

## THE CONSUMER PROTECTION ACT, 2019

### Chapter-I Preliminary

- ❖ The Consumer Protection Act,2019 was enacted on 09<sup>th</sup> August 2019
- ❖ **Come into the force: -**
- The following provisions of said Act were come into the force on **20<sup>th</sup> July 2020**

<b>Chapter</b>	<b>Sections</b>
I	Section 2 [Except clauses (4), (13), (14), (16), (40)]
II	Sections 3 to 9 (both inclusive);
IV	Sections 28 to 73 (both inclusive); [Except sub-clause (iv) of clause (a) of sub-section (1) of section 58.]
V	Sections 74 to 81 (both inclusive);
VI	Sections 82 to 87 (both inclusive);
VII	Sections 90 and 91; [Except sections 88,89,92 & 93]
VIII	-Sections 95, 98, 100, -Section101 [Except clauses (f) to (m) and clauses (zg), (zh) and (zi) of sub –section 2] -Sections 102, 103, 105, 106, 107 [ Except sections 94, 96,97,99, 104]

- The following provisions of said Act were come into the force **on 24<sup>th</sup> July 2020**

<b>Chapter</b>	<b>Sections</b>
I	Definition
III	Central Consumer Protection Authority
IV	Consumer Disputes Redressal Commission
VII	Offences and Penalties
VIII	-Sections 94, 96, 97 and 99. -Clauses (f) to (m) of sub-section 2 and clauses (zg), (zh) and (zi) of sub–section 2 of Section 101 - Section 104



**8000661414**



/basicpay



@basicpay



/basicpay

- ❖ It extends to the whole of India *included* the State of Jammu and Kashmir. (After issuance of The Jammu and Kashmir Reorganisation Act, 2019)

**Definitions: -**

- ❖ **Complainants:** - The followings can be complainants
  - 1) a consumer; or
  - 2) any voluntary consumer association registered under any law for the time being in force; or
  - 3) the Central Government or any State Government; or
  - 4) the Central Authority; or
  - 5) one or more consumers, where there are numerous consumers having the same interest; or
  - 6) in case of death of a consumer, his legal heir or legal representative; or
  - 7) in case of a consumer being a minor, his parent or legal guardian
- ❖ **Complaint:** - means any allegation in writing, made by a complainant for obtaining any relief provided by or under this Act, that—
  - 1) an unfair contract or unfair trade practice or a restrictive trade practice has been adopted by any trader or service provider; (*Unfair trade practices refer to corruption and cheating or injustice to the consumer whereas restrictive trade practices refer to different tariffs and control to affect the flow of goods and services.*)
  - 2) the goods bought by him or agreed to be bought by him suffer from one or more defects;
  - 3) the services hired or availed of or agreed to be hired or availed of by him suffer from any deficiency;
  - 4) a trader or a service provider, as the case may be, has charged for the goods or for the services mentioned in the complaint, a price in excess of the price—
    - fixed by or under any law for the time being in force; or
    - displayed on the goods or any package containing such goods; or
    - displayed on the price list exhibited by him by or under any law for the time being in force; or
    - agreed between the parties;
  - 5) the goods, which are hazardous to life and safety when used, are being offered for sale to the public—



**8000661414**



/basicpay



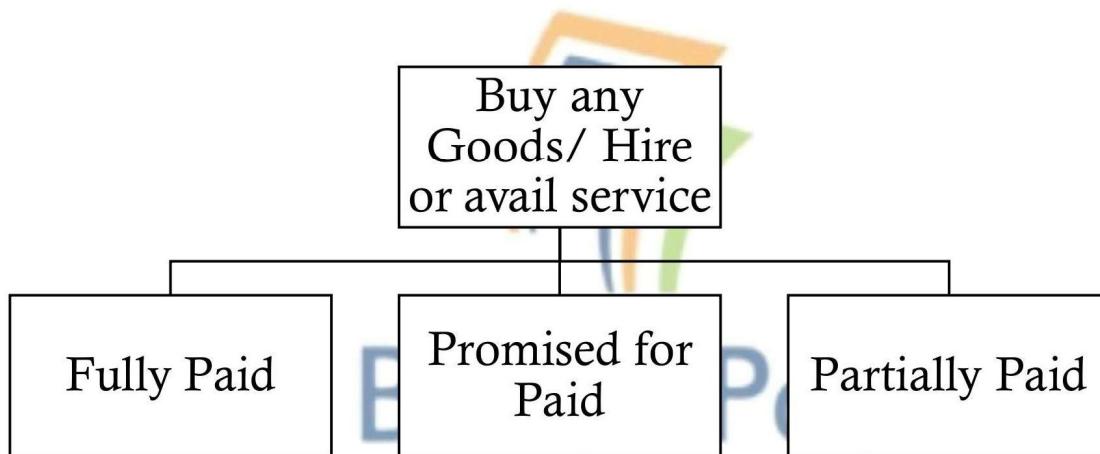
@basicpay



/basicpay

- in contravention of standards relating to safety of such goods as required to be complied with, by or under any law for the time being in force;
- where the trader knows that the goods so offered are unsafe to the public;
- 6) the services which are hazardous or likely to be hazardous to life and safety of the public when used, are being offered by a person who provides any service and who knows it to be injurious to life and safety;
- 7) a claim for product liability action lies against the product manufacturer, product seller or product service provider, as the case may be;

❖ **Consumer:** -



- 
- ✓ *but does not include a person who obtains such goods for resale or for any commercial purpose*

*Explanation—For the purposes of this clause —*

- ✓ *the expression "commercial purpose" does not include use by a person of goods bought and used by him exclusively for the purpose of earning his livelihood, by means of self-employment;*
- ✓ *the expressions "buys any goods" and "hires or avails any services" includes offline or online transactions through electronic means or by teleshopping or direct selling or multi-level marketing*

❖ **Consumer Rights:** - **includes—**



**8000661414**



/basicpay



@basicpay



/basicpay

- 1) **the right to be protected** against the marketing of goods, products or services which are hazardous to life and property;
- 2) **the right to be informed** about the quality, quantity, potency, purity, standard and price of goods, products or services, as the case may be, so as to protect the consumer against unfair trade practices;
- 3) **the right to be assured**, wherever possible, access to a variety of goods, products or services at competitive prices;
- 4) **the right to be heard** and to be assured that consumer's interests will receive due consideration at appropriate fora;
- 5) **the right to seek redressal** against unfair trade practice or restrictive trade practices or unscrupulous exploitation of consumers; and
- 6) **the right to consumer awareness;**
  - ❖ **Direct Selling:** - means marketing, distribution and sale of goods or provision of services through a network of sellers, other than through a permanent retail location.
  - ❖ **"e-commerce"** means buying or selling of goods or services including digital products over digital or electronic network;
  - ❖ **"endorsement"**, in relation to an advertisement, means—
    - 1) any message, verbal statement, demonstration; or
    - 2) depiction of the name, signature, likeness or other identifiable personal characteristics of an individual; or
    - 3) depiction of the name or seal of any institution or organisation, which makes the consumer to believe that it reflects the opinion, finding or experience of the person making such endorsement;
  - ❖ **"establishment"** includes an advertising agency, commission agent, manufacturing, trading or any other commercial agency which carries on any business, trade or profession or any work in connection with or incidental or ancillary to any commercial activity, trade or profession, or such other class or classes of persons including public utility entities in the manner as may be prescribed;
  - ❖ **"Express warranty"** means any material statement, affirmation of fact, promise or description relating to a product or service warranting that it conforms to such material statement,



**8000661414**



/basicpay



@basicpay



/basicpay

affirmation, promise or description and includes any sample or model of a product warranting that the whole of such product conforms to such sample or model;

❖ **"goods"** means every kind of movable property and includes "food" as defined in clause (j) of sub-section (1) of section 3 of the Food Safety and Standards Act, 2006 (34 of 2006);

❖ **"Injury"** means any harm whatever illegally caused to any person, in body, mind or property

❖ **"manufacturer"** means a person who—

1) makes any goods or parts thereof; or

2) assembles any goods or parts thereof made by others; or

3) puts or causes to be put his own mark on any goods made by any other person;

❖ **Person:** - includes

1) an individual;

2) a firm whether registered or not;

3) a Hindu undivided family;

4) a co-operative society;

5) an association of persons whether registered under the Societies Registration Act, 1860 or not;

6) any corporation, company or a body of individuals whether incorporated or not;

7) any artificial juridical person, (a public corporation established under special act of legislature) for ex. University, RBI

❖ **Product:** - means

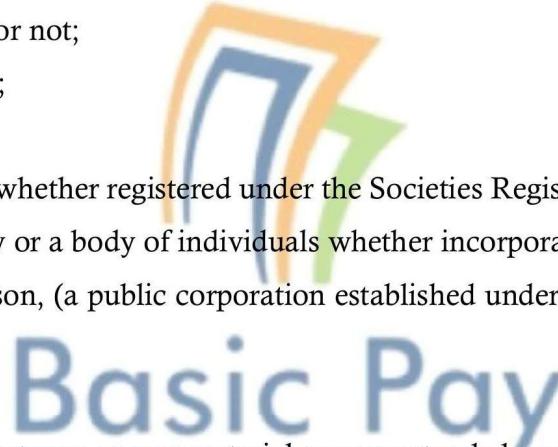
○ any article or goods or substance or raw material or any extended cycle of such product, which may be in gaseous, liquid, or solid state possessing intrinsic value which is capable of delivery either as wholly assembled or as a component part and is produced for introduction to trade or commerce, *but does not include human tissues, blood, blood products and organs;*

❖ **Product Seller:** - in relation to a product, means a person who, in the course of business, imports, sells, distributes, leases, installs, prepares, packages, labels, markets, repairs, maintains, or otherwise is involved in placing such product for commercial purpose and includes—

1. a manufacturer who is also a product seller; or

2. a service provider, but does not include—

i. a seller of immovable property, unless such person is engaged in the sale of constructed house or in the construction of homes or flats;



**8000661414**



/basicpay



@basicpay



/basicpay

- ii. a provider of professional services in any transaction in which, the sale or use of a product is only incidental thereto, but furnishing of opinion, skill or services being the essence of such transaction
  - iii. a person who—
    - 1) acts only in a financial capacity with respect to the sale of the product;
    - 2) is not a manufacturer, wholesaler, distributor, retailer, direct seller or an electronic service provider;
    - 3) leases a product, without having a reasonable opportunity to inspect and discover defects in the product, under a lease arrangement in which the selection, possession, maintenance, and operation of the product are controlled by a person other than the lessor.
- ❖ "restrictive trade practice" means a trade practice which tends to bring about manipulation of
- i. price or its conditions of delivery or to affect flow of supplies in the market relating to goods or
  - ii. services in such a manner as to impose on the consumers unjustified costs or restrictions and shall include—
- (a) delay beyond the period agreed to by a trader in supply of such goods or in providing the services which has led or is likely to lead to rise in the price;
  - (b) any trade practice which requires a consumer to buy, hire or avail of any goods or, as the case may be, services as condition precedent for buying, hiring or availing of other goods or services;
- ❖ “Dark Patterns” shall mean any practices or deceptive design pattern using user interface or user experience interactions on any platform that is designed to mislead or trick users to do something they originally did not intend or want to do, by subverting or impairing the consumer autonomy, decision making or choice, amounting to misleading advertisement or unfair trade practice or violation of consumer rights;

❖ **SPECIFIED DARK PATTERNS**

**(1) “False Urgency”**

Example - (a) presenting false data on high demand without appropriate context. For instance, “Only 2 rooms left! 30 others are looking at this right now”;

**(2) “Basket sneaking”**



**8000661414**



/basicpay



@basicpay



/basicpay

Example - (a) automatically adding travel insurance while a user purchases a flight ticket

**(3) "Confirm shaming"**

Example - (a) a platform that adds a charity in the basket without user's consent and uses a phrase such as "charity is for rich, I don't care" when a user prefers to opt out of contributing towards charity.

**(4) "Forced action"**

Example – (a) prohibiting a user from continuing with the use of product or service for the consideration originally paid and contracted for, unless they upgrade for a higher rate or fees;

**(5) "Subscription trap"**

Example – (a) forcing a user to provide payment details or authorization for auto debits for availing a free subscription;

**(6) "Interface interference"**

Example - (a) designing a light colored option for selecting "No" in response to a pop-up asking a user if they wish to make a purchase or concealing the cancellation symbol in tiny font or changing the meaning of key symbols to mean the opposite;

**(7) "Bait and switch"**

Examples - (a) a seller offers a quality product at a cheap price but when the consumer is about to pay or buy, the seller states that the product is no longer available and instead offers a similar looking product but more expensive;

**(8) "Drip pricing"**

Example - (a) A consumer is booking a flight, the online platform showcases the price as X at the checkout page, and when payment is being made, price Y (which is more than X) has been charged by the platform to the consumer;

**(9) "Nagging"**

Example - (a) websites asking a user to download their app, again and again;

**(10) "SaaS billing"** refers to the process of generating and collecting payments from consumers on a recurring basis in a software as a service (SaaS) business model by exploiting positive acquisition loops in recurring subscriptions to get money from users as surreptitiously as possible.



**8000661414**



/basicpay



@basicpay



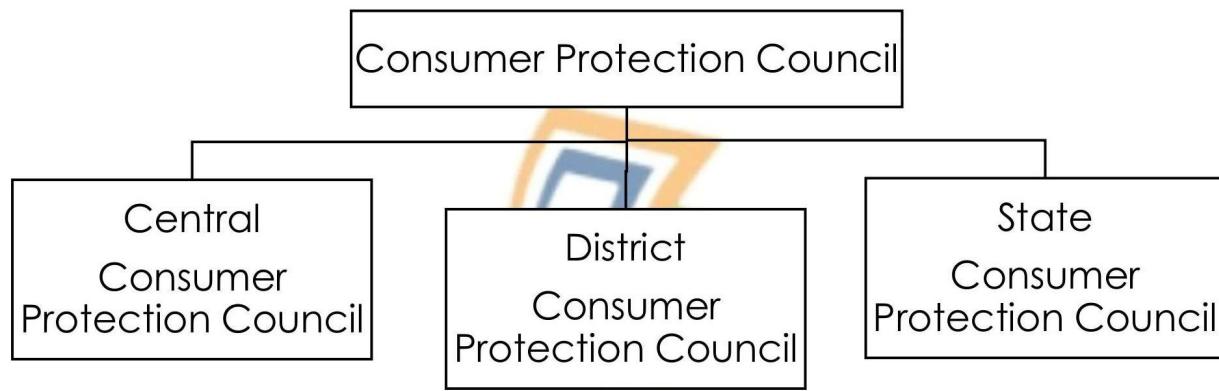
/basicpay

Example - (a) silent recurring transactions whereby the user's account is debited without being notified or simply stated auto-renewing monthly subscriptions without telling users;

**(11) "Rogue Malwares"** means using a ransomware or scareware to mislead or trick user into believing there is a virus on their computer and aims to convince them to pay for a fake malware removal tool that actually installs malware on their computer.

## Chapter-II Consumer Protection Council

### 3. Consumer Protection Council



Central Consumer Protection Council	District Consumer Protection Council	State Consumer Protection Council
1) <b>Chairperson</b> – The Minister-In-Charge of Department of Consumer Affairs in Central Government	1) <b>Chairperson</b> – The Collector of District.	1) <b>Chairperson</b> – The Minister-In-Charge of Department of Consumer Affairs in State
2) <b>Vice Chairperson</b> – Minister of State	2) <b>Official Member</b>	2) <b>Official Member</b>
3) <b>Minister In-charge of Consumer Affairs of two states</b>	3) <b>Non-Official Member</b>	3) <b>Non-Official Member</b>
4) <b>Administrator/LG of UT</b>	4) <b>Meeting</b> – At least two meeting during the year.	4) Not exceeding 10 official/non-official



**8000661414**



/basicpay



@basicpay



/basicpay



**Basic Pay Publications**  
**(ISO 9001:2015 & MSME Certified)**  
<https://www.basicpay.in>  
email - [info@basicpay.in](mailto:info@basicpay.in)

5) Two MPs – One Loksabha & One Rajyasabha		member nominated by central government.
6) Chief Commissioner of Central Authority		5) Meeting – At least two meeting during the year.
7) The Registrar National Consumer Disputes Redressal Commission		
8) Representative of consumer organizations – Note more than 5		
9) Secretary in charge of Consumer Affairs in the State Govt – Note more than 3		
10) Secretary in charge of Consumer Affairs in the Central Govt – 1		
11) Meeting – At least one meeting during the year.		

**Basic Pay**



**8000661414**



/basicpay



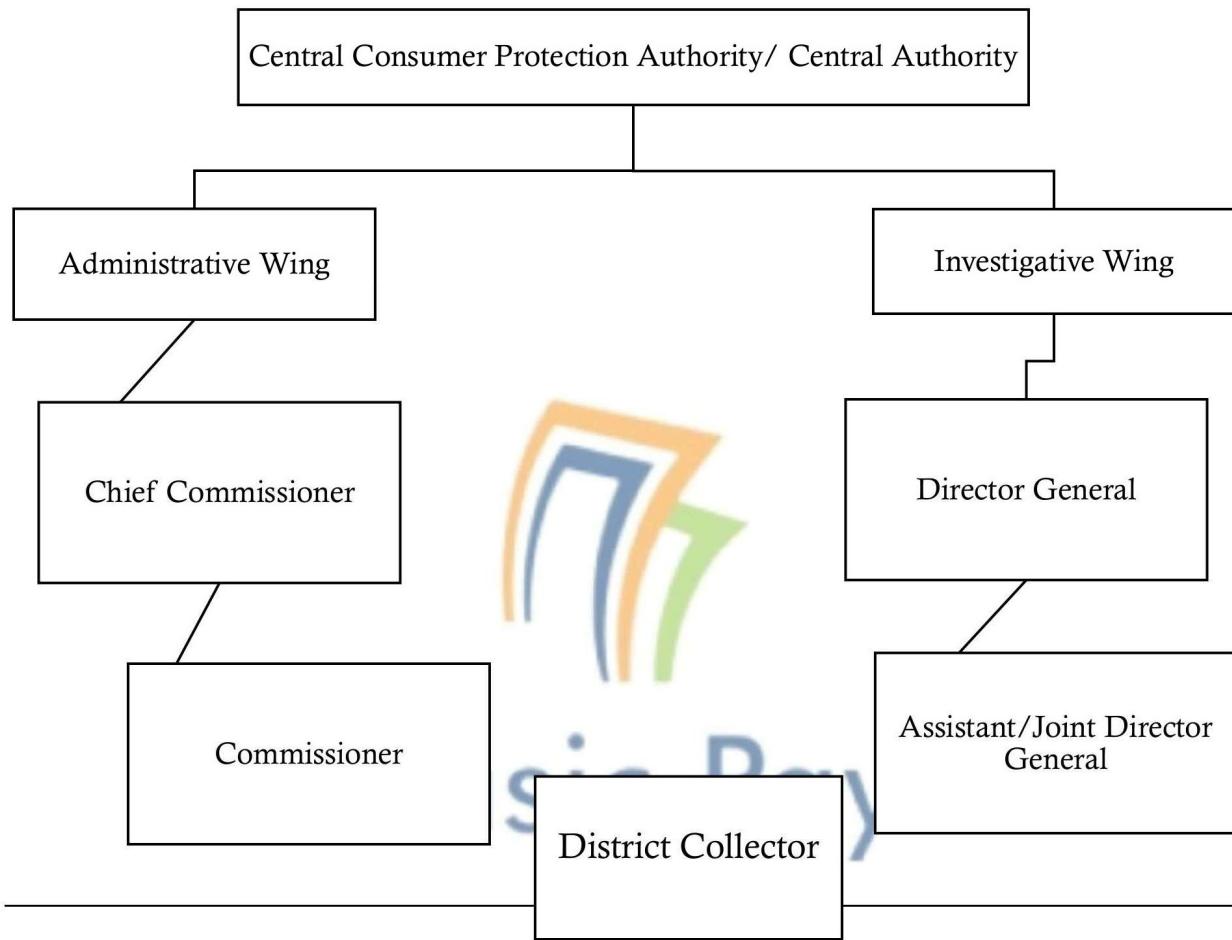
@basicpay



/basicpay

## Chapter-III

### **10. Central Consumer Protection Authority**



18. The Central Authority shall—

- a. protect, promote and enforce the rights of consumers as a class, and prevent violation of consumers rights under this Act;
- b. prevent unfair trade practices and ensure that no person engages himself in unfair trade practices;
- c. ensure that no false or misleading advertisement is made of any goods or services which contravenes the provisions of this Act or the rules or regulations made thereunder;

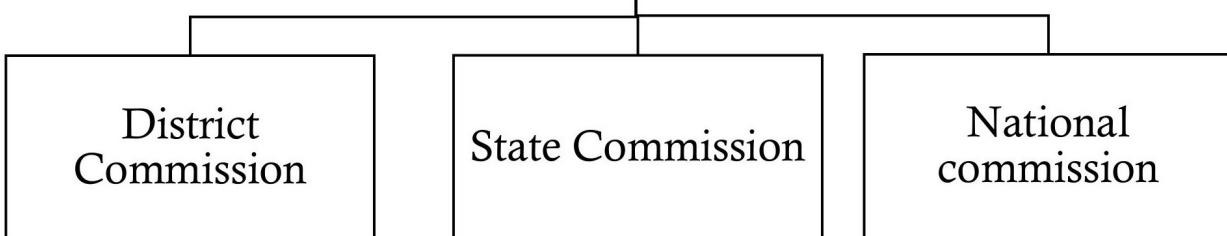
d. ensure that no person takes part in the publication of any advertisement which is false or misleading.

(2) the Central Authority may, for any of the purposes aforesaid—

- (a) inquire or cause an inquiry or investigation to be made into violations of rights or unfair trade practices, either suo motu or on a complaint received or on the directions from the Central Government;
- (b) file complaints before the District Commission, the State Commission or the National Commission, as the case may be, under this Act;
- (c) intervene in any proceedings before the District Commission or the State Commission or the National Commission, as the case may be, in respect of any allegation of violation of consumer rights or unfair trade practices;
- (d) review the matters relating to, and the factors inhibiting enjoyment of, consumer rights, including safeguards provided for the protection of consumers under any other law for the time being in force and recommend appropriate remedial measures for their effective implementation;
- (e) recommend adoption of international covenants and best international practices on consumer rights to ensure effective enforcement of consumer rights;
- (f) undertake and promote research in the field of consumer rights;
- (g) spread and promote awareness on consumer rights;
- (h) encourage non-Governmental organisations and other institutions working in the field of consumer rights to co-operate and work with consumer protection agencies;
- (i) mandate the use of unique and universal goods identifiers in such goods, as may be necessary, to prevent unfair trade practices and to protect consumers' interest;
- (j) issue safety notices to alert consumers against dangerous or hazardous or unsafe goods or services;
- (k) advise the Ministries and Departments of the Central and State Governments on consumer welfare measures;
- (l) issue necessary guidelines to prevent unfair trade practices and protect consumers' interest.

## Chapter-IV

### Consumer Disputes Redressal Commission



#### Consumer Disputes Redressal Commission: -

##### 28.District Commission: -

- ❖ Established by State Government
- ❖ Consists of
  - President
  - Member not less than 2 members and not more than such members as may be prescribed, in consultation with the central government.
- ❖ Jurisdiction:
  - Entertain complaints where the value of the goods or service paid as consideration does not exceed **50 Lakhs Rupees.**
- ❖ Decision on admissibility of Complain: -
  - It shall ordinarily be decided within **21 days** from the date on which the complaint was filed.
  - Where the District Commission does not decide the issue of admissibility of the complaint within the period so specified, it shall be deemed to have been admitted.
- ❖ **Procedure on admission on complaint: -**
- ❖ District Commission shall: —
  - refer a copy of the admitted complaint, within **21 days** from the date of its admission to the opposite party mentioned in the complaint directing him to give his version of the case within a period of **30 days** or such extended period not exceeding **15 days** as may be granted by.
  - if the complaint alleges a defect in the goods which cannot be determined without proper analysis or test of the goods, obtain a sample of the goods from the complainant, seal it and



authenticate it in the manner as may be prescribed and refer the sample so sealed to the appropriate laboratory along with a direction that such laboratory to make an analysis or test, whichever may be necessary, with a view to finding out whether such goods suffer from any defect alleged in the complaint or from any other defect and to report its findings thereon to the District Commission within a period **of forty-five days** of the receipt of the reference or within such extended period as may be granted by it;

- ❖ Complaint disposal time: -
- within a period of **3 months** from the date of receipt of notice by opposite party where the complaint does not require analysis or testing of commodities and within **5 months** if it requires analysis or testing of commodities.
- ❖ District Commission shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908.
- ❖ **40. Review:** -The District Commission shall have the power to review any of the order passed by it if there is an error apparent on the face of the record, either of its own motion or on an application made by any of the parties within **30 days** of such order
- ❖ **41. Appeal against the order of District Commission:** -Any person aggrieved by an order made by the District Commission may prefer an appeal against such order to the State Commission on the grounds of facts or law within a period of **45 days** from the date of the order, in such form and manner, as may be prescribed.
- ❖ 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. of that amount in the manner as may be prescribed

#### **42. State Commission: -**

- ❖ Established by State Government
- ❖ Consists of
- President
- Member not less than 4 members and not more than such members as may be prescribed, in consultation with the central government.
- ❖ Jurisdiction:

- Entertain complaints where the value of the goods or services paid as consideration, exceeds rupees **50 Lakhs**, but does not exceed rupees **2 crore**.
- appeals against the orders of any District Commission within the State
- ❖ **48.Transfer of complaint: -**
- On the application of the complainant or of its own motion, the State Commission may, at any stage of the proceeding, transfer any complaint pending before a District Commission to another District Commission within the State if the interest of justice so requires.
- ❖ **50.Review:** -The State Commission shall have the power to review any of the order passed by it if there is an error apparent on the face of the record, either of its own motion or on an application made by any of the parties within **30 days** of such order
- ❖ **51.Appeal against the order of State Commission:** -Any person aggrieved by an order made by the State Commission may prefer an appeal against such order to the National Commission on the grounds of facts or law within a period of **30 days** from the date of the order, in such form and manner, as may be prescribed.
- ❖ An appeal filed before the State Commission or the National Commission, as the case may be, shall be heard as expeditiously as possible and every endeavour shall be made to dispose of the appeal within a period of **90 days** from the date of its admission
- ❖ No appeal by a person, who is required to pay any amount in terms of an order of the State Commission, shall be entertained by the National Commission unless the appellant has deposited **50%** of that amount in the manner as may be prescribed.

#### **53.National Commission: -**

- ❖ Established by Central Government
- ❖ **Consists of**
- President
- Member not less than 4 members and not more than such members as may be prescribed, in consultation with the central government.
- President and members of the National Commission shall hold office for such term as specified in the rules made by the Central Government but not exceeding **5 years** from the date on which he enters upon his office and shall be eligible for re-appointment

- Provided further that no President or members shall hold office as such after he has attained such age as specified in the rules made by the Central Government which shall not exceed: —
  - (a) in the case of the President, the age of **70 years**;
  - (b) in the case of any other member, the age of **67 years**

❖ **Jurisdiction:**

- Entertain complaints where the value of the goods or services paid as consideration, exceeds rupees **2 crore**,
  - appeals against the orders of any State Commission;
  - appeals against the orders of the Central Authority; and
- ❖ **60. Review:** -The National Commission shall have the power to review any of the order passed by it if there is an error apparent on the face of the record, either of its own motion or on an application made by any of the parties within **30 days** of such order

❖ **62. Transfer of complaint:** -

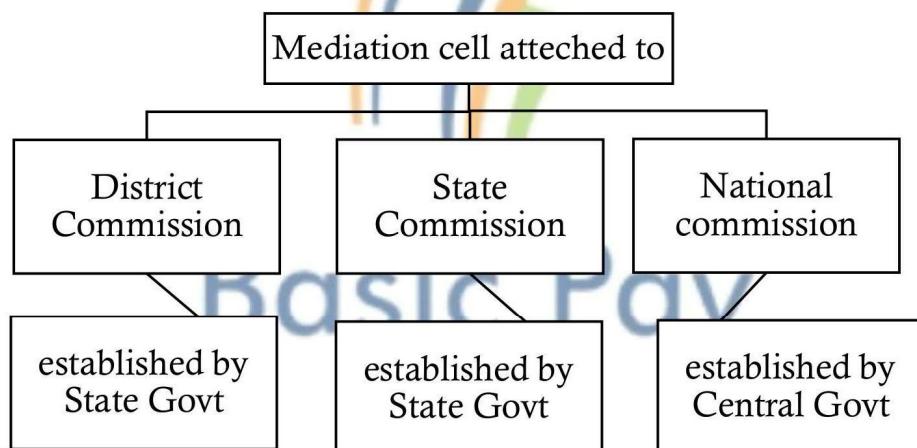
- On the application of the complainant or of its own motion, the National Commission may, at any stage of the proceeding, in the interest of justice, transfer any complaint pending before the District Commission of one State to a District Commission of another State or before one State Commission to another State Commission
- ❖ **67. Appeal against the order of National Commission:** -Any person aggrieved by an order made by the National Commission may prefer an appeal against such order to the Supreme Court of India within a period of **30 days** from the date of the order
- ❖ An appeal filed before the State Commission or the National Commission, as the case may be, shall be heard as expeditiously as possible and every endeavour shall be made to dispose of the appeal within a period of **90 days** from the date of its admission
- ❖ No appeal by a person, who is required to pay any amount in terms of an order of the National Commission, shall be entertained by the Supreme Court of India unless the appellant has deposited **50%** of that amount in the manner as may be prescribed.
- ❖ **69. Limitation period:** -The District Commission, the State Commission or the National Commission shall not admit a complaint unless it is filed within **2 years** from the date on which the cause of action has arisen.

- ❖ **72.Penalty for non-compliance:** - Whoever fails to comply with any order made by the District Commission or the State Commission or the National Commission, as the case may be, shall be punishable with imprisonment for a term which shall not be less than **1 month**, but which may extend to **3 years**, or with fine, which shall not be less than **Rs.25,000/-**, but which may extend to **1 lakh rupees**, or with both.

## Chapter-V

### Mediation

The mediator shall attempt to facilitate a voluntary resolution of the disputes between the parties, assist them in removing the misunderstandings, if any, and generating options to resolve their disputes, but shall not impose any term or any settlement upon the parties.




---

**Eligibility for empanelment as mediator.**—The following persons shall be eligible to be empanelled with a Mediation Cell—

- (i) retired Judges of Supreme Court of India;
- (ii) retired Judges of the High Courts;
- (iii) retired Members of a Consumer Commission;

- (iv) retired District and Session Judges, retired Additional District and Session Judges or other retired Members of the Higher Judicial Services of a State;
- (v) retired Judicial officers, having experience of not less than ten years;
- (vi) an advocate with a minimum experience of ten years at Bar;
- (vii) the mediators empaneled with the Mediation Cell of the Supreme Court of India, High Court or a District Court;
- (viii) a person having experience of at least five years in mediation or conciliation;
- (ix) experts or other professionals with at least fifteen years' experience or retired senior bureaucrats or retired executives.

#### **74. Establishment of Mediation: -**

(4) Every consumer mediation cell shall maintain—

- (a) a list of empanelled mediators;
- (b) a list of cases handled by the cell;
- (c) record of proceeding; and
- (d) any other information as may be specified by regulations.

(5) Every consumer mediation cell shall submit a **quarterly report** to the District Commission, State Commission or the National Commission to which it is attached, in the manner specified by regulations. The report shall be submitted within one month of the end of each quarter.

- The mediation shall stand terminated on **expiry of three months** from the date of first appearance before the mediator unless the time for completion of mediation is extended by the Consumer Commission, in which case it shall stand terminated on expiry of such extended time
- The mediator shall be guided by the principles of natural justice and fair play but shall not be bound by the provisions of the Code of Civil Procedure, 1908 (5 of 1908) or the Indian Evidence Act, 1872 (1 of 1872)

75. (1) For the purpose of mediation, the National Commission or the State Commission or the District Commission, as the case may be, shall prepare a panel of the mediators to be maintained by the consumer mediation cell attached to it, on the recommendation of a selection committee consisting of the President and a member of that Commission.

(2) The qualifications and experience required for empanelment as mediator, the procedure for empanelment, the manner of training empanelled mediators, the fee payable to empanelled mediator, the terms and conditions for empanelment, the code of conduct for empanelled mediators, the grounds on which, and the manner in which, empanelled mediators shall be removed or empanelment shall be cancelled and other matters relating thereto, shall be such as may be specified by regulations

(3) The panel of mediators prepared under sub-section (1) shall be valid for a period of five years, and the empanelled mediators shall be eligible to be considered for re-empanelment for another term, subject to such conditions as may be specified by regulations.

#### **Fee of mediators —**

- (1) A consolidated fee, in a successful mediation shall be paid to the mediator, who conducts the mediation proceedings, from the time of reference till their conclusion.
- (2) The fee of the mediator empaneled with a Consumer Commission, including costs of secretarial assistance and other ancillary expenses, shall be fixed by the President of the respective Consumer Commission, case wise, considering the nature of the dispute.
- (3) In an unsuccessful mediation, half of the aforesaid fee will be paid to the mediator.
- (4) The fee of the mediator shall be shared equally by the two sets of parties.
- (5) The mediator who successfully conducts part of the proceedings will be paid such fee as may be fixed by the President of the Consumer Commission.
- (6) The fee shall be deposited in advance, with the Mediation Cell.



**8000661414**



/basicpay



@basicpay



/basicpay

(7) If a party does not deposit his share of the fee or the cost of mediation, the Consumer Commission may, on the application of the mediator or any other party, direct the party in default to deposit the same within a week.

**Matters not to be referred to mediation.**-The following matters shall not be referred to mediation, namely:—

- (a) the matters relating to proceedings in respect of medical negligence resulting in grievous injury or death;
- (b) matters which relate to defaults or offences for which applications for compounding of offences have been made by one or more parties;
- (c) cases involving serious and specific allegations of fraud, fabrication of documents, forgery, impersonation, coercion;
- (d) cases relating to prosecution for criminal and non-compoundable offences;
- (e) cases which involve public interest or the interest of numerous persons who are not parties before the Commission:

## Chapter-VI **Basic Pay** Product Liability

84. (1) A product manufacturer shall be liable in a product liability action, if

- (a) the product contains a manufacturing defect; or
- (b) the product is defective in design; or
- (c) there is a deviation from manufacturing specifications; or
- (d) the product does not conform to the express warranty; or
- (e) the product fails to contain adequate instructions of correct usage to prevent any harm or any warning regarding improper or incorrect usage.

(2) A product manufacturer shall be liable in a product liability action even if he proves that he was not negligent or fraudulent in making the express warranty of a product.

85. A product service provider shall be liable in a product liability action, if—

- (a) the service provided by him was faulty or imperfect or deficient or inadequate in quality, nature or manner of performance which is required to be provided by or under any law for the time being in force, or pursuant to any contract or otherwise; or
- (b) there was an act of omission or commission or negligence or conscious withholding any information which caused harm; or
- (c) the service provider did not issue adequate instructions or warnings to prevent any harm; or
- (d) the service did not conform to express warranty or the terms and conditions of the contract.

86. A product seller who is not a product manufacturer shall be liable in a product liability action, if—

- (a) he has exercised substantial control over the designing, testing, manufacturing, packaging or labelling of a product that caused harm; or
- (b) he has altered or modified the product and such alteration or modification was the substantial factor in causing the harm; or
- (c) he has made an express warranty of a product independent of any express warranty made by a manufacturer and such product failed to conform to the express warranty made by the product seller which caused the harm; or
- (d) the product has been sold by him and the identity of product manufacturer of such product is not known, or if known, the service of notice or process or warrant cannot be effected on him or he is not subject to the law which is in force in India or the order, if any, passed or to be passed cannot be enforced against him; or
- (e) he failed to exercise reasonable care in assembling, inspecting or maintaining such product or he did not pass on the warnings or instructions of the product manufacturer regarding the dangers involved or proper usage of the product while selling such product and such failure was the proximate cause of the harm

87. (1) A product liability action cannot be brought against the product seller if, at the time of harm, the product was misused, altered, or modified.

- (2) In any product liability action based on the failure to provide adequate warnings or instructions, the product manufacturer shall not be liable, if—
- the product was purchased by an employer for use at the workplace and the product manufacturer had provided warnings or instructions to such employer;
  - the product was sold as a component or material to be used in another product and necessary warnings or instructions were given by the product manufacturer to the purchaser of such component or material, but the harm was caused to the complainant by use of the end product in which such component or material was used;
  - the product was one which was legally meant to be used or dispensed only by or under the supervision of an expert or a class of experts and the product manufacturer had employed reasonable means to give the warnings or instructions for usage of such product to such expert or class of experts; or
  - the complainant, while using such product, was under the influence of alcohol or any prescription drug which had not been prescribed by a medical practitioner.

- (3) A product manufacturer shall not be liable for failure to instruct or warn about a danger which is obvious or commonly known to the user or consumer of such product or which, such user or consumer, ought to have known, taking into account the characteristics of such product.

## Basic Pay Chapter – VII

### Offences and Penalties

S.No.	Rule No.	Nature of Offence	Imprisonment	Penalty
1.	88	Fail to comply with any direction of the central authority	Can be Extended to 6 Months	Can be Extended to 20 Lakh Rupees or both
2.	89	Punishment for false or misleading advertisement – <b>for first time</b>	Can be Extended to 2 Years	Can be Extended to 10 Lakh Rupees or both



**8000661414**



/basicpay



@basicpay



/basicpay



**Basic Pay Publications**  
**(ISO 9001:2015 & MSME Certified)**  
<https://www.basicpay.in>  
email - [info@basicpay.in](mailto:info@basicpay.in)

	89	Punishment for false or misleading advertisement – <b>for every subsequent offence</b>	Can be Extended to 5 Years	Can be Extended to 50 Lakh Rupees or both
3.	90(1)	Punishment for manufacturing for sale or storing, selling or distributing or importing products containing adulterant.		
	90(a)	Does not result in any injury to consumer	Can be Extended to 6 months	Can be Extended to 1 Lakh Rupees
	90(b)	Causing injury not amounting to grievous hurt to consumer	Can be Extended to 1 Years	Can be Extended to 3 Lakh Rupees
	90(c)	Causing injury resulting in grievous hurt to consumer	Extend to 7 Years	Extend to 5 Lakh Rupees
	90(d)	Results in the death of a consumer	Not less than 7 Years can be extended to life time	Not less than 10 Lakh Rupees
	90(2)	90 (c) & 90 (d) are cognizable and non-bailable		
4.	91(1)	Punishment for manufacturing for sale or for storing or selling or distributing or importing spurious goods.		
	91(a)	causing injury not amounting to grievous hurt to the consumer	Can be Extended to 1 Year	Can be Extended to 3 Lakh Rupees
	91(b)	causing injury resulting in grievous hurt to the consumer	Can be Extended 7 Years	Can be Extended to 5 Lakh Rupees
	91(c)	results in the death of a consumer	Not less than 7 Years can be extended to life time	Not less than 10 Lakh Rupees

92. No cognizance shall be taken by a competent court of any offence under sections 88 and 89 except on a complaint filed by the Central Authority or any officer authorised by it in this behalf.

107. **Repeal:** - The Consumer Protection Act, 1986 is hereby repealed.

**Court Fee while file the fresh complaints: - (w.e.f. 17.08.2023)**

S.No.	Value of Goods/Service	Court Fee
<b>District Commission</b>		
1	Up to 5 Lakh	Nil
2	Above 5 Lakh - up to 10 Lakh	Rs.200/-
3	Above 10 Lakh - up to 20 Lakh	Rs.400/-
4	Above 20 Lakh - up to 50 Lakh	Rs.1000/-
<b>State Commission</b>		
5	Above 50 Lakh - up to 1 Crore	Rs.2000/-
7	Above 1 Crore - up to 2 Crore	Rs.2500/-
<b>National Commission</b>		
8	Above 2 Crore - up to 4 Crore	Rs.3000/-
9	Above 4 Crore - up to 6 Crore	Rs.4000/-
10	Above 6 Crore - up to 8 Crore	Rs.5000/-
11	Above 8 Crore - up to 10 Crore	Rs.6000/-
12	Above 10 Crore	Rs.7500/-

\*\*\*\*\*