



उपभोक्ता मामले विभाग
DEPARTMENT OF
CONSUMER AFFAIRS



**DIGEST OF KEY DECISIONS
OF
SUPREME COURT, HIGH COURTS
&
NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION**

[2025: Issue I]

PREPARED BY:

**CHAIR ON CONSUMER LAW
NATIONAL LAW UNIVERSITY DELHI**

ESTABLISHED BY:

**DEPARTMENT OF CONSUMER AFFAIRS
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NATIONAL LAW UNIVERSITY DELHI

ABOUT THE CHAIR ON CONSUMER LAW AT NLU DELHI

The Chair on Consumer Law was established at National Law University, Delhi by the Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution, Government of India in the year 2019.

The primary objective of the NLU Consumer Chair is to facilitate better protection of consumers' rights, interests and welfare by promoting research, teaching and training in the area of consumer protection and consumer welfare. The Chair undertakes outreach programmes in the form of workshops, seminars, publications and training programmes for academics, professionals, government officials, members of consumer fora, Voluntary Consumer Organisations (VCO/NGOs) etc. Besides, the Chair also undertakes rigorously consumer advocacy initiatives in collaboration with academia, VCOs/NGOs etc. As a think tank, the Chair sends its suggestions to the policy makers relating to law and policy, besides participating in the law-making process by being a member of various drafting committees.

The Chair also organizes Certificate Courses in Consumer Law and Practice for students, academia, lawyers, members of VCOs etc. with a view to strengthen consumer protection regime in India. The Chair publishes a diverse range of authoritative publications each year. These include the *Digest of Key Decisions of the Central Consumer Protection Authority* and the *Digest of Key Decisions of the Supreme Court, High Courts, and the NCDRC*, which collectively serve as reference tools for practitioners, policymakers, and stakeholders. The Chair also brings out an annual *Newsletter* that encapsulates significant legal developments, recent judicial pronouncements, and noteworthy global updates in the field of consumer protection, thereby contributing to informed discourse and evidence-based policymaking.

In addition to its research and publication work, the Chair actively undertakes outreach initiatives aimed at strengthening consumer awareness. Among these, the organisation of national-level quiz competitions has emerged as an effective platform to engage students, professionals, and the wider public, fostering a deeper understanding of consumer rights and the evolving landscape of consumer law.

Dr. Sushila, Professor of Law at National Law University Delhi, is Project Director of the Chair.

ABOUT THE DIGEST

The *Digest of Key Decisions of the Supreme Court, High Courts, and the National Consumer Disputes Redressal Commission (2025: Issue I)* has been prepared by the Chair on Consumer Law at National Law University Delhi. Conceived as a comprehensive and accessible reference resource, the Digest reflects the Chair's continued commitment to empowering consumers through legal literacy and enhancing public understanding of consumer rights and protections.

Established by the Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution, Government of India, the Chair on Consumer Law at NLU Delhi is dedicated to advancing academic research, policy engagement, and legal education in the field of consumer law. This publication forms part of the Chair's ongoing initiatives to translate complex judicial pronouncements into clear, comprehensible summaries, consciously minimising technical jargon to ensure wider usability.

The decisions featured in this Digest illustrate the evolving jurisprudence on consumer protection and underscore the significant role played by the Supreme Court, High Courts, and the NCDRC in safeguarding consumer interests.

The resource has been made possible with the support of the Department and the Ministry, and through the diligent efforts of the student team at the Chair who have meticulously compiled and reviewed each entry.

This Digest aims not only to inform but also to encourage greater legal awareness and proactive consumer engagement. It is intended to serve practitioners, policymakers, academicians, students, and consumers alike in fostering a more transparent and equitable consumer protection ecosystem.

The summaries in the Digest are for general awareness purposes only and are not to be used for legal proceedings.

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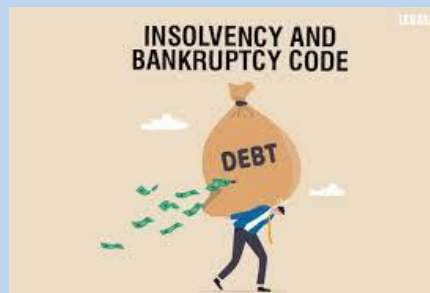
SARANGA ANILKUMAR AGGARWAL

V.

BHAVESH DHIRAJLAL SHETH & ORS.

[(2025) 4 SCC 629, DECIDED ON MARCH 4, 2025]

- **Under the Insolvency and Bankruptcy Code, 2016, the moratorium shields a debtor only from proceedings linked to recovery of debts, but it does not freeze statutory, regulatory, or penal actions. Since, penalties under the Consumer Protection Act are inherently punitive, they continue to operate with full force even during the IBC moratorium, ensuring that errant conduct does not escape statutory consequences.**



FACTS

Saranga Anilkumar Aggarwal, a real-estate builder, undertook a housing project in which several homebuyers booked units on the assurance that possession would be delivered within the agreed timelines. When the builder failed to hand over the units and continued to disregard the directions issued earlier, the aggrieved homebuyers approached the National Consumer Disputes Redressal Commission (NCDRC). After finding repeated non-compliance with its orders, the NCDRC invoked Section 27 of the Consumer Protection Act, 1986 and imposed twenty-seven separate penalties on the builder.

In response, Aggarwal filed an application under Section 95 of the Insolvency and Bankruptcy Code (IBC), 2016, which triggered an interim moratorium under Section 96. He then argued before the NCDRC that all penalty proceedings must be stayed, claiming that they were essentially attempts to recover a debt, and relied on the Supreme Court's decision in *P. Mohanraj & Ors. v. Shah Brothers Ispat Pvt. Ltd.* (2021). The homebuyers opposed this view, maintaining that penalties under Section 27 are punitive and regulatory, not financial debts, and pointed to Section 79(15) of

the IBC, which classifies statutory fines and penalties as excluded debts that fall outside the moratorium. The NCDRC agreed with this reasoning and refused to halt the proceedings, after which the builder approached the Supreme Court.

ISSUE

Whether an interim moratorium under Section 96 of the Insolvency and Bankruptcy Code bars the enforcement of penalty proceedings initiated under Section 27 of the Consumer Protection Act, 1986.

DECISION

The Supreme Court dismissed the appeal and held that penalty proceedings under Section 27 of the Consumer Protection Act are not covered by the interim moratorium under Section 96 of the Insolvency and Bankruptcy Code. The Court observed that Section 79(15) of the IBC expressly excludes fines and penalties imposed by courts or regulatory authorities from the ambit of debts affected by the moratorium. It emphasized that penalties imposed under the Consumer Protection Act are regulatory and punitive in nature, intended to ensure compliance with consumer welfare laws, and cannot be equated with financial debts or recoverable liabilities. The legislative purpose of the Consumer Protection Act, according to the Court, is to uphold consumer rights and promote accountability among service providers, objectives that cannot be frustrated by the operation of insolvency proceedings.

The Court also rejected the builder's reliance on *P. Mohanraj*, clarifying that the moratorium in that case applied specifically to debt recovery proceedings under the Negotiable Instruments Act, whereas consumer penalty proceedings are fundamentally different as they arise from statutory enforcement obligations. Permitting the IBC moratorium to halt the enforcement of consumer penalties, the Court noted, would be contrary to public policy and would enable defaulters to misuse insolvency proceedings as a shield to evade consumer protection obligations.

Consequently, the Supreme Court directed the builder to comply with the penalties imposed by the NCDRC within a period of eight weeks.

**THE CHIEF OFFICER, NAGPUR HOUSING AND AREA DEVELOPMENT BOARD
(A MHADA UNIT) AND OTHERS**

V.

MANOHAR BURDE

(2025 SCC Online SC 642, DECIDED ON MARCH 26, 2025)

- **The High Court cannot use Article 227 to modify or dilute a well-reasoned NCDRC order, as supervisory jurisdiction is meant only for correction of jurisdictional errors, not for re-adjudicating consumer disputes or rebalancing equities already determined.**



FACTS

The Nagpur Housing and Area Development Board (a MHADA Unit) launched a Group Housing Project in 2009. Pursuant to this, Manohar Burde applied for a 3-BHK flat, depositing Rs. 4,00,000 on September 23, 2009, and was allotted a flat through a lottery on January 3, 2010. He paid the remaining consideration in eight installments, with the final payment made on August 26, 2013, on the assurance of timely possession.

However, the possession of the flat was significantly delayed. Furthermore, the Board demanded an additional amount, threatening to cancel the allotment. Mr. Burde paid this amount, but possession was still not delivered. Alleging deficiency in service and unfair trade practices, he filed a complaint before the State Consumer Disputes Redressal Commission (“SCDRC”), Maharashtra.

The SCDRC had initially ordered a refund with 15% interest and Rs. 10,00,000 in compensation. On appeal, the NCDRC reduced the interest rate to 9% per annum and consolidated costs to Rs. 50,000, holding that a homebuyer cannot be compelled to take possession after such a long delay. The complainant then approached the

High Court, which, exercising its jurisdiction under Article 227, restored the 15% interest rate awarded by the SCDRC.

ISSUES

1. Whether the High Court was justified in exercising its supervisory jurisdiction under Article 227 of the Constitution of India to set aside the NCDRC's order and enhance the rate of interest from 9% to 15% per annum?
2. What constitutes a fair and reasonable rate of interest for inordinate delay in handing over possession of a flat by a statutory development authority?

JUDGMENT

The Supreme Court of India partly allowed the appeal, setting aside the order of the High Court and modifying the relief to Rs. 7,50,000. The Court restored the NCDRC's order which had directed a refund of the entire amount deposited by the complainant with interest at 9% per annum, deeming it "fair and reasonable".

The Supreme Court held that the High Court was not justified in modifying the well-reasoned findings of the NCDRC. The Court noted that the NCDRC had correctly balanced the equities and its award of 9% interest was appropriate. Citing its decision in *Bangalore Development Authority v. Syndicate Bank*, the Supreme Court affirmed that an allottee is entitled to a refund with reasonable interest when possession is not delivered in time. It found the High Court's award of 15% interest to be excessive in this context.

Furthermore, the Court modified the compensation amount. It noted that the appellant is a "state instrumentality" and that delays in its functioning cannot be attributed to "personal animosity". Considering these facts and circumstances, the Court reduced the compensation payable from Rs. 10,00,000 to Rs. 7,50,000, as this would meet the ends of justice.

SOHOM SHIPPING PVT. LTD.

V.

**NEW INDIA ASSURANCE CO. LTD. AND ANOTHER
(2025 SCC Online SC 746, DECIDED ON APRIL 7, 2025)**

- **Insurance companies cannot enforce impossible conditions in their policies. When an insurance company is aware that a requirement cannot realistically be fulfilled by the customer, the law treats that condition as waived and the insurer cannot rely on it to deny a legitimate claim**



FACTS

Sohom Shipping Pvt. Ltd., a shipping company, purchased a new barge called 'Srijoy II' and wanted to sail it from Mumbai to Kolkata as its first voyage. The company obtained an insurance policy from New India Assurance Co. Ltd. for the period from 16th May 2013 to 15th June 2013 to cover this voyage. The insurance policy contained a special condition stating that the "voyage should commence & complete before monsoon sets in".

The vessel started its journey on 6th June 2013, but unfortunately encountered bad weather and engine problems the very next day near Ratnagiri Port, causing it to run aground. After the insurance period ended, the shipping company informed the insurance company about the total loss of the vessel and claimed compensation. However, the insurance company refused to pay, arguing that the ship had sailed after the monsoon season had begun, which violated the special condition in the

policy. The NCDRC initially dismissed the shipping company's complaint, finding that they had not disclosed all relevant facts to the insurance company in good faith.

ISSUES

1. Whether an insurance company can refuse to pay a claim based on a condition that was practically impossible for the customer to fulfil?
2. Whether unclear or confusing terms in an insurance policy should be interpreted in favour of the customer?

JUDGMENT

The Supreme Court ruled in favour of the shipping company and ordered the case to be reconsidered. The Court found that the insurance company could not refuse payment based on the monsoon condition because it was impossible for any ship traveling from Mumbai to Kolkata during that time period to complete the journey before monsoon season began.

According to official weather guidelines, the monsoon season starts on 1st May on the East Coast (where Kolkata is located) and 1st June on the West Coast (where Mumbai is located). Since the insurance was valid from 16th May to 15th June 2013, and the voyage was from Mumbai to Kolkata, there was no way the ship could have completed its journey without encountering monsoon weather. The insurance company was fully aware of these voyage details when they issued the policy.

The Court emphasized that insurance contracts should not contain conditions that make it impossible for customers to make valid claims, as this would defeat the very purpose of taking insurance. When an insurance company includes such impossible conditions in their policy while knowing the customer's circumstances, these conditions are automatically considered waived and cannot be used to reject claims. The Court noted that enforcing such conditions would create absurd situations where customers would have no protection despite paying for insurance coverage.

M/S TARAPORE AND CO.
v.
UNITED INDIA INSURANCE COMPANY LIMITED
(CIVIL APPEAL NO.2387 OF 2025, DECIDED BY SUPREME COURT ON
FEBRUARY 12, 2025)

- **Judicial intervention may override the strict enforcement of an insurance policy clause to ensure substantial justice if the literal interpretation leads to rendering the policy meaningless.**



FACTS

M/S Tarapore and Co. (“Buyer”) purchased a Tata Hitachi Heavy Duty Crane on 17.07.1999 for a sum of Rs. 3,01,80,509/-, which was insured with M/S United India Insurance Co. Ltd. (“Opposite Party”). The insurance policy was renewed periodically, including for the period between 06.09.2006 and 05.09.2007.

On 27.08.2005, while seeking renewal and advice on the premium, the buyer informed the opposite party that the crane was being used within the precincts of the Tata Steel Complex at Jamshedpur. The opposite party thereafter issued a quotation on 29.08.2005, and the premium was paid by the buyer on 06.09.2005.

The policy mentioned the opposite party’s address as Patel Building, Main Road, Bistupur, Jamshedpur, District Singhbhum East, Jharkhand. On 14.06.2007, the crane met with an accident at Power House No. 6 under Tata Steel, Jamshedpur, when the boom collapsed while lifting material. The buyer immediately notified the opposite party, following which a spot survey was conducted on 20.06.2007, and the final survey report dated 12.03.2008 assessed the repair cost at Rs. 70,15,972.38/.

Upon inquiry from the opposite party on 24.07.2008, the buyer confirmed on 22.09.2008 that the crane had been repaired.

Despite submission of all relevant documents, the opposite party, on 17.04.2009, sought the driving license, original bills, and a no objection certificate from the bank. Subsequently, on 31.03.2011, the opposite party repudiated the claim on the ground that the accident occurred outside the premises mentioned in the policy. The buyer filed a suit, which was dismissed by the Commercial Court on 10.06.2019 as unsustainable, and the same was affirmed by the High Court, holding that the claim could not be allowed since the accident did not take place at the address specified in the insurance policy.

ISSUES

1. Whether the policy's strict requirement that the accident occur within the insured's listed office premises rendered the insurance policy unenforceable?
2. Whether the Commercial Court and the High Court correctly dismissed the claim by adhering strictly to the literal terms of the insurance policy?

JUDGMENT

The Supreme Court emphasized the necessity of a meaningful interpretation of insurance policy terms to secure substantial justice between the parties, ultimately leading to a directed settlement. The Court observed the prima facie absurdity of the policy condition, noting that the heavy-duty crane was insured at the address of the insured's office, Patel Building, Main Road, Bistupur, Jamshedpur, while in reality, such a crane is meant to operate at construction sites, not within an office premises.

It criticized the strict interpretation adopted by the Commercial Court and the High Court, which had both rejected the buyer's claim solely on the basis of policy wording. The Court further noted that key facts were undisputed, including the occurrence of the accident on June 14, 2007, at Tata Steel, Jamshedpur, the damage sustained, and the quantum of loss assessed at Rs. 70,15,972.38/-. Importantly, the Insurance Company took nearly four years to raise its objection, informing the buyer

only on March 31, 2011, that the claim could not be sanctioned because the accident occurred outside the address mentioned in the policy.

In view of these circumstances, the Supreme Court made advised the counsel for the Insurance Company to adopt a fair stance and offer reasonable compensation. Acting upon this, the insurer agreed to pay Rs. 40 lakh plus applicable taxes, with the total amount not exceeding Rs. 45 lakh, to be paid within six weeks from the date of the order (February 12, 2025). With this direction, leave was granted, and the appeal was disposed of.

MAHAVEER SHARMA

V.

EXIDE LIFE INSURANCE CO. LTD.& ANR.

(2025 SCC OnLine SC 435, DECIDED ON FEBRUARY 25, 2025)

- **Non-disclosure of information comprising of minor or immaterial insurance policies that do not influence a prudent insurer's decision cannot justify repudiation; such repudiation constitutes a deficiency in service under Section 2(1)(g) of the Consumer Protection Act, 1986.**



FACTS

Mahaveer Sharma (“the consumer”) was the nominee and son of the deceased life insured, Ramkaran Sharma, who had purchased a life insurance policy from Exide Life Insurance Company Ltd. (“the insurer”) on 09.06.2014. The insured died in an accident on 19.08.2015.

When the consumer claimed the insurance proceeds, the insurer repudiated the claim on 03.03.2016, alleging suppression of material facts, specifically that the insured failed to disclose three other small life insurance policies from LIC.

The State Consumer Disputes Redressal Commission, Rajasthan, Jaipur, dismissed the complaint, holding that the concealment amounted to suppression of material facts, thereby negating liability. The National Consumer Disputes Redressal Commission, New Delhi affirmed the dismissal on 28.05.2019, applying the principles of utmost good faith laid down in *Reliance Life Insurance Co. Ltd. v.*

Rekhaben Nareshbhai Rathod and Satwant Kaur Sandhu v. New India Assurance Co. Ltd., aggrieved, the consumer approached the Supreme Court under Section 23 of the Consumer Protection Act, 1986.

ISSUES

1. Whether the non-disclosure of three minor LIC policies constituted suppression of material facts sufficient to justify repudiation of the claim under Section 45 of the Insurance Act, 1938?
2. Whether the insurer's repudiation amounted to deficiency in service under Section 2(1)(g) of the Consumer Protection Act, 1986, in light of the insured's substantial disclosure of his major policies?

JUDGMENT

The Supreme Court reiterated that insurance contracts rest on the principle of *uberrima fides* (utmost good faith), but the obligation extends equally to both parties. For repudiation to be valid, non-disclosure must relate to a material fact i.e., one that would have influenced a prudent insurer's decision to assume the risk.

Here, the insured had disclosed a major Aviva Life Insurance policy worth ₹40 lakh but omitted three minor LIC policies totaling ₹2.3 lakh. The Court held that this omission was not material enough to mislead the insurer. As the insured's death resulted from an accident and not illness, the omission did not affect risk assessment.

The Supreme Court found that the repudiation of the claim was arbitrary and constituted deficiency in service under Section 2(1)(g) of the Consumer Protection Act, 1986. Accordingly, it set aside the orders of both the National Commission (28.05.2019) and State Commission (27.09.2018), directing the insurer to pay the policy benefits with 9% interest per annum from the date of claim repudiation until payment.

Thus, no costs were awarded.

**IN RE PAY ALLOWANCE OF THE MEMBERS OF THE UP-STATE CONSUMER
DISPUTES REDRESSAL COMMISSION**

**(WRIT PETITION (CIVIL) NO. 1144/2021, DECIDED BY SUPREME COURT ON
MAY 19, 2025)**

- **The Consumer Protection Act, 2019, aims to ensure effective consumer protection and dispute redressal, which requires that Consumer Commission members receive adequate remuneration to perform their duties efficiently.**



FACTS

The Consumer Protection Act, 2019, which came into effect in two phases on July 20 and July 24, 2020, empowered State Governments under Section 102 to make rules for implementing its provisions. Exercising this power, the Central Government introduced the Consumer Protection (Salary, Allowances and Conditions of Service of President and Members of the State Commission and District Commission) Model Rules, 2020, to guide States in framing their own regulations.

The Act, intended to strengthen consumer rights and establish effective redressal mechanisms, set up the District and State Consumer Commissions with broad adjudicatory powers. However, after the Model Rules were notified, many States framed separate rules under Section 102(2), leading to wide disparities in the salaries and allowances paid to Presidents and Members of these Commissions. In several States, officials reportedly received only minimal remuneration, raising concerns about the ability of the Commissions to function effectively. This inconsistency across States eventually led to the matter being brought before the Supreme Court for resolution.

ISSUES

1. Whether the significant variance in the rules framed by various State Governments concerning the pay and allowances of Presidents and Members of Consumer Commissions is resulting in inadequate remuneration?
2. Whether the Court should exercise its jurisdiction under Article 142 of the Constitution of India to lay down a uniform pattern of service conditions?

JUDGMENT

Exercising its jurisdiction under Article 142 of the Constitution, the Supreme Court issued an order establishing a uniform pattern of service conditions concerning the salary and allowances of Presidents and Members of the State and District Consumer Commissions. Emphasizing that adequate remuneration is essential for the effective discharge of duties under the Act, the Court directed all States and Union Territories to follow the Model Rules, particularly Rule 4, with specific modifications. Accordingly, Members of the State Commission are to receive pay and allowances equivalent to a District Judge in the super-time scale; Presidents of District Commissions are to receive the same as District Judges in the super-time scale as per the Second National Judicial Pay Commission's recommendations; and Members of District Commissions are to be paid equivalent to District Judges in the Selection Grade at entry level.

The Court further directed that Rules 7 to 9 of the Model Rules would not apply, as the relevant allowances and perquisites of the corresponding judicial posts would govern. The last pay drawn, if higher, shall be protected, and members drawing pension shall receive pay minus pension. The judgment eliminated distinctions between part-time and full-time or judicial and non-judicial members, mandating uniform treatment for all.

These directions are applicable throughout India, though States already paying higher remuneration may continue to do so.

The order is effective retrospectively from July 20, 2020, with arrears to be released within six months, and States and Union Territories must amend their rules accordingly and submit compliance reports.

GANESHKUMAR RAJESHWARRAO SELUKAR & OTHERS

V.

MAHENDRA BHASKAR LIMAYE & OTHERS

(2025 SCC OnLine SC 1193, DECIDED ON MAY 21, 2025)

- **Requiring sitting or retired judges to sit for written exams or interviews is arbitrary and undermines the dignity of judicial office. Their years of judicial service are themselves the highest proof of competence, making such screening both unnecessary and demeaning.**



FACTS

This appeal challenged a judgment by the Bombay High Court which had invalidated certain provisions of the Consumer Protection (Qualification for Appointment, Method of Recruitment, Procedure of Appointment, Term of Office, Resignation and Removal of the President and Members of the State Commission and District Commission) Rules, 2020 (hereinafter "2020 Rules").

The challenge primarily centered on Rule 6(1), concerning the composition of the Selection Committee, and Rule 10(2), relating to tenure and reappointment. The High Court, relying on the principles established in *Roger Mathew v. South Indian Bank*, (2019) 6 SCC 689 and the *Madras Bar Association v. Union of India* decisions, struck down these rules on the grounds that they compromised judicial independence by granting excessive control to the Executive in the appointment process.

ISSUES

1. Whether the appointment process under the 2020 Rules, specifically regarding the Selection Committee's composition (Rule 6(1)) and the imposition of written tests for judicial candidates, violates the principles of judicial independence and separation of powers.

2. Whether the tenure provisions under Rule 10(2) are inconsistent with the constitutional standards for tribunal appointments, particularly the requirement of a fixed tenure as established in prior Supreme Court decisions.

JUDGMENT

The Supreme Court upheld the High Court's reasoning, reaffirming that the independence of the judiciary is a critical component for quasi-judicial bodies like the Consumer Commissions. The Court reiterated the principles set forth in the *Rojer Mathew* and *MBA* line of cases.

The Court disapproved of Rule 6(1) for allowing excessive executive control and held that any such Selection Committee must have a majority of members from the judiciary to ensure judicial primacy in appointments.

Furthermore, the Court held that imposing written examinations and viva voce on candidates with prior judicial service (such as serving or retired judges) for appointment as Presidents or Judicial Members is arbitrary and demeaning. Such tests are to be restricted only to the appointment of non-judicial members.

Regarding tenure, the Court declared Rule 10(2) partially invalid to the extent it conflicted with the principles laid down in *Rojer Mathew & MBA* cases, affirming that Presidents and Members must have a fixed tenure of five years. The Court also accepted the Union's proposal that appointments for the post of President of the District Commission shall be restricted to serving or retired District Judges only.

The Court directed the Union of India to notify new Rules incorporating these directions within four months. Furthermore, the Union was directed to file an affidavit within three months exploring the feasibility of establishing a permanent Consumer Tribunal/Court with permanent judicial officers.

The Ministry of Consumer Affairs is conducting various stakeholder consultations to bring about reforms in the Consumer Protection Act to make it more efficient.

GODREJ PROJECTS DEVELOPMENT LIMITED

V.

ANIL KALELKAR

((2025) 2 S.C.R. 343, DECIDED BY SUPREME COURT ON FEB 3, 2025)

- **When the contract terms are unfair, one-sided and unreasonable, it constitutes an unfair contract under Section 2(46) of CPA, 2019.**



FACTS

Anil Kalelkar (“Buyer”) had booked an apartment with the Godrej Project Developments Ltd. (Developer). The buyer was allotted an apartment and the agreement was entered into between the parties. He paid earnest money amounting to 20% of the Basic Sale Price (BSP) as guarantee that the contract would be fulfilled. The agreement provided for forfeiture of the entire earnest money on cancellation of the agreement by the buyer. The agreement also provided that if the developer does not comply with the timelines of handing over the apartment, the developer would be granted a grace period and compensation at the rate of ₹5 per month per square feet.

The developer offered possession of the apartment to the buyer but he refused and sought cancellation of the allotment along with full refund of the earnest money.

The buyer filed a complaint before the National Commission to seek refund of the earnest money along with interest and contended that the condition of forfeiture of the entire earnest money was unreasonable, unconscionable and not enforceable in law, rendering the agreement an unfair contract under Section 2(46) of CPA, 2019.

The developer contended that the agreement specifically provides for forfeiture of entire earnest money, and the buyer himself had cancelled the deal because of recession in the market, and the developer was justified in forfeiting the entire earnest money.

The Commission accepted that the agreement provided for forfeiture of the earnest money but the forfeiture of the entire earnest money was held unreasonable, and it directed the developer to deduct only 10% of the BSP and refund the balance amount along with interest at the rate of 6% per annum.

Thus, the developer filed an appeal under Section 23 of CPA before the Supreme Court against the Commission's order.

ISSUES

Whether the clause in the agreement providing for forfeiture of the entire earnest money constituted unfair trade practice under Section 2(46) of CPA, 2019?

JUDGMENT

The Court held that the amount was paid by the buyer as a guarantee that the contract would be fulfilled, and it represents earnest money. If the forfeiture of earnest money under the contract is reasonable, it does not amount to imposing a penalty.

However, the court observed that the obligations upon the buyer while cancelling the contract are very heavy as compared to the obligations of the developer in case of default. The contractual terms were one-sided, unfair, and unreasonable and thus constituted an unfair contract under Section 2(46) of CPA. The forfeiture of 10% of BSP was held as a reasonable amount based on various judgments of NCDRC. But, the interest on the balance amount to be paid to the buyer was considered not justified as they could buy an apartment at lower prices because of the market recession. Thus, the appeal was dismissed by the Court.

RUTU MIHIR PANCHAL AND ORS.

V.

UNION OF INDIA AND ORS.

2025 SCC OnLine SC 974, DECIDED ON APRIL 29, 2025

- **Parliament is fully empowered to define the jurisdiction of courts, but Article 14 demands that such boundaries be drawn on a rational basis — any classification must rest on a clear and intelligible differentia and must bear a logical connection to a legitimate legislative purpose, ensuring that jurisdictional design is reasoned, not arbitrary.**



FACTS

This judgment reviewed the constitutionality of the Consumer Protection Act, 2019, specifically its provisions for "pecuniary jurisdiction" (Sections 34(1), 47(1)(a)(i), and 58(1)(a)(i)). The case centered on a key change in the law. Under the previous 1986 Act, the appropriate commission was determined by the total "compensation claimed" by the consumer. The 2019 Act, however, changed this criterion, basing jurisdiction on the "value of the goods or services paid as consideration" (i.e., the price paid).

This change was challenged by petitioners in two separate cases. In the primary Writ Petition ("*Rutu Mihir Panchal*"), the petitioner's husband died when his vehicle, purchased for INR 31.19 lakh, caught fire. Her complaint sought compensation of ~INR 51.49 crore. Due to the 2019 Act's new rule, she was compelled to file before the District Commission (based on the vehicle's ~INR 31 lakh value), whereas under the 1986 Act, her ~INR 51 crore claim would have been filed directly with the National

Commission (NCDRC). In a related Civil Appeal (*Gurjeet Kaur Saini*), the NCDRC rejected a complaint for ~INR 14.94 crore because the *consideration paid* for the underlying insurance policy was below the NCDRC's jurisdictional threshold. The petitioners argued that this new criterion was arbitrary, discriminatory, and unconstitutional under Article 14, as it created an anomalous situation where high-value claims were relegated to lower commissions.

ISSUES

Whether the provisions of the Consumer Protection Act, 2019, which establish the pecuniary jurisdiction of Consumer Commissions based on the "value of the goods or services paid as consideration" rather than the "compensation claimed," are unconstitutional and violative of Article 14 of the Constitution.

JUDGMENT

The Supreme Court of India upheld the constitutional validity of the challenged provisions of the 2019 Act and dismissed the petitions. The Court held that the Parliament has the legislative competence to prescribe the limits of pecuniary jurisdiction for courts and tribunals. It found that the new classification based on "consideration paid" satisfies the two-pronged test under Article 14. It is based on an intelligible differentia (distinguishing cases based on the value of the transaction) and this differentia has a rational nexus to the Act's objective of creating a clear hierarchical structure for judicial remedies.

The Court affirmed that this new criterion is a reasonable and rational measure to prevent the "self-assessed" inflation of claims by consumers, which was a prevalent issue under the 1986 Act, and thus is not arbitrary or unconstitutional.

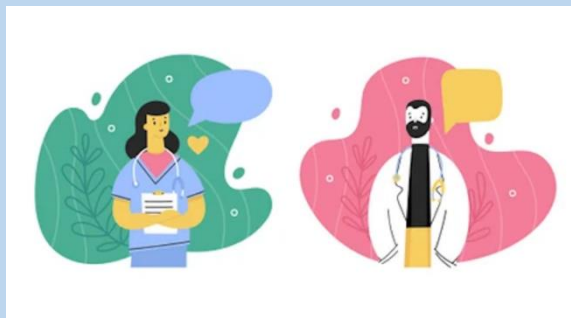
DR. P. YASHODHARA

V.

K. SREELATHA

(2025 SCC OnLine NCDRC 28, DECIDED ON JUNE 6, 2025)

- **A medical professional has discretion to choose the method of operation, however, if the chosen method injures the patient or the procedure is carried out without due care, the choice becomes negligent and not medical judgment.**



FACTS

K. Sreelatha (“Patient”) was admitted to Dr. P. Yashodhara's hospital (“Hospital 1”) during pregnancy. The patient contended that the discharge summary showed that she was admitted with obstructed labour, which makes forceps delivery unsafe. She contended that the hospital obtained her consent under undue influence. Then, she went to CHILDS Trust Hospital (“Hospital 2”), which confirmed that the baby suffered brain damage and became mentally disabled due to the negligence during the delivery. She filed a complaint against Hospital 1 before the State Commission claiming ₹40 Lakhs as compensation.

Hospital 1 denied the allegations of negligence and contended that the reports of Hospital 2 did not attribute any negligence to it. It contended that the consent of the patient was valid. It claimed that the baby was healthy at the time of delivery and the complications arose only after the delivery.

The State Commission found that the medical expenses amounted to ₹72,530 and awarded ₹30 Lakhs towards compensation for the loss and mental agony. Thus, the

hospital filed an appeal to the National Commission under Section 19 of the Consumer Protection Act, 1986.

ISSUES

1. Whether Hospital 1 was negligent in performing the operation and thereby caused injury to the baby?
2. Whether the consent of the patient was taken validly?

JUDGEMENT

The National Commission held that the consent of the patient was obtained vaguely as the consent form did not mention any specific operation procedure, and it was not an informed consent. However, the method of operation lies in the discretion of the surgeon, and it cannot be decided upon by the commission. But the baby suffered injuries as a result of the operation, which necessitated it to be taken to another hospital. The National Commission upheld the findings of the State Commission as the judgment rendered was well-reasoned and detailed.

However, it reduced the compensation for mental agony to ₹10 Lakhs, considering the quantum of injury and gravity of negligence. Further, ₹50,000 was awarded to the patient for litigation costs. Thus, the appeal was disposed of.

G.M., EASTERN RAILWAYS

V.

PUSPENDU DUTTA CHOWDHURY

**(REVISION PETITION NO. NC/RP/1573/2019, DECIDED BY NCDRC ON
MARCH 25, 2025)**

- **A consumer complaint filed beyond the two-year limitation period under Section 24A of the Consumer Protection Act, 1986, cannot be entertained without a formal application for condonation of delay, and criminal proceedings do not extend or suspend this limitation.**



FACTS

The dispute arises from a 2012 robbery incident involving Pushpendu Dutta Chowdhury (“complainant”), who alleged that he was robbed of several gold ornaments worth approximately Rs. 1.38 lakh in front of the Government Railway Police (“GRP”) and Railway Protection Force (“RPF”) at Howrah Station. Despite sustaining what he described as grave injuries, later treated until August 2012, the authenticity of his claim came under scrutiny. The railway authorities, represented by the General Manager of Eastern Railways (“opposite party”), contested both the factual basis and credibility of the complaint. They relied on the medico-legal certificate suggesting that the complainant had fallen while boarding the train, not been attacked by miscreants, and contended that the robbery narrative was a subsequent fabrication. They emphasized the four-hour delay in lodging the GRP report (“G.D. Entry No. 1258”), the absence of any injury reference in the FIR, and

the production of questionable jewelry bills in different names without proof of ownership.

Three years later, the complainant approached the District Forum, Kolkata, in August 2015, seeking restitution of property and Rs. 10,00,000 in damages for mental agony and harassment. The District Forum, by its order dated 30 March 2016, accepted the complaint and directed the Railways to pay Rs. 1,50,000 in compensation with Rs. 10,000 in costs, adding a penal damages clause of Rs. 5,000 per month for delayed compliance.

On appeal, the State Commission of West Bengal, modified the order by removing the penal damages but granting 9% simple interest per annum on the compensation amount for the period of default. On Appeal to the National Commission, the Railways argued that the complaint was barred by limitation under the two-year statutory period prescribed for consumer disputes, since the incident occurred in 2012, but the complaint was filed only in 2015. The complainant, however, countered that the cause of action was continuing, as the police investigation under the GRP complaint was still pending, and he had been awaiting recovery of the stolen goods.

ISSUES

1. Whether the consumer complaint was barred by limitation under Section 24A of the Consumer Protection Act, 1986?
2. Whether the alleged robbery constituted a criminal offense or an "untoward incident" under the Indian Railways Act, thereby placing the matter outside the jurisdiction of the Consumer Protection Act?

JUDGMENT

The National Commission allowed the revision petition filed by the Railway Authority, setting aside the orders of both the State Commission and the District Forum. The Commission held that the original consumer complaint was barred by limitation under Section 24A of the Consumer Protection Act, 1986, as the incident occurred on 17 June 2012, but the complaint was filed only on 3 August 2015, which is well beyond the two-year statutory period. It was undisputed that the complainant had

not filed any application for condonation of delay before the District Forum. Rejecting the complainant's argument that the delay was justified because he was awaiting the outcome of the GRP police investigation, the Commission ruled that the pendency of a criminal complaint cannot extend or suspend the limitation period for filing a consumer complaint, as doing so would undermine the legislative intent behind Section 24A.

Referring to the Supreme Court's ruling in *Kandimalla Raghavaiah & Co v National Insurance Co Ltd & Anr*, the Commission reaffirmed that the provision is mandatory, placing a duty on consumer fora to dismiss time-barred complaints even if the limitation issue is not raised by the parties. Consequently, since the complaint was legally ineligible for consideration, the compensation of Rs. 1,50,000 and the interest previously awarded to the complainant were nullified.

MAYANK MULTIPLEX PVT. LTD.

V.

AMIT KUMAR GHOSH

(2025 SCC OnLine NCDRC 47 , DECIDED ON JUNE 25, 2025)

- **A person purchasing property for self-employment qualifies as a ‘consumer’. Any precondition in an agreement that demands payment of dues before the transfer of ownership is unenforceable if the seller has not yet conferred ownership, since obligations cannot be imposed before fulfilling this primary duty.**



FACTS

Amit Kumar Ghosh (“consumer”) was a tenant of a premise situated at No. 1, Andul Raj Road, Ward No. 84, Kolkata, which was jointly owned by Sri Amitava Mitra and Smt. Latika Mitra. Subsequently, the joint owners sold the property to Mayank Multiplex Pvt. Ltd. (“Opposing Party”), through two Deeds of Conveyance dated 19.04.2006 and 19.06.2006. Even after this transfer, the Complainants continued as tenants and paid regular rent to the OP.

On 20.03.2008, the OP entered into an Agreement for Sale in favour of the Complainants, where the Complainants agreed to purchase a 330 sq. ft. portion of the shop room for a total consideration of Rs. 2,31,000 paid through three separate cheques and were delivered possession of the shop on 15.12.2011. Despite repeated requests by the Complainants for execution and registration of the Sale Deed, the OP refused to execute the same. The Complainants thus filed a Consumer Complaint

before the District Consumer Disputes Redressal Forum, Kolkata, alleging deficiency in service.

At the District Forum, the OP admitted the existence of the Agreement and receipt of full consideration but contended that the Complainants failed to pay outstanding dues, namely Corporation Tax and Maintenance Charges, adding up-to Rs. 90,000, thereby failing to show readiness for sale. The District Forum dismissed the complaint, reasoning that the shop room described in the schedule was ambiguous and unidentifiable due to the lack of boundary description, and hence unenforceable.

The Complainants filed First Appeal No. 1050 of 2017 before the State Commission, West Bengal, which allowed the appeal, holding that the Complainants qualified as “consumers” under the Act since they intended to use the shop for earning livelihood by self-employment. It further held that the description of the shop in Schedule ‘B’ was sufficient for identification and that the obligation to pay tax and dues arose only after execution of the Sale Deed.

The OP filed a Revision Petition before the National Commission, contending that the Complainants were not consumers, that the outstanding dues had to be paid before the Deed could be executed as per Clause 16 of the agreement, and that the complaint amendment was improperly allowed.

ISSUES

1. Whether Clause 16 of the Agreement for Sale imposed a precondition on the Complainants to pay municipal taxes and maintenance charges prior to execution and registration of the Deed of Conveyance?
2. Whether the Complainants qualify as ‘consumers’ within the meaning of Section 2(1)(d) of the Consumer Protection Act, 1986?

JUDGMENT

The National Commission held, in regard to the first issue, that Clause 16 clearly stipulated that the obligation to pay municipal taxes and maintenance charges arose only after the execution and registration of the Sale Deed. It was further noted that

the fundamental legal position under Section 54 of the Transfer of Property Act, 1882, requires a registered Sale Deed to transfer ownership. Therefore, the precondition argued by the Opposite Party was contrary to the express terms of the agreement and the relevant statute.

Regarding the second issue, the Commission relied on settled case law which clarified that a 'consumer' includes a person who obtains goods or services for livelihood by means of self-employment. Since the Complainants ran the shop themselves and relied on it as their sole source of livelihood, they fell within the definition of consumer under Section 2(1)(d). No evidence was brought by the Opposite Party to demonstrate that the Complainants had purchased the shop for real estate speculation or commercial profiteering.

On the third issue, the Commission observed that Schedule 'B' adequately described the shop as a "self-contained shop room having an area of 330 sq. ft. (built-up area, one room on the ground floor, southern side), together with an undivided proportionate share in the land." The fact that possession was delivered without objection by the OP confirmed that the shop was identifiable and enforceable in law.

Accordingly, the National Commission held that there was no material irregularity or jurisdictional error in the well-reasoned order of the State Commission. The Revision Petition was dismissed, affirming that the OP was obligated to execute and register the Sale Deed within 30 days.

TAJINDER KUMAR TANEJA

V.

UNIQUE INVESTMENTS

(2025 SCC Online NCDRC 5, DECIDED ON JUNE 9, 2025)

- **The relationship between a share broker and an investor engaging in trading does not constitute a consumer and service provider relationship, and the investor does not come within the definition of consumer under Section 2(d)(ii) of Consumer Protection Act.**



FACTS

Tajinder Kumar Taneja (“Complainant”) had opened a trading account with the broker firm called Unique Investments (OP) which offered to provide him portfolio management services. He made substantial investments on the advice of OP. He alleged that the partners of OP had personally assured him of fixed returns and induced him to invest substantial amounts, but they had not even opened a demat account in his name. OP constantly assured him about the investments and their profits. After repeated requests and long delay, OP made partial payment to the Complainant through cheques but the cheques got dishonored by the bank due to insufficient funds.

As a result, the complainant filed suit for dishonor of a cheque under Section 138 of Negotiable Instruments Act, 1881. He also filed a consumer complaint with the State Consumer Dispute Redressal Commission, Punjab (“State Commission”) for deficiency of service on part of OP in providing professional portfolio management

services. OP contended that the consumer forum lacked jurisdiction as trading is for commercial purposes, the payments were made to the complainant on a regular basis and that no money was due to him and thus, there was no deficiency of service.

The State Commission held that the complainant does not come within the definition of consumer under Section 2(d)(ii) of the CP Act as the trading activity is for commercial purpose. It concluded that the complainant continued doing business with OP and did not file the complaint within two years from the date on which the cause of action arose, and thus, the suit is also barred by limitation. Thus, the complaint was dismissed, and the complainant filed an appeal to the National Commission.

ISSUES

1. Whether the complainant comes within the definition of consumer under Section 2(d)(ii) of the CP Act?

JUDGMENT

The National Commission held that the OP is a broker and the complainant was well aware of this fact. Thus, the parties were not in a relationship of buyer and service provider but shared a relationship of broker-investor. It held that trading in shares is inherently conducted for commercial purposes and thus, the complainant cannot be brought within the definition of consumer under Section 2(d)(ii) of the CP Act as they are conducted only for profit. The dispute between the parties relates to settlement of trading account transactions and is entirely commercial in nature. Thus, the complaint under consumer protection law was held not maintainable.

GARV BUILDTECH PVT. LTD.

V.

NITIN SAXENA

**(REVISION PETITION NO. NC/DN/2/25, DECIDED BY NCDRC ON MAY 16,
2025)**

➤ **Revision petitions before NCDRC are not maintainable against an order passed by SCDRC in its revisional jurisdiction.**



FACTS

Shri Nitin Saxena (“Buyer”) had booked a residential plot in a real estate project developed by M/s Garv Buildtech Pvt. Ltd. (“opposite party”). At the time of booking, the Complainant paid an amount of Rs. 3,50,000. Subsequently, an Agreement for Sale was executed on 21.02.2022, by which the Complainant paid a total sum of Rs. 8,59,022 towards the plot.

The buyer alleged that despite making the full payment as per the agreement, the Opposite Party failed to provide possession of the plot. As a result, the buyer filed a Consumer Complaint (Case No. 111 of 2023) before the District Consumer Disputes Redressal Commission, Delhi in March 2023, seeking possession of the plot.

During the proceedings, the Opposite Party filed an application under Order VI Rule 17 read with Section 151 of the Civil Procedure Code, seeking to amend their Written Statement by introducing additional documents to show that due to non-payment of interest by the buyer, the allotment was revoked and the amount paid was forfeited. The District Commission rejected this application for amendment by order dated 30.05.2024.

Aggrieved by the rejection, the Opposite Party approached the State Consumer Disputes Redressal Commission by filing Revision Petition No. 34 of 2024. The State Commission dismissed the revision on 14.01.2025, upholding the District Commission's decision.

The opposite party then filed a Revision Petition before the National Consumer Disputes Redressal Commission, seeking to challenge the order of the State Commission, claiming that the revisional jurisdiction of the National Commission extended to setting aside the State Commission's order under Section 58(1)(b) of the Consumer Protection Act, 2019, on the grounds that the State Commission acted with material irregularity.

ISSUES

Whether a Revision Petition lies before the National Consumer Disputes Redressal Commission against an irregular order passed by the State Consumer Disputes Redressal Commission in its revisional jurisdiction under Section 47(1)(b) of the Consumer Protection Act, 2019?

JUDGMENT

The National Commission held that its power under the revisional jurisdiction provided by Section 58(1)(b) of the Consumer Protection Act, 2019, does not extend to correcting an irregular order of the State Commission passed in exercise of its revisional jurisdiction under Section 47(1)(b).

The Commission relied on the prior decision in *Vivo Mobile India Pvt. Ltd. vs. Mavuram Sujatha & Ors.*, which clarified that the revisional jurisdiction of the National Commission applies only to orders passed by the State Commission in its appellate jurisdiction or in original complaints, and not to revisional orders passed by the State Commission itself.

It was further held that the legislative intent and the statutory scheme of the Consumer Protection Act, 2019 clearly provide for a separation of appellate and revisional remedies. The Commission emphasized that where a statutory appeal remedy exists, a revision cannot be invoked to circumvent that procedure. This

ensures the finality of orders under Section 68 of the Act and prevents the misuse of revision petitions.

Accordingly, the National Commission concluded that it did not have the jurisdiction to interfere with or correct the State Commission's order passed in its revisional jurisdiction. The Revision Petition was dismissed, affirming that the proper recourse for the aggrieved party was to approach the jurisdictional High Court by way of a Writ Petition.

MRS. RAJNI SURYAKANT GUJAR

V.

SHREE VINAYAKA DEVELOPERS

(FIRST APPEAL NO, 89 OF 2017, DECIDED BY NCDRC ON JUNE 06, 2025)

- **Persons engaged in commercial activities, such as property brokerage and real estate dealings for profit, do not qualify as "consumers" under S. 2(7) of the Consumer Protection Act, 1986.**
- **Consumer fora possess summary jurisdiction and cannot adjudicate disputes involving complex questions of fact, criminal fraud allegations, and breach of trust.**
- **Partnership deeds stipulating that all transactions must be conducted in the firm's name are binding, and transactions conducted by individual partners in personal capacity do not bind the firm.**



FACTS

The consumers and the developer firm had an existing relationship. Subsequently, the consumers, who were engaged in the business of property brokerage and real estate dealings, decided to purchase Plot No. 2, measuring 7000 sq. ft., at Undri, Pune. A Memorandum of Understanding (MoU) regarding this purchase was executed on December 9, 2010, and the consumers paid Rs. 50 lakhs between November 2010 and June 2011 towards the consideration for this plot.

The consumers alleged that despite having received the entire consideration amount, the developer firm failed to execute the corresponding sale deed, constituting a deficiency in service and an unfair trade practice under the Consumer Protection Act. They sought an order directing the execution of the sale deed or, alternatively, payment of compensation amounting to Rs. 62,05,000/- plus 15% interest.

The developer firm contended that the consumers, being engaged in property brokerage and real estate dealings for commercial gain, do not qualify as "consumers" under the Act. It was further contended that the alleged sale was undertaken by one of the partners, Mr. Kumar Srinivas Mandera, solely in his personal capacity due to his personal financial hardship as stated in Clause 4 of the MoU. The MoU bore only his individual signature, and the firm was neither a party to nor liable for the transaction. The developer firm also argued that the amounts advanced were actually hand loans, evidenced by agreements placed on record. The consumers themselves had lodged FIR No. 452/2012 acknowledging the partner's alleged fraudulent conduct and criminal breach of trust. The consumers knowingly dealt with the partner personally and transferred funds to his personal account, despite Clause 16 of the firm's partnership deed requiring all transactions to be conducted in the firm's name.

The State Consumer Disputes Redressal Commission, Maharashtra dismissed the complaint on June 8, 2016, finding that the complainants are not consumers and the dispute is not a consumer dispute. Aggrieved by this order, the consumers filed the present appeal before the National Consumer Disputes Redressal Commission ("the National Commission").

ISSUES

1. Whether the consumers qualify as "consumers" within the meaning of S. 2(7) of the Consumer Protection Act, 1986?
2. Whether the dispute, involving complex allegations of fraud and unauthorized dealings, falls within the summary jurisdiction of the consumer forum?

JUDGMENT

The National Commission observed that the Supreme Court in *Laxmi Engineering Works v. P.S.G. Industrial Institute* (1995) had established that a person who avails of goods or services for any commercial purpose does not qualify as a "consumer" under the Act. It was an admitted fact that the consumers were engaged in property brokerage and real estate transactions for commercial gain. Since the transaction was undertaken in the ordinary course of their business and not for personal use, they did not satisfy the definition of "consumer" under the Consumer Protection Act, 1986.

The National Commission further noted that the MoU was signed solely by the partner in his individual capacity due to personal financial hardship. The consumers had knowingly contravened Clause 16 of the firm's partnership deed by dealing with the partner individually and transferring funds to his personal account, thereby acting outside the firm's legal structure.

Relying on *Paramjeet Singh v. National Insurance Co. Ltd.* (2019), the National Commission observed that consumer fora are summary in nature and cannot adjudicate disputes involving complex questions of fact, allegations of criminal fraud, and breach of trust. The consumers themselves had lodged an FIR acknowledging fraudulent conduct and criminal breach of trust by the partner. Given the seriousness and complexity of these allegations, the dispute was not suitable for the summary jurisdiction of the consumer forum but required adjudication in civil or criminal courts.

Thus, the National Commission concluded that the consumers do not qualify as "consumers" within the meaning of the Consumer Protection Act, 1986, and the underlying dispute involves complex matters of fraud and unauthorized financial dealings which fall outside the jurisdiction of the consumer forum. The appeal was dismissed with liberty to the consumers to pursue their remedies before the appropriate court of competent jurisdiction.

In sum, the decision reinforces the NCDRC's consistent stance that parties engaged in commercial real estate transactions for profit are not "consumers," and disputes involving allegations of fraud or breach of trust must be pursued before competent civil or criminal courts rather than through the summary jurisdiction of consumer fora.

IFFCO-MC CROP SCIENCE

V.

BAJRANGDAS

(2025 SCC OnLine NCDRC 21, DECIDED ON JUNE 6, 2025)

- **Section 21(b) grants NCDRC oversight, not overreach; it cannot re-appreciate facts absent a jurisdictional mistake.**



FACTS

A group of farmers (“the consumers”) cultivated groundnut in Kharif 2016 and used the fungicide Yamato Carbendazim 50% WP, manufactured by Agri Care and marketed by IFFCO-MC Crop Science Pvt. Ltd. They purchased the product based on promotional assurances of crop protection. After application, germination drastically failed and surviving plants died, causing alleged complete crop loss. Government authorities inspected the fields, and the Directorate of Plant Protection reported misleading promotion by the manufacturer/marketer. The farmers sought compensation for sowing costs, crop loss, and related damages.

IFFCO-MC denied liability, asserting that Yamato was only meant to treat fungal diseases and that crop loss was due to improper sowing practices, climatic factors, and seed issues - not the product. They argued that laboratory testing found no defect in the fungicide.

The District Commission held in favour of the farmers and awarded compensation. The State Commission, on appeal, upheld liability but reduced the compensation to ₹5,000 per bigha, along with amounts for mental agony and litigation costs.

Both sides filed Revision Petitions before the National Commission. A Single Member Bench, in an order dated 26.03.2024, upheld the findings of the lower fora and restored a higher compensation structure, awarding interest from the complaint date.

IFFCO-MC challenged this before the Rajasthan High Court, which set aside the 26.03.2024 order solely because it was issued by a Single Member Bench, and remanded the matter for rehearing by a Division Bench - without examining the merits.

ISSUES

1. Whether the National Commission, upon remand, could interfere with the Single Member Bench's earlier order when both lower fora had issued concurrent factual findings and no jurisdictional error or material irregularity was shown under Section 21(b) of the Consumer Protection Act, 1986?
2. Whether any legal infirmity existed in the 26.03.2024 order concerning the determination of compensation, findings of product defect, or attribution of liability to the Petitioner?

JUDGEMENT

The National Commission held that the Rajasthan High Court had remanded the matter only due to bench composition - not due to any flaw in the merits of the earlier order. Upon reviewing the record, it found that:

The District and State Commissions had issued concurrent findings holding the farmer-complainants entitled to compensation for crop loss.

The parties raised no new legal or factual submissions beyond those already considered in the earlier order.

Under Section 21(b), the Commission could interfere only where the lower fora acted without jurisdiction, failed to exercise jurisdiction, or acted with material irregularity.

The Petitioners failed to demonstrate any such error.

The Commission observed that the 26.03.2024 order was detailed, reasoned, and legally sound, including its method of determining compensation for first sowing failure, reduced yields in second sowing, mental agony, and litigation costs. As no defect or perversity was identified, there was no basis to overturn or modify the earlier conclusions.

Accordingly, the National Commission affirmed its prior order dated 26.03.2024 and disposed of all Revision Petitions, maintaining the compensation and interest structure previously directed. All pending applications were also disposed of.

The decision underscores the narrow limits of revisional jurisdiction and reinforces that concurrent findings of fact by lower consumer fora cannot be disturbed absent clear illegality or jurisdictional error.

SOPHIA & ANR.

V.

STATE BANK OF TRAVANCORE & SBI LIFE INSURANCE

(FIRST APPEAL NO. 34 OF 2012, DECIDED BY NCDRC ON APRIL 29, 2025)

- **Under group insurance linked to home loans, the 45-day exclusion for natural deaths is a strict contractual bar to insurer liability; yet consumer fora may grant limited equitable relief against the bank where its conduct aggravates the consumer’s hardship or frustrates the scheme’s protective purpose.**



FACTS

Sophia and her minor son Jagat Issac Anthony (“the consumers”) are the wife and son of late Antony Issac, who had availed a home loan of ₹18,94,000 from the State Bank of Travancore (“the bank”) for purchasing a flat in Thiruvananthapuram. The loan was under a tripartite agreement dated 17.02.2007 with the builder, repayable in 180 installments.

The bank persuaded the late Anthony Issac to obtain life insurance under the “Super Suraksha Home Loan Scheme” of SBI Life Insurance (“the insurer”). The Scheme promised that in the event of the borrower’s death, the outstanding loan (with interest) would be liquidated from the insurance proceeds. Antony Issac submitted the proposal form on 31.07.2007 and the bank informed him that the proposal and premium had been forwarded to the insurer. However, the insurance certificate and policy terms were not given to him.

On 05.11.2007, Antony Issac died of a cerebral hemorrhage. The insurer repudiated the claim by letter dated 14.03.2008, citing that the policy had commenced only on 09.10.2007 and his death occurred within 27 days. Under Clause 6 of schedule II, natural deaths occurring within 45 days of commencement were excluded.

The consumers alleged deficiency in service, claiming the policy should have commenced within 15 days of proposal submission. They also argued that the exclusion clause was never disclosed and that the bank acting on behalf of the insurer, delayed forwarding the proposal. They sought liquidation of the entire loan amount, interest, and compensation.

The State Consumer Disputes Redressal Commission, Kerala, partly allowed the complaint on 10.10.2011. It directed the bank to refund/reimburse ₹6,53,260.84 (the outstanding loan as per bank's suit) with 12% interest if already paid by the complainants, plus ₹15,000 for mental agony and ₹10,000 costs. The insurer was absolved of liability.

Dissatisfied, the consumers filed the first appeal before the National Consumer Redressal Commission ("the National Commission").

ISSUES

1. Whether the repudiation of the insurance claim by the insurer under the 45-day exclusion clause was valid when the insured died within 27 days of the commencement of policy coverage?
2. Whether the delay in processing the proposal form, non-disclosure of policy terms, and insistence on repayment by the bank amounted to deficiency in service under Section 2(1)(g) of the Consumer Protection Act, 1986?

JUDGEMENT

The National Commission held that the proposal form was submitted only on 09.10.2007, the same date when the premium was deducted and the certificate of insurance issued. Hence, the policy validly commenced on 09.10. 2007. Since Antony Issac died on 05.11.2007 within 27 days, the 45day exclusion clause applied. The

repudiation by the insurer was therefore justified. The grievance that the policy should have commenced earlier was rejected as the delay was attributable to incomplete submission of forms by the borrowers.

The bank's role was limited to forwarding the proposal and remitting the premium. It was not an agent of the insurer. However, the State Commission had already provided equitable relief by directing the bank to reimburse the outstanding loan amount and compensate the complainants for mental suffering caused by its insistence on repayment and filing a recovery suit.

Finding no infirmity in the State Commission's reasoning, the National Commission dismissed the appeal, upholding the partial relief already granted. No further relief was ordered, and there was no order as to costs.

The decision ultimately underscores that strict policy terms such as the 45-day exclusion clause govern insurer liability, while banks may still bear responsibility where their own procedural lapses aggravate the consumer's difficulties, thereby justifying equitable relief.

TAKAM JAMES

V.

DR. NAVANIL VARUA & ORS.

**(CONSUMER COMPLAINT NO. 581 OF 2014, DECIDED BY NCDRC ON APRIL
30, 2025)**

➤ **In medical negligence claims under the Consumer Protection Act, 1986, complications or adverse outcomes following surgery do not by themselves establish negligence without expert medical evidence showing breach of duty, no deficiency in service under Section 2(1)(g) can be sustained.**



FACTS

Takam James (“the patient”), a government servant, underwent brain surgery at GNRC Hospital, Guwahati (“the hospital”) under the care of Dr. Navanil Barua (“the neurosurgeon”) and the treating team. The surgery was conducted to treat neurological issues. Post-surgery, the patient suffered serious complications, including partial paralysis and persistent neurological deficits, which he attributed to negligent treatment.

Alleging medical negligence and deficiency in service, the patient filed a complaint before the State Consumer Disputes Redressal Commission, Assam, claiming ₹2 crore as compensation for permanent disability, loss of income, and mental agony.

The State Commission dismissed the complaint, holding that the complainant had failed to provide expert medical evidence to prove negligence, and that complications arising from surgery by themselves did not constitute negligence. Aggrieved, the

patient filed an appeal before the National Consumer Disputes Redressal Commission (“the National Commission”).

ISSUES

1. Whether the neurosurgeon and hospital were negligent in performing the surgery and post-operative care, thereby causing permanent disability to the patient?
2. Whether, in the absence of expert testimony, the complainant could establish deficiency in service under Section 2(1)(g) of the Consumer Protection Act, 1986?

JUDGMENT

The National Commission observed that in cases of alleged medical negligence, the complainant carries the burden of proving breach of duty, causation, and injury. Such proof must be supported by credible and preferably expert medical evidence. The commission emphasized that mere occurrence of complications following a surgical procedure, without supporting evidence, cannot by itself establish negligence on the part of treating doctors of the hospital.

In the present case, the complainant had not produced any independent expert testimony to link his disability directly to negligence in the surgery or in the post-operative management provided by the hospital. In the absence of such evidence, the causal connection between the treatment and the subsequent condition remained unsubstantiated. The commission relied on the decisions of the Supreme Court in *C.P. Sreekumar v. Ramanujam* (2009) and *PGIMER v. Jaspal Singh* (2009), reiterating the settled principle that negligence cannot be presumed merely from an adverse medical outcome; it must be affirmatively established through cogent evidence.

Accordingly, the National Commission upheld the dismissal of the complaint by the State Commission, holding that no deficiency in service under Section 2(1)(g) of the Consumer Protection Act, 1986, had been proved. The appeal was therefore dismissed, and the order of the State Commission affirmed. No order as to cost was made.

SMT. MOHINDER KAUR

V.

FORTIS HOSPITAL & ORS

(FIRST APPEAL NO. 698 & 1293 OF 2017, DECIDED BY NCDRC ON JUNE 6, 2025)

- **In medical negligence claims under the Consumer Protection Act,1986, the burden lies on the complainant to produce cogent expert evidence of breach of duty; complications such as epidural hematoma arising from standard procedures in elderly patients cannot by themselves establish deficiency in service under Section 2(1)(g).**



FACTS

Smt. Mohinder Kaur (“the patient”), aged 78 years, was admitted to Fortis Hospital, Mohali (“the hospital”) on 19.03.2012 for a total knee replacement surgery to be performed by Dr. Manuj Wadhwa (“the orthopedic surgeon”). The anesthesia was administered by DR. Sandeep Khurana (“the anesthesiologist”), post-operative neurosurgical consultation was provided by Dr. V.K. Khosla (“the neurosurgeon”).

On 20.03.2012, the surgery was performed. From 21.03.2012 onwards, the patient complained of severe back pain and numbness in her legs. Initially, she was told that these were side effects of anesthesia. On persistent complaints, an MRI was conducted on 23.03.2012, revealing spinal subdural/epidural hematoma. Corrective laminectomy surgery was performed, with multiple blood transfusions.

The patient alleged that due to delay in corrective measures, her lower limbs were paralyzed, causing permanent disability and dependence on catheterization. She sought ₹15 lakh compensation for negligence, refund of ₹4 lakh (hospital bills and medicines), and an additional ₹5 lakh for mental and physical suffering, along with litigation costs.

The hospital and doctors denied negligence, contending that the patient had multiple co-morbidities and corrective surgery was performed promptly once symptoms appeared but no expert evidence was produced by the complainant to prove negligence.

The State Consumer Disputes Redressal Commission, Punjab, by order date 10.03.2017 in complaint No. 68/2014, partly allowed the complaint, holding the hospital and doctors responsible for the disability, and awarded ₹15 lakh as lump sum compensation. Aggrieved, the patient filed First Appeal No. 698 of 2017 seeking enhancement of compensation, while the hospital, anesthetist, and orthopedic surgeon filed first Appeal No. 1293 of 2017 before the National Consumer Disputes Redressal Commission (“the National Commission”) challenging the order.

ISSUES

1. Whether the hospital and doctors were negligent in providing post-operative care, leading to spinal epidural hematoma and subsequent disability of the patient?
2. Whether, in the absence of expert medical evidence, the complainant proved deficiency in service under Section 2(1)(g) of the Consumer Protection Act, 1986?

JUDGMENT

The National Commission held that the patient indeed developed epidural hematoma, but medical literature and precedents show that it is a rare but possible complication of spinal anesthesia, particularly in elderly patients with co-morbidities. No cogent expert evidence was produced by the complainant to prove breach of duty or negligence in either the surgery or post-operative care. Reliance

solely on disability certificates issued years later, not admissible for medico-legal purposes, could not establish negligence.

Records indicated that the patient was walking with support in 2013 after corrective surgery, contradicting her claim of 100% paraplegia. The later diagnosis of paraparesis could not be directly linked to the 2012 surgery without expert medical testimony. Discounts on medical bills could not be treated as admission of negligence.

Accordingly, the appeal filed by the hospital and doctors (FA No. 1293/2017) was allowed, setting aside the State Commission's award. The appeal filed by the complainant (FA No. 698/2017) for enhancement was dismissed. The complaint thus stood dismissed in its entirety.

Thus, it recognized medical complications like epidural hematoma in elderly patients do not establish negligence in the absence of expert testimony demonstrating deviation from accepted medical standards.

JAITA MITRA BASU & ANR.

V.

**DR. ANIRBAN CHATTERJEE & NIGHTINGALE DIAGNOSTIC & MEDICARE
CENTRE PVT. LTD.**

**(CONSUMER COMPLAINT NO. 2644 OF 2017
DECIDED BY NCDRC ON FEBRUARY 28, 2025)**

- **A generic “high-risk” consent in a medical procedure does not satisfy the standard of informed consent; failure to obtain patient-specific consent constitutes a deficiency in service under Section 2(11) Consumer Protection Act, 2019.**



FACTS

Jaita Mitra Basu and her daughter Srimoyee Basu, the patient, consulted Dr. Anirban Chatterjee (OP-1) for treatment of an arterio-venous malformation (AVM) in the right buttock. OP-1 advised endovascular embolization, which was performed at Nightingale Diagnostic & Medicare Centre Pvt. Ltd. (OP-2) on 16.09.2015.

After the procedure, OP-1 informed that NBCA glue had accidentally entered the main artery, leading to reduced blood flow in the leg. Circulation failed the next day, and the patient developed gangrene, necessitating above-knee amputation at Sir Ganga Ram Hospital, Delhi.

The patient filed a consumer complaint under Section 21 of the Consumer Protection Act, 1986 before the National Consumer Disputes Redressal Commission (“the Commission”), seeking ₹20.41 crore in compensation for medical negligence and deficiency in service.

OP-1 contended that embolization is a high-risk procedure with inherent complications, that a high-risk consent was signed, and that all necessary precautions were taken. OP-2 claimed it only provided infrastructure.

ISSUES

1. Whether the conduct of OP-1 and OP-2 amounted to deficiency in service under Section 2(11) Consumer Protection Act, 2019, in performing and managing the AVM embolization.

2. Whether the consent obtained met the test of informed consent, and whether failure to disclose material risks constitutes deficiency in service under Section 2(11).

JUDGMENT

The Commission observed that although AVM embolization is a high-risk procedure, the consent form was generic and failed to mention critical complications such as glue migration and potential limb loss. The duty of informed consent required specific, patient-tailored disclosure, consistent with judicial precedents such as *Samira Kohli v. Dr. Prabha Manchanda* (2008) 2 SCC 1.

The AIIMS Medical Board report indicated that the procedure and materials used were within accepted standards, but the Commission found that the deficiency lay in inadequate counselling and documentation, not in technical performance.

The Commission held that OP-1 and OP-2 were jointly and severally liable for failure to obtain meaningful informed consent and for deficiency in service under Section 2(11). The complaint was maintainable since consideration was paid to OP-2, bringing both within the Act's ambit. The Commission awarded ₹75,00,000 as compensation jointly and severally against both OPs, with interest @12% p.a. in case of default, and ₹50,000 as litigation costs. The decision entails that a generic "high-risk" consent does not fulfill the legal standard of informed consent, and patients must be warned of specific material risks; failure to do so constitutes deficiency in service.

VIKESH KUMAR AND ANR.

V.

M/S. ROSELYN SQUARE

**(FIRST APPEAL NO. NC/FA/390/2023, DECIDED BY NCDRC ON APRIL 24,
2025)**

- **A purchaser of commercial property claiming self-employment benefit under Section 2(7) of the Consumer Protection Act, 2019, must prove actual personal use for livelihood; mere assertions are insufficient, and investment transactions with assured returns fall outside the ambit of “consumer.”**



FACTS

Vikesh Kumar and Sandeep Kumar (“the consumers”) booked eight office units measuring about 2400 sq.ft. in the project “Roselyn Square” developed by M/s. Roselyn Square (“the company”) at Zirakpur, Punjab on 09.07. 2019. They claimed the purpose of purchase was to establish a family-run coaching institute for IELTS, TOEFL, and spoken English training, thereby earning livelihood through self-employment.

The company offered three payment schemes:

- (a) Down payment with assured returns,
- (b) Partial payment with assured returns and
- (c) Construction Plan without returns

The consumers chose the partial payment plan, paying ₹1,56,54,078/- (95% of the price).

Agreements for Sale were executed on 22.07.2019, nullifying the possession clause. The company approved their request under the “Assured return scheme” with monthly returns to start from 01.03.2021.

When the assured returns were not paid despite repeated requests, the consumers filed complaint No. 6/2023 before the State Consumer Disputes Redressal Commission, Punjab, Chandigarh, alleging deficiency in service.

The State Commission, relying on *Laxmi Engineering Works v. PSG Industrial Institute (1995)* dismissed the complaint in limine on 26.09.2023, holding that the transaction was for a commercial purpose and the complainants did not qualify as “consumers” under Section 2(7) of the Consumer Protection Act, 2019.

Aggrieved, the consumers filed the present first appeal before the National Consumer Disputes Redressal Commission (“the National Commission”) under Section 51 of COPRA, 2019.

ISSUES

1. Whether the consumers having booked office units in a commercial project for a proposed coaching institute, fell within the definition of “consumer” under Section 2(7) of the Consumer Protection Act, 2019?

JUDGMENT

The National Commission held that Section 2(7) COPRA excludes from the ambit of “consumer” those who avail goods or services for a commercial purpose, except when used exclusively for livelihood through self-employment. The Consumers argued that their purchase fell under this exception, as they intended to start a coaching institute operated by family members. However, no evidence was produced to show that they were engaged personally in such activity. On the contrary, they had waived possession and primarily sought assured returns, reflecting an investment motive.

Citing *Virender Singh v. Darshana Trading Co.* (2025), the Commission observed that mere assertion of self-employment is insufficient, evidence of actual self-use is required. Since, the consumers failed to establish this, they could not qualify as “consumers” under COPRA.

Consequently, the State Commission’s dismissal of the complaint was found justified. The appeal was dismissed as being devoid of merit. However, liberty was granted to the consumers to pursue remedies before the appropriate civil court, with the benefit of Section 14 of the Limitation Act, 1963. No order as to Costs.

VIVEK SINHA

V.

M/S IMPERIAL HOUSING VENTURES PVT. LTD.

(FIRST APPEAL NO. 89 OF 2017, DECIDED BY NCDRC ON JUNE 12, 2025)

- **A lawful offer of possession by a developer requires a valid Occupancy Certificate issued by the Competent Authority. An offer without this certificate is defective and non-est in law.**
- **Unilateral cancellation of allotment without providing the allottee a reasonable opportunity to remedy alleged defaults violates principles of fairness and constitutes deficiency in service.**
- **Silence or deliberate non-reply to a valid legal notice amounts to implicit acknowledgment of claims or reflects indifference to the consumer's rights and grievances.**



FACTS

The consumer applied on February 5, 2011, for the allotment of a four-bedroom apartment in the "Paras Tierrea" project in Noida. The developer issued a provisional allotment to the consumer on March 3, 2011, with a total sale consideration of Rs. 93,90,750/-. An Agreement executed on January 12, 2012, obligated the developer to hand over possession within twenty-four months, plus an additional six-month grace period. The consumer paid approximately Rs. 90,00,000/- (around 95% of the consideration) by April 6, 2015. Despite the lapse of several years beyond the promised delivery date, possession was not delivered.

On April 6, 2015, the developer issued a Letter-cum-Offer of possession, demanding clearance of the outstanding dues within thirty days. However, upon inspecting the site, the consumer observed that construction and essential civic amenities were incomplete. When inquiries received no response, the developer unilaterally cancelled the allotment by a letter dated September 9, 2017, citing the consumer's failure to clear contractual dues and take delivery. The developer also failed to respond to a Legal Notice sent by the consumer on September 18, 2017. Thus, the consumer filed a complaint before the NCDRC.

The developer resisted the complaint, arguing that the complaint was not maintainable before the National Consumer Disputes Redressal Commission ("the National Commission") because the sale consideration was below Rs. 1 crore, and additional relief claimed could not be clubbed to establish pecuniary jurisdiction.

The developer further contended that the buyer was not a "Consumer" but an "investor" who intended to gain capital appreciation or rental income. It was also argued that the consumer's defaults were chronic and admitted, violating the payment schedule, which entitled the developer to cancel the allotment. The developer claimed that the apartment was ready and possession was offered on April 6, 2015, only after the Occupancy Certificate had been issued by the NOIDA Authority.

ISSUES

1. Whether the developer committed a deficiency in service and unfair trade practice under S. 2(11) of the Consumer Protection Act, 1986, by delaying possession, offering possession without statutory compliance, and unilaterally cancelling the allotment?
2. Whether the subsequent unilateral cancellation of the allotment by the developer was justified, particularly when the consumer had paid approximately 90% of the total consideration?

JUDGEMENT

The National Commission observed that a fundamental prerequisite for any lawful offer of possession by a developer to a flat buyer is the existence of a valid and duly issued Occupancy Certificate by the Competent Authority, affirming that the property is fit for occupation. An offer without this renders the offer defective and non-est in law.

The National Commission found that the offer of possession dated April 6, 2015 suffered from legal infirmities because it was not accompanied by any Occupancy Certificate. This rendered the offer defective and non-est in law as the developer failed to complete mandatory statutory formalities.

The developer's credibility was further damaged by the belated filing of the Occupancy Certificate, which occurred only after the Commission's specific order, and the deliberate use of whitener to obscure references to the Occupancy Certificate in their Written Statement.

The Commission held that the cancellation of allotment on September 9, 2017 was unjustified and arbitrary. Principles of fairness dictate that an allottee must be provided with a reasonable opportunity to remedy any alleged default before a unilateral cancellation is imposed. The developer failed to provide satisfactory documentary evidence to demonstrate that sufficient reminders were served or adequate opportunity was given to the consumer to rectify any purported default before resorting to cancellation, making the notice defective and legally unsustainable.

The Commission noted that the consumer's prior remittance of approximately 90% of the sale consideration evidenced substantial compliance with contractual obligations. Depriving the consumer of possession due to minor pending dues, particularly without due notice, constituted a clear inequity. Furthermore, silence or deliberate non-reply to a valid legal notice amounts to implicit acknowledgment of the claims therein or reflects indifference to the rights and grievances of the consumer.

Given the developer's deficiencies, the total outstanding dues claimed by the developer, which included Rs. 13,80,418/- in interest, were found to be excessive and inequitable. Thus, the National Commission found the developer guilty of

deficiency in service and unfair trade practices under the Consumer Protection Act, 1986. The complaint was allowed with the following directions: the interest component claimed by the developer was reduced by half; the developer was directed to immediately hand over physical possession of the Apartment, complete in all respects, and execute the conveyance deed at its own cost, after the consumer pays the legitimately computed outstanding sale price amount; and the outstanding amounts payable by the consumer shall not include holding charges or maintenance charges up to the date of handing over of possession.

A subsequent appeal by the developer before the Supreme Court was also dismissed, the Court finding no ground to interfere with the well-reasoned judgment of the National Commission.

SKODA AUTO VOLKSWAGEN INDIA PVT. LTD.

V.

ANUJ GUPTA & ANR.

(FIRST APPEAL NO. NC/FA/258/2022

DECIDED BY NCDRC ON FEBRUARY 28, 2025)

- **Frequent repairs or repeated visits to a workshop, without conclusive technical testing, do not establish a manufacturing defect; refund of vehicle cost cannot be ordered in such circumstances.**



FACTS

Anuj Gupta (“the consumer”) purchased a Volkswagen Vento Highline car from M/s Swami Automobiles Pvt. Ltd. for ₹11,88,900/-. Soon after the purchase, the vehicle had to be frequently taken to Volkswagen Chandigarh’s (“respondent 2”) workshop for service and repairs. Dissatisfied with the recurring issues, the consumer (Anuj Gupta) filed a consumer complaint before the State Consumer Disputes Redressal Commission, Punjab, Chandigarh (“State Commission”) against respondent 2 alleging that the car suffered from inherent manufacturing defects.

The State Commission appointed Punjab Engineering College as a technical expert under section 13(1)(c) to examine the vehicle. Based on its report, the State Commission directed a refund with 25% depreciation and compensation and costs. The refund was to be given by Skoda Auto Volkswagen India Pvt. Ltd. (“the manufacturer”) of Rs 8,91,675 with interest of 9% p.a. from 18.09.2015 within 30 days or with interest of 12% p.a. till realization. Further, respondent 2 was directed to pay Rs 50,000 for mental agony, harassment and deficiency in service and Rs

25,000 as litigation cost within 30 days failing which with interest of 9% p.a. till realization and for the vehicle to be handed over to respondent 1.

Feeling aggrieved, the company filed a first appeal before the National Consumer Disputes Redressal Commission, New Delhi (“the Commission”). The company argued that the vehicle had been extensively used and had already covered 1,60,376 kms in the span of 3.5 years, making the claim of a manufacturing defect implausible. It submitted that the issues were due to ordinary wear and tear and that all necessary repairs had been undertaken under warranty and duly accepted by the consumer. Further, it contended that a genuine manufacturing defect would render the vehicle unfit for use, which was not the case here. Information relating to accidents was concealed by the consumer and it was argued that in any case they had a ‘principal to principal’ relation thereby removing any liability from the appellant. Finally, the expert opinion was also contended to be insufficient, improper, inconclusive and an afterthought.

ISSUES

1. Whether frequent repairs and repeated visits to the workshop, without conclusive technical testing, establish a “manufacturing defect” within the meaning of Section 2(10) of the Consumer Protection Act, 2019?
2. Whether the State Commission was justified in ordering refund and compensation without complying with the procedure under Section 38(2)(c) of the Consumer Protection Act, 2019, which requires reference of goods to an appropriate laboratory for analysis?

JUDGEMENT

The Commission observed that the vehicle had been extensively used for nearly three years and had covered over 1,60,000 kms, which was inconsistent with the allegation of a manufacturing defect. It clarified that frequent repairs alone cannot amount to proof of a manufacturing defect. A vehicle warranty entitles the consumer only to the replacement of defective parts under warranty terms, not to the replacement of the entire vehicle or a refund of its cost.

The Commission further held that the report of Punjab Engineering College, which stated that the car “may” have a manufacturing defect, was inconclusive and unreliable, especially since the car had been lying dismantled in the workshop for nearly two years before examination. Accordingly, the Commission found that the consumer had failed to discharge the burden of proving an inherent manufacturing defect. The State Commission’s findings were held to be based on misapplication of law and incorrect appreciation of evidence.

The Commission allowed the appeal, set aside the order of the State Commission, and dismissed the complaint against the manufacturer.

ATUL KULSHRESHTHA

V.

EMAAR INDIA LIMITED

(FIRST APPEAL NO.1126 OF 2023, DECIDED BY NCDRC ON APRIL 29, 2025)

➤ **Compensation for delay in possession should be awarded as simple interest on the deposited amount at a fair compensatory rate, and separate damages for mental agony for the same cause of action are impermissible.**



FACTS

The case concerns a claim for compensation arising from a significant delay in the delivery of an apartment by the builder, Emaar India Limited (“opposite party”), to buyer Atul Kulshrestha. The buyer had booked Apartment No. PTS-11-0301 in Block No. 11 of the “Palm Terraces Select” project in Gurgaon in November 2010, and an Apartment Buyer Agreement (ABA) was executed in December 2010. Under Clause 4 of the ABA, the builder was required to deliver possession within 30 months, with a three-month grace period, from the commencement of construction, making the due possession date 1 April 2015. However, possession was offered only on 11 March 2019 and physically handed over on 26 April 2019, resulting in a delay of over five years, though the builder had already paid Rs. 7,81,794 as compensation for the delay.

The buyers deposited a total of Rs. 1,92,68,146 and later filed a complaint before the State Consumer Disputes Redressal Commission, Delhi, seeking further compensation. The builder opposed the claim, contending that the complainants were not consumers under the Act and that the delay was due to unforeseen and uncontrollable circumstances, arguing there was no actual delay and that the project had been completed to the buyers’ satisfaction.

On 31 October 2023, the State Commission partly allowed the complaint, awarding compensation at 8% simple interest per annum on the deposited amount for the delayed period (1 April 2015 to 11 March 2019), after deducting the earlier payment, along with Rs. 2,00,000 for mental agony and Rs. 50,000 in litigation costs. Both parties appealed to the National Commission in relation to the amount of compensation.

ISSUES

1. Whether the simple interest rate of 8% per annum awarded by the State Commission on the deposited amount for the delayed possession period was adequate, or if it should be enhanced to 9% per annum as sought by the buyers?
2. Whether the separate award of Rs. 2,00,000 for mental agony and harassment, in addition to interest on the deposited amount, was permissible in law for a single deficiency, or if this amount should be set aside as argued by the builder?

JUDGMENT

The National Commission enhanced the compensation for delayed possession by directing the builder to pay simple interest at 9% per annum on the total deposited amount of Rs. 1,92,68,146 for the period from 1 April 2015 (the due date of possession) to 11 March 2019 (the date possession was offered), after deducting Rs. 7,81,794 already paid as delay compensation.

The enhancement was based on the principle laid down by the Supreme Court in *Experion Developers Pvt. Ltd. v. Sushma Ashok Shiroor*, holding 9% interest to be fair and just in cases of delayed possession. The Commission further set aside the Rs. 2,00,000 awarded by the State Commission for mental agony and harassment, relying on the Supreme Court's decision in *DLF Homes Panchkula Pvt. Ltd. v. D.S. Dhanda*, which prohibits multiple compensations for the same cause of action, since the interest component already compensates for such non-pecuniary loss. However, it upheld the award of Rs. 50,000 towards litigation costs, clarifying that there would be no other order as to costs.

ICICI LOMBARD GENERAL INSURANCE CO. LTD.

V.

KHUSBOO

(REVIEW APPLICATION NO. NC/RA/64/2024 IN REVISION PETITION NO.

NC/RP/1189/2020

DECIDED BY NCDRC ON MARCH 6, 2025)

- **A review petition cannot be used to re-agitate issues already decided.**
- **Failure to transfer an insurance policy after the insured's death is not a fundamental breach when the legal heir has initiated the transfer process.**



FACTS

Late Sunita Rani, mother of the complainant Khushboo, owned a car that was insured under a motor policy issued by ICICI Lombard. She died on 09.08.2016, but the insurance policy was never transferred to Khushboo's name. The insured vehicle was stolen on 07.07.2017 during the currency of the policy. When Khushboo submitted a theft claim for the insured declared value (IDV), the insurer repudiated it, arguing that under Clause 9 of Section 3 of the policy, coverage for a deceased insured continues only for three months after death unless the policy is transferred to the legal heir. Since the theft occurred nearly eleven months after the insured's death and no transfer had been completed, the insurer maintained that the policy had lapsed and no contract of insurance existed at the time of the theft.

The District Forum rejected this defence and allowed the claim for ₹9,19,604. The State Commission partially upheld this decision. ICICI Lombard filed a Revision Petition before the National Commission, which on 26.10.2023 dismissed the petition

but modified the relief by removing compensation for mental agony and reducing the interest rate from 10% to 9%. Khushboo filed a Review Petition, arguing that the reduction of interest was unreasoned, but the Commission dismissed it. She then approached the Delhi High Court, which remanded the Review Application back to the National Commission to reconsider the interest issue and provide reasons. On remand, the insurer attempted to reopen the entire case, while the complainant argued that only the interest issue remained open for review.

ISSUES

1. whether the complainant's failure to transfer the insurance policy within three months of the insured's death invalidated the policy and justified repudiation of the theft claim
2. whether the National Commission had correctly exercised its discretion in reducing the interest rate from 10% to 9% in its earlier order, and whether this modification required reconsideration following the Delhi High Court's remand.

JUDGMENT

The National Commission held that the earlier order dated 26.10.2023 contained no error warranting review. It reaffirmed that although the complainant had not transferred the policy within the prescribed period, the breach was not fundamental because she had approached the insurer's agent and initiated transfer formalities, which took time due to the financier's requirements. The Commission noted that both the District Forum and State Commission had returned concurrent findings in the complainant's favour and that the insurer had not challenged the 26.10.2023 order before the High Court. Accordingly, the Revision Petition could not be reopened.

Regarding interest, the Commission held that 9% was an appropriate rate consistent with the general range applied in insurance cases by the Commission, whereas the 10% awarded by the lower fora lacked supporting reasoning. It therefore affirmed the direction requiring the insurer to pay ₹9,19,604 within eight weeks, with interest at 9% per annum only if payment was delayed. The Review Petition was dismissed and the earlier order maintained.



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