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PRACTICE NOTE — CONSUMER LAW

The Consumer Protection Act, 2019 — Key Points

CCPA, consumer commissions & jurisdiction, complaint procedure, product liability, mediation, and e-commerce regulation

STRUCTURE

8 Chapters, 107 Sections

REPLACES

Consumer Protection Act, 1986

IN FORCE

20 July 2020 (most provisions); CCPA established 24 July 2020

PECUNIARY JURISDICTION

Based on value of consideration paid (not compensation claimed) —
District/State/National split per 2021 notification

2025 CASE LAW

Supreme Court (Rutu Mihir Panchal, 2025) upheld constitutionality of
consideration-based pecuniary jurisdiction (S.34, 47, 58)

KEY DEFINITIONS

SECTION 2(7) — "CONSUMER"

- Any person who buys goods/hires or avails services for consideration — **includes any user** of the goods/services (with the buyer's approval), even if not the one who paid. Excludes a person who obtains goods for resale or commercial purpose (except goods used for self-employment/earning livelihood).

SECTION 2(47), 2(46) — UTP & UNFAIR CONTRACT

- Unfair Trade Practice**: deceptive practices including false representation, misleading advertisement, hoarding, and now **failure to issue a bill/cash memo** and **refusal to accept return/refund policy as advertised**.
- Unfair Contract** (S.2(46)) — a wholly new 2019 concept: contract terms that cause significant change in a consumer's rights (e.g. excessive security deposits, unilateral termination without cause, disproportionate penalty for breach) are actionable.

CENTRAL CONSUMER PROTECTION AUTHORITY (CCPA) — CHAPTER III

ESTABLISHMENT & MANDATE

- Established 24 July 2020 to regulate matters relating to violation of consumer rights, unfair trade practices, and false/misleading advertisements prejudicial to public interest — a first-of-its-kind proactive regulator distinct from the adjudicatory consumer commissions.

KEY POWERS

- Investigate suo motu or on complaint; order **recall of unsafe goods/services**; order reimbursement/discontinuation of unfair practices; initiate **class action**-type proceedings; impose penalty up to **₹10 lakh** (first offence)/**₹50 lakh** (subsequent) on a manufacturer/endorser for misleading advertisements, with imprisonment up to 2 years for the manufacturer/endorser in serious cases.

CONSUMER COMMISSIONS — JURISDICTION (2021 NOTIFICATION)

FORUM	PECUNIARY JURISDICTION (VALUE OF GOODS/SERVICES AS CONSIDERATION)
District Commission	Complaints where consideration paid does not exceed ₹50 lakh .
State Commission	Complaints where consideration paid exceeds ₹50 lakh but does not exceed ₹2 crore ; also hears appeals from District Commissions.
National Commission (NCDRC)	Complaints where consideration paid exceeds ₹2 crore ; also hears appeals from State Commissions. Further appeal from NCDRC orders lies to the Supreme Court.

COMPLAINT PROCEDURE & LIMITATION

SECTION 35 & SECTION 38 — FILING & ADMISSION

- Complaint may be filed by the consumer, any registered consumer association, one or more consumers on behalf of a numerous group, the Central/State Government, or legal heirs/representatives. Filing permitted electronically; jurisdiction also lies where the complainant resides/works (in addition to where the opposite party resides/carries on business).
- On admission, the Commission proceeds per S.38 — reference to mediation is possible with the parties' consent at the first hearing itself if the Commission is satisfied there exists an element of settlement.

SECTION 69 — LIMITATION PERIOD

- Complaint must be filed within **2 years** from the date the cause of action arose. Delay may be condoned for sufficient cause, but the Commission must **record reasons in writing** for condoning delay — a mandatory procedural safeguard, not a mere formality.

APPEALS

APPEAL CHAIN — DISTRICT → STATE → NATIONAL → SUPREME COURT

- Appeal from a **District Commission** order lies to the **State Commission** within 45 days (S.41); from **State Commission** to **National Commission** within 30 days (S.51); from **National Commission** to the **Supreme Court** within 30 days (S.67). Pre-deposit of a percentage of the awarded amount is generally required for an appeal by the party against whom the order was made.

PRODUCT LIABILITY — CHAPTER VI (S.82–S.87)

SECTION 82 — APPLICATION

- Applies to every claim for compensation for harm caused by a **defective product**, filed against a product manufacturer, product service provider, or product seller — a distinct statutory cause of action, additional to a straightforward deficiency-in-service/unfair-trade-practice complaint.

SECTION 84 — MANUFACTURER'S LIABILITY

- Manufacturer liable if the product has a **manufacturing defect**; is defective in design; deviates from manufacturing specifications; does not conform to an express warranty; or fails to contain adequate instructions/warnings for correct/safe use — liability for breach of express warranty attaches **even without proof of negligence or fraud**.

MEDIATION — CHAPTER V (S.74–S.81)

COURT-ANNEXED MEDIATION CELLS

- Each Consumer Commission establishes/empanels a **Mediation Cell**; the Commission may refer a dispute to mediation at the first hearing (or later) with the written consent of both parties where a possibility of settlement exists. A settled dispute results in a mediation report placed before the Commission for recording the settlement as its order — mediation is **not available** in every case (e.g. certain matters may be considered unsuitable), and is meant to be a faster, less adversarial track.

E-COMMERCE REGULATION

CONSUMER PROTECTION (E-COMMERCE) RULES, 2020

- Apply to all e-commerce entities (marketplace and inventory models) — mandate disclosure of seller details, country of origin, return/refund/exchange/warranty policies, grievance officer appointment, prohibition on manipulating search results for unfair advantage, and a bar on charging cancellation fees on consumers where the seller has itself cancelled. Non-compliance is treated as an unfair trade practice, actionable by the CCPA and consumer commissions.

OFFENCES & PENALTIES (ILLUSTRATIVE)

MISLEADING ADVERTISEMENT (S.21, S.89)

- CCPA penalty on manufacturer/endorser: up to **₹10 lakh** (first contravention), up to **₹50 lakh** (subsequent); endorser may additionally face a prohibition from endorsing that product/service for up to **1 year** (up to 3 years for repeat contraventions). Court-imposed punishment for false/misleading advertisement (S.89): imprisonment up to 2 years and fine up to ₹10 lakh, enhanced on repetition.

ADULTERATION / SPURIOUS GOODS (S.90–91)

- Graded punishment scaling with harm caused to the consumer — from fine/short imprisonment for non-injurious adulteration, up to imprisonment for life and substantial fine where the adulterated/spurious product causes death.

PRACTICE NOTES

Plead Consideration Value Precisely

Since pecuniary jurisdiction now turns on the **value of consideration paid** (not the compensation claimed), plead and evidence the actual amount paid for the goods/service carefully at the outset — the Supreme Court has now conclusively upheld this basis (Rutu Mihir Panchal, 2025), so jurisdictional objections on this ground will be tested strictly.

Consider CCPA Alongside — Not Instead Of — the Consumer Commission

For misleading advertisements or unsafe/defective products with a wider consumer impact, a parallel CCPA complaint (for recall, class-wide relief, or penalty) can be pursued alongside an individual complaint before the District/State/National Commission — the two tracks serve different purposes.

Delay Condonation Needs Reasoned Order

Where limitation under S.69 is an issue, ensure the Commission's order condoning delay explicitly records reasons — an unreasoned condonation is vulnerable to challenge on appeal.

For internal practice reference only — this note highlights select, frequently used provisions of the Consumer Protection Act, 2019 (8 Chapters, 107 Sections) and does not cover the full Act or Rules. Cross-check exact section/rule text and the latest notifications before relying in advice or proceedings. Prepared 2 August 2026.

Primary sources: The Consumer Protection Act, 2019 and the Consumer Protection (E-Commerce) Rules, 2020 (indiacode.nic.in, consumeraffairs.nic.in); Consumer Protection (Jurisdiction of the District Commission, the State Commission and the National Commission) Rules, 2021; Rutu Mihir Panchal v. Union of India (2025) via LiveLaw/Bar & Bench; commentary via SCC Online, Lexology, and IBC Laws.