

## **AUTOMOBILE SECTOR**

### **OVERVIEW**

#### **1. What is the automobile sector?**

Since delicensing and economic reforms, the Indian automobile industry has grown steadily. One of the biggest employers, both directly and indirectly, the impressive growth of the Indian automobile sector accounts for 22% of the country's manufacturing gross domestic product (GDP). All these factors result in a wide range of options for consumers when it comes to deciding on motor vehicles. Thus, the consumers need to also be educated about grievance redressal regarding the automobile sector.

#### **2. What are the grounds for complaint available?**

- any fault, imperfection or shortcoming in the quality, quantity, potency, purity, nature or standard of goods
- the real mileage of your car is less than as claimed
- attempt to obtain extra money from you in any form like fee, trade, or other types of compensation.
- No RC number was given
- Damaged vehicle provided
- Any manufacturing defects in the automobile
- defective airbags
- misleading and false statements, representations and warranties and other unfair methods or deceptive practices

#### **3. When would complaints not be accepted?**

There are various situations which might cause the complaint to be rejected. These include situations where the consumer is unable to file an appeal against an order within a period of three months, where the complaint is based on a frivolous cause of action, where the complaint falls outside the jurisdiction of the authority approached, and when the complaint has been filed under wrong sections of the act, and other such situations. This requires careful reading of all acts and regulations.

#### **4. What are the modes or methods of complaint available?**

##### **1. Approaching the seller/manufacturer**

The consumer may first approach the dealer, lender, manufacturer or the company itself. One can expect a refund or other types of a satisfactory response from the auto dealer or manufacturer along with the justification. Customer service numbers of some companies:

Tata Motors India – 022-62407101

Mahindra & Mahindra India – 1800 209 6006

Maruti Suzuki India – 1800 102 1800

Hero MotoCorp India – 1800 266 0018

Bajaj Auto India – 7219821111

Toyota India – 1800 425 0001

Chevrolet India – 1800 3000 8080

Mitsubishi Motors Customer Care Number – 1800 102 2955

Honda Motors Company Ltd. – 1800 708 6555

Ford Motor Company – 1800 419 2500

##### **2. Approach the National Consumer Helpline**

Call- 1800114000 or 1915

For misleading advertisements- <https://gama.gov.in/Default.aspx>

##### **3. Approaching any other appropriate judicial or quasi-judicial body:**

The complainant is free to take the service provider to a court or any other suitable venue (judicial or quasi-judicial). The proceedings in consumer commissions are not mired by the niceties of procedure, allowing the complainant to file a complaint for himself. As a consumer, the aggrieved party can take the service provider to the appropriate consumer commission, based on the pecuniary and territorial jurisdiction. The jurisdictions of the various consumer commissions are as follows-

- a) District Commission: The aggrieved consumer can reach out to the District Commission under section 34 of the CPA, 2019, which provides that the district commission shall entertain matters where the value of the goods or services paid as consideration does not exceed more than one crore rupees.

b) State Commission: In cases where the value of the goods or services paid as consideration is more than one crore, but less than 10 crores, the consumer can approach the State Commission. Moreover, in cases of unfair contracts, the State Commission has original jurisdiction and the consumer can be directly approached. An appeal against the order of the District Commission can also be made under section 47 of the CPA, 2019.

c) National Commission: The National Commission can entertain matters where the value of goods or services paid as consideration exceeds 10 crores. Section 58 also provides that complaints against unfair contracts can be entertained by NCDRC when the amount of value paid exceeds 10 crores. The NCDRC also has appellate jurisdiction against the orders of any State Commission and Central Authority.

Moreover, it must also be kept in mind that section 100 of the CPA, 2019 provides that the remedy under CPA is in addition and not in derogation of other available remedies.

#### 4. Central Consumer Protection Authority

If the commission finds violations of rights of consumers or in notice of trade practices which is unfair it can inquire or cause an inquiry, either on receipt of complaint or suo moto or as directed by Central Government. If the commission finds, after preliminary inquiry, of an existence of a prima facie case of consumer rights violation or it is in notice of any unfair trade practice or any wrong or inaccurate advertisement which is prejudicial to public interest or to the interests of the consumers, it can order an investigation by the District Collector or by Director General.

The consumer can complain to the District Collector of the respective district for investigation and subsequent proceedings by the CCPA. He/she/they can also submit a complaint via email, at [com-ccpa@nic.in](mailto:com-ccpa@nic.in).

#### **5. What are the regulatory bodies in this sector?**

1. Ministry of Road Transport & Highways- It consists of two committees i.e. Central Motor Vehicles Rules-Technical Standing Committee (CMVR-TSC) and Standing Committee on Implementation of Emission Legislation (SCOE), which advise the Ministry on automotive safety and emission regulations respectively.
2. Automotive Industry Standards Committee (AISC)
3. Bureau of Indian Standards (BIS)

#### 4. Automotive Research Association of India

### **6. What are the rules, Acts, and Guidelines that govern this sector?**

#### ACTS AND GUIDELINES

1. Motor Vehicles Act, 1988- <https://legislative.gov.in/sites/default/files/A1988-59.pdf>
2. Central Motor Vehicles Rules 1989- <https://morth.nic.in/central-motor-vehicles-rules-1989-1>
3. Indian Contract Act 1872- <https://legislative.gov.in/sites/default/files/A1872-09.pdf>
4. Sale of Goods Act 1930- [https://legislative.gov.in/sites/default/files/A1930-3\\_0.pdf](https://legislative.gov.in/sites/default/files/A1930-3_0.pdf)
5. Automotive Industry Standards- [https://www.araiindia.com/pdf/List\\_ARAI\\_Publications%20\(June%202009\).pdf](https://www.araiindia.com/pdf/List_ARAI_Publications%20(June%202009).pdf)
6. Society of Indian Automobile Manufacturers' (SIAM) Voluntary Code on Vehicle Recall, 2012- <https://www.siam.in/siam-voluntary-recall.aspx>

### **7. What are the landmark judgements in this sector?**

#### LANDMARK JUDGMENTS

1. Jagrut Nagrik and others v Proprietor, Baroda Automobiles Sales and Service, Vadodara, Gujarat and others: NCDRC held that “held that “the manufacturer of the car as well as the sales and service dealer is liable to pay. However, if in the reckoning of the manufacturer, under some agreement, the liability to pay is only that of the dealer alone on the strength of such agreement it will be for them to work out the remedy for realization of the amount in case the amount is recovered from them”.
2. Honda cars India ltd. v Sudesh Berry: The Supreme court held that vehicle manufacturers cannot be held liable for deficiencies in service by the dealers or authorized service agents.
3. M/S A.B. Motor Pvt Ltd vs N.K. Paliwal (Dead) Through Lrs: The Supreme court held that the interest of the dealers is not independent of the vehicle manufacturer.

### **8. What is the format of the complaint to be made?**

#### SAMPLE OF THE COMPLAINT

<https://cdrc.gujarat.gov.in/images/pdf/1-CC-Eng.pdf> - DCDRC format.

<https://cdrc.gujarat.gov.in/images/pdf/1-CC-Eng.pdf> - SCDRC format.

<https://nedrc.nic.in/cc.html> - NCDRC format.

## **9. What are the important links and resources?**

<https://consumerhelpline.gov.in/faq-details.php?fid=Automobiles>

## **10. How can one book a new car?**

One can book the car of their choice through online mode or he/she can walk-in directly to the nearest car company's showroom.

## **11. What is the On-Road price of the car?**

This is the amount you will have to pay to buy the car. This cost consists of the car's price, along with the price of any accessories you have opted for, registration, insurance, extended warranty (if opted for), and handling charges. It may also involve other taxes and charges for an essential kit that dealerships offer with every new car.

## **12. What is covered under warranty?**

Almost every manufacturer covers the mechanical and electrical components in the warranty. But do check whether accessories that are installed by the dealer are covered under warranty too. Also, do ask about the intervals at which the car needs to be serviced and for a rough estimate of the cost of each service. This will help you understand whether the vehicle is maintenance-heavy or not.

## **13. How soon will my car's Registration Certificate (RC) and Registration Plate come?**

When you buy a car, you will have to drive it on a temporary registration number called a Temporary Coupon or TC for some time. The TC is valid for a month from the date of delivery of your vehicle. If you do not get your car's RC within that period, it may be impounded by the traffic police officials.

## **14. Do I have to get insurance from the dealership only?**

No. Car dealerships have a tie-up with an insurance company for which they charge you extra. However, this does not mean you cannot buy insurance for your car from the market.

#### **15. Has the car been used as a demo car?**

Sometimes, dealerships do sell demo cars. These cars, usually kept in good condition, may suffer from issues ranging from exterior damage to mechanical issues. Do a thorough check of the car for any issues and take it for a short spin too before buying.

#### **16. What is Gadget Insurance**

In this digital era, when more and more people are buying gadgets like laptops, computers, mobile phones, digital cameras etc., safety of such items is also important. Although, manufacturers provide a one year warranty which is mostly limited to manufacturing defects. However, if a gadget is stolen or damaged, you may have to spend from your pocket or buy a new gadget. For these reasons, people prefer to get their gadgets insured.

#### **17. What is covered under Gadget Insurance?**

Insurance provides financial protection against accidental damages, water/fluid damage, theft, burglary, and fire damage.

#### **18. How can one buy gadget insurance?**

Gadget Insurance can be purchased for new gadgets only (not for second-hand ones) from the stores/online platforms from where you buy the gadget. Normally, the cover is not sold by insurance Companies either in their branches or through agents or even online.

#### **19. Proof of Insurance**

Insurance Companies usually issue Master Policy to the sellers/online platforms authorizing them to provide risk cover to the purchasers of gadgets. They are required to give Certificate of Insurance, wherein Name of Insurance Company, risks/perils covered, period of insurance and details of item purchased/covered are mentioned. The purchaser of Gadget must obtain Certificate of Insurance at the time of purchase of the product.

#### **20. Claim Procedure**

- In case of theft/burglary, an FIR should be lodged preferably within the first 24 hours after the theft and handover copy of the FIR to the insurer along with intimation of loss.
- In case, the gadget is damaged due to any other covered peril, gadget owner should inform the seller and the Insurance Company about the loss, who in turn may depute surveyor to assess the loss.

**21. What documents are required to be submitted to the insurer in case of any claim?**

1. Purchase Invoice or copy of bill wherein make, model and serial no. of the product are mentioned.
2. Duly filed claim form.
3. Copy of FIR in case of theft/burglary.
4. Any other document required by the insurer.

**22. How are the Claims settled?**

- Total Loss: It means that the Gadget is badly damaged and it is not economically viable to repair it. Theft/Burglary is also considered as total loss. In case of total loss, the insurer pays the Sum Insured minus depreciation which is calculated as per age of the Gadget at the time of loss.
- Partial Loss: It includes the damages that can be repaired and have been caused by perils covered under the policy like accidental damages and damage due to ingress of water/fluid in the machinery parts of the gadget. In these cases, the insurer will pay a reasonable cost of the repair of the Gadget after receipt of repair bills. Usually, the insurer arranges a survey of the damaged item by a qualified surveyor to assess the loss.