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B.Com Honours | Semester 1 | Calicut University

Consumer Awareness and Protection

Course Code: COM1FM105 (3) • Module 4 Notes

Calicut University Curriculum Compliance — Module IV

Course: COM1FM105 (3) Consumer Awareness and Protection • **Semester:** I • **Module IV:** GRIEVANCE REDRESSAL MECHANISM UNDER THE INDIAN CONSUMER PROTECTION LAW (8 Contact Hours)
Syllabus Units Covered: Unit 15: Who can file a complaint • Grounds of filing a complaint • Limitation period • Unit 16: Procedure for filing and hearing of a complaint • Unit 17: Disposal of cases • Relief/Remedy available • Product Liability Determinations • Unit 18: Temporary Injunction • Enforcement of order • Appeal • Frivolous and vexatious complaints • Unit 19: Offences and penalties • Comprehensive Statutory Comparative Tables & Calicut University Examination Bank (2, 5 & 10 Marks).

1. Overview of the Grievance Redressal Architecture

The grievance redressal mechanism established under the **Consumer Protection Act, 2019** represents a revolutionary departure from standard civil court litigation. In traditional civil jurisprudence, lawsuits are governed by the strict, intricate, and heavily contested procedures of the *Code of Civil Procedure, 1908 (CPC)* and the *Indian Evidence Act, 1872*, which often take decades to resolve simple claims. The Consumer Protection Act establishes an expedited, summary, consumer-friendly redressal track designed to offer inexpensive, speedy, and substantive justice without cumbersome technicalities.

Under the 2019 Act, the redressal process has been completely modernized: consumers can institute complaints electronically from their homes via the **e-Daakhil** portal, submit affidavits without mandatory oral cross-examinations, resolve disputes through court-annexed mediation cells, seek comprehensive product liability damages against manufacturers and sellers, enforce orders through civil execution under Order XXI CPC, and initiate criminal proceedings against recalcitrant corporate directors carrying sentences of up to three years imprisonment.

THE FIVE PILLARS OF CONSUMER REDRESSAL UNDER CPA 2019 Core Workflow

1. INITIATION & LOCUS STANDI (§§ 2(5), 35, 69)

• Qualified complainants: Consumers, Legal Heirs, VCOs, Governments, CCPA, and Class Actions.
• Statutory grounds: UTP, RTP, defect in goods, deficiency in service, overpricing, and hazardous products.
• Limitation period: Strictly **2 years** from the date of cause of action (§ 69).

2. SUMMARY ADJUDICATION (§§ 36, 37, 38)

• Electronic or physical filing with nominal court fees.
• Admissibility decided within **21 days** (Deemed admission rule).
• Written version strictly within **30 + 15 days** ceiling.
• Pre-trial reference to court-annexed Mediation Cells (§ 37).

3. STATUTORY RELIEFS & REMEDIES (§ 39)

• Defect rectification, product replacement, or full refund with interest.
• Compensatory and punitive damages for mental agony and injury.
• Corrective advertising and contributions to Consumer Welfare Fund.
• Product liability claims under Chapter VI (Strict Liability).

4. ENFORCEMENT & APPEALS (§§ 41, 51, 67, 71, 72)

• Enforcement as a Civil Court Decree under CPC Order XXI (§ 71).
• Criminal contempt trials: 1 to 3 years imprisonment + fines (§ 72).
• Appeals with mandatory **50% pre-deposit** requirement.
• Fines up to ₹50,000 for frivolous/vexatious complaints (§ 39(2)).

2. Unit 15: Locus Standi, Grounds for Filing, and Limitation Period

A. Who Can File a Complaint? (Locus Standi — Section 2(5) & Section 35)

The concept of *locus standi* (the legal capacity to institute legal proceedings) is deliberately expansive under consumer law to ensure that marginalized, vulnerable, or fragmented consumers are not silenced by resource constraints. Under **Section 2(5)** of the Consumer Protection Act, 2019, a "complainant" means:

1. **A Consumer (§ 2(5)(i)):** Any individual or entity that satisfies the statutory criteria of Section 2(7), purchasing goods or hiring services for consideration, excluding purchases made for commercial resale or large-scale commercial exploitation without personal self-employment.
2. **Registered Voluntary Consumer Associations (§ 2(5)(ii)):** Any voluntary consumer organization registered under the *Societies Registration Act, 1860*, the *Companies Act, 2013*, or any other law for the time being in force. It is not necessary that the aggrieved consumer be a member of that association! However, an unregistered consumer association cannot institute a complaint (*Tamil Nadu Electricity Board v. Status Spinning Mills, 2008*).

3. **The Central Government or any State Government (§ 2(5)(iii)):** The executive government can file complaints on behalf of citizens to protect public health, safety, and economic interests.
4. **The Central Consumer Protection Authority (CCPA) (§ 2(5)(iv)):** The regulatory watchdog created under Chapter III can directly file complaints before District, State, or National Commissions on behalf of the public or a class of consumers.
5. **One or More Consumers in a Class Action (§ 2(5)(v) & § 35(1)(c)):** Where there are numerous consumers having the same interest, one or more consumers can file a representative complaint on behalf of all affected consumers with the formal permission of the District Commission (analogous to Order I, Rule 8 of the CPC). For example, 500 flat buyers in a stalled housing project or 10,000 airline passengers affected by illegal flight cancellations.
6. **Legal Heirs or Representatives (§ 2(5)(vi)):** In the unfortunate event of the death of a consumer (e.g., due to medical negligence, vehicle brake failure, or electrocution), the legal heirs or legal representatives of the deceased have full legal capacity to maintain the complaint.
7. **Parents or Legal Guardians (§ 2(5)(vii)):** In case of a minor consumer (below 18 years of age), the complaint can be lawfully instituted by their parent or legal guardian (*Spring Meadows Hospital v. Harjol Ahluwalia, 1998*).

Legal Representation & Capacity Nuances

Can an Advocate or Power of Attorney (PoA) Holder file in their own name?
No. In *National Consumer Awareness Group v. Housing Development Finance Corporation (1994)* and settled NCDRC precedent, an advocate or PoA holder cannot file a complaint in their own personal name as a complainant. They can only appear, argue, or sign the pleadings *on behalf of* a recognized complainant who possesses genuine locus standi.

B. Statutory Grounds for Filing a Complaint (§ 2(6))

Under Section 2(6) of CPA 2019, a "complaint" must be an allegation in writing made by a complainant with a view to obtaining any relief provided under the Act, establishing one or more of the following statutory grounds:

- **1. Unfair Trade Practice (UTP) or Restrictive Trade Practice (RTP) (§ 2(6)(i)):** That an unfair or restrictive trade practice has been adopted by any trader or service provider (such as misleading advertisements, refusal to issue a cash memo, hoarding, bait-and-switch pricing, or tie-in sales).
- **2. Defect in Goods (§ 2(6)(ii)):** That the goods bought by the complainant or agreed to be bought suffer from one or more defects (fault, imperfection, or shortcoming in quality, quantity, purity, or standard required by law or contract).
- **3. Deficiency in Service (§ 2(6)(iii)):** That the services hired or availed of or agreed to be hired/availed of suffer from any deficiency (fault, inadequacy, or failure in the manner of performance prescribed by law or contract, or deliberate withholding of relevant information).
- **4. Overcharging / Pricing Violations (§ 2(6)(iv)):** That a trader or service provider has charged a price in excess of:
  - The price fixed by or under any law for the time being in force;

- The price displayed on the goods or any package containing such goods (Maximum Retail Price - MRP);
- The price displayed on the price list exhibited by him; or
- The price agreed between the parties.

- **5. Hazardous Goods Offered for Sale (§ 2(6)(v)):** That goods which will be hazardous to life and safety when used are being offered for sale to the public in contravention of standards prescribed by statutory authorities (such as selling non-ISI electrical appliances or adulterated baby food).
- **6. Hazardous Services Offered (§ 2(6)(vi)):** That services which are or are likely to be hazardous to life and safety are being offered to the public without adequate safety disclosures.
- **7. Product Liability Claim (§ 2(6)(vii)):** A claim brought under Chapter VI against a product manufacturer, product service provider, or product seller for harm caused by a defective product or deficient service.

C. Statutory Limitation Period — Section 69

The law of limitation ensures legal certainty and prevents ancient, stale claims from disrupting business operations. Section 69 of CPA 2019 establishes strict limitation parameters:

Section 69 of CPA 2019 — Limitation Period

Section 69(1): The District Commission, the State Commission or the National Commission shall not admit a complaint unless it is filed within **two years** from the date on which the cause of action has arisen.
Section 69(2): Notwithstanding anything contained in sub-section (1), a complaint may be entertained after the period specified in sub-section (1), if the complainant satisfies the Commission that he had **sufficient cause** for not filing the complaint within such period: Provided that no such complaint shall be entertained unless the Commission records its reasons for condoning such delay.

Crucial Legal Principles on Limitation & Cause of Action

- **When Does the "Cause of Action" Arise?** Cause of action refers to the bundle of essential facts that gives the complainant the right to seek judicial relief:
  - *Insurance Claims:* Limitation begins on the date when the insurance company formally communicates its **letter of repudiation**, NOT the date of the underlying accident or theft (*Kandimalla Raghavaiah & Co. v. National Insurance Co., 2009*).
  - *Real Estate / Builder Projects:* Where a builder fails to deliver possession of a residential unit, it is a **continuing cause of action** until either possession is legally handed over with an Occupancy Certificate or the builder formally refunds the money (*Meerut Development Authority v. Mukesh Kumar Gupta, 2012*).
  - *Medical Negligence:* Limitation begins when the patient/complainant discovers the injury or foreign object left during surgery, not necessarily the date of the surgery itself (*V.N. Shrikhande v. Anita Sena Fernandes, 2011*).
- **Mandatory Jurisdictional Check (*State Bank of India v. B.S. Agricultural Industries, AIR 2009 SC 1307*):** The Supreme Court ruled that Section 69 imposes a mandatory statutory duty on the Consumer

Commission to examine whether the complaint is filed within two years. Even if the opposite party does not plead the bar of limitation, the Commission has no legal jurisdiction to entertain a time-barred complaint unless a formal condonation of delay application demonstrating "sufficient cause" is filed and allowed with recorded reasons.

3. Unit 16: Procedure for Filing and Hearing of a Complaint

A. Electronic Filing via e-Daakhil Portal & Fee Structure

One of the hallmark technological advancements under CPA 2019 is the operationalization of the **e-Daakhil Portal** (edaakhil.nic.in), developed by the National Informatics Centre (NIC). It democratized consumer justice by enabling complete paperless, remote access.

STEP-BY-STEP WORKFLOW OF E-DAAKHIL ONLINE FILING

Digital Justice

STEP 1: REGISTRATION & COMPLAINT DRAFTING

- Complainant registers via OTP authentication.
- Selects target Commission based on territorial (§ 34(2)) and pecuniary limits.
- Uploads digitally signed PDF petition, index, facts, grounds, and prayer.
- Uploads scanned evidentiary annexures (invoices, receipts, emails).

STEP 2: FEE PAYMENT & REGISTRY SCRUTINY

- Online payment of statutory court fee via Bharatkosh / payment gateway.
- Scrutiny by Registry within 48 hours for curable defects.
- Generation of unique Case Registration Number upon verification.
- Automated SMS/email alerts for hearing dates and orders.

Statutory Court Fee Schedule (Rule 7, CDRC Rules, 2020)

To ensure access to justice for economically disadvantaged consumers, the Central Government promulgated a highly subsidized, pro-poor fee schedule:

Forum	Value of Consideration Paid	Statutory Fee Payable
District Commission (DCDRC)	Up to ₹5,00,000 (Five Lakhs)	**NIL (Completely Free!)**
	Exceeding ₹5 Lakhs up to ₹10 Lakhs	₹200
	Exceeding ₹10 Lakhs up to ₹20 Lakhs	₹400
	Exceeding ₹20 Lakhs up to ₹50 Lakhs	₹1,000
State Commission (SCDRC)	Exceeding ₹50 Lakhs up to ₹1 Crore	₹2,000
	Exceeding ₹1 Crore up to ₹2 Crores	₹2,500
National Commission (NCDRC)	Exceeding ₹2,00,00,000 (Two Crores)	₹7,500

B. Stage-by-Stage Adjudication Procedure (§§ 36, 37 & 38)

1. **Stage 1: Admission Scrutiny (§ 36):** Within **21 days** from the date of filing, the Commission must hear the complainant on admission. If the Commission fails to pronounce an admissibility order within 21 days, the complaint is statutorily **deemed to have been admitted** under Section 36(2).
2. **Stage 2: Service of Notice & The Written Version Deadline (§ 38(2)(a)):** Upon admission, a copy of the complaint is served to the opposite party within 21 days, directing them to submit their written version within **30 days**. The Commission may grant an extension not exceeding **15 days** upon showing sufficient cause.
   The Strict 45-Day Rule: In the landmark Constitution Bench judgment in **New India Assurance Co. Ltd. v. Hilli Multipurpose Cold Storage Pvt. Ltd., (2020) 5 SCC 757**, the Supreme Court held that the consumer forum has no legal power to extend the time for filing a response beyond $30 + 15 = 45$ days. If the opposite party fails to file within 45 days, their right to file a written version stands forfeited, and the matter proceeds ex-parte.
3. **Stage 3: Reference to Consumer Mediation Cell (Chapter V & § 37):** At the very first hearing after admission, the Commission assesses whether there exist elements of an amicable settlement. With the written consent of both parties, the Commission refers the dispute to the attached **Consumer Mediation Cell**. If a settlement is reached, the mediator forwards the agreement within 5 days, and the Commission passes an order in accordance with the settlement, against which *no appeal shall lie*!
4. **Stage 4: Summary Trial on Evidence by Affidavits (§ 38):** Unlike civil suits that involve lengthy oral testimony, evidence before consumer commissions is led through **sworn affidavits**. Parties may file interrogatories for cross-examination. Oral cross-examination is permitted only in extraordinary situations involving intricate allegations of fraud or forgery (*JJ Merchant v. Shrinath Chaturvedi, 2002*).
5. **Stage 5: Referral to Appropriate Laboratory (§ 38(2)(c)):** If the dispute involves a technical defect in goods (e.g., automobile engine seizure, cement compressive strength, pharmaceutical purity), the Commission extracts a sample, authenticates it, and remits it to a government-recognized referral laboratory. The laboratory must submit its analytical report within **45 days**.
6. **Stage 6: Final Disposal & Judgment Delivery (§ 38(7)):** The Commission is statutorily mandated to dispose of complaints within:
   - **Three (3) Months:** Where the complaint does not require testing or laboratory analysis.

- **Five (5) Months:** Where the complaint requires technical laboratory testing or analysis.

4. Unit 17: Disposal of Cases & Statutory Reliefs Available

A. Comprehensive Menu of Reliefs under Section 39(1)

If, after the proceeding, the District Commission is satisfied that the goods suffer from any defect or that any of the allegations of deficiency in service or unfair trade practice are proved, it shall issue an order directing the opposite party to do one or more of the following acts:

Statutory Clause	Nature of Relief	Practical Application & Conditions
Section 39(1)(a)	Removal of Defects	Directing the manufacturer or dealer to remove the defect from the goods at their own cost.
Section 39(1)(b)	Replacement of Goods	Replacing defective goods with new goods of similar description, free from any defect.
Section 39(1)(c)	Refund of Price / Consideration	Returning the price or consideration paid by the complainant, together with commercial interest (typically 9% to 12% p.a.).
Section 39(1)(d)	Compensatory Damages	Awarding compensation for loss, physical injury, mental agony, or emotional trauma caused by negligence.
Section 39(1)(e)	Punitive Damages	Granting punitive damages against deliberate corporate wrongdoers to deter gross market misconduct.
Section 39(1)(f)	Curing Deficiency in Service	Directing the service provider to remedy the deficiency (e.g., executing conveyance deed, clearing insurance claim).
Section 39(1)(g)	Discontinuation of UTP / RTP	Ordering the trader to immediately cease unfair or restrictive trade practices and undertake never to repeat them.
Section 39(1)(h) & (i)	Withdrawal of Hazardous Goods	Ordering hazardous goods not to be offered for sale and directing their immediate withdrawal from retail shelves.
Section 39(1)(k)	Payment to Consumer Welfare Fund	Where loss is suffered by numerous unidentifiable consumers, ordering payment of at least **25% of the value of goods/services** to the Fund.
Section 39(1)(l) & (n)	Corrective Advertisements	Directing the advertiser to publish corrective advertisements at their own expense to neutralize deceptive marketing.
Section 39(1)(m)	Litigation Costs	Awarding adequate legal costs and advocate fees to the successful complainant.

B. Product Liability Determinations under Chapter VI (Sections 82 to 87)

Chapter VI of CPA 2019 introduced an independent statutory liability regime for harm caused by defective products or deficient services. It established the principle of **Strict Liability**, meaning the injured consumer is no longer required to prove personal fault or privity of contract.

THREE-TIER PRODUCT LIABILITY ARCHITECTURE (SECTIONS 84, 85 & 86)

Chapter VI

1. PRODUCT MANUFACTURER (§ 84)

Liable if the product has:
• A manufacturing defect or design defect.
• Deviation from manufacturing specifications.
• Non-conformance to express warranty.
• Failure to contain adequate warnings or usage instructions.
Note: Manufacturer remains liable even if he proves he was not negligent!

2. PRODUCT SERVICE PROVIDER (§ 85)

Liable if the service was:
• Faulty, imperfect, deficient, or inadequate.
• Act or omission was negligent or reckless.
• Service provider failed to issue adequate instructions or warnings to prevent harm.
• Did not conform to express warranty or contract terms.

3. PRODUCT SELLER (§ 86)

Liable if the seller:
• Exercised substantial control over design, testing, or labeling.
• Altered or modified the product and that caused the harm.
• Made an express warranty independent of the manufacturer.
• Failed to disclose the identity of the manufacturer.

STATUTORY EXCEPTIONS (§ 87)

No product liability action lies if:
• Product was misused, altered, or modified by complainant.
• Warning was given to employer for specialized workplace use.
• Danger was obvious or a matter of common knowledge.
• Used under influence of alcohol or non-prescribed drugs.

5. Unit 18: Injunctions, Enforcement, Appeals & Frivolous Complaints

A. Temporary Injunctions (§ 38(8))

Under Section 38(8) of the Act, where during a proceeding it appears to the District Commission on an application by a complainant supported by an affidavit that:

- The opposite party is threatening to alienate, dispose of, or remove disputed assets to defeat the consumer's decree; or
- A dangerous, contaminated batch of food, pharmaceutical drugs, or defective machinery is actively being distributed in the market;

The Commission is statutorily empowered to grant a **temporary injunction** restraining the opposite party from alienating assets, halting distribution, or directing them to deposit an interim sum in escrow.

B. Enforcement of Orders (§§ 71 & 72)

The enforcement architecture under CPA 2019 is split into two formidable channels:

1. **Civil Execution as a Court Decree (§ 71):** Under Section 71, every order made by a District, State, or National Commission is enforced in the exact same manner as if it were a **decree of a civil court** under Order XXI of the CPC, 1908. The Commission can:
    - Issue prohibitory orders attaching bank accounts and fixed deposits;
    - Issue warrants for the attachment and public auction of commercial properties;
    - Summon corporate directors for oral examination regarding company assets.
2. **Criminal Penalties for Non-Compliance (§ 72):** Whoever fails to comply with any order made by a Commission shall be punished with:
    - **Imprisonment:** Not less than **one month**, extending up to **three years**; OR
    - **Fine:** Not less than **₹25,000**, extending up to **₹1,00,000**; OR both.
    - **Judicial Magistrate First Class Powers (§ 72(2)):** The Commission acts as a criminal court of summary trial under the CrPC, 1973. It has the authority to issue non-bailable arrest warrants (NBWs) directly to the Commissioner of Police to arrest delinquent corporate executives.

C. Appellate Framework & Limitation Schedule

Appellate Tier	Governing Section	Limitation Period	Pre-Deposit Condition
Appeal to State Commission (From District Commission)	Section 41	**45 Days**	Mandatory **50%** of the amount ordered to be paid.
Appeal to National Commission (From State Commission)	Section 51	**30 Days**	Mandatory **50%** of the amount ordered to be paid.
Appeal to Supreme Court (From Original NCDRC Order)	Section 67	**30 Days**	Mandatory **50%** of the amount ordered to be paid.
Application for Review (District / State / National)	Sections 40, 50, 60	**30 Days**	No pre-deposit; strictly for errors apparent on the face of the record.

D. Frivolous and Vexatious Complaints (§ 39(2))

To maintain the integrity of consumer courts and protect honest business enterprises from extortion, blackmail, or competitor harassment, Section 39(2) enacts a potent safeguard:

Section 39(2) — Deterrence Against Frivolous Litigation

Where the District Commission dismisses a complaint as **frivolous or vexatious**, it shall, for reasons to be recorded in writing, make an order directing the complainant to pay to the opposite party such cost, **not exceeding fifty thousand rupees (₹50,000)**, as may be specified in the order.
(Under the 1986 Act, the maximum penalty was a token ₹10,000. CPA 2019 increased it five-fold).

6. Unit 19: Offences and Penalties under Chapter VII

Chapter VII (Sections 88 to 93) establishes criminal liability for manufacturers, sellers, advertisers, and traders who imperil consumer health, deceive the public, or disobey regulatory mandates.

Section	Offence Description	First Offence Penalty	Subsequent Offence Penalty
Section 88	Non-compliance with directions of CCPA under Section 20 or 21 (recalls, refunds).	Imprisonment up to **6 months**, or fine up to **₹20,00,000 (Twenty Lakhs)**, or both.	Continuous daily fines and escalated criminal prosecution.
Section 89	Publishing false or misleading advertisements by manufacturer or service provider.	Imprisonment up to **2 years** AND fine up to **₹10,00,000 (Ten Lakhs)**.	Imprisonment up to **5 years** AND fine up to **₹50,00,000 (Fifty Lakhs)**.
Section 90(a)	Manufacturing/selling adulterated goods (no injury caused).	Imprisonment up to **1 year** AND fine up to **₹1,00,000**. Suspension of license up to 2 years.	Cancellation of commercial/manufacturing license.
Section 90(b)	Adulterated goods causing injury not amounting to grievous hurt.	Imprisonment up to **1 year** AND fine up to **₹3,00,000**.	Cancellation of commercial/manufacturing license.
Section 90(c)	Adulterated goods causing grievous hurt under Section 320 IPC.	Imprisonment up to **7 years** AND fine up to **₹5,00,000**.	Suspension of license for up to 5 years.
Section 90(d)	Adulterated goods causing the **death of a consumer**.	Imprisonment NOT less than **7 years**, extending to **LIFE IMPRISONMENT**, AND fine not less than **₹10,00,000**.	Permanent cancellation of license and forfeiture of assets.
Section 91	Manufacturing/selling **spurious goods**.	Graded hierarchy identical to Section 90, up to **LIFE IMPRISONMENT** if death occurs.	Permanent cancellation of manufacturing and trade licenses.
Section 93	Vexatious search or seizure by Director-General or investigation officer.	Fine up to **₹10,000** (protects honest businesses against regulatory harassment).	Disciplinary departmental inquiry.

7. Calicut University Academic & Examination Question Bank

The following curated question-solution sets reflect the exact academic standards, conceptual depth, and analytical rigor prescribed by Calicut University for **COM1FM105 (3): Consumer Awareness and Protection** (Module IV: Grievance Redressal Mechanism under the Indian Consumer Protection Law).

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

Question 1 [Part A - 2 Marks] — Statutory Complainant

Who is a "Complainant" under Section 2(5) of the Consumer Protection Act, 2019?

Under Section 2(5), a complainant means: (i) a consumer; (ii) any registered voluntary consumer association; (iii) the Central or State Government; (iv) the Central Consumer Protection Authority (CCPA); (v) one or more consumers in a class action; (vi) legal heirs/representatives of a deceased consumer; or (vii) parent/legal guardian in case of a minor consumer.

Question 2 [Part A - 2 Marks] — Statutory Limitation

State the limitation period for instituting a consumer complaint under Section 69.

Under Section 69(1), a complaint must be filed within **two years** from the date on which the cause of action arose. Under Section 69(2), the Commission may condone delay beyond two years if the complainant shows "sufficient cause" with reasons recorded in writing.

Question 3 [Part A - 2 Marks] — Written Version Ceiling

What is the maximum time limit for the opposite party to submit a written version? State the landmark ruling.

Under Section 38(2)(a), the opposite party must file within **30 days**, extendable by maximum **15 days**. In *New India Assurance Co. v. Hilli Multipurpose Cold Storage (2020)*, a Constitution Bench held that this $30 + 15 = 45$ day period is an absolute statutory ceiling that cannot be extended under any circumstance.

Question 4 [Part A - 2 Marks] — Fee Schedule

What is the court fee payable for filing a complaint before the District Commission where the consideration paid is up to ₹5 Lakhs?

Under Rule 7 of the Consumer Protection (Consumer Disputes Redressal Commissions) Rules, 2020, complaints where the value of consideration paid is up to ₹5,00,000 (Five Lakhs) are completely **NIL (Fee-Free)** to guarantee unhindered access to justice for small consumers.

Question 5 [Part A - 2 Marks] — Strict Liability

Define Product Liability under Section 2(34) of CPA 2019.

Product Liability means the statutory responsibility of a product manufacturer, product service provider, or product seller to compensate a consumer for any harm caused by a defective product manufactured or sold, or by a deficiency in services relating to that product, based on strict liability.

Question 6 [Part A - 2 Marks] **Frivolous Litigation Penalty**

What penalty can a Commission impose for filing a frivolous or vexatious complaint?

Under Section 39(2) of CPA 2019, if a Commission dismisses a complaint as frivolous or vexatious, it shall order the complainant to pay costs to the opposite party not exceeding **₹50,000 (Fifty Thousand Rupees)**, recording reasons in writing.

Question 7 [Part A - 2 Marks] **Digital Justice**

What is the e-Daakhil portal?

e-Daakhil (edaakhil.nic.in) is an online consumer grievance redressal portal developed by the National Informatics Centre (NIC) under CPA 2019, enabling digital filing of complaints, online payment of court fees, virtual hearings, and tracking of case orders without physical court visits.

Question 8 [Part A - 2 Marks] **Criminal Contempt Powers**

State the criminal penalties prescribed under Section 72 for non-compliance with Commission orders.

Whoever fails to comply with an order of a Commission shall be punished with imprisonment for not less than **one month** up to **three years**, or fine not less than **₹25,000** up to **₹1,00,000**, or both. The Commission exercises Judicial Magistrate First Class powers.

Part B: 5-Mark Short Essay Questions

Question 9 [Part B - 5 Marks] **Adjudication & Hearing Procedure**

Explain the procedure for admission, hearing, and laboratory testing of a complaint before the District Commission.

1. Admission Scrutiny (§ 36): The admissibility of a complaint must be decided within 21 days from filing. If not decided, it is deemed admitted under Section 36(2).
2. Notice to Opposite Party (§ 38(2)): Notice is issued within 21 days of admission directing a written version within 30 days (+ 15 days discretionary extension). If not filed within 45 days, the right is forfeited (*Hilli Multipurpose* rule).
3. Reference to Mediation (§ 37): At the first hearing, if elements of settlement exist, the Commission refers the matter to the Consumer Mediation Cell with written party consent.
4. Laboratory Analysis (§ 38(2)(c)): If a defect cannot be determined without technical analysis, the Commission seals a sample and sends it to a recognized referral laboratory, which must report within 45 days.
5. Time-Bound Disposal (§ 38(7)): Disposal within 3 months (where no laboratory testing required) or 5 months (where testing is required).

Question 10 [Part B - 5 Marks] **Menu of Reliefs under Section 39**

Detail the various reliefs and remedies that a Consumer Commission can grant to an aggrieved consumer under Section 39(1).

Under Section 39(1) of CPA 2019, the Commission can direct the opposite party to:

- Remove the defect from the goods (§ 39(1)(a)).
- Replace defective goods with new, defect-free goods of similar description (§ 39(1)(b)).
- Refund the price or consideration paid along with commercial interest (§ 39(1)(c)).
- Pay compensatory damages for injury, loss, or mental agony caused by negligence (§ 39(1)(d)).
- Pay punitive damages to deter egregious corporate misconduct (§ 39(1)(e)).
- Remove the deficiency in service (§ 39(1)(f)).
- Discontinue unfair or restrictive trade practices (§ 39(1)(g)).
- Withdraw hazardous goods from the market and cease hazardous services (§ 39(1)(h)-(j)).
- Deposit not less than 25% of the value of goods/services into the Consumer Welfare Fund (§ 39(1)(k)).
- Issue corrective advertisements to neutralize misleading marketing (§ 39(1)(l)).
- Pay reasonable litigation costs (§ 39(1)(m)).

Question 11 [Part B - 5 Marks] **Product Liability Framework**

Examine the liability of a Product Manufacturer and Product Seller under Chapter VI of CPA 2019.

Chapter VI establishes strict liability for harm caused by defective products:

- **Liability of Product Manufacturer (§ 84):** Liable if the product has a manufacturing defect, design defect, deviation from manufacturing specifications, does not conform to express warranty, or fails to contain adequate warnings/instructions. The manufacturer remains liable even if he proves he was not negligent.
- **Liability of Product Seller (§ 86):** A seller is liable if he: (a) exercised substantial control over design, packaging, or labeling; (b) altered or modified the product and that caused the harm; (c) gave an express warranty independent of the manufacturer; or (d) failed to identify the manufacturer upon legal demand.
- **Statutory Exceptions (§ 87):** No liability if the product was altered, misused, or used under the influence of alcohol, or where the danger was open and obvious.

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

Discuss the dual enforcement mechanisms (Civil Execution and Criminal Prosecution) under Sections 71 and 72 of CPA 2019.

CPA 2019 provides robust enforcement mechanisms:

- **Civil Execution (§ 71):** Every Commission order is enforceable as a **decree of a civil court** under Order XXI of the CPC, 1908. The Commission can attach bank accounts, freeze company assets, and auction property.
- **Criminal Penalties for Disobedience (§ 72):** Non-compliance attracts imprisonment from **1 month to 3 years**, or fine from **₹25,000 to ₹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 offences, allowing it to issue arrest warrants directly against corporate directors.

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

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

Critically analyze the grievance redressal mechanism under the Consumer Protection Act, 2019. Explain the filing procedure, locus standi, time limits, and the revolutionary role of e-Daakhil and court-annexed mediation.

Structured Essay Formulation:

1. **Introduction & Philosophy of Summary Justice:** The Consumer Protection Act, 2019 was enacted to liberate consumers from the technicalities, expenses, and systemic delays of traditional civil litigation. It establishes a summary, accessible, and codified grievance redressal mechanism.
2. **Expansive Locus Standi (§ 2(5)):** Unlike traditional civil law requiring strict privity of contract, consumer law allows individual consumers, registered voluntary consumer associations, Central/State Governments, the CCPA, legal heirs, guardians of minors, and representative class action claimants (§ 35(1)(c)) to initiate actions.
3. **Digitization via e-Daakhil:** The nationwide implementation of the e-Daakhil portal empowers rural and urban consumers to file petitions, upload scanned exhibits, pay statutory court fees online, track case progression, and attend virtual hearings from anywhere in India, eliminating geographical barriers.
4. **Strict Statutory Timelines:**
    - Limitation for filing: 2 years from date of cause of action (§ 69).
    - Admissibility decision: 21 days (Deemed admission under § 36(2)).
    - Written version: 30 days + 15 days maximum ceiling (*Hilli Multipurpose* Constitution Bench rule).
    - Laboratory test report: 45 days.
    - Disposal target: 3 months (non-technical) or 5 months (technical disputes).
5. **Institutionalization of Alternative Dispute Resolution (Chapter V):** Every Commission now has an attached Consumer Mediation Cell. Consensual reference to mediation at the first hearing allows prompt settlement, resulting in a binding decree against which no appeal lies.
6. **Deterrence & Balance:** While protecting consumers, the Act balances commercial interests by penalizing frivolous and vexatious complaints with costs up to ₹50,000 (§ 39(2)).

Question 14 [Part C - 10 Marks] **Offences & Strict Product Liability Essay**

Examine the penal provisions under Chapter VII and product liability regime under Chapter VI of CPA 2019. How do these provisions protect public safety against hazardous, adulterated, and spurious products?

In-Depth Academic Analysis:

1. **Shift to Strict Product Liability (Chapter VI):** Under traditional tort law, a claimant had to establish negligence and duty of care. Under Chapter VI, strict liability governs product manufacturers (§ 84), service providers (§ 85), and product sellers (§ 86). Proof of a manufacturing defect, design flaw, non-conformance to express warranty, or inadequate warnings is sufficient.
2. **Deterrence Against Misleading Ads (§ 89):** Manufacturers and service providers publishing false or deceptive advertisements face imprisonment up to 2 years and fines up to ₹10 Lakhs (and up to 5 years + ₹50 Lakhs for repeat violations), holding brand owners accountable for marketing claims.
3. **Graded Criminal Hierarchy for Adulteration (§ 90):** Section 90 criminalizes the manufacture, storage, sale, and import of adulterated goods through a four-tier severity ladder:
    - Non-injury adulteration: Up to 1 year jail + ₹1 Lakh fine.
    - Non-grievous hurt: Up to 1 year jail + ₹3 Lakhs fine.
    - Grievous hurt (§ 320 IPC): Up to 7 years jail + ₹5 Lakhs fine.
    - **Causing Death of a Consumer:** Minimum 7 years up to **LIFE IMPRISONMENT** + minimum ₹10 Lakhs fine.
4. **Combating Spurious Goods (§ 91):** Parliament introduced an identical penal ladder for counterfeits and spurious commodities, neutralizing illegal parallel markets that imperil human health.
5. **Enforcement Oversight:** Offences are cognizable on complaints by the CCPA (§ 92), while Section 93 penalizes malicious searches by regulatory officers (up to ₹10,000 fine) to protect honest businesses from extortion.

Question 15 [Part C - 10 Marks] **Comprehensive Practical Problem Scenario**

Case Scenario:

Ms. Deepa, a software professional living in Kozhikode, purchased a high-end electric scooter manufactured by 'VoltMotors India Ltd' from an authorized dealership 'GreenWheel Motors' in Kozhikode on October 10, 2023, paying a consideration of ₹1,65,000. On November 15, 2023, while charging the scooter inside her garage using the company-supplied charger, the battery experienced thermal runaway, exploded, and caught fire, gutting her garage and destroying electronic appliances worth ₹4,00,000.

Independent forensic inspection by the government electrical inspectorate confirmed that the battery pack suffered from an inherent manufacturing defect (faulty cell insulation and lack of thermal cut-off sensor).

Deepa issued a legal notice on December 1, 2023, demanding a refund, replacement, and compensation of ₹10,00,000. The manufacturer rejected the notice on January 5, 2024, alleging she used an unauthorized charging point.

Deepa filed a consumer complaint on September 1, 2026 before the District Commission, Kozhikode, along with an application under Section 69(2) stating she was on an overseas technical assignment in Germany from February 2024 to August 2026 and could not file earlier.

Analyze the following questions:

1. **Is Deepa's complaint barred by limitation under Section 69? Can the District Commission condone the delay?**
2. **Does Deepa have a valid cause of action under Product Liability (Chapter VI)? Who among VoltMotors and GreenWheel Motors is strictly liable?**
3. **Which specific reliefs under Section 39(1) can the District Commission grant to Deepa?**
4. **If VoltMotors is found to have suppressed multiple known battery explosion incidents from regulatory authorities, what additional action can be recommended to the CCPA?**

Comprehensive Legal Solution:

- **1. Issue of Limitation (§ 69):**
  - The cause of action arose on January 5, 2024, when the manufacturer formally rejected her legal notice (or November 15, 2023, when the explosion occurred). The 2-year limitation period under Section 69(1) expired in January 2026. The complaint filed in September 2026 is delayed by approximately 8 months.
  - Under Section 69(2), the Commission has statutory discretion to condone delay if the complainant demonstrates "sufficient cause". Overseas professional deputation supported by passport visas and employer certification constitutes genuine sufficient cause. Following the Supreme Court ruling in *State Bank of India v. B.S. Agricultural Industries*, the Commission can condone the delay by recording its reasons in writing.

- **2. Product Liability Determination (Chapter VI):**
  - Under **Section 84(1)(a)**, a product manufacturer is strictly liable for harm caused by a product containing a manufacturing defect. The government inspectorate's finding of faulty cell insulation establishes a manufacturing defect. Deepa is not required to prove negligence.
  - The dealer (GreenWheel Motors) will NOT be liable under Section 86 if it merely sold the sealed vehicle without altering its design, provided it fully identified the manufacturer. Primary strict liability rests solely on the manufacturer (VoltMotors India Ltd).

- **3. Statutory Reliefs Available under Section 39(1):**
  - Full refund of the purchase consideration: **₹1,65,000** along with 9%–12% commercial interest (§ 39(1)(c)).
  - Compensatory damages of **₹4,00,000** for property damage to the garage and destroyed appliances (§ 39(1)(d)).
  - Substantial compensation for mental agony, trauma, and life-threatening risk (§ 39(1)(d)).
  - Litigation costs of ₹25,000 to ₹50,000 (§ 39(1)(m)).
- **4. Regulatory Escalation to CCPA (§§ 19 & 20):**
  - Under Section 39, the Commission can forward the findings to the **Central Consumer Protection Authority (CCPA)**.
  - The CCPA, through its Director-General of Investigation, can initiate a suo motu inquiry, order a **nationwide mandatory product recall** of the defective scooter model, direct refunds to all affected buyers, and impose punitive fines up to ₹50,00,000 for endangering public safety under Section 88.