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# Critical Analysis of Deceptive Practice and Fraud Against Consumers in Relation to Consumer Protection

#### SOURABHI HOTA<sup>1</sup>

#### **ABSTRACT**

Protection of consumer's rights and interest is accomplished through advocacy, mobilization, and education. Protection of consumers assures them to have access to efficient redress methods and are able to make well informed decisions about their options. Additionally, it encourages companies to ensure the caliber of the goods and service they provide. This research paper deals with how consumers suffer from any fraudulent practice during trade or business. The consumer protection bill of 1986 contains provisions supports the creation of consumer council and other organizations for the resolution of claims and for matters thereto, with a view to protecting consumer's interests. The Indian government eventually adopted the consumer protection ct, 2019, to handle concerns relating to consumer rights abuses, unfair business practices, deceptive advertising and other situations that are detrimental to consumer's right. The measure was to have provisions for online consumers, according to the parliament because technology has been getting better and during the past years, a lot more people have started purchasing and selling goods and services online more. Consumer fraud is typically defined as unethical business tactics that result in losses for consumers, whether they are monetary or otherwise. The victims are actually being scammed while they think they are taking part in legitimate and lawful business transactions. Fraud against customers frequently includes actions that defraud them directly of their money as well as activities that make misleading promises or erroneous representation to them. Business should also avoid deceptive or unfair practices that harm consumers to intentionally mislead them. In turn, consumers must understand and be able to exercise their legal right. In order to raise awareness and connect with consumers, consumer associations are crucial. According to the consumer protection act, a three-tiered enforcement structure called to handle consumer complaints, It is necessary to establish the consumer dispute redressal forums. This research paper also states about the government intervening towards these practices.

**Keywords:** Mobilization, defraud, deceptive advertising, e-consumers and redress.

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#### I. Introduction

The 1986 consumer protection act makes it quick and simple to resolve consumer complaints. In addition to protecting individuals from having their rights abused by dishonest producers and dealers, this law encourages customers to report any flaws and issues with product and services. Helping both parties and averting legal issues is the fundamental objective of this forum. All goods and services from the public -private sector and cooperative sector must comply with the protection act with the exception of those that are exempted by the federal government. Through the consumer protection law, which provides customers with redress in the form of compensatory or punitive damages such as actions that are deemed illegal by statute. Fraudulent activity on consumers can take many different forms. Sales, advertising and repairs are three crucial methods. Sales fraud includes deceptively marketing law quality goods as high-quality goods, refusing to replace or fix a damaged product while it is still under warranty, misrepresenting a product's efficacy and hiding facts about the product that could be dangerous. Manufacturers and merchants utilize deceptive strategies to persuade consumers to buy their products, including making exaggerated claims about the products efficacy and promising repair services, among other things. The People quickly realize however that they were duped into buying these things. Sales people who falsely portray the quality of their goods obtain access to customer homes and offer them at deeply discounted prices. Fraud is a purposeful act of deception committed with the intention of depriving the victim's legal right or providing the perpetrator with an unauthorized gain. However, the fraud is quickly uncovered and instances of cheating are revealed in the media. A three tied system for consumer dispute resolution is provided by the act. There are three tied redressal forums for any grievances.

#### (A) Literature Review-

#### a. JOURNALS

### 1. "E-COMMERCE AND CONSUMER PROTECTION IN INDIA: THE EMERGING TREND" <sup>2</sup> - NEELAM CHAWLA & BASANTA KUMAR

- This paper gives us in light of the e-commerce industry's fast expansion and shifting consumer preferences. This paper examines the current Indian legal system that protects the interests of online customers.
- A secure and trustworthy e-commerce infrastructure is essential and using cash on delivery as a payment option is crucial. Expanding e-commerce seems to have a lot of

<sup>&</sup>lt;sup>2</sup>Journal of Business Ethics (2022) 180:581–604 https://doi.org/10.1007/s10551-021-04884-3

potential with a sound legal system and consumer protection safeguards.

#### 2. "UNFAIR TRADE PRACTICES"<sup>3</sup> - RAJ KARN

- In this article, the author discusses unfair business practices, including "any fraudulent, dishonest activity or company activities that are prohibited by law" Significant economic and social changes have been brought by the exponential growth of the Indian economy, the growing interconnection of the global economy, and the mass use of contemporary communication and information processing technologies.
- UTP is a type of tort that primarily deals with economic damage brought on by misconduct. Procedures that are relevant to UTP include trade secret appropriation, unfair competition, false advertising, and disparagement.
- 3. "FINANCIAL STATEMENTS IN AN ORGANIZATION: PROBLEMS AND SOLUTIONS" 4 BRUNDA CHAWLA, RCHANA GANESH, CHANDRASHEKAR RK AND ANKITA AGARWAL
- The current economic outlook has constrained top management in many organizations to focus on how to strengthen the financial statements of their companies in order to attract investors. They achieve this by aggressively or creatively using accounting to manipulate and window-dress the statistics in their financial accounts, either by boosting or decreasing the figures depending on what they want to accomplish at the time.
- The intentional manipulation of financial statements to present a false impression of a company's financial statuses known as accounting fraud. It entails a worker, a client, or the company itself and misleads shareholders who are also investors. A company can exaggerate its revenue or assets, fail to register expenses, and transmit any data obligations in order to falsify its financial statements.
- Due to the technique of falsifying financial statements of firms to support one's viewpoint, fraud has the potential to erode stakeholders' trust in an organization. As a result, there is a strong link between the prevention of fraud and sound corporate governance.

#### b. **BOOKS**

#### 1. "MISLEADING ADVERTISEMENTS AND CONSUMERS" 5- PUSHPA GIRIMAJI

<sup>&</sup>lt;sup>3</sup> International journal of law management and humanities [Vol. 4 Iss 3; 1945]

<sup>&</sup>lt;sup>4</sup> Financial statements in an organization [2018 JETIR November 2018, Volume 5, Issue 11]

<sup>&</sup>lt;sup>5</sup> Misleading advertisement and consumers [18th Report and Accounts for the year 2003-04, ASCI, p.41]

- We now live in a society where consumerism and advertising are everywhere. Advertising
  is crucial in today's modern globally connected world for building a strong brand for a
  company or its goods. Advertising generally serves to educate, persuade and remind
  people about the goods and services available.
- Advertising has been charged with a variety of sins, including economic waste, the
  promotion of bad items, misogyny, dishonesty and manipulations as well as triviality and
  intellect and moral deterioration. Deceptive advertising, which can mislead consumers
  and damage competitors a moral issue in today's economic world.
- Not only are stricter restrictions over the media needed to construct an effective defense against deceptive advertising, but media consumers also need to be educated and encouraged to exercise greater critical thought. People must put in the effort to evaluate commercials objectively and have the necessary abilities to distinguish spin from substance.
  - 2. "IMPACT OF DECEPTIVE MARKETING ON CONSUMERS BEHAVIOR: A CASE OF CELLULAR INDUSTRY "-6 SHAISTA KAMAL KHAN, NISHWA SAEED, MAHNOOR FEROZ, SHEHRISH LIAQUAT
- According to the information now available, customers are being victimized by increasingly sophisticated deceptive or fraudulent tactics and schemes through a variety of online and offline channels. People can be marketed to when they shop online, social media, over the phone, by text message or email, or even at their door via door to door sales.
- False marketing and deceptive characteristics displayed in the advertising trick a lot of
  consumers that use cellphone networks. Examining the elements that customers believe
  to be deceptive-inaccurate interpretation, emotional and financial damage and false
  claims- can help us understand how consumers will behave.

#### (B) Statement of problem-

Businesses may oversell their brands in order to maximize profit and boost their sales volume in the highly competitive modern world we live in today. This trade business has a long history of misleading consumers through deceptive marketing, causing them to suffer both financial & emotional losses that have a negative impact on their behavior. As customers increasingly rely on digital platforms for online shopping, virtual gatherings and educational purposes, electronic

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<sup>&</sup>lt;sup>6</sup> ISSN 2422-8451 An International Peer-reviewed Journal Vol.18, 2015

commerce of products and services is flourishing. Lack of information, supplier misconduct, inconsistent supply, issue of duplicate items and product delivery are the main issues that buyers confront. Sellers in the market sell their goods charging an excess price. They try to manipulate weights and measures. There are various issues relating to product quality. The most common problem in online shopping is ambiguous website policies.

One issue that shoppers have when marking routine purchase is adulteration of items. The major issue right now is that, even if a buyer is willing to spend more, he still cannot obtain pure goods. When utilized these products are discovered to be adulterated despite being marketed in the market with a purity guarantee.

#### (C) Rationale of study-

Consumer Protection is to protect consumers from unfair practices. We must inform them of their rights and obligations and address any concerns they may have. Adulteration, false weights, monopolies and unfair trade practices are just a few of the problems that need to be addressed in order to safeguard consumers from the numerous items that are harmful to their health. Consumers can come together as a group and work with a consumer organization to find solutions to their problems. A loyal customer would spread the word about the business and bring additional clients. Due to the fact that most resources are drawn from the society, business should not undermine customer confidence. In response, businesses consider what the general public wants and produce goods appropriately. The most significant and effective consumer awareness programme, JAGO GRAHAK HAGO, has successfully addressed consumer complaints while protecting customers from unethical marketing activities. The department of consumer affairs, a division of the ministry of consumer and public distributions launched the Jago Grahak Jago campaign in 2005. And at last, it can be concluded that one aspect of consumer awareness is knowledge of various consumer production laws, improved techniques and consumer rights like the right to protection of one's health and safety from goods and services that consumers purchase and the right to information about the cost, quality, potency, and standard of goods.

#### (D) Research objectives-

The purpose of this research is-

- To study the inaccurate interpretation and behavior of consumers which are related.
- To understand the link between consumer behavior and financial & emotional loss
- To investigate the link between false advertising and consumer conduct.

- To analyze the deceptive practice against consumers in many ways.
- To make efforts to suggest measures against any unfair practices upon consumers.

#### (E) Research questions-

- What does the consumer protection Act mean?
- What conditions must be met before the consumer dispute resolution forum can be established?
- What is the significance of consumer protection?
- What causes unfair business practices?
- Why is consumer protection so important?

#### II. MEANING, SCOPE AND NATURE

**Meaning**- Availability of reliable, unbiased information about the goods and services consumers choose to buy is essential They are able to make the best decision based on their interests as a result, and businesses are unable to take advantage of them or purposefully deceive them. The defense of consumer goods and services against subpar or hazardous items and misleading items advertising. Illegal actions committed against a single consumer or a group of consumers that involve deception or fraud and cause them financial loss is termed as deceptive practice and fraud.

**Scope** - There are 3 tier of redressal agencies for the consumers. The law protects customers from subpar products, subpar service, unfair business tactics and other wrongdoing. This act provides 3tier machinery which includes district forum, state commissions, and national commission. This act lays down conditions which parties to the contract have to be binding on them. The consumer protection act has a fairly broad scope, the consumer protection act aims to safeguards and advance consumer interests by quickly and affordably resolving their complaints.

**Nature-** Economies function properly when both individuals and companies both benefit from it. Making false cost or pricing claims, utilizing bait and switch tactics and promising to supply a good or service that isn't actually available are some actions or behaviors that could be deceptive. Excluding important restrictions or requirements or requirements from an offer.

#### III. JUDICIAL PRECEDENT IN THE 18TH & THE 19TH CENTURY

1. STATION MANAGER, AIR INDIA VS. Dr. K.VANLALZAMI D\o

#### K.LALTHANMAWIA<sup>7</sup>

#### Facts of the case-

- Dr. K.Vanlalzami,the complainant is an M.D.candidate at the Dr.S.N.Medical College in Jodhpur, Rajasthan. She made a reservation for Air India flight number A123 on January 8, 2015 in order to travel from lengui airport in aizawl to new delhi. On january 8, 2015 at 2:20 PM, a flight from lengui Airport to kolkata, where the passenger would connect to an aircraft to Delhi was due to take off.
- According to reports, the aforementioned flight was rescheduled for that exact day's departure at 4:15 pm and the passengers including the complainant were properly informed by SMS. One hour before the new departure time, at 3;15, the complainant arrived at lengui airport. However, she was told that because the flight was overbooked, the counter had already closed. As a result, the complaint was unable to join the train that was scheduled to depart from Delhi for jodhpur that day.
- Air India gave the complainant the order to make her own travel arrangements at a later time, but after a protest on the scene she was rescheduled to depart from Silchar on January 13 instead, claiming that there were no flights from lengui airport before January 20. The complainant was required to make additional payments for his lodging in aizawl and travel expenses to silchar. The complainant also asserts that she was issued an open ticket.

#### Judgment of the case-

- This petition for review was filed in response to the impugned order dated 24th February 2016, Aizwal's district consumer dispute resolution forum's judgment. which upheld the dismissal of a consumer complaint in station manager, Air India v Dr.k. Vanlalazami initial appeal no.1 of 2016. By ruling dated 15th december, 2015, the district forum accepted the case and ordered a Rs. 1 lakh fine form air india for preventing the plaintiff from leaving the lengui airport on 8th january 2015, Air India the opposing party appealed the ruling to the state commission after aggrieved by it. Air India has filled the current revision petition with commission on account of its grievance.
- At the hearing, the petitioner's knowledgeable attorney said that the airlines routinely overbook their flights which resulted in some passengers missing their flights because they were unable to get a seat on the scheduled aircraft. The experienced attorney claimed

<sup>&</sup>lt;sup>7</sup> Station Manager, Air India, Aizawl v. Dr. K. Vanlalzami D/o K. Lalthanmawia [2016 SCC OnLine NCDRC 156]

that the director general of civil aviation, government of India, that the director general of India has issued guidelines outlining how compensation should be given in these circumstances.

- The only thing to take into account is if the other party, Air India, gave the complainant subpar service and should therefore be required to compensate her. There was overbooking on the flight planned to leave lengui airport on January 8, 2015 at 4:15 pm as acknowledged by the opposing party, Air India. Despite arriving at the airport at 3:15 pm. The complaint was unable to board the above-mentioned flight as a result, she had to be accommodated five days later on January 13, 2015, and that flight was from Silchar rather than lengui.
- The defendant has confessed that they were never mentioned in the district forum when it came to the directives given by the director general of civil aviation.

#### 2. "Ethiopian Airlines v. Telecom Sector.Ganesh Narain Saboo"8

#### Facts of the case-

• The defendant ordered reactive dyes from the appellant Ethiopian Airlines for delivery on Sept 30,1992 in Dar Es Salaam, Tanzania. The Appellant duly issued that airway bills for the aforementioned shipment, from its office at the Taj Mahal hotel in Bombay. The respondent claims that there was a serious delay in the consignment arrival at its destination which caused the products to deteriorate.

#### Judgment of the case-

- In this instance, an appeal was filed in opposition to the decision of the national commission which set aside the state commission order and held that section 86 of the cps did not apply because the act's provisions covered the disagreement. The question of whether these actions before the consumer forum constituted lawsuits was brought up here.
- It was decided that the term suit comprised all legal or quasi-legal actions in which
  conflicts between harmed parties were resolved in front of an impartial tribunal.
  Proceedings before consumer forums fall under the definition of suit. Section 86, of the
  CPC would not apply to proceedings before consumer for a because the act listed the
  provisions of the CPC that applied.

<sup>&</sup>lt;sup>8</sup> Ethiopian Airlines v. Telecom Sector. Ganesh Narain Saboo [ (2011) 8 SCC 539.]

#### 3. M\s. Srilankan Airlines Ltd. v. Subhash Chawla<sup>9</sup>-

#### Fact of the case

- Subhash Chawla, the complainant, his wife and their two children traveled on a trip. They
  booked tickets with srilankan airlines through the travel agency ms.D.paul's for a trip to
  Singapore, Malaysia etc. They received round trip tickets on srilankan airlines with
  reservations for specific seats from new delhi to malaysia.
- The srilankan airlines staff refused to accept the complainant's family luggage which contained a Sony tv when they landed at changi airport in Singapore on April 21, 2006 in preparation for their journey back to Delhi. The tv set cost Rs.22671 and had to be flown on a different plane as unaccompanied luggage. He had to pay an extra Rs. 1000 on transportation since he was unable to utilize the custom duty-free allowance at the Delhi airport.
- After the complainant lodged a complaint with the district forum, they ordered the
  petitioner to pay the complainant Rs.22671 as compensation for their improper refusal to
  permit the television set to be flown in the airline. In addition, the district forum awarded
  the plaintiff Rs.10 lakhs as compensation for harassment and emotional suffering brought
  on by the lack of service.
- Additionally, a total of Rs.10000 was allowed for court expenses. Both the petitioner and
  the complaint for additional compensation sought appeals against this order, but both were
  denied. The national commission consequently received this modification petition.

#### Judgment of the case-

- The commission determined that the revision petition was partially granted and the petitors was ordered to pay the complainant compensation in the amount of Rs. 50000 instead of the Rs. 1 lakh that had been approved by district forum in its order dated 12th January, 2007.
- The petitioner was also released from paying the Rs. 22671 in baggage fees.

#### 4. Spicejet limited, gurgaon v. Sanjay Rahar<sup>10</sup>

Facts of the case-

• The complaint was charged Rs. 125 in transaction fees notwithstanding the DGCA

<sup>&</sup>lt;sup>9</sup> M/s. Srilankan Airlines Ltd. v. Subhash Chawla [ 2013 SCC OnLine NCDRC 1017.]

<sup>&</sup>lt;sup>10</sup> Spicejet limited, Gurgaon v. Sanjay Rahar [2017 SCC OnLine NCDRC 810.]

circular and supreme court ruling making it clear that no airline should collect these fees..

• The airline company filed an appeal which the state commission rejected on the grounds that it was time barred. As a result, the airline company petitioned the NCDRC for review of the state commission's decision to dismiss the appeal.

#### Judgment of the case-

- The NCDRC decision also resulted in the airlines company's revision petition against the state commission denial of its appeal being dismissed. The NCDRC ruled that the state commission did not find error in its determination that there was no justification for tolerating the delay in filings appeals.
- The national commission ruled that it is impossible to understand why the airline delayed getting a certified copy of the orders made by the district forum by more than 6 months. The commission further discovered that both lower forums returned findings of the fact that SpiceJet breached the rules set down by the DGCA, a statutory authority whose regulations are binding on all airline operators, by levying transaction fees.
- 5. Kanta lamba v. tanya asset management company through its proprietor sanji v. anand<sup>11</sup>-

#### Facts of the case-

- The complainant had deposited two cheques totaling Rs. 16 lakhs made out to banks B
  and C. Deposits were made with OP-1 with a six-month term and a 12% annual interest
  rate.
- For interest, OP-l issued a check for Rs. 48,00/- drawn on bank H. The above-mentioned check was allegedly dishonored when it was presented for payment due to a lack of money in OP- account. Its fixed deposit was handed to OP-Z by OP-I a year later. As a result, OP-2 wrote to the complainant acknowledging the obligation to pay the sum plus interest of 18% after 180 days.
- The first check, for Rs.39000 was offered for payment and the money on it was earned. The other two checks which were later delivered and totaled Rs. 18 lakhs and Rs. 159973 were allegedly not honored. Consequently, the current complaint was submitted. OP-2's obligation to give the money to the complainant?

<sup>&</sup>lt;sup>11</sup> Kanta Lamba v. Tanya Asset Management Company through its Proprietor Sanji v. Anand [ 2012 SCC OnLine NCDRC 833]

#### Judgment of the case-

- The national commission had to decide whether OP-2 was responsible for paying the sum to the complainant. Since OP-2 had agreed to assume responsibility for Rs.18.39 lakhs in debt that OP-I owed the complainant, the decision was made
- Since OP had agreed to take Rs.1080 lakhs as full and final settlement of all dues, no claim survived the agreement between the complainant and OP-2 which was clearly for the closure of the entire matter.

#### 6. Manjeet Singh vs. national insurance company ltd12.-

#### Facts of the case-

- In this case, the appellant had a hire purchase agreement in place to buy a secondhand truck. The car was covered by the responder's insurance company. He was driving the truck one day when a customer begged him to stop and give him a ride. The driver was viciously attacked by the passenger after he stopped the truck, and they both fled in it.
- The respondent finance business was informed about the theft and a FIR was filed. However, the insurance provider denied the claim on the grounds that the policy's terms had been violated. In order to receive compensation for his loss, the plaintiff went to the redressal forums. They had all rejected the claim. He then proceeded to supreme court as a result.

#### Judgment of the case-

- The supreme court determined that the applicant was faultless in every way. The
  cancellation of insurance policy and its termination may be viewed as policy violations,
  but they are not fundamental ones.
- The defendant insurance company was ordered by the two-judge Supreme Court bench to pay 75% of the insured amount plus 9% interest per year starting on the date the claim was filed. The insurance firm was also ordered by the court to pay Rs. 1,000,000 in damages.

#### 7. Karnataka power transmission corporation vs. Ashok iron works private limited 13-

#### Facts of the case-

Private iron manufacturer Ashoka iron works requested electricity from Karnataka power

<sup>&</sup>lt;sup>12</sup> Manjeet Singh Vs. National Insurance Company Ltd. & Anr. [ (2017) ibclaw.in 244 SC]

<sup>&</sup>lt;sup>13</sup> Karnataka power transmission corporation vs. Ashok iron works private limited

transmission corporation, the state's power generation agency, to start producing iron. The supply of 1500 KVA energy did not start until November 1991, despite the fact that changes had been paid and a confirmation had been received for the service in February 1991.

- This delay caused a significant loss for Ashoka iron works. This company had filed complaints with the Belgaum consumer dispute forum and the Karnataka high court. The 1986 consumer protection act does not extend to the commercial delivery of goods; hence the complainant could not be upheld, according to KTPC's legal defense.
- Furthermore, it was asserted that the company was manufacturing iron with the goal to sell it, which is against the law. According to section 2(1)(m) of the statute from 1986, the complainant is not a "person" he claimed.

#### Judgment of the case-

- The supreme court rendered its decisions in this case. The supreme court brought up the general clause legislation which broadens the definition of "person" to include a private company. In addition, it was concluded that the provision of power to a customer by the KTPC's would fall under the section 2(1)(o) definition of "service"
- Furthermore, under section(2)(1)(g). A consumer may claim a failure in service if the electrical energy consumer is not delivered to them in a timely manner as agreed. The phrase "supply" of commodities for commercial purposes would therefore not be applicable. On these grounds, the supreme court remanded this matter to the district forum for a new trial.

#### 8. Dinesh B. Patel v. State of gujarat<sup>14</sup> -

#### Facts of the case-

• It was found that some of the drugs contained fungus when they were tested by Ms. Denis chemical lab ltd. at chhatral district, Gandhinagar. As a result, a case was filed before the district and an SPI was subsequently submitted on behalf of the firm and against the managing director in accordance with section 34 of the act.

#### Judgment of the case-

• The honorable court declared after further assessment of the facts, "under the peculiar circumstance of this case and considering the seriousness of the claims, we would not

<sup>&</sup>lt;sup>14</sup> Dinesh B. Patel v. State of Gujarat(2011) 11 SCC 125.

accept a technical perspective based on pleadings in the complainant.

- A specific claim concerning the directors role in the forum management must be made, according to Mr.Raichura,in order to proceed against directors in complaints lodged under section 18 of the negotiable instrument act against a corporation and its directors. The same logic ought to apply in this case as well. We are unable to reach a consensus.
- The language in section 34(2) of the legislation is very different from that in section 141 of the negotiable instruments act. This infraction has a direct impact on public health, which is what we are dealing with. As a result, we would rather not change the high court's decision.
- The directors will be given the chance to persuade the trial court that they had no part in the manufacturing process and, as a result, should not be held accountable under section 34(2) of the act. The appeal was turned down in light of these remarks.

#### 9. RITHWIK K.R. V. UNION OF INDIA<sup>15</sup>

#### Facts of the case-

- Four students filed for admission to KIMS under the management quota for the first year of the MBBS programme for the academic year 2014-2015, together with fees and donations totaling about Rs.80 lakhs. One student's parents also had to sign a statement acknowledging that his son's admittance was over the required number of management seats, was only provisional, and was subject to approval by RGUHS\MCI. The management and the college will not be held liable in the event of a rejection.
- Three of the students were later expelled from the college on the ground that their enrollment in the course exceeded the limit on admissions set for the institution. They were only released from the college after the final day for that academic year's college admissions.

#### Judgment of the case-

• The court deemed the college's actions to be alarming, ordering the MCI and central government to seriously consider the situation and even when it conflicts with management quota's take steps to ensure transparency in the admissions process, particularly by making it more technologically focused. Additionally, the supreme court determined that the college was grossly negligent to expel the students who had been admitted illegally and for failing to return the money it had taken from them before the

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<sup>&</sup>lt;sup>15</sup> Rithvik K.R. v. Union of India [2015 SCC OnLine Kar 2305.]

deadline for admission year.

• As a result, the students lost an academic year and were forced to endure needless litigation that caused them unimaginable mental anguish. So, the high court mandated that the college give each of the three students compensation totaling Rs.1 crore.

#### 10. AVON BEEJ COMPANY V. ANOOP SINGH16 -

#### Fact of the case-

- This modification petition was submitted in accordance with consumer protection act of 1986 section 21(b). From the respondent business, the complainant had purchased some paddy seeds for planting in the ground. The respondents guaranteed that the seeds were pure and of the highest quality.
- The complainant claimed that despite employing modern agricultural procedures to sow the seeds at the proper time, only 60% of the crop was yielded and the remaining crop was damaged due to low seed quality. Thus, the complainant claimed that the service was inadequate. The respondent asserted that the complainant's crop was damaged by his own negligent management because he did not sow the appropriate amount of seed per acre of land, not because the seeds were defective.

#### Judgment of the case-

- The agriculture expert's assessment on which the court relied, revealed that 31% of the seeds were "off type", or not of the same variety as the other seeds. It was determined that the seeds were not pure as a result.
- The court noted that the experts report was based on spot examination and could be trusted to assess the seed quality. Thus, the state commission order was free from any perversity or illegality and carefully weighed all available evidence.
- Therefore, it didn't require any interference with this court's exercise of its revisional jurisdiction under section 21(b) of the act.

#### IV. JUDICIAL VIEW IN 21ST CENTURY

The modern era is known as the era of the consumer. The real world consumer might be the "pivotal point" of business endeavors, the current environment has moved from customer centric to product centric. Some traders led innocent customers ashtray. As consumers, we deal with a lot of issues like subpar products, inadequate services, adulterated food, fake goods,

<sup>&</sup>lt;sup>16</sup> Avon Beej Company v. Anoop Singh [2020 SCC OnLine NCDRC 212.]

hoarding, the use of fractional weights and misleading weights, delayed deliveries, variations in the contents of the pack, subpar after sale service, deceptive advertising, hidden price components etc. These issues develop as a result of dishonest sellers taking unfair advantage of customer's inexperience and weakness. One instance that should be remembered as a turning point in the development of socio-economic legislation to safeguard consumer's rights in India is the consumer protection act of 1986. The consumer protection act's primary goal is to guarantee that consumers are better protected. The former law from 1985 was replaced by the new consumer protection act, 2019 when it went into effect in India on July 20th 2020. The new act modernizes how consumer complaints are handled and resolved in India. For adulteration and false advertising, there are severe penalties, including jail. A customer can now file a complainant from either his place of residence or his place of employment. Before bringing an appeal before the state commission, the opposing party must deposit 50% of the amount ordered by the district commission. This would stop the practice of bringing frivolous appeals which was previously only permitted in the locations where the transaction took place. The defense of citizens' rights is the fundamental goal of the government. This includes guarding the weaker and less fortunate people among us. Making sure consumers aren't abused is what it implies. It entails assisting them in comprehending complex financial items so they can choose wisely. Collecting tests on various items periodically and putting them via association testing. The results of the test are then made public after that. In this way these organizations protect consumers by providing earlier information concerning the authenticity of goods. In addition to this, these organizations also conduct in-depth analysis and study on issues raised by customers. These purchasers' groups play the role of the hero and present a case in court whenever a buyer fails to voice his dissatisfaction with a company more forcefully. By providing this assistance to the customers, the customers feel supported in their struggle. They also manage purposely protesting homes for customers.

These laws and initiatives take action to protect clients from unethical business practices and promptly address their complaints. Since consumers are uneducated, disorganized and frequently taken advantage of by business, protecting their perspective. Business need to protect customers because it is in their best interest in the long run because they use resources provided by society and because it is the right thing to do. The implementation of such procedures does not completely secure consumers, despite the numerous safety measures in place. By placing the client in a difficult situation with an unreasonable demand, duty or fee the system is vulnerable.

#### V. CRITICAL ANALYSIS

Government and industry should work together to protect consumers as part of socioeconomic activity with the goal of increasing consumer happiness. Even before India attained independence, the rulers were accountable for consumer protection. But in 1986, a formal consumer protection law that only focuses on consumer protection was passed. The global focus on the creation of robust consumer acts was brought by the consumer movement that grew in strength in the early and middle of the 20th century. In many developing nations, including India, consumer protection rules and practices were developed based on united nation recommendation. The 1986 legislation known as the consumer protection act of 1986 which was approved by parliament is regarded as one of the best consumer protection laws available. This essay examines the development of consumer protection in India, the creation of the CPA of 1986 and its enforcement. Any person who buys goods or service for his or her own use rather than for production or resale is a consumer. By definition, we are consumers because we make up the largest economic segment in this system. We are the victims of market practices that are brutal and exploitative such as adulteration of food, excessive weights, deceptive agreements, fraudulent claims etc. Consumer protection is crucial for economic growth and is focused on the needs of the consumer. Nowadays, any person who buys goods or service for his or her own use rather than for production or resale is a consumer. By definition, we are all consumers because we make up the largest economic segment in this system. We are the victims of market practices that are brutal and exploitative, such as adulteration of food, excessive weights, deceptive agreements, fraudulent claims, etc. Consumer protection is crucial for economic growth in today's economy, which is focused on the needs of the consumer. The consumer is the origin of economic activity and market development has always recognized the importance of the consumer in this process. Consumer protection has evolved over time, and as consumer requirements have changed, so has its mechanism. Its development can be observed at various stages all throughout the world. Consumer protection laws had their origins in religious writings, kindly judgements and natural justice concepts during the ancient times. The consumer protection rules,2021 were recently notified by the central government in accordance with requirements of the consumer protection act,2019 which was passed in 2019. The act specifies the financial authority of each level of the consumer commission. pecuniary jurisdiction for considering consumer complaints was altered by the new rules. The act also gives consumers the choice to submit concerns online. The central government has established the E- Daakhil portal to make it easier for consumers to submit their complaints online. The act also mentions referring consumers disputes to mediation with both party's approval. This will help to shorten the overall case backlog while also saving the parties involved in the dispute's litigation time and money.

#### VI. SUGGESTIONS AND CONCLUSIONS

People pay a set amount for products and services to satiate heir endless demands. But what should one do if the items and services they have purchased turn out to be of poor quality, were overpriced, were of inadequate number etc. instead of feeling satisfied in these circumstances, the customers frequently feel defrauded by the vendors who provide the goods and services? Consumer education is key in this situation. Making efforts to ensure that customers or buyers are informed about products, goods, services and consumer rights is what is meant by "consumer awareness", which I feel the consumers need to be educated about. It's crucial for the consumers to be informed that they can choose wisely and at the appropriate moment. In the age of globalization, technological development, the introduction of high-end devices into the market, and aggressive marketing tactics have not only provided customers a variety of options but also shield them from the multitude of issues brought on by such rapid changes.

Since one cannot trust the market to improve the security and well-being of consumers, consumption is one of the core economic activities that require continual government intervention. Consumer awareness is necessary in the modern era. We are persuaded by commercials to buy a range of products, many of which are of poor quality. In conclusion, the goal is to make sure that customers get the most for their money when purchasing goods and services. Consumers are entitled to refrain from marketing dangerous products and services that put their lives and property in danger. The right to knowledge about the quantity, consistency, purity, strength and quality of the goods and services is one of the rights of the customer. Fair pricing must be paid by consumers for the goods they purchase. One of the rights of the client is the right to information regarding the quantity, consistency, purity, strength and quality of the goods and services. Consumers must pay fair prices for the things they buy.

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