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B.COM HONOURS	SEMESTER 1	CALICUT UNIVERSITY	COURSE CODE: COM1FM105(3)

CONSUMER AWARENESS AND PROTECTION

EXAM REVISION NOTES

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MODULE I

1. FOUNDATIONS & CONCEPTUAL EVOLUTION OF CONSUMER PROTECTION

Foundations Conceptual Evolution of Consumer Protection: In market economics, the consumer is theoretically celebrated as the ultimate sovereign of the commercial universe—the concept of Consumer Sovereignty posits that consumer preferences dictate what goods are produced, in what quantities, and at what prices.

- **Consumer Protection:** refers to the comprehensive body of statutory laws, regulatory oversight agencies, judicial dispute-resolution tribunals, and civil society movements designed to safeguard buyers of goods and services against market abuses, defective products, hazardous manufacturing, deceptive advertising, and monopolistic exploitation.

The Historic Jurisprudential Shift: Caveat Emptor to Caveat Venditor: The evolution of commercial legal doctrine across the twentieth and twenty-first centuries reflects a fundamental transition in legal liability:

Institutional Machinery Voluntary Consumer Organizations: The enforcement of consumer rights relies upon a synergistic partnership between statutory governmental authorities and autonomous civil society organizations.

- **Sua Sponte Inquiries amp; Class Action Enforcement:** Sua Sponte Inquiries amp; Class Action Enforcement: The CCPA can initiate investigations suo motu (on its own motion) or upon consumer complaint into widespread violations of consumer rights, unfair trade practices, and misleading advertisements impacting the public as a collective class.
- **Investigation Wing:** Headed by a Director-General equipped with statutory powers to conduct search-and-seizure operations, inspect commercial premises, and Sum of mon corporate records.
- **Mandatory Product Recalls:** Power to order the mandatory nationwide recall of hazardous goods and dangerous automobiles, and compel full financial refunds to all purchasers.
- **Heavy Financial Penalties amp; Endorser Liability:** Heavy Financial Penalties amp; Endorser Liability: Power to impose penalties of up to ₹10 Lakhs (and up to ₹50 Lakhs for subsequent violations) on manufacturers and advertising agencies.

Public Redressal Channels: National Consumer Helpline INGRAM: To eliminate legal expenses and delays associated with formal litigation, the Ministry of Consumer Affairs operates the National Consumer Helpline (NCH - Toll-Free 1915) and the INGRAM (Integrated Grievance Redressal Mechanism) portal.

The "Jago Grahak Jago" National Awareness Campaign:) campaign is one of the most successful public interest awareness initiatives in Indian history. Utilizing multi-channel communication (television, radio, regional newspapers, social media, and rural street plays), the campaign educates citizens on:

- Demanding cash memos and tax invoices for every commercial purchase.
- Checking expiry dates, Best Before dates, and Maximum Retail Price (MRP) violations (charging above MRP is a statutory offense under Legal Metrology Act).
- Verifying authentic statutory certification quality marks on packaged goods.
- Reporting cyber fraud, fake courier delivery SMS scams, and spurious consumer goods.
- **Commemorative Days:** National Consumer Day is observed annually on December 24 (commemorating the presidential assent of the Consumer Protection Act, 1986), while World Consumer Rights Day is celebrated globally on March 15.

Statutory Quality Standardization Certification Marks in India: To assist consumers in identifying safe, genuine, and standardized products, the Indian government mandates specific statutory certification marks:

- **ISI Mark:** ; Mandatory for hazardous goods; voluntary for others.
- **AGMARK:** ; Voluntary quality grade standard.
- **BIS Hallmark:** Bureau of Indian Standards (BIS); Precious metals: Gold and Silver jewelry.
- **FSSAI Logo amp; License:** ; Mandatory on every food packet.

The Six Statutory Consumer Rights under Section 2(9) of CPA, 2019: 1. Right to Safety: The right to be protected against the marketing of goods, products, or services that are hazardous to life, health, or property.

- **2. Right to Information:** The right to be informed about the quality, quantity, potency, purity, standard, and price of goods, products, or services.
- **3. Right to Choose:** The right to be assured, wherever possible, of access to a variety of goods, products, or services at competitive prices.
- **4. Right to be Heard:** The right to be heard and to be assured that consumer interests will receive due consideration in appropriate governmental, regulatory, and judicial forums.
- **5. Right to Seek Redressal:** The right to seek legal remedies against unfair trade practices, restrictive trade practices, or unscrupulous exploitation of consumers.

Landmark Case Studies Ethical Consumer Behaviour: The practical contours of consumer protection law have been forged through precedent-setting judicial battles and evolving societal standards of ethical consumption.

Ethical Considerations in Consumer Behaviour Sustainability: Modern consumerism extends beyond individual self-interest to encompass broader ethical duties toward society and the biosphere:

- **4. Exposing Corporate "Greenwashing":** Greenwashing occurs when a company spends more money marketing itself as "eco-friendly" than actually minimizing its environmental footprint.

Calicut University Examination Bank: Questions Solutions: 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 I: Introduction to Consumer Protection).

Part B: Short Essay / Conceptual Questions (5 Marks Each)

- Guarantees protection against the marketing of goods and services that pose hazards to life, physical health, or property.
- **Practical Significance:** Compels manufacturers of electrical appliances, baby foods, medicines, and gas cylinders to adhere strictly to national BIS safety standards.
- Guarantees the right to be fully informed regarding the quality, quantity, potency, ingredients, date of manufacture, expiry date, Maximum Retail Price (MRP), and net weight of all commercial goods.
- **Practical Significance:** Enables consumers to make rational, price-conscious choices and protects against deceptive packaging.
- The CCPA issued the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022, banning surrogate advertising, bait advertising, and dark patterns.

The Evolution of Consumer Protection: From Caveat Emptor to Modern Rights: The relationship between buyers and sellers is the foundational core of commercial law. Across centuries, the legal balance of power has undergone a seismic revolution from complete buyer vulnerability to statutory seller accountability.

- **The Era of Caveat Emptor ("Let the Buyer Beware"):** In traditional agrarian markets, goods were simple and open to visual inspection (grain, cattle, timber).
- **The Triumph of Caveat Venditor ("Let the Seller Beware"):** Modern consumer jurisprudence places strict liability on manufacturers.
- **1. Right to Safety:** Protection against life-threatening goods and services.
- **2. Right to Information:** Full transparency regarding product potency, ingredients, dates, and pricing, empowering rational decision-making.
- **3. Right to Choose:** Unrestricted access to competitive markets, legally prohibiting anti-competitive tying agreements.

MODULE II

1. INTERNATIONAL FRAMEWORKS: THE UNITED NATIONS GUIDELINES (UNGCP)

International Frameworks: The United Nations Guidelines (UNGCP): Consumer protection is not merely a localized regulatory issue; it is a fundamental pillar of international human rights and socio-economic justice.

The Eight Fundamental Consumer Rights under UN Guidelines: While President John F. Kennedy articulated four basic consumer rights in 1962, the United Nations expanded these into an internationally recognized charter of Eight Inalienable Consumer Rights:

Consumer Goods, Manufacturing Defects Spurious Products: In consumer jurisprudence, physical merchandise and commodities represent the primary historical arena of commercial disputes.

Deconstructing "Defect" in Consumer Goods (Section 2(10)): "

The Concept of "Service" "Deficiency in Service": In modern tertiary economies, consumers spend more capital hiring and utilizing intangible services—such as digital banking, telecommunications, aviation, insurance, healthcare, and real estate—than purchasing physical goods.

Statutory Definition of "Service" under Section 2(42): "

Sectoral Case Law Breakdown: Deficiency in Service

- **Housing amp; Real Estate:** ; Fortune Infrastructure v.
- **Banking Operations:** ; Amitabha Dasgupta v.
- **Insurance Contracts:** ; Manmohan Nanda v.
- **Aviation amp; Travel:** ; Airlines are held strictly liable for passenger mental agony, hotel accommodations, and statutory baggage loss compensation under Directorate General of Civil Aviation (DGCA) passenger charters.

Unfair Trade Practices (UTP) under Section 2(47): An Unfair Trade Practice is a trade practice which, for the purpose of promoting the sale, use, or supply of any goods or service, adopts any unfair method or deceptive practice.

- Falsely claiming goods are of a particular standard, quality, grade, composition, style, or model.
- Falsely claiming second-hand, renovated, or reconditioned goods are brand-new.
- Representing that goods have sponsorships, approvals, performance characteristics, accessories, or uses that they do not possess.
- Giving false or misleading warranties or guarantees of performance.
- **Misleading Bargain Prices:** "

Comparative Matrix: UTP vs. RTP

- **Core Nature:** ; Anti-competitive obstruction of market trade, manipulating prices or restricting consumer freedom of choice.
- **Primary Mechanism:** ; Tying sales, predatory exclusive dealing, cartels, artificial supply bottlenecks, delay in delivery.
- **Target of Exploitation:** ; Exploits consumer lack of bargaining power and monopolistic dependence.
- **Remedy Available:** ; Directing the seller to sever the tying condition, refunding unjustified costs, and civil penalties.

Calicut University Examination Bank: Questions Solutions: 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 II: The Consumer Protection Law in India).

Part B: Short Essay / Conceptual Questions (5 Marks Each)

- **Codified Statutory Rights:** India's CPA 2019 explicitly codifies six of these rights under Section 2(9): Safety, Information, Choice, Heard, Redressal, and Consumer Education.
- **Fundamental Right to Life under Article 21:** Constitutional Integration: While "Right to Basic Needs" and "Right to a Healthy Environment" are not explicitly enumerated under Section 2(9) of CPA, the Supreme Court of India has integrated them into the of the Constitution.
- **Global Harmonization:** CPA 2019 directly incorporates UN guidelines on cross-border e-commerce dispute resolution, algorithmic bias, and product liability, demonstrating total alignment with international standards.
- **Unauthorized Cyber Transactions:** Under RBI guidelines and NCDRC precedents, if a consumer suffers an unauthorized digital banking debit and reports it within 3 business days, the bank is strictly liable for zero customer liability.
- **Safe Deposit Lockers:** In Amitabha Dasgupta v.

Statutory Architecture of Goods, Services, Defects, and Deficiencies: The Consumer Protection Act, 2019 is remedial social welfare legislation designed to protect consumers from the superior bargaining power of commercial enterprises.

- **Goods:** Broadened to cover every movable property, agricultural produce, and packaged food items, excluding only actionable claims and legal currency.
- **Defect:** Encompasses any fault, imperfection, or shortcoming in quality, quantity, potency, purity, or legal standard.
- **Service:** Broadly itemizes banking, insurance, telecom, transport, energy, housing construction, and entertainment.
- **Deficiency:** Covers any shortcoming in performance required by law, contract, or negligence, including the deliberate withholding of material information from the consumer.
- **Banking amp; Digital Financial Transactions:** Banking amp; Digital Financial Transactions: In Punjab National Bank v.

MODULE III

1. STRUCTURAL OVERVIEW OF THE CONSUMER PROTECTION MACHINERY

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.

- **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 amp; Virtual Hearings (e-Daakhil):** E-Filing amp; 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.

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).

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.

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.

Procedure on Receipt of Complaint (§ 35, 36 38): The procedure before the District Commission is Sum of mary, time-bound, and strictly codified to prevent civil court delays:

- **Filing amp; Admissibility (§ 36):** Filing amp; Admissibility (§ 36): The complaint may be filed physically or electronically through the e-Daakhil portal.
- **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.
- **Laboratory Testing amp; Analysis (§ 38(2)(c)):** , 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.
- **Civil Court Powers (§ 38(9)):** The District Commission possesses the exact powers of a Civil Court under the CPC, 1908 in respect of: Sum of moning and enforcing attendance of witnesses, discovery and production of documents, receiving evidence on affidavits, and requisitioning public records.
- **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.

Three-Fold Jurisdiction of the State Commission (§ 47): The State Commission exercises three distinct statutory jurisdictions under Section 47:

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.

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.

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.

- **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.
- **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.

Statutory Appellate Mechanism (§ 67): 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.

- **Article 136 of the Constitution:** 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).

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?

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?

MODULE IV

1. OVERVIEW OF THE GRIEVANCE REDRESSAL ARCHITECTURE

Locus Standi, Grounds for Filing, and Limitation Period

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);

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 amp; Co.
- **continuing cause of action:** Real Estate / Builder Projects: Where a builder fails to deliver possession of a residential unit, it is a until either possession is legally handed over with an Occupancy Certificate or the builder formally refunds the money (Meerut Development Authority v.
- **Medical Negligence:** N.

A. Electronic Filing via e-Daakhil Portal Fee Structure: in), developed by the National Informatics Centre (NIC). It democratized consumer justice by enabling complete paperless, remote access.

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

- **Stage 1: Admission Scrutiny (§ 36):** Within 21 days from the date of filing, the Commission must hear the complainant on admission.
- **Stage 5: Referral to Appropriate Laboratory (§ 38(2)(c)):** , automobile engine seizure, cement compressive strength, pharmaceutical purity), the Commission extracts a sample, authenticates it, and remits it to a government-recognized referral laboratory.
- **Stage 6: Final Disposal amp; Judgment Delivery (§ 38(7)):** Stage 6: Final Disposal amp; 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.

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:

- **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):**).
- **Section 39(1)(d):** Compensatory Damages; Awarding compensation for loss, physical injury, mental agony, or emotional trauma caused by negligence.

Injunctions, Enforcement, Appeals Frivolous Complaints

B. Enforcement of Orders (§§ 71 72): The enforcement architecture under CPA 2019 is split into two formidable channels:

- **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.
- Issue warrants for the attachment and public auction of commercial properties;
- Summon corporate directors for oral examination regarding company assets.
- **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.

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:

- **frivolous or vexatious:** Where the District Commission dismisses a complaint as , 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.

Advanced Theoretical Extensions Analytical Problem-Solving: In modern academic curricula and enterprise governance, mastering Consumer Awareness and Protection demands a rigorous integration of foundational theory with multi-stakeholder operational frameworks.

Empirical Comparative Framework: A structured comparative assessment provides valuable clarity regarding organizational practices across varying scales of enterprise operation:

- **Analytical Methodology:** ; Proactive bottleneck prevention and enhanced operational responsiveness.
- **Cross-Functional Alignment:** ; Reduced cycle latency and streamlined organizational communication.
- **Risk amp; Governance Architecture:** ; Comprehensive asset protection and long-term stakeholder trust preservation.
- **Resource Allocation Dynamic:** ; Optimized return on invested capital and enhanced strategic agility.

Contemporary Risk Governance, Statutory Compliance Case Analysis: Modern corporate governance requires that operational decisions withstand scrutiny across legal, financial, and ethical dimensions.

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