

**CONSUMER PROTECTION ACT**

**Answer to Question 1**

As per section 2(1)(d) the word “Consumer” does not include

- One who buys the goods or avails services for commercial purposes.
- One who has not bought the goods.

Thus Commercial Purpose does not include use by a person of goods bought and used by him and services availed by him exclusively for the purpose of earning his livelihood by means of self employment.

For example: Purchase of a car for running it as taxi is not commercial purpose.

When goods are bought for commercial purpose and such purchase satisfy the following criteria:

- The goods are used by the buyers himself;
- Exclusively for the purpose of earning his livelihood;
- By means of self employment;
- Then such use would not be termed as use for commercial purpose under the Act, and the user is recognised as a consumer.

Example:

A buys a truck for plying it as a public carrier by himself – A is a consumer.

A buys a truck and hires a driver to ply it – A is not a consumer.

However, if such a buyer takes assistance of two or more persons to help him in operating the vehicle or machine etc., he does not cease to be consumer.

**Answer to Question 2**

The Act protects the following rights of the consumers:

1. Right of protection from marketing of goods and services which are hazardous to life and property.
2. Right to be informed about the quality quantity purity standard and price of goods and services, so the consumers are protected from unfair trade practices.
3. Right to have access to variety of goods and services at competitive prices.
4. Right to be heard and to be assured that the consumers’ interest will receive due consideration.
5. Right to stop unfair trade practices, restrictive trade practices and exploitation of consumers.
6. Right to consumer education
7. Right of speedy and simple redressal to consumer disputes.

### Answer to Question 3

Facts of the given case is similar to H. J. Shah vs. LIC.

In the above case, Supreme Court has held that agent has no authority to receive premium for LIC. Person cannot assume that agent has implied authority to collect premium amount from insured as regulation of LIC strictly prohibit it. LIC can be held liable if it has authorised its agent to collect or receive premium from policy holder by any means, expressly or impliedly.

### Answer to Question 4

Pecuniary Limits		
District Forum	State Commission	National Commission
It entertains cases where the value of the claim is upto Rs. 20 lakhs.	It entertains the cases where the value of the claim exceeds Rs. 20 lakh but does not exceed Rs. 1 Crore.	It entertains all the matters where the value of claims exceeds Rs. 1 Crore.

Territorial Limits		
District Forum	State Commission	National Commission
Complaint can be filed here within local limits of whose jurisdiction the opposite party or defendant resides or carries on business or has branch office at the time of making complaint.	Complaint can be filed here within local limits of whose jurisdiction the opposite party or defendant resides or carries on business or has branch office at the time of making complaint.	The territorial jurisdiction is whole of India except to the State of Jammu and Kashmir.
Any person aggrieved by the order made by the district forum may prefer appeal against order to State Commission within 30 days from the date of order. State Commission can entertain appeal after the period of 30 days if there was sufficient cause for not filing appeal within 30 days.	Any person aggrieved by the order made by the State Commission may prefer appeal against order to National Commission within 30 days from the date of order. National Commission can entertain appeal after the period of 30 days if there was sufficient cause for not filing appeal within 30 days.	Consumer Protection Act is applicable only if the cause of action arises in India. If cause of action arises out of India, National Commission has no jurisdiction over the matter.

### Answer to Question 5

Facts of the case are similar to S.P. Dhavaskar vs. Housing Commissioner, Karnataka Housing Board.

Housing Board should carry out necessary work to find out before accepting deposit regarding stability of proposed construction work, soil testing and mud blocks. It should satisfy technical standards and ensure that the house if constructed on the specified land could withstand heavy rains.

After 2 years from booking, if person is refunded the money without interest or given option to purchase alternative house at increased price create financial difficulty and unreasonable burden. Board is grossly negligent in providing services. Therefore, it is justified to award interest and compensation by State Commission. Mohan will succeed.

## Answer to Question 6

Fact in question is very similar to case of J.K. Pun Engineers vs. Mohan Breweries and Distilleries Limited.

The air conditioning system was installed at the guest house which was meant for residence of managing director, director and other executives of company during their temporary visit to city. It is installed to provide comfort and it does not have any use for commercial purpose.

At the same time, it can also be observed from the fact of case that it has no close or direct nexus with commercial activities carried out by the company.

In view of above discussion, it can be said that Jolly Limited is consumer for air conditioning system and it is entitled for deficiency in service.

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