds, appellate timelines, and procedural powers across all three tiers of adjudicatory commissions:

Parameter	District Commission (DCDRC)	State Commission (SCDRC)	National Commission (NCDRC)
Statutory Foundation	Section 28 of CPA 2019 (Formerly Section 9, 1986 Act)	Section 42 of CPA 2019 (Formerly Section 9, 1986 Act)	Section 53 of CPA 2019 (Formerly Section 9, 1986 Act)
Head / President Qualifications	Person who is, has been, or is qualified to be a **District Judge**.	Person who is or has been a **Judge of the High Court**.	Person who is or has been a **Judge of the Supreme Court** or **Chief Justice of High Court**.
Member Composition	President + Not less than **2 members** (at least 1 woman).	President + Not less than **4 members** (at least 1 woman).	President + Not less than **4 members** (multiple specialized benches).
Tenure & Age Limit	4 years or up to **65 years** of age, whichever is earlier.	4 years or up to **67 years** (President) / **65 years** (members).	4 years or up to **70 years** (President) / **67 years** (members).
Pecuniary Jurisdiction (1986 Act)	Goods/services + compensation up to **₹20 Lakhs**.	Claims exceeding ₹20 Lakhs up to **₹1 Crore**.	Claims exceeding **₹1 Crore**.
Pecuniary Jurisdiction (2019 Act Original)	Consideration paid does not exceed **₹1 Crore**.	Consideration paid exceeds ₹1 Crore up to **₹10 Crores**.	Consideration paid exceeds **₹10 Crores**.
Pecuniary Jurisdiction (Current 2021 Rules)	Consideration paid **up to ₹50 Lakhs**.	Consideration paid **exceeds ₹50 Lakhs up to ₹2 Crores**.	Consideration paid **exceeds ₹2 Crores**.
Territorial Jurisdiction	Revenue District & **Complainant's Residence/Workplace** (§ 34(2)).	State Territory & Complainant's Residence/Workplace (§ 47(4)).	Entire territory of India (Pan-India).
Appellate Forum & Limitation	Appeals lie to **State Commission** within **45 days** (§ 41).	Appeals lie to **National Commission** within **30 days** (§ 51).	Appeals lie to **Supreme Court** within **30 days** (§ 67).
Mandatory Pre-Deposit	50% of the awarded amount must be deposited before filing appeal to SCDRC.	50% of the awarded amount must be deposited before filing appeal to NCDRC.	50% of the awarded amount must be deposited before filing appeal to Supreme Court.
Power of Review	Yes, within 30 days for error apparent on record (§ 40).	Yes, within 30 days for error apparent on record (§ 50).	Yes, within 30 days for error apparent on record (§ 60).
Enforcement Mechanisms	Civil decree execution (§ 71) & Criminal contempt trial (§ 72).	Civil decree execution (§ 71) & Criminal contempt trial (§ 72).	Civil decree execution (§ 71) & Criminal contempt trial (§ 72).

8. Calicut University Academic & Examination Question Bank

The following curated question-solution sets reflect the exact curriculum requirements, conceptual depth, and analytical rigor prescribed by Calicut University for **COM1FM105 (3): Consumer Awareness and Protection** (Module III: Organizational Set-up under the Consumer Protection Act).

Part A: 2-Mark Conceptual Questions (Short Answers)

Question 1 [Part A - 2 Marks] CPA 2019 Nomenclature

Why was the erstwhile "District Forum" renamed as the "District Consumer Disputes Redressal Commission" under CPA 2019?

The nomenclature was upgraded from "Forum" to "Commission" to reflect its elevated judicial stature, confer formal status as a specialized court of record, and harmonize its designation with the State and National Commissions. It signifies broadened powers including review powers (§ 40), summary criminal trial powers (§ 72), and civil decree execution authority (§ 71).

Question 2 [Part A - 2 Marks] Pecuniary Limits

What is the current pecuniary jurisdiction of the District Commission following the 2021 Rules?

Under the *Consumer Protection (Jurisdiction of the District Commission, the State Commission and the National Commission) Rules, 2021* (notified on December 30, 2021), the District Commission has the pecuniary jurisdiction to entertain complaints where the **value of the goods or services paid as consideration does not exceed ₹50,00,000 (Fifty Lakhs)**.

Question 3 [Part A - 2 Marks] Appellate Pre-Deposit

State the mandatory pre-deposit requirement for preferring an appeal under the Consumer Protection Act, 2019.

Under Sections 41, 51, and 67 of CPA 2019, no appeal against an order of a District Commission, State Commission, or National Commission shall be entertained unless the appellant has deposited **fifty per cent (50%) of the amount ordered to be paid**. This eliminates frivolous and vexatious corporate appeals designed to delay justice.

Question 4 [Part A - 2 Marks] Advisory Councils

Who is the Chairperson of the Central Consumer Protection Council and how often must it meet?

Under Section 3(2)(a) of CPA 2019, the Chairperson of the Central Consumer Protection Council is the **Union Minister in charge of Consumer Affairs** in the Central Government. Under Section 4, the Central Council must meet at least **once every year**.

Question 5 [Part A - 2 Marks] **Territorial Jurisdiction**

Explain the historic reform in territorial jurisdiction introduced by Section 34(2)(d) of CPA 2019.

Section 34(2)(d) allows a consumer to file a complaint in the District Commission within whose local limits **the complainant resides or personally works for gain**. This liberated consumers from the oppressive 1986 requirement of traveling to where the opposite party's office was situated.

Question 6 [Part A - 2 Marks] **CCPA Investigation Wing**

What is the Investigation Wing of the Central Consumer Protection Authority (CCPA)?

Under Section 15 of CPA 2019, the CCPA has an independent Investigation Wing headed by a **Director-General**. It is empowered to conduct inquiries, search commercial premises, seize documents and defective goods under the CrPC, and investigate systemic consumer rights violations.

Question 7 [Part A - 2 Marks] **Statutory Limitation**

What is the limitation period for filing an appeal before the State Commission against an order of the District Commission?

Under Section 41 of CPA 2019, an appeal must be filed within **45 days** from the date of the District Commission's order (expanded from 30 days under the 1986 Act). The State Commission may condone delay only upon proof of sufficient cause.

Question 8 [Part A - 2 Marks] **Review Powers**

Can a District Consumer Commission review its own order? State the governing provision.

Yes. Under **Section 40** of CPA 2019, the District Commission has the power to review any order passed by it within **30 days** of passing the order, if there is an error apparent on the face of the record (a power that did not exist for District Forums under the 1986 Act).

Part B: 5-Mark Short Essay Questions

Question 9 [Part B - 5 Marks] **District Commission Composition & Procedure**

Explain the composition, qualifications of members, and admission procedure of the District Consumer Disputes Redressal Commission under CPA 2019.

1. Composition & Qualifications (§ 28):

- **President:** A person who is, has been, or is qualified to be a District Judge.
- **Members:** Not less than two members (one of whom must be a woman), possessing recognized degrees, integrity, and at least 15-20 years of experience in law, commerce, economics, or public affairs.
- Appointed by the State Government via a High Court-monitored Selection Committee for a term of 4 years or up to 65 years of age.

2. Admission Procedure (§ 36):

- Complaints are filed physically or electronically via *e-Daakhil* with prescribed nominal fees.
- Under Section 36(2), the Commission must decide admissibility within **21 days**. If not decided, it is *deemed admitted*.
- Notice is served on the opposite party within 21 days, directing a written version within 30 days (extendable by maximum 15 days). The 45-day window is mandatory and non-extendable (*Hilli Multipurpose Cold Storage* case).

Question 10 [Part B - 5 Marks] **Consumer Protection Councils**

Examine the constitution, meeting frequency, and statutory objectives of Consumer Protection Councils at the Central, State, and District levels.

Consumer Protection Councils are consultative advisory bodies constituted under Chapter II of CPA 2019:

- **Central Council (CCPC - §§ 3-5):** Chaired by the Union Minister of Consumer Affairs, with official and non-official members (max 36). Meets at least *once every year*. Objectives: advising the Central Government on national consumer policies and safety standards.
- **State Council (SCPC - §§ 6-8):** Chaired by the State Minister of Consumer Affairs, with up to 10 Central nominees. Meets at least *twice every calendar year*. Objectives: monitoring state enforcement, public distribution, and regional consumer education.
- **District Council (DCPC - §§ 8-9):** Chaired by the **District Collector**, with local administrative officers and civil society members. Meets at least *twice every year*. Objectives: grassroots consumer awareness, rural market oversight, and monitoring local trade practices.

Critical Note: Councils are purely consultative; they have no judicial power to adjudicate individual claims or award compensation.

Question 11 [Part B - 5 Marks] **State Commission Jurisdictions**

Detail the three-fold jurisdiction (Original, Appellate, and Revisional) exercised by the State Consumer Disputes Redressal Commission.

Under Section 47 of CPA 2019, the State Commission exercises three distinct jurisdictions:

- **1. Original Jurisdiction (§ 47(1)(a)(i)):** Entertains original complaints where the value of goods or services paid as consideration **exceeds ₹50 Lakhs but does not exceed ₹2 Crores** (under 2021 Rules). Complainant residence or cause of action nexus applies.
- **2. Appellate Jurisdiction (§ 41):** Hears appeals against original orders of any District Commission within the State. The appeal must be preferred within **45 days**, subject to the mandatory pre-deposit of **50%** of the awarded sum.
- **3. Revisional Jurisdiction (§ 47(1)(b)):** May call for records and revise orders of any District Commission within the State if the District Commission exercised jurisdiction not vested in it, failed to exercise jurisdiction, or acted with material irregularity.
- **Superintendence (§ 48):** Can transfer cases between District Commissions in the interest of justice.

Question 12 [Part B - 5 Marks] **Enforcement & Penalties**

Discuss the civil execution powers and criminal penalties available to Consumer Commissions under Sections 71 and 72 of CPA 2019.

The 2019 Act transformed consumer commissions into formidable judicial authorities:

- **Civil Decree Execution (§ 71):** Every order passed by a District, State, or National Commission is enforceable in the same manner as a **decree of a civil court** under Order XXI of the Code of Civil Procedure (CPC), 1908. Commissions can issue warrants of attachment, seize bank accounts, and auction immovable property.
- **Criminal Contempt & Penalties (§ 72):** Failure to comply with an order attracts:
  - Imprisonment for a term between **1 month and 3 years**; OR
  - A fine between **₹25,000 and ₹1,00,000**; OR both.
- **Magisterial Powers (§ 72(2)):** The Commission acts as a **Judicial Magistrate of the First Class** under the CrPC, 1973 for summary trial of non-compliance, enabling it to issue non-bailable arrest warrants against corporate directors.

Part C: 10-Mark Comprehensive Analytical Essay & Problem Questions

Question 13 [Part C - 10 Marks] **Comprehensive Institutional Essay**

Critically evaluate the organizational structure, composition, and jurisdictional hierarchy of Consumer Disputes Redressal Commissions under CPA 2019. Highlight the pivotal reforms introduced over the 1986 Act.

Structure of Essay:

1. **Introduction & Legislative Intent:** The Consumer Protection Act, 2019 created a specialized three-tier judicial hierarchy to provide speedy, inexpensive, and summary justice. It addressed systemic weaknesses of the 1986 Act, such as forum shopping, delayed appeals, and execution failures.
2. **The Frontline: District Commission (§§ 28–41):**
    - Headed by a qualified District Judge, accompanied by at least two members (including a woman).
    - Pecuniary Limit: Consideration paid up to ₹50 Lakhs (2021 Rules).
    - Revolutionary Territorial Jurisdiction (§ 34(2)(d)): Consumer can file at their own place of residence or work, shifting power from corporate sellers to consumers.
    - Review Powers (§ 40): Power to correct errors apparent on the face of the record within 30 days.
3. **The Appellate & Intermediate Tier: State Commission (§§ 42–52):**
    - Headed by a sitting or retired High Court Judge, with at least four members.
    - Original Pecuniary Limit: Consideration paid between ₹50 Lakhs and ₹2 Crores.
    - Appellate Jurisdiction: Appeals against District Commission orders within 45 days.
    - Mandatory 50% Pre-deposit (§ 41): Prevents frivolous delays by requiring appellants to deposit half the decree amount.
    - Revisional & Administrative Superintendence: Corrects jurisdictional defects and transfers matters between districts (§§ 47-48).
4. **The National Apex: National Commission (NCDRC) (§§ 53–73):**
    - Headed by a sitting or retired Supreme Court Judge or Chief Justice of a High Court, headquartered in New Delhi.
    - Original Pecuniary Limit: Consideration paid exceeding ₹2 Crores (post-2021 Rules).
    - Pan-India appellate and revisional authority; administrative superintendence over all commissions (§ 70).
    - Execution powers under CPC Order XXI (§ 71) and summary criminal magisterial powers (§ 72).
5. **Critical Assessment of Major Shifts from CPA 1986:**
    - Shift from "Claim Value + Compensation" to strictly "Consideration Paid", eliminating inflated claims.
    - Complainant's residence rule under § 34(2)(d) overcoming physical barriers.
    - Mandatory mediation cells attached to every commission (Chapter V) institutionalizing ADR.

- Mandatory 50% pre-deposit across all appellate levels replacing nominal ₹25,000/₹50,000 caps.

Question 14 [Part C - 10 Marks] **Supreme Court Jurisprudence Essay**

"The Supreme Court of India has transformed the Consumer Protection Act from a dead statute into an active instrument of socio-economic justice." Critically discuss with reference to landmark judicial decisions.

Analytical Discussion Points:

1. **Constitutional Mandate & Purposive Interpretation:** The Supreme Court has consistently applied a "beneficent and purposive" rule of statutory construction, recognizing that the Consumer Protection Act is social welfare legislation enacted to redress the inherent bargaining inequality between individual consumers and organized corporate power.
2. **Public Accountability — *Lucknow Development Authority v. M.K. Gupta (1994)*:** The Court demolished the sovereign immunity shield often claimed by statutory development authorities. It ruled that statutory bodies providing housing, electricity, or water engage in "service" for consideration. Crucially, the Court directed that when citizens suffer arbitrary administrative delays and harassment, compensatory damages must be recovered from the personal pockets and salaries of the delinquent officers, establishing personal administrative accountability.
3. **Medical Accountability — *Indian Medical Association v. V.P. Shantha (1995)*:** The Court held that the medical profession is not exempt from consumer scrutiny. By distinguishing between a "contract of personal service" (master-servant) and a "contract for personal service" (professional-client), the Court brought all fee-charging medical practitioners and private nursing homes within consumer jurisdiction, while establishing the standard of reasonable medical care (*Bolam Test*).
4. **Financial & Capital Markets Demarcation — *Morgan Stanley v. Kartick Das (1994)*:** The Court safeguarded the national financial system by holding that prospective applicants for shares or mutual funds are not "consumers" until actual allotment occurs, preventing opportunistic litigators from obtaining injunctions to paralyze corporate public offerings.
5. **Protection of Third-Party Beneficiaries — *Spring Meadows Hospital v. Harjol Ahluwalia (1998)*:** The Court expanded locus standi by recognizing that both the paying consumer (the parents) and the direct beneficiary (the minor patient) are distinct consumers entitled to separate heads of compensation for medical negligence and trauma.
6. **Striking Down Unconscionable Real Estate Contracts — *Pioneer Urban Land v. Govindan Raghavan (2019)*:** The Court established that one-sided standard-form contracts (where developers penalize buyers at 18% p.a. while offering token compensation of 2% p.a. for their own multi-year delays) constitute an **Unfair Trade Practice**. The Court affirmed that home buyers cannot be compelled to accept delayed possession and are entitled to full refunds with commercial interest.
7. **Preserving Specialized Consumer Access — *Vodafone Idea v. Ajay Kumar Agarwal (2022)*:** The Court upheld the concurrent jurisdiction of consumer commissions over telecom and utility disputes, rejecting corporate attempts to redirect consumers to obscure statutory arbitration mechanisms.

Question 15 [Part C - 10 Marks] **Practical Multi-Issue Case Problem**

Case Scenario:
Mr. Anand, a retired school principal residing in Kozhikode (Calicut), Kerala, booked a premium retirement apartment in an upcoming luxury township in Bengaluru, Karnataka, promoted by 'Skyline Mega-Structures Pvt Ltd' (headquartered in Bengaluru). The total contract price was ₹1.45 Crores. Between January 2021 and December 2022, Anand paid four installments totaling ₹65,00,000 (Sixty-Five Lakhs) via online bank transfers from his Kozhikode bank account.
The agreement contained two contentious clauses:
(i) "*Any delay in payment by the buyer shall attract compound interest @ 18% p.a. However, in the event of builder delay, the builder shall pay compensation of ₹5 per square foot per month (equivalent to approx 1.8% p.a.).*"
(ii) "*Clause 34: The courts and consumer forums in Bengaluru alone shall have exclusive jurisdiction to entertain any dispute arising out of this agreement.*"
The promised possession date was December 31, 2023. As of September 2026, construction has been abandoned at the foundation stage. The builder refused to refund Anand's ₹65 Lakhs, citing financial distress, and warned Anand that under Clause 34, he cannot sue anywhere outside Bengaluru.
Analyze the following legal issues:

1. **Can Anand file his consumer complaint in Kozhikode, Kerala, or is he legally bound by Clause 34 to file in Bengaluru?**
2. **Which specific Consumer Commission has the pecuniary jurisdiction to entertain this complaint under the 2021 Rules?**
3. **How will the Supreme Court's precedent in *Pioneer Urban Land* apply to Clause (i) of the agreement?**
4. **What exact statutory reliefs can Anand obtain from the Commission?**
5. **If the builder disobeys the final order, what enforcement mechanisms under Sections 71 and 72 can Anand invoke?**

Comprehensive Legal Solution:

- **1. Territorial Jurisdiction & Validity of Exclusive Jurisdiction Clause:**
  - Under **Section 34(2)(d) / Section 47(4)** of CPA 2019, a complaint can be instituted where the *complainant resides or personally works for gain*. Anand resides in Kozhikode.
  - In *Neena Aneja v. Jai Prakash Associates Ltd.* and settled Supreme Court jurisprudence, statutory forum selection conferred by consumer welfare legislation cannot be ousted by private, standard-form builder contracts. Clause 34 attempting to vest exclusive jurisdiction solely in Bengaluru is void and unenforceable against a consumer. Anand has the absolute legal right to institute his complaint in Kerala.
- **2. Determination of Pecuniary Jurisdiction:**
  - Under CPA 2019, pecuniary jurisdiction is determined strictly by the **value of goods or services paid as consideration**, NOT the total project value (₹1.45 Crores) and NOT the compensation claimed.
  - The total consideration paid by Anand is **₹65,00,000**.

- Under the *Consumer Protection (Jurisdiction of the District Commission, State Commission and National Commission) Rules, 2021*:
    - District Commission limit: Up to ₹50 Lakhs.
    - State Commission limit: Exceeding ₹50 Lakhs up to ₹2 Crores.
- Since ₹65 Lakhs exceeds ₹50 Lakhs and is below ₹2 Crores, the complaint falls squarely within the **Original Jurisdiction of the State Consumer Disputes Redressal Commission (SCDRC), Kerala (sitting at Thiruvananthapuram / Circuit Bench at Kozhikode/Ernakulam)**.

- **3. Application of *Pioneer Urban Land* Ruling:**
    - The penal clause charging Anand 18% compound interest for delayed payment while offering the builder a token ₹5 per sq. ft. per month (approx 1.8% p.a.) is a textbook one-sided, unconscionable contract.
    - Under *Pioneer Urban Land & Infrastructure Ltd. v. Govindan Raghavan (2019)*, the Supreme Court held that such disparate terms constitute an **Unfair Trade Practice under Section 2(47)**. The Commission will declare Clause (i) unenforceable. Anand is not bound to accept an indefinite delay and has the right to claim a full refund.
- **4. Statutory Reliefs Available (§ 39):**
    - Full refund of the entire principal consideration paid: **₹65,00,000**.
    - Commercial interest on the refunded sum (typically 9% to 12% p.a. from the date of each deposit until actual realization) as laid down in *Experion Developers Pvt. Ltd. v. Sushma Ashok Shiroor (2022)*.
    - Substantial compensation for mental agony, distress, and escalating cost of alternative housing.
    - Litigation costs (typically ₹25,000 to ₹50,000).
- **5. Enforcement of Orders (§§ 71 & 72):**
    - **Civil Execution (§ 71):** If the builder fails to pay within the stipulated time (usually 30–45 days), Anand can apply under Section 71 for execution as a civil court decree under CPC Order XXI. The State Commission can issue warrants of attachment against the builder's bank accounts and attach their land and corporate assets.
    - **Criminal Prosecution (§ 72):** Anand can invoke Section 72 for contemptuous disobedience. The Commission, exercising powers of a Judicial Magistrate of the First Class, can issue non-bailable arrest warrants (NBWs) against the Managing Director and directors of Skyline Mega-Structures Pvt Ltd, sentencing them to imprisonment for up to **three years** and imposing monetary fines.