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Consumer Protection Act, 1986

- In order to provide for better protection of the interests of the consumer the Consumer Protection Bill, 1986 was introduced in the Lok Sabha on 5th December, 1986.
- The Consumer Protection Act 1986 is a social welfare legislation which was enacted as a result of widespread consumer protection movement.



Objective

- The main objective of CPA is to provide speedy and simple redressal to consumer disputes.
- It is one of the benevolent pieces of legislation intended to protect the consumers at large from exploitation



Who is a Consumer? Sec. 2 (1) (d)

Any person who:

- Buys any goods for a consideration which has been paid or will be paid.
- Hires or avails any service for a consideration which has been paid or will be paid.
- It does not include a person who obtains goods for resale or any commercial purpose

Rights of Consumer



Redressal Agency

The aims and objectives of the Act are achieved by

District Forum

State Commission

National Commission.

District Forum

- It shall consist of a person who is or has been or is qualified to be a District Judge as its President, 2 other members, one of whom shall be a woman
- Every member of the District Forum shall hold office for a term of 5 years or up to the age of 65 years whichever ever is earlier
- It shall have jurisdiction to entertain complaints where the value of the goods or services and the compensation, if any, claimed does not exceed Rs.20 Lacs.

A District Forum shall have the powers

- I. To remove the defect pointed out by the appropriate laboratory from the goods in question
- II. To **replace the goods** with new goods of similar description which shall be free from any defect
- III. To return to the complainant **the price**, or as the case may be, the charges paid by the complainant
- IV. To pay such amount as may be awarded by it as **compensation to the consumer** for any loss or injury suffered by the consumer due to the negligence of the opposite party

State Commission

- It is established by SG by notification
- It shall have jurisdiction to entertain complaints where the value of the goods or services and compensation, if any, claimed exceeds Rs. 20 Lacs but does not exceed Rs.1 Crore and appeals against the orders of any District Forum within the State.

National Commission

- It shall consist of a person who is or has been a Judge of the Supreme Court, as its President. Not less than 4 and not more than such number of members as may be prescribed and one of whom shall be a woman
- Every member of the National commission shall hold office for a term of 5 years or up to the age of 70 years which ever is earlier.
- It shall have jurisdiction to entertain complaints where the value of the goods or services and compensation, if any, the claim exceeds Rs. 1 Crore and appeals against the orders of any State Commission.

Councils



The District Consumer Protection Council

- It shall consist of the following members, namely:-
 - (a) the Collector of the district (by whatever name called), as its Chairman; and
 - (b) such number of other official and non-official members as may be prescribed by the SG
- The District Council shall meet at least twice in an year.
- The procedure will be set by SG

The State Consumer Protection Council

- It shall consist of the following members, namely:
 - (a) the Minister in-charge of consumer affairs in the SG as its Chairman;
 - (b) such number of other official or non-official members as may be prescribed by the State Government.
- The State Council shall meet at least twice in an year.
- The procedure will be prescribed by the SG

The Central Consumer Protection Council

- It shall consist of the following members, namely
 - (a) the Minister in charge of Consumer Affairs in the CG as its Chairman, and
 - (b) such number of other official or non-official members as may be prescribed.
- The Council shall meet at least once an year.

Case Studies

CASE I

- Chetanprakash vs. MET Institute of computer Science

CASE II

- Krishnan Kumar Bajaj vs. PepsiCo.

Chetan Prakash
vs.
MET Institute of computer Science



- Prakash was in final year of BSc when he sought admission in the institute for MCS
- The institute had stipulated that in order to pursue the MCS course, student has to clear III year exams
- He deposited the fees before declaration of result
- Seeing that he had failed in exams, he tried to withdraw the admission and requested for a refund, to which the institute did not responded
- Finally, he sent a legal notice to the institute, and then lodged a complaint in the consumer forum.

Judgement

- The institute had to pay the complainant, Chetan Prakash, Rs 32,000 as compensation for harassment along with the course fee of Rs.62,200.



Krishnan Kumar Bajaj vs. PepsiCo.



PEPSICO

- Bajaj, a resident of Ahmedabad, had purchased a Lay's packet on 28 June 2010 and sensed its being underweight.
- He wrote twice to the manufacturer. While the first letter got no response, in reply to the second, it offered Bajaj gifts hamper which he refused.
- Bajaj approached CERS, who wrote to PepsiCo.

- Company refused to accept their fault and gave several unsatisfactory clarifications
- CERS took the issue to the Consumer Disputes Redressal Forum, which also gave a favourable ruling
- The company asked for the bill of purchase which Bajaj could not produce

Judgement

- The Court overruled the argument of his not having a bill
- CERS requested the court to direct PepsiCo to deposit Rs.2,00,000 in the Consumer Welfare Fund and award Rs.2,75,250 as punitive damages.
- And also to give Rs.75,000 as costs of litigation.



Offer and Acceptance



WHAT IS OFFER?

IN CONTRACT LAW , AN OFFER IS
A PROMISE IN EXCHANGE FOR
PERFORMANCE BY ANOTHER
PARTY.

Definition

- As per Section 2 (a) of the contract Act, **“When one person signifies to another his willingness to do or abstain from doing anything, with a view to obtaining the assent of that other to such act or abstinence, he is said to make an offer”**.



Offer and Acceptance

- Person making an offer is called as *offeror*, *proposer*, or *promisor*.
- Person to whom offer is made is called as *offeree* or *promisee*.
- *Offer* is a proposal by one party to another to enter into a legally binding agreement with the offeror.
- Eg : A says to B, will you purchase my car for Rs. 50,000?

A in this case is making an offer to B as he



Essential Elements of a valid offer

1. The offer must be capable of creating legal relations
2. The offer must be certain, definite and not vague
3. The offer may be express or implied
4. Offer may be positive or negative
5. Offer may be specific or general

ESSENTIALS OF OFFER

1. Two person or parties.
2. Willingness to do or not to do something.
3. Proposal must be communicated.
4. Proposal must be made with intention to create legal relations.
5. Offer should be given to get consent of the other person to such act.

2. General Offer

A general offer is one which is not made to a definite person, but to the world at large or public in general. A general offer can be accepted by any person by fulfilling the terms of the offer. In case of general offer, the contract is made with person who having the knowledge of the offer comes forward and acts according to the conditions of the offer.

1. Specific Offer

A specific offer is one which is made to a definite person or particular group of persons. A specific offer can be accepted only by that definite person or that particular group of persons to whom it has been made



4. Standing Offer

It is an offer which opens for acceptance over a period of time. This is also known as continuing or open offer.



7.Counter offer

Conditional acceptance is called counter offer . When an offer is accepted on term and condition other than set out by offerer is called counter offer.



3. Cross Offer

Two offers which are similar in all respects made by two parties to each other, in ignorance of each other's offer are known as 'cross offers'

