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Consumer Protection Act, 1986

Chapter III - Consumer Disputes Redressal Agencies

Thereshall be established for the purposes of this Act, the following agencies,namely:--

(a) a Consumer Disputes Redressal Forum to be knownas the "District Forum" established by the State Government 1 [** *] in each district of the State by notification:

2 [Provided that the State Government may, if it deems fit,establish more than one District Forum in a district;]

(b) a Consumer Disputes Redressal Commission to beknown as the "State Commission" established by the State Government 1 [** *] in the State by notification; and

(c) a National Consumer Disputes RedressalCommission established by the Central Government by notification.

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1. The words "with the prior approval of theCentral Government" omitted by Act 50 of 1993, section 7 (w.r.e.f. 18-6-1993).

2.Inserted by Act 50 of 1993, section 7 (w.r.e.f. 18-6-1993).

Section 10 - Composition of the District Forum

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1 [(1) Each District Forum shall consist of,--

(a)a person who is, or has been, or is qualified to be a District Judge, who shallbe its President;

2 [(b) two othermembers, one of whom shall be a woman, who shall have the followingqualifications, namely:--

(i)be not less than thirty-five years of age,

(ii)possesss a bachelor's degree from a recognised university,

(iii)be persons of ability, integrity and standing, and have adequate knowledge andexperience of at least ten years in dealing with problems relating toeconomics, law, commerce, accountancy, industry, public affairs oradministration:

Providedthat a persons shall be disqualifed for appointment as a member, if he--

(a)has been convicted and sentenced to imprisonment for an offence which, in theopinion of the State Government, involves moral turpitude; or

(b)is an undischarged insolvent; or

(c)is of unsound mind and stands so declared by a competent court; or

(d)has been removed or dismissed from the service of the Government or a bodycorporate owned or controlled by the Government; or

(e)has, in the opinion of the State Government, such financial or other interestas is likely to affect prejudicially the discharge by him of his functions as amember; or

(f)has such other disqualifications as may be prescribed by the StateGovernment;]]

3 [(1A) Every appointment under sub-section (1)shall be made by the State Government on the recommendation of a selectioncommittee consisting of the following, namely :--

(i) President of the State Commission --Chairman.

(ii) Secretary, Law Department of the State --Member.

(iii) Secretary, incharge of the Department dealing with consumer affairs in the State --Member:]

4 [Provided that where the President of the State Commissionis, by reason of absence or otherwise, unable to act as Chairman of theSelection Committee, the State Government may refer the matter to the ChiefJustice of the High Court for nominating a sitting Judge of that High Court toact as Chairman.]

5 [(2) Every member of the District Forum shall hold officefor a term of five years or up to the age of sixty-five years, whichever isearlier:

Provided that a member shall be eligible forre-appointment for another term of five years or up to the age of sixty-fiveyears, whichever is earlier, subject to the condition that he fulfils thequalifications and other conditions for appointment mentioned in clause (b) ofsub-section (1) and such re-appointment is also made on the basis of therecommendation of the Selection Committee:

Provided further that a member may resign hisoffice in writing under his hand addressed to the State Government and on suchresignation being accepted, his office shall become vacant and may be filled byappointment of a person possessing any of the qualifications mentioned insub-section (1) in relation to the category of the member who is required to beappointed under the provisions of sub-section (1A) in place of the person whohas resigned:

Provided also that a person appointed as thePresident or as a member, before the commencement of the Consumer Protection(Amendment) Act, 2002, shall continue to hold such office as President ormember, as the case may be, till the completion of his term.]

(3) The salary or honorarium and other allowancespayable to, and the other terms and conditions of service of the members of theDistrict Forum shall be such as may be prescribed by the State Government:

Provided that a member may resign his office inwriting under his hand-addressed to the State Government and on suchresignation being accepted, his office shall become vacant and may be filled bythe appointment of a person possessing any of the qualifications mentioned insub-section (1) in relation to the category of the member who hasresigned." (w.e.f. 15-3-2003)

4 [Provided that the appointment of a member onwhole-time basis shall be made by the State Government on the recommendation ofthe President of the State Commission taking into consideration such factors asmay be prescribed including the work load of the District Forum.]

1.Substituted by Act 50 of 1993, section 8, for sub-section (1) (w.r.e.f. 18-6-1993).

2.Substituted by Act 62 of 2002, section 6, for clause "(b) two other members, whoshall be persons of ability, integrity and standing, and have adequateknowledge or experience of, or have shown capacity in dealing with, problemsrelating to economics, law, commerce, accountancy, industry, public affairs oradministration, one of whom shall be a woman" (w.e.f. 15-3-2003).

3.Inserted by Act 50 of 1993, section 8 (w.r.e.f. 18-6-1993).

4.Inserted by Act 62 of 2002, section 6 (w.e.f. 15-3-2003).

5.Substituted by Act 62 of 2002, section 6, for sub-section"(2) Every member of the District Forum shall hold office for a term offive years or up to the age of 65 years, whichever is earlier, and shall not beeligible for re-appointment:

Providedthat a member may resign his office in writing under his hand-addressed to theState Government and on such resignation being accepted, his office shall becomevacant and may be filled by the appointment of a person possessing any of thequalifications mentioned in sub-section (1) in relation to the category of themember who has resigned." (w.e.f. 15-3-2003)

Section 11 - Jurisdiction of the District Forum

The provisions of this Act shall be in addition to and not in derogation of the provisions of any other law for the time being in force.

Section 12 - Manner in which complaint shall be made

1[12. Manner in which complaint shall be made

(1) A complaint in relation to any goods sold or delivered or agreed to be sold or delivered or any service provided or agreed to be provided may be filed with a District Forum by--

(a) the consumer to whom such goods are sold or delivered or agreed to be sold or delivered or such service provided or agreed to be provided;

(b) any recognised consumer association whether the consumer to whom the goods sold or delivered or agreed to be sold or delivered or service provided or agreed to be provided is a member of such association or not;

(c) one or more consumers, where there are numerous consumers having the same interest, with the permission of the District Forum, on behalf of, or for the benefit of, all consumers so interested; or

(d) the Central or the State Government, as the case may be, either in its individual capacity or as a representative of interests of the consumers in general.

(2) Every complaint filed under sub-section (1) shall be accompanied with such amount of fee and payable in such manner as may be prescribed.

(3) On receipt of a complaint made under sub-section (1), the District Forum may, by order, allow the complaint to be proceeded with or rejected:

Provided that a complaint shall not be rejected under this sub-section unless an opportunity of being heard has been given to the complainant:

Provided further that the admissibility of the complaint shall ordinarily be decided within twenty-one days from the date on which the complaint was received.

(4) Where a complaint is allowed to be proceeded with under sub-section (3), the District Forum may proceed with the complaint in the manner provided under this Act:

Provided that where a complaint has been admitted by the District Forum, it shall not be transferred to any other court or tribunal or any authority set up by or under any other law for the time being in force.

Explanation. --For the purposes of this section, "recognised consumer association" means any voluntary consumer association registered under the Companies Act, 1956 (1 of 1956) or any other law for the time being in force.]

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1. Substituted by Act 50 of 1993, section 10, (w.r.e.f. 18-6-1993) and again Substituted by Act 62 of 2002, section 8, for section '12. Manner in which complaint shall be made.--A complaint in relation to any goods sold or delivered or agreed to be sold or delivered or any service provided or agreed to be provided may be filed with a District Forum by--

(a) the consumer to whom such goods are sold or delivered or agreed to be sold or delivered or such service provided or agreed to be provided;

(b) any recognised consumer association whether the consumer to whom the goods sold or delivered or agreed to be sold or delivered or service provided or agreed to be provided is a member of such association or not ;

(c) one or more consumers, where there are numerous consumers having the same interest, with the permission of the District Forum, on behalf of, or for the benefit of, all consumers so interested ; or

(d) the Central or the State Government.

Explanation. --For the purpose of this section, "recognised consumer association" means any voluntary consumer association registered under the Companies Act, 1956 (1 of 1956) or any other law for the time being in force.' (w.e.f. 15-3-2003).

Section 13 - Procedure on admission of complaint

13.1 [Procedure onadmission of complaint]

(1) The District Forum shall, 2 [on admissionof a complaint], if it relates to any goods,--

3 [(a) refer a copy of the admitted complaint, withintwenty-one days from the date of its admission to the opposite party mentionedin the complaint directing him to give his version of the case within a periodof thirty days or such extended period not exceeding fifteen days as may begranted by the District Forum.]

(b) where the opposite party on receipt of acomplaint referred to him under clause (a) denies or disputes the allegationscontained in the complaint, or omits or fails to take any action to representhis case within the time given by the District Forum, the District Forum shallproceed to settle the consumer dispute in the manner specified in clauses (c)to (g);

(c) where the complaint alleges a defect in thegoods which cannot be determined without proper analysis or test of the goods,the District Forum shall obtain a sample of the goods from the complainant,seal it and authenticate it in the manner prescribed and refer the sample sosealed to the appropriate laboratory along with a direction that suchlaboratory make an analysis or test, whichever may be necessary, with a view tofinding out whether such goods suffer from any defect alleged in the complaintor from any other defect and to report its findings thereon to the DistrictForum within a period of forty-five days of the receipt of the reference orwithin such extended period as may be granted by the District Forum;

(d) before any sample of the goods is referred toany appropriate laboratory under clause (c), the District Forum may require thecomplainant to deposit to the credit of the Forum such fees as may bespecified, for payment to the appropriate laboratory for carrying out thenecessary analysis or test in relation to the goods in question;

(e) the District Forum shall remit the amountdeposited to its credit under clause (d) to the appropriate laboratory toenable it to carry out the analysis or test mentioned in clause (c) and onreceipt of the report from the appropriate laboratory, the District Forum shallforward a copy of the report along with such remarks as the District Forum mayfeel appropriate to the opposite party;

(f) if any of the parties disputes the correctnessof the findings of the appropriate laboratory, or disputes the correctness ofthe methods of analysis or test adopted by the appropriate laboratory, theDistrict Forum shall require the opposite party or the complainant to submit inwriting his objections in regard to the report made by the appropriatelaboratory;

(g) the District Forum shall thereafter give areasonable opportunity to the complainant as well as the opposite party ofbeing heard as to the correctness or otherwise of the report made by theappropriate laboratory and also as to the objection made in relation theretounder clause (f) and issue an appropriate order under section 14.

(2) The District Forum shall, if the4 [complaintsadmitted] by it under section 12 relates to goods in respect of which theprocedure specified in sub-section (1) cannot be followed, or if the complaintrelates to any services,--

(a) refer a copy of such complaint to the oppositeparty directing him to give his version of the case within a period of thirtydays or such extended period not exceeding fifteen days as may be granted bythe District Forum;

(b) where the opposite party, on receipt of a copyof the complaint, referred to him under clause (a) denies or disputes theallegations contained in the complaint, or omits or fails to take any action torepresent his case within the time given by the District Forum, the DistrictForum shall proceed to settle the consumer dispute,--

(i) on the basis of evidence brought to its noticeby the complainant and the opposite party, where the opposite party denies ordisputes the allegations contained in the complaint, or

(ii)5 [ex parte on the basis of evidence]brought to its notice by the complainant where the opposite party omits orfails to take any action to represent his case within the time given by theForum;

6 [(c) where the complainant fails to appear on the date ofhearing before the District Forum, the District Forum may either dismiss thecomplaint for default or decide it on merits.]

(3) No proceedings complying with the procedurelaid down in sub-sections (1) and (2) shall be called in question in any courton the ground that the principles of natural justice have not been compliedwith.

6 [(3A) Every complaint shall be heard asexpeditiously as possible and endeavour shall be made to decide the complaintwithin a period of three months from the date of receipt of notice by oppositeparty where the complaint does not require analysis or testing of commoditiesand within five months, if it requires analysis or testing of commodities:

Provided that no adjournment shall be ordinarilygranted by the District Forum unless sufficient cause is shown and the reasonsfor grant of adjournment have been recorded in writing by the Forum:

Provided further that the District Forum shall makesuch orders as to the costs occasioned by the adjournment as may be provided inthe regulations made under this Act:

Provided also that in the event of a complaintbeing disposed of after the period so specified, the District Forum shallrecord in writing, the reasons for the same at the time of disposing of thesaid complaint.

(3B) Where during the pendency of any proceedingbefore the District Forum, it appears to it necessary, it may pass such interimorder as is just and proper in the facts and circumstances of the case.]

(4) For the purposes of this section, the DistrictForum shall have the same powers as are vested in a civil court under Code ofCivil Procedure, 1908 (5 of 1908) while trying a suit in respect of thefollowing matters, namely:--

(i) the summoning and enforcing the attendance ofany defendant or witness and examining the witness on oath,

(ii) the discovery and production of any documentor other material object producible as evidence,

(iii) the reception of evidence on affidavits,

(iv) the requisitioning of the report of theconcerned analysis or test from the appropriate laboratory or from any otherrelevant source,

(v) issuing of any commission for the examinationof any witness, and

(vi) any other matter which may be prescribed.

(5) Every proceeding before the District Forumshall be deemed to be a judicial proceeding within the meaning of sections 193and 228 of the Indian Penal Code (45 of 1860), and the District Forum shall bedeemed to be a civil court for the purposes of section 195, and Chapter XXVI ofthe Code of Criminal Procedure, 1973 (2 of 1974).

7 [(6) Where the complainant is a consumer referred to insub-clause (iv) of clause (b) of sub-section (1) of section 2, the provisionsof rule 8 of Order I of the First Schedule to the Code of Civil Procedure, 1908(5 of 1908) shall apply subject to the modification that every referencetherein to a suit or decree shall be construed as a reference to a complaint orthe order of the District Forum thereon.]

6 [(7) In the event of death of a complainant who isa consumer or of the opposite party against whom the complaint has been filed,the provisions of Order XXII of the First Scheduled to the Code of CivilProcedure, 1908 (5 of 1908) shall apply subject to the modification that everyreference therein to the plaintiff and the defendant shall be construed asreference to a complainant or the opposite party, as the case may be.]

1.Substituted by Act 62 of 2002, section 9, for"Procedure on receipt of a complaint" (w.e.f. 15-3-2003).

2.Substituted by Act 62 of 2002, section 9, for "onreceipt of complaint" (w.e.f. 15-3-2003).

3.Substituted by Act 62 of 2002, section 9, for clause"(a) refer a copy of the complaint to the opposite party mentioned in thecomplaint directing him to give his version of the case within a period ofthirty days or such extended period not exceeding fifteen days as may begranted by the District Forum;" (w.e.f. 15-3-2003).

4.Substituted by Act 62 of 2002, section 9, for"complaint received" (w.e.f. 15-3-2003).

5.Substituted by Act 62 of 2002, section 9, for "on thebasis of evidence" (w.e.f. 15-3-2003).

6.Inserted by Act 62 of 2002, section 9 (w.e.f. 15-3-2003).

7.Inserted by Act 50 of 1993, section 11 (w.r.e.f. 18-6-1993).

Section 14 - Finding of the District Forum

(1) If, after the proceeding conducted under section 13, the District Forum is satisfied that the goods complained against suffer from any of the defects specified in the complaint or that any of the allegations contained in the complaint about the services are proved, it shall issue an order to the opposite party directing him to1[do] one or more of the following things, namely:--

(a) to remove the defect pointed out by the appropriate laboratory from the goods in question;

(b) to replace the goods with new goods of similar description which shall be free from any defect;

(c) to return to the complainant the price, or, as the case may be, the charges paid by the complainant;

(d) 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:

2[Provided that the District Forum shall have the power to grant punitive damages in such circumstances as it deems fit;]

3[(e) to4[remove the defects in goods] or deficiencies in the services in question;

(f) to discontinue the unfair trade practice or the restrictive trade practice or not to repeat them;

(g) not to offer the hazardous goods for sale;

(h) to withdraw the hazardous goods from being offered for sale;

2[(ha) to cease manufacture of hazardous goods and to desist from offering services which are hazardous in nature;

(hb) to pay such sum as may be determined by it, if it is of the opinion that loss or injury has been suffered by a large number of consumers who are not identifiable conveniently:

Provided that the minimum amount of sum so payable shall not be less than five per cent, of the value of such defective goods sold or services provided, as the case may be, to such consumers:

Provided further that the amount so obtained shall be credited in favour of such person and utilized in such manner as may be prescribed;

(hc) to issue corrective advertisement to neutralize the effect of misleading advertisement at the cost of the opposite party responsible for issuing such misleading advertisement;]

(i) to provide for adequate costs to parties.]

5[(2) Every proceeding referred to in sub-section (1) shall be conducted by the President of the District Forum and at least one member thereof sitting together:

6[Provided that where a member, for any reason, is unable to conduct a proceeding till it is completed, the President and the other member shall continue the proceeding from the stage at which it was last heard by the previous member.]

(2A) Every order made by the District Forum under sub-section (1) shall be signed by its President and the member or members who conducted the proceeding:

Provided that where the proceeding is conducted by the President and one member and they differ on any point or points, they shall state the point or points on which they differ and refer the same to the other member for hearing on such point or points and the opinion of the majority shall be the order of the District Forum.]

(3) Subject to the foregoing provisions, the procedure relating to the conduct of the meetings of the District Forum, its sittings and other matters shall be such as may be prescribed by the State Government.

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1. Substituted by Act 50 of 1993, section 12, for "take" (w.r.e.f. 18-6-1993).

2. Inserted by Act 62 of 2002, section 10 (w.e.f. 15-3-2003).

3. Inserted by Act 50 of 1993, section 12 (w.r.e.f. 18-6-1993).

4. Substituted by Act 62 of 2002, section 10, for "remove the defects" (w.e.f. 15-3-2003).

5. Substituted by Act 34 of 1991, section 2, for sub-section (2) (w.r.e.f. 15-6-1991).

6. Substituted by Act 62 of 2002, section 10, for "Provided that where the member, for any reason, is unable to conduct the proceeding till it is completed, the President and the other member shall conduct such proceeding de novo." (w.e.f. 15-3-2003).

Section 15 - Appeal

Any person aggrieved by an order made by the District Forum may prefer an appeal against such order to the State Commission within a period of thirty days from the date of the order, in such form and manner as may be prescribed:

Provided that the State Commission may entertain an appeal after the expiry of the said period of thirty days if it is satisfied that there was sufficient cause for not filing it within that period:

1[Provided further that no appeal by a person, who is required to pay any amount in terms of an order of the District Forum, shall be entertained by the State Commission unless the appellant has deposited in the prescribed manner fifty per cent, of that amount or twenty-five thousand rupees, whichever is less.]

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1. Inserted by Act 62 of 2002, section 11 (w.e.f. 15-3-2003).

Section 16 - Composition of the State Commission

(1) Each State Commission shall consist of--

(a) a person who is or has been a Judge of a High Court, appointed by the State Government, who shall be its President:

1 [Provided that no appointment under this clause shall be made except after consultation with the Chief Justice of the High Court;]

2 [(b) not less than two, and not more than such number of members, as may be prescribed, and one of who shall be a woman, who shall have the following qualifications, namely:--

(i) be not less than thirty-five years of age;

(ii) possess a bachelor's degree from a recognised university; and

(iii) be persons of ability, integrity and standing, and have adequate knowledge and experience of at least ten years in dealing with problems relating to economics, law, commerce, accountancy, industry, public affairs or administration:

Provided that not more than fifty per cent, of the members shall be from amongst persons having a judicial background.

Explanation.--For the purposes of this clause, the expression "persons having a judicial background" shall mean persons having knowledge and experience for at least a period of ten years as a presiding officer at the district level court or any tribunal at equivalent level:

Provided further that a person shall be disqualified for appointment as a member, if he--

(a) has been convicted and sentenced to imprisonment for an offence which, in the opinion of the State Government, involves moral turpitude; or

(b) is an undischarged insolvent; or

(c) is of unsound mind and stands so declared by a competent court; or

(d) has been removed or dismissed from the service of the Government or a body corporate owned or controlled by the Government; or

(e) has, in the opinion of the State Government, such financial or other interest, as is likely to affect prejudicially the discharge by him of his functions as a member; or

(f) has such other disqualifications as may be prescribed by the State Government.]

3 [(1A) Every appointment under sub-section (1) shall be made by the State Government on the recommendation of a Selection Committee consisting of the following members, namely:--

(i) President of the State Commission.....Chairman;

(ii) Secretary of the Law Department of the State.....Member;

(iii) Secretary incharge of the Department dealing with Consumer Affairs in the State.....Member:

Provided that where the President of the State Commission is, by reason of absence or otherwise, unable to act as Chairman of the Selection Committee, the State Government may refer the matter to the Chief Justice of the High Court for nominating a sitting Judge of that High Court to act as Chairman.

(1B) (i) The jurisdiction, powers and authority of the State Commission may be exercised by Benches thereof.

(ii) A Bench may be constituted by the President with one or more members as the President may deem fit.

(iii) If the members of a Bench differ in opinion on any point, the points shall be decided according to the opinion of the majority, if there is a majority, but if the members are equally divided, they shall state the point or points on which they differ, and make a reference to the President who shall either hear the point or points himself or refer the case for hearing on such point or points by one or more or the other members and such point or points shall be decided according to the opinion of the majority of the members who have heard the case, including those who first heard it.]

(2) The salary or honorarium and other allowances payable to, and the other terms and conditions of service 4 [* * *] of, the members of the State Commission shall be such as may be prescribed by the State Government.

3 [Provided that the appointment of a member on whole-time basis shall be made by the State Government on the recommendation of the President of the State Commission taking into

consideration such factors as may be prescribed including the work load of the State Commission.]

5 [3. Every member of the State Commission shall hold office for a term of five years or up to the age of sixty-seven years, whichever is earlier:

Provided that a member shall be eligible for re-appointment for another term of five years or up to the age of sixty-seven years, whichever is earlier, subject to the condition that he fulfils the qualifications and other conditions for appointment mentioned in clause (b) of sub-section (1) and such re-appointment is made on the basis of the recommendation of the Selection Committee:

Provided further that a person appointed as a President of the State Commission shall also be eligible for re-appointment in the manner provided in clause (a) of sub-section (1) of this section:

Provided also that a member may resign his office in writing under his hand addressed to the State Government and on such resignation being accepted, his office shall become vacant and may be filled by appointment of a person possessing any of the qualifications mentioned in sub-section (1) in relation to the category of the member who is required to be appointed under the provisions of sub-section (1A) in place of the person who has resigned.

(4) Notwithstanding anyghing contained in sub-section (3), a person appointed as the President or as a member, before the commencement of the Consumer Protection (Amendment) Act, 2002, shall continue to hold such office as President or member, as the case may be, till the completion of his term.]

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1. Inserted by Act 50 of 1993,section 13 (w.r.e.f. 18-6-1993).

2. Substituted by Act 62 of 2002,section 12, for clause "(b) two other members, who shall be persons of ability, integrity and standing and have adequate knowledge or experience of, or have shown capacity in dealing with, problems relating to economics, law, commerce, accountancy, industry, public affairs or administration, one of whom shall be a woman:

Provided that every appointment made under this clause shall be made by the State Government on the recommendation of a selection committee consisting of the following, namely:--

(i) President of the State Commission --Chairman.

(ii) Secretary of the Law Department of the State --Member.

(iii) Secretary, incharge of Department dealing with consumer affairs in the State --Member."

(w.e.f. 15-3-2003).

3. Inserted by Act 62 of 2002,section 12 (w.e.f. 15-3-2003).

4. The words "(including tenure of office)" omitted by Act 50 of 1993,section 13 (w.r.e.f. 18-6-1993).

5. Substituted by Act 50 of 1993,section 13 (w.r.e.f. 18-6-1993) and and again Substituted by Act 62 of 2002, section12, for sub-section "(3) Every member of the State Commission shall hold office for a term of five years or up to the age of sixty-seven years, whichever is earlier and shall not be eligible for re-appointment." and sub-section "(4) Notwithstanding anything contained in sub-section (3), a person appointed as a President or as a member before the commencement of the Consumer Protection (Amendment) Act, 1993 (50 of 1993), shall continue to hold such office as President or member, as the case may be, till the completion of his term." (w.e.f. 15-3-2003).

Section 17 - Jurisdiction of the State Commission

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1 [(1)] Subject to the other provisions of this Act, theState Commission shall have jurisdiction--

(a) to entertain--

(i) complaints where the value of the goods orservices and compensation, if any, claimed 2 [exceeds rupees twentylakhs but does not exceed rupees one crore]; and

(ii) appeals against the orders of any DistrictForum within the State; and

(b)to call for the records and pass appropriate orders in any consumer disputewhich is pending before or has been decided by any District Forum within theState, where it appears to the State Commission that such District Forum hasexercised a jurisdiction not vested in it by law,- or has failed to exercise ajurisdiction so vested or has acted in exercise of its jurisdiction illegallyor with material irregularity.

3 [(2)A complaint shall be instituted in a State Commission within the limits ofwhose jurisdiction,--

(a)the opposite party or each of the opposite parties, where there are more thanone, at the time of the institution of the complaint, actually and voluntarilyresides or carries on business or has a branch office or personally works forgain; or

(b)any of the opposite parties, where there are more than one, at the time of theinstitution of the complaint, actually and voluntarily resides, or carries onbusiness or has a branch office or personally works for gain, provided that insuch case either the permission of the State Commission is given or theopposite parties who do not reside or carry on business or have a branch officeor personally works for gain, as the case may be, acquiesce in suchinstitution; or

(c)the cause of action, wholly or in part, arises.]

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1. Section 17 re-numbered as sub-section (1) thereofby Act 62 of 2002, section 13 (w.e.f. 15-3-2003).

2.Substituted by Act 62 of 2002, section 13, for"exceds rupees five lakhs but does not exceed rupees twenty lakhs"(w.e.f. 15-3-2003).

3.Inserted by Act 62 of 2002, section 13 (w.e.f. 15-3-2003).

Section 17A - Transfer of cases

1[17A. Transfer of cases

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 the District Forum to another District Forum within the State if the interest of justice so requires.]

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1. Inserted by Act 62 of 2002, section 14 (w.e.f. 15-3-2003).

Section 17B - Circuit Benches

1[17B. Circuit Benches

The State Commission shall ordinarily function in the State Capital but may perform its functions at such other place as the State Government may, in consultation with the State Commission, notify in the Official Gazette, from time to time.]

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1. Inserted by Act 62 of 2002, section 14 (w.e.f. 15-3-2003).

Section 18 - Procedure applicable to State Commissions

1 [Theprovisions of sections 12, 13 and 14 and the rules made thereunder] for thedisposal of complaints by the District Forum shall, with such modifications asmay be necessary, be applicable to the disposal of disputes by the StateCommission.

2 [***]

1.Substituted by Act 50 of 1993, section 15 for certainwords (w.r.e.f. 18-6-1993).

2. Omitted by Act 62 of 2002,section 15. Prior toomission section 18A read as: "18A.Vacancy in the office of the President.--When the office of thePresident of the District Forum or of the State Commission, as the case may be,is vacant or when any such President is, by reason of absence or otherwise,unable to perform the duties of his office, the duties of the office shall beperformed by such person, who is qualified to be appointed as President of theDistrict Forum or; as the case may be, of the State Commission, as the StateGovernment may appoint for the purpose" (Inserted by Act 34 of 1991, section 3(w.r.e.f. 15-6-1991)).

Section 18A - Vacancy in the office of the President (Omitted)

1[Omitted]

1.Section 18A omitted by Consumer Protection (Amendment) Act, 2002 (62 of 2002) w.e.f 15th March 2003. Prior to omission it read as under :

"**18A. Vacancy in the office of the President.--** When the office of the President of the District Forum or of the State Commission, as the case may be, is vacant or when any such President is, by reason of absence or otherwise, unable to perform the duties of his office, the duties of the office shall be performed by such person, who is qualified to be appointed as President of the District Forum or, as the case may be, of the State Commission, as the State Government may appoint for the purpose."

Section 19 - Appeals

Anyperson aggrieved by an order made by the State Commission in exercise of itspowers conferred by sub-clause (i) of clause (a) of section 17 may prefer anappeal against such order to the National Commission within a period of thirtydays from the date of the order in such form and manner as may be prescribed:

Provided that the National Commission may entertainan appeal after the expiry of the said period of thirty days if it is satisfiedthat there was sufficient cause for not filing it within that period:

1 [Provided further that 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 hasdeposited in the prescribed manner fifty per cent, of the amount or rupeesthirty-five thousand, whichever is less.]

1.Inserted by Act 62 of 2002, section 16 (w.e.f. 15-3-2003).

Section 19A - Hearing of appeal

1 **[19A.Hearing of appeal**

An appeal filed before the State Commission or the NationalCommission shall be heard as expeditiously as possible and an endeavour shallbe made to finally dispose of the appeal within a period of ninety days fromthe date of its admission:

Provided that no adjournment shall be ordinarilygranted by the State Commission or the National Commission, as the case may be,unless sufficient cause is shown and the reasons for grant of adjournment havebeen recorded in writing by such Commission:

Provided further that the State Commission or theNational Commission, as the case may be, shall make such orders as to the costsoccasioned by the adjournment as may be provided in the regulations made underthis Act:

Provided also that in the event of an appeal beingdisposed of after the period so specified, the State Commission or the NationalCommission, as the case may be, shall record in writing the reasons for thesame at the time of disposing of the said appeal.]

1.Inserted by Act 62 of 2002, section 17 (w.e.f. 15-3-2003).

Section 20 - Composition of the National Commission

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(1) The National Commission shall consist of--

(a) a person who is or has been a Judge of theSupreme Court, to be appointed by the Central Government, who shall be itsPresident:

1 [Provided that no appointment under this clauseshall be made except after consultation with the Chief Justice of India;]

2 [(b) not less than four, and not more than such number ofmembers, as may be prescribed, and one of whom shall be a woman, who shall havethe following qualifications, namely:--

(i) be not less than thirty-five years of age;

(ii) possess a bachelor's degree from a recogniseduniversity; and

(iii) be persons of ability, integrity and standingand have adequate knowledge and experience of at least ten years in dealingwith problems relating to economics, law, commerce, accountancy, industry,public affairs or administration:

Provided that not more than fifty per cent, of themembers shall be from amongst the persons having a judicial background.

Explanation.--For the purposes ofthis clause, the expression "persons having judicial background"shall mean persons having knowledge and experience for at least a period of tenyears as a presiding officer at the district level court or any tribunal atequivalent level:

Provided further that a person shall bedisqualified for appointment, if he--

(a) has been convicted and sentenced toimprisonment for an offence which, in the opinion of the Central Government,involves moral turpitude; or

(b) is an undischarged insolvent; or

(c) is of unsound mind and stands so declared by acompetent court; or

(d) has been removed or dismissed from the serviceof the Government or a body corporate owned or controlled by the Government; or

(e) has, in the opinion of the Central Government,such financial or other interest as is likely to affect prejudicially thedischarge by him of his functions as a member; or

(f) has such other disqualifications as may beprescribed by the Central Government:

Provided also that every appointment under thisclause shall be made by the Central Government on the recommendation of aSelection Committee consisting of the following, namely:--

(a) a person who is a Judge of the Supreme Court,to be nominated by the Chief Justice of India --Chairman;

(b) the Secretary in the Department of LegalAffairs in the Government of India--Member;

(c) Secretary of the Department dealing withconsumer affairs in the Government of India--Member.]

3 [(1A) (i) The jurisdiction, powers and authorityof the National Commission may be exercised by Benches thereof.

(ii) A Bench may be constituted by the Presidentwith one or more members as the President may deem fit.

(iii) If the members of a Bench differ in opinionon any point, the points shall be decided according to the opinion of themajority, if there is a majority, but if the members are equally divided, theyshall state the point or points on which they differ, and make a reference tothe President who shall either hear the point or points himself or refer thecase for hearing on such point or points by one or more or the other membersand such point or points shall be decided according to the opinion of themajority of the members who have heard the case, including those who firstheard it.]

(2) The salary or honorarium and other allowancespayable to and the other terms and conditions of service 4 [* * *] of themembers of the National Commission shall be such as may be prescribed by theCentral Government.

5 [(3) Every member of the National Commission shall holdoffice for a term of five years or up to the age of seventy years, whichever isearlier:

Provided that a member shall be eligible forre-appointment for another term of five years or up to the age of seventyyears, whichever is earlier, subject to the condition that he fulfils thequalifications and other conditions for appointment mentioned in clause (b) ofsub-section (1) and such re-appointment is made on the basis of therecommendation of the Selection Committee:

Provided further that a person appointed as aPresident of the National Commission shall also be eligible for re-appointmentin the manner provided in clause (a) of sub-section (1):

Provided also that a member may resign his officein writing under his hand addressed to the Central Government and on suchresignation being accepted, his office shall become vacant and may be filled byappointment of a person possessing any of the qualifications mentioned insub-section (1) in relation to the category of the member who is required to beappointed under the provisions of sub-section (1A) in place of the person whohas resigned.

(4) Notwithstanding anything contained insub-section (3), a person appointed as a President or as a member before thecommencement of the Consumer Protection (Amendment) Act, 2002 shall continue tohold such office as President or member, as the case may be, till thecompletion of his term.]

1.Inserted by Act 50 of 1993, section 16 (w.r.e.f. 18-6-1993).

2.Substituted by Act 62 of 2002, section 18, for clause"(b)four other members who shall be persons of ability, integrity andstanding and have adequate knowledge or experience of, or have shown capacityin dealing with, problems relating to economics, law, commerce, accountancy,industry, public affairs or administration, one of whom shall be a woman:

Provided that every appointment under this clauseshall be made by the Central Government on the recommendation of a selectioncommittee consisting of the following, namely:--

(a) a person who is a Judge of the Supreme Court,to be nominated by the Chief Justice of India --Chairman.

(b) the Secretary in the Department of Legal Affairsin the Government of India --Member.

(c) Secretary of the Department dealing withconsumer affairs in the Government of India --Member."

(w.e.f. 15-3-2003).

3.Inserted by Act 62 of 2002, section 18 (w.e.f. 15-3-2003).

4. The words "(including tenure ofoffice)" omitted by Act 50 of 1993, section 16 (w.r.e.f. 18-6-1993).

5.Inserted by Act 50 of 1993, section 16 (w.e.f. 18-6-1993)and again Substituted by Act 62 of 2002, section 18, for sub-section "(3) Everymember of the National Commission shall hold office for a term of five years orup to the age of seventy years, whichever is earlier and shall not be eligiblefor re-appointment. And sub-section "(4) Notwithstanding anythingcontained in sub-section (3), a person appointed as a President or as a memberbefore the commencement of the Consumer Protection (Amendment) Act, 1993, shallcontinue to hold such office as President or member, as the case may be, tillthe completion of his term." (w.e.f. 15-3-2003).

Section 21 - Jurisdiction of the National Commission

Subject to the other provisions of this Act, the National Commission shall have jurisdiction--

(a) to entertain--

(i) complaints where the value of the goods or services and compensation, if any, claimed exceeds1[rupees one crore]; and

(ii) appeals against the orders of any State Commission; and

(b) to call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any State Commission where it appears to the National Commission that such State 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.

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1. Substituted by Act 62 of 2002, section 19, for "rupees twenty lakhs" (w.e.f. 15-3-2003).

Section 22 - Power and procedure applicable to the National Commission

1[22. Power and procedure applicable to the National Commission

(1) The provisions of sections 12, 13 and 14 and the rules made thereunder for the disposal of complaints by the District Forum shall, with such modifications as may be considered necessary

by the Commission, be applicable to the disposal of disputes by the National Commission.

(2) Without prejudice to the provisions contained in sub-section (1), the National Commission shall have the power to review any order made by it, when there is an error apparent on the face of record.]

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1. Inserted by Act 50 of 1993, section 18 (w.r.e.f. 18-6-1993) and Substituted by Act 62 of 2002, section 20, for section "22. Power of and procedure applicable to the National Commission.--The National Commission shall, in the disposal of any complaints or any proceedings before it, have--

(a) the powers of a civil court as specified in sub-sections (4), (5) and (6) of section 13;

(b) the power to issue an order to the opposite party directing him to do any one or more of the things referred to in clauses (a) to (i) of sub-section (1) of section 14,

and follow such procedure as may be prescribed by the Central Government." (w.e.f. 15-3-2003).

Section 22A - Power to set aside ex parte orders

1 **[22A. Power to set aside ex parte orders**

Wherean order is passed by the National Commission ex parte against the opposite party or a complainant, as thecase may be/the aggrieved party may apply to the Commission to set aside thesaid order in the interest of justice.

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1. Sections 22A, 22B, 22C, 22D along with section 22Substituted for the earlier section 22 by Act 62 of 2002, section 20 (w.e.f. 15-3-2003).

Section 22B - Transer of cases

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, transer any complaint pending before the District Forum of one State to a District Forum of another State or before one State Commission to another State Commission.

Section 22C - Circuit Benches

The National Commission shall ordinarily function at New Delhi and perform its functions at such other place as the Central Government may, in consultation with the National Commission, notify in the Official Gazette, from time to time.

Section 22D - Vacancy in the office of the President

When the office of President of a District Forum, State Commission, or of the National Commission, as the case may be, is vacant or a person occupying such office is, by reason of absence or otherwise, unable to perform the duties of his office, these shall be performed by the senior-most member of the District Forum, the State Commission or of the National Commission, as the case may be:

Provided that where a retired Judge of a High Court is a member of the National Commission, such member or where the number of such members is more than one, the senior-most person among such members, shall preside over the National Commission in the absence of President of that Commission.]

Section 23 - Appeal

Any person, aggrieved by an order made by the NationalCommission in exercise of its powers conferred by sub-clause (i) of clause (a)of section 21, may prefer an appeal against such order to the Supreme Courtwithin a period of thirty days from the date of the order:

Provided that the Supreme Court may entertain anappeal after the expiry of the said period of thirty days if it is satisfiedthat there was sufficient cause for not filing it within that period:

1 [Provided further that no appeal by a person whois required to pay any amount in terms of an order of the National Commissionshall be entertained by the Supreme Court unless that person has deposited inthe prescribed manner fifty per cent, of that amount or rupees fifty thousand,whichever is less.]

1.Inserted by Act 62 of 2002, section 21 (w.e.f. 15-3-2003).

Section 24 - Finality of orders

Every order of a District Forum, the State Commission or the National Commission shall, if no appeal has been preferred against such order under the provisions of this Act, be final.

Section 24A - Limitation period

1 **[24A.Limitation period**

(1) The District Forum, the State Commission or the NationalCommission shall not admit a complaint unless it is filed within two years fromthe date on which the cause of action has arisen.

(2) Notwithstanding anything contained insub-section (1), a complaint may be entertained after the period specified insub-section (1), if the complainant satisfies the District Forum, the StateCommission or the National Commission, as the case may be, that he hadsufficient cause for not filing the complaint within such period:

Provided that no such complaint shall beentertained unless the National Commission, the State Commission or theDistrict Forum, as the case may be, records its reasons for condoning suchdelay.]

1.Inserted by Act 50 of 1993, section 19 (w.r.e.f. 18-6-1993).

Section 24B - Administrative control

1 **[24B. Administrativecontrol**

(1) The National Commissionshall have administrative control over all the State Commissions in thefollowing matters, namely:--

(i) calling for periodical return regarding the institution,disposal, pendency of cases;

(ii) issuance of instructions regarding adoption ofuniform procedure in the hearing of matters, prior service of copies ofdocuments produced by one party to the opposite parties, furnishing of Englishtranslation of judgments written in any language, speedy grant of copies ofdocuments;

(iii) generally overseeing the functioning of theState Commissions or the District Fora to ensure that the objects and purposesof the Act are best served without in any way interfering with their quasi-judicial freedom.

(2) The State Commission shall have administrativecontrol over all the District Fora within its jurisdiction in all mattersreferred to in sub-section (1).]

1.Inserted by Act 50 of 1993, section 19 (w.r.e.f. 18-6-1993).

Section 25 - Enforcement of orders of the District Forum, the State Commission or the National Commission

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1 [25. Enforcement oforders of the District Forum, the State Commission or the National Commission

(1) Where an interimorder made under this Act is not complied with, the District Forum or the StateCommission or the National Commission, as the case may be, may order theproperty of the person, not complying with such order to be attached.

(2) No attachment made under sub-section (1) shallremain in force for more than three months at the end of which, if thenon-compliance continues, the property attached may be sold and out of theproceeds thereof, the District Forum or the State Commission or the NationalCommission may award such damages as it thinks fit to the complainant and shallpay the balance, if any, to the party entitled thereto.

(3) Where any amount is due from any person underan order made by a District Forum, State Commission or the National Commission,as the case may be, the person entitled to the amount may make an applicationto the District Forum, the State Commission or the National Commission, as thecase may be, and such District Forum or the State Commission or the National Commissionmay issue a certificate for the said amount to the Collector of the district(by whatever name called) and the Collector shall proceed to recover the amountin the same manner as arrears of land revenue.]

1.Substituted by Act 62 of 2002, section 22, for section "25. Enforcement of orders by theForum, the State Commission or the National Commission.--Every ordermade by the District Forum, the State Commission or the National Commission maybe enforced by the District Forum, the State Commission or the NationalCommission, as the case may be, in the same manner as if it were decree ororder made by a court in a suit pending therein and it shall be lawful for theDistrict Forum, the State Commission or the National Commission to send, in theevent of its inability to execute it, such order to the court within the locallimits of whose jurisdiction,--

(a) in the case of an order against a company, theregistered office of the company is situated, or

(b) in the case of an order against any otherperson, the place where the person concerned voluntarily resides or carries onbusiness or personally works for gain, is situated,

and thereupon, the court to which the order is sosent, shall execute the order as if it were a decree or order sent to it forexecution." (w.e.f. 15-3-2003).

Section 26 - Dismissal of frivolous or vexatious complaints

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1 **[26.Dismissal of frivolous or vexatious complaints**

Where a complaint instituted before the DistrictForum, the State Commission or, as the case may be, the National Commission isfound to be frivolous or vexatious, it shall, for reasons to be recorded inwriting, dismiss the complaint and make an order that the complainant shall payto the opposite party such cost, not exceeding ten thousand rupees, as may bespecified in the order.]

1.Substituted by Act 50 of 1993, section 20, for section 26(w.r.e.f. 18-6-1993).

Section 27 - Penalties

1 [(1)] Where a traderor a person against whom a complaint is made 2 [or the complainant]fails or omits to comply with any order made by the District Forum, the StateCommission or the National Commission, as the case may be, such trader orperson 2 [or complainant] shall be punishable with imprisonment for aterm which shall not be less than one month but which may extend to threeyears, or with fine which shall not be less than two thousands rupees but whichmay extend to ten thousand rupees, or with both:

3 [***]

4 [(2) Notwithstanding anything contained in the Code ofCriminal Procedure, 1973 (2 of 1974), the District Forum or the StateCommission or the National Commission, as the case may be, shall have the powerof a Judicial Magistrate of the first class for the trial of offences underthis Act, and on such conferment of powers, the District Forum or the StateCommission or the National Commission, as the case may be, on whom the powersare so conferred, shall be deemed to be a Judicial Magistrate of the firstclass for the purpose of the Code of Criminal Procedure, 1973 (2 of 1974).

(3) All offences under this Act may be triedsummarily by the District Forum or the State Commission or the NationalCommission, as the case may be.]

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1. Section 27 re-numbered as sub-section (1) thereofby Act 62 of 2002, section 23 (w.e.f. 15-3-2003).

2.Inserted by Act 50 of 1993, section 21 (w.r.e.f. 18-6-1993).

3. Omitted by Act 62 of 2002,section 23 (w.e.f. 15-3-2003).Proviso before omission read as: "Provided that the District Forum, theState Commission or the National Commission, as the case may be, may, if it issatisfied that the circumstances of any case so require, impose a sentence ofimprisonment or fine, or both, for a term lesser than the minimum term and theamount lesser than the minimum amount, specified in this section."

4.Inserted by Act 62 of 2002, section 23 (w.e.f. 15-3-2003).

Section 27A - Appeal against order passed under section 27

1 [27A.Appeal against order passed under section 27

(1) Notwithstanding anything contained in theCode of Criminal Procedure 1973 (2 of 1974), an appeal under section 27, bothon facts and on law, shall lie from--

(a) the order made by the District Forum to theState Commission;

(b) the order made by the State Commission to theNational Commission; and

(c) the order made by the National Commission tothe Supreme Court.

(2) Except as aforesaid, no appeal shall lie to anycourt from any order of a District Forum or a State Commission or the NationalCommission.

(3) Every appeal under this section shall bepreferred within a period of thirty days from the date of an order of aDistrict Forum or a State Commission or, as the case may be, the NationalCommission:

Provided that the State Commission or the NationalCommission or the Supreme Court, as the case may be, may entertain an appealafter the expiry of the said period of thirty days, if, it is satisfied thatthe appellant had sufficient cause for not preferring the appeal within theperiod of thirty days.]

1.Inserted by Act 62 of 2002, section 24 (w.e.f. 15-3-2003).

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