

CONSUMER PROTECTION IN A GLOBALISED BUSINESS ENVIRONMENT IN INDIA

BY

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- The number of customers today is about 5.6 billion. 88% of the next billion consumers will be from Asia. A consumer is the person who actually uses or consume the products to satisfy his or her own needs or wants. A Customer is the person who purchases or buys the products to satisfy his/her or others needs and wants. All customers are also consumers of the goods and services. The number of consumers will be more than the customers. As a consumer is the person who consume or uses the products to satisfy its needs and wants. All most all human beings on the earth are the consumers. The words customers and consumers are used interchangeably here in this study.

According to Section 2(7) of the Consumer Protection Act 2019 "consumer" means any person who—

- (i) buys any goods for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any user of such goods other than the person who buys such goods for consideration paid or promised or partly paid or partly promised, or under any system of deferred payment, when such use is made with the approval of such person, but does not include a person who obtains such goods for resale or for any commercial purpose; or
- (ii) (ii) hires or avails of any service for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any beneficiary of such service other than the person

who hires or avails of the services for 6 consideration paid or promised, or partly paid and partly promised, or under any system of deferred payment, when such services are availed of with the approval of the first mentioned person, but does not include a person who avails of such service for any commercial purpose. Explanation. —For the purposes of this clause, — (a) the expression "commercial purpose" does not include use by a person of goods bought and used by him exclusively for the purpose of earning his livelihood, by means of self-employment; (b) the expressions "buys any goods" and "hires or avails any services" includes offline or online transactions through electronic means or by teleshopping or direct selling or multi-level marketing;

Globalization – what is it? What is the definition of globalization? Benefits and negative effects? What are the top examples of globalization? What famous quotes have been said about globalization?

Globalization means the speedup of movements and exchanges (of human beings, goods, and services, capital, technologies or cultural practices) all over the planet. One of the effects of globalization is that it promotes and increases interactions between different regions and populations around the globe.

According to WHO. globalization can be defined as ” the increased interconnectedness and interdependence of peoples and countries. It is generally understood to include two inter-related elements: the opening of international borders to increasingly fast flows of goods, services, finance, people and ideas; and the changes in institutions and policies at national and international levels that facilitate or promote such flows.”

Globalisation means integrating the economy of a country with the economies of other countries under conditions of free flow of trade, capital and movement of persons across borders. It includes. (i) Increase in foreign trade. (ii) Export and import of techniques of production.

Because of trade developments and financial exchanges, we often think of globalization as an economic and financial phenomenon. Nonetheless, it includes a much wider field than just flowing of goods, services or capital. Often referred to as the *globalization concept map*, some examples of globalization are:

- **Economic globalization:** is the development of trade systems within transnational actors such as corporations or NGOs;
- **Financial globalization:** can be linked with the rise of a global financial system with international financial exchanges and monetary exchanges. Stock markets, for instance, are a great example of the financially connected global world since when one stock market has a decline, it affects other markets negatively as well as the economy as a whole.
- **Cultural globalization:** refers to the interpenetration of cultures which, as a consequence, means nations adopt principles, beliefs, and costumes of other nations, losing their unique culture to a unique, globalized supra-culture;
- **Political globalization:** the development and growing influence of international organizations such as the **UNO** or **WHO** means governmental action takes place at an international level.
- **Sociological globalization:** information moves almost in real-time, together with the interconnection and interdependence of events and their consequences. People move all the time too, mixing and integrating different societies;
- **Technological globalization:** the phenomenon by which millions of people are interconnected thanks to the power of the digital world via platforms such as Facebook, Instagram, Skype or Youtube.
- **Geographic globalization:** is the new organization and hierarchy of different regions of the world that is constantly changing. Moreover, with transportation and flying made so easy and affordable, apart from a few countries with demanding visas, it is possible to travel the world without barely any restrictions;

- **Ecological globalization:** accounts for the idea of considering planet Earth as a single global entity – a common good all societies should protect since the weather affects everyone and we are all protected by the same atmosphere. To this regard, it is often said that the **poorest countries that have been polluting the least will suffer the most from climate change.**

What Is Globalization in the Economy?

According to the **Committee for Development Policy** (a subsidiary body of the United Nations), from an economic point of view, globalization can be defined as: “(...) the increasing interdependence of world economies as a result of the growing scale of cross-border trade of commodities and services, the flow of international capital and the wide and rapid spread of technologies. It reflects the continuing expansion and mutual integration of market frontiers (...) and the rapid growing significance of information in all types of productive activities and marketization are the two major driving forces for economic globalization.”

GLOBALISATION is the process by which businesses or other organizations develop international influence or start operating on an international scale. Globalization is a term used to describe how trade and technology have made the world into a more connected and interdependent place. Today because of the liberalization of economies the globalization process has started in the business world. Because of the advent of WTO and other world bodies all most all countries have opened its borders for free trade of goods and services subject to some restrictions. As a result of this the consumers are able to get the goods and services at global level. The volume of trade and commerce has increased many fold. The multinational corporations spread their business all over the world.

When there is free economy in the country with certain restrictions on trade and commerce in this global scenario do we say that there are unfair or deceptive trade practices prevailing in the market and practiced by manufacturers, traders or dealers of goods and services.

What are unfair trade practices under Consumer Protection Act, 2019

Section 2 (47) the Consumer Protection Act, 2019 defines the term 'unfair trade practices' which include:

1. Manufacturing spurious goods or providing defective services.
2. Not issuing cash memos or bills for the goods purchased or services rendered.
3. Refusing to take back or withdraw the goods or services and not refunding the consideration taken for the purchase of the goods or services.
4. Disclosing the personal information of the consumer.

On a survey conducted on 100 consumers with a structured questionnaire and oral interviews about the prevalence of unfair trade practices in this global business environment with respect to their perception about Product Warranty, After sale services, advertising, sales promotion , sponsorship and pricing of the product. Many unfair practices were also found to be present in service sector such as medical profession, legal profession, education sector etc.etc.

are shown by the various tables on a 5 point likert scale (key 5: Strongly Agree, 4: Agree, 3: Uncertain, 2: Disagree, 1 : Strongly Disagree) with the statement put to the consumers.

TABLE: A

**CONSUMERS' PERCEPTION RELATING TO THE EXTENT OF PREVALANCE OF
UNFAIR TRADE PRACTICES IN THE MARKET RELATING TO PRODUCT WARRANTY**

Key (5: Strongly Agree, 4: Agree, 3: Uncertain, 2: Disagree, 1 : Strongly Disagree)

Statement	Percentage				
	5	4	3	2	1
1. The terms & conditions (content) of Warranty or guarantee are not clearly Stated:	17%	40%	26%	15%	2%
2. The warranty/guarantee card is often given to the purchaser without seal or signature of the mfr. Or dealer.	19%	33%	29%	15%	4%
3. Product warranty/guarantee is often Not honoured by the mfr/dealer	14%	41%	30%	13%	2%
4. Most of the mfr/dealer do not replace The defective parts /products according to the warranty clause	18%	45%	27%	9%	1%
5 . Mfrs/dealers often use warranty/ guarantee to allure the buyers/ customers	15%	52%	24%	8%	1%

TABLE B

FREQUENCY OF CONSUMERS' FACED THE PROBLEM RELATING TO UNFAIR TRADE PRATICES IN
THE MARKET RELATING TO PRODUCT QUALITY, WARRANTY OR AFTER SALE SERVICES

Key:	3: Many Times	2: Not many times	3: Never
	Percentage Score (N=100)		
Unfair Trade Practices	3	2	1
1. Supply of sub standard goods	20%	65%	15%
2. Providing of deficient services	20%	58%	22%
3. Supply of defective goods	16%	60%	24%
4. Supply of hazardous products	10%	40%	50%
5. Supply of second hand/rebuilt/renovated/ Reconditioned or old goods as new goods	11%	45%	44%
6. Not providing after sale services promised	12%	46%	42%
7. Charging unjustified costs for providing after sale services	19%	38%	43%
8. Not providing necessary repairs or Spare parts in time	20%	48%	32%
9. Charging unjustified costs for providing repairs or spare parts	18%	45%	37%
10. Not fulfilling the product warranty / Guarantee	15%	42%	43%

TABLE: C

**CONSUMERS' PERCEPTION RELATING TO THE EXTENT OF PREVALANCE OF UNFAIR TRADE
PRATICES IN THE MARKET RELATING TO AFTER SALE SERVICES**

Key (5: Strongly Agree, 4: Agree, 3: Uncertain, 2: Disagree, 1 : Strongly Disagree)

Statement	Percentage				
	5	4	3	2	1
1. The mfr/dealer does not provide quick Or speedy repair, maintenance or After sale services	18	55	18	8	01
2. The extra money charges by the mfr/ Dealer for replacing a defective part is Unjustified	17	41	29	10	03
3. In most of the cases the extra money charged for after sale services (excluding) is unjustified	12	43	30	13	02
4. The quality of repair, maintenance and After Sale services provided by the mfrs/dealers is generally not satisfactory	11	49	28	09	03

TABLE: D**CONSUMERS' PERCEPTION RELATING TO THE EXTENT OF PREVALANCE OF UNFAIR TRADE PRACTICES IN THE MARKET RELATING TO ADVERTISING & SALE PROMOTION**

Key (5: Strongly Agree, 4: Agree, 3: Uncertain, 2: Disagree, 1 : Strongly Disagree)

Statement	Percentage				
	5	4	3	2	1
1. In many advertising mfrs/dealers make exaggerated claims regarding the various features of products or services	28	45	21	05	01
2. The product is often not available at the advertised discounted price.	09	45	32	11	03
3. Mfrs/dealers often use product warranty and guarantee to allure the buyers	14	53	24	08	01
4. The mfrs/dealers often increase the selling price before announcing any discount Scheme, sales contests, games, gifts or prizes.	22	50	20	05	02
5. In most of the advertisements mfrs/dealers use the word "FREE" with a view to deceive the customers.	20	42	25	12	01
6. TV advertisements are generally more deceptive as compared to other ads.	18	23	34	23	02
7. Generally the advertisers resort to unethical or obscene advertising practices to promote their products/services.	18	33	32	15	02
8. TV is a more potent weapon as compared to other media of advertisements of making exaggerated claims about the quality/ usefulness / benefits / performance of the products / services.	30	49	14	06	01

9. The celebrities like film stars/sports persons are generally used by the mfrs/dealers in their advertisements to mislead the customers. 35 45 13 06 01
 10. Most of the advertisements falsely represent the standard or grade of their products/services. 12 47 30 10 01
 11. Most of the mfrs/dealers make deceptive use of the term "NEW" in their advertisements. 13 45 30 10 02
 12. In most of the cases the advertiser falsely represent that his goods /services have sponsorship or approval of well known persons or organizations. 11 47 29 11 02
 13. The advertisers often make misleading representation concerning the need for or the usefulness or any goods or services. 09 44 32 14 01
 14. The advertiser generally gives to the public warranty or guarantee of the performance or life of the product is not based on an adequate test. 10 31 38 17 03
 15. Advertisements generally gives information disparaging the goods, services or trade of other person (s), 07 21 40 24 08
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TABLE: E

**CONSUMERS' PERCEPTION RELATING TO THE EXTENT OF PREVALANCE OF PRICE
RELATED UNFAIR TRADE PRATICES IN THE MARKET**

Key (5: Strongly Agree, 4: Agree, 3: Uncertain, 2: Disagree, 1 : Strongly Disagree)

Statement	Percentage				
	5	4	3	2	1
1. Most of the products are over priced	28	43	19	07	03
2. Dealers could charge lower prices and still make reasonable profits.	32	44	14	06	04
3. The main guiding factor for Indian business men is to earn maximum profits without giving due level of customer satisfaction.	40	36	14	07	03
4. Most of manufactures or dealers deceive the customers in the name of "DISCOUNT SALE".	34	46	15	04	01
5. The dealers charge only the 'MAXIMUM RETAIL PRICE' indicated on the package.	28	40	20	08	04
6. Too much expenditure on packaging adds to the price of the product.	30	47	15	07	01
7. Heavy expenditure on advertising and sales promotion adds to the price of the products/services.	35	40	17	06	02
8. The manufacturers/dealers often increase the selling price before announcing any discount schemes/sales contests/gifts/games/prizes etc.	23	50	20	05	02
9. The mfrs/dealers often make use of the Words 'SALE' /'DISCOUNT SALE' / 'CLEARANCE SALE' / 'BARGAIN SALE' in their advertisements with a view to alluring or deceiving the consumer.	29	48	17	05	01

TABLE: F

**CONSUMERS' PERCEPTION RELATING TO THE EXTENT OF PREVALANCE OF UNFAIR
TRADE PRATICES IN THE MARKET RELATING TO DISTRIBUTION OR DELIVERY OF
GOODS OR SERVICES**

Key (5: Strongly Agree, 4: Agree, 3: Uncertain, 2: Disagree, 1 : Strongly Disagree)

Statement	Percentage				
	5	4	3	2	1
1. The product is often not available at the advertised discounted price.	09	45	32	11	03
2. The manufacturers / suppliers hoard or refuses to sell/supply the goods or services with a view to increasing price.	25	27	24	19	05

REDRESSAL AGENCIES FOR CONSUMER GRIEVANCES AGAINST THE UNFAIR TRADE PRACTICES INDULGED INTO BY THE MANUFACTURERS OR DELAERS OF GOODS OR SERVICES:

1. The Competition Commission of India.
2. Consumers Disputes Redressal Agencies under the Consumer Protection Act, 2019 such a District Commission, State Commission, National Commission.
3. Concerned Government Departments or Ministeries.
4. Voluntary Consume The Competition Commission of India.
5. Consumers Disputes Redressal Agencies under the Consumer Protection Act, 2019 such a District Commission, State Commission, National Commission.
6. Concerned Government Departments or Ministeries.
7. Voluntary Consumer Organisations.
8. Manufacturers or Dealers and their Associations.
9. News papers
10. Police,
11. Bureau of Indian Standards.
12. Manufacturers or Dealers and their Associations.
13. News papers
14. Police,
15. Bureau of Indian Standards.
16. Real Estate Regulatory Authority (RERA)
17. Medical Council of India (MCI)
18. Bar Council of India (BCI)
19. Federation of Industry and Commerce Chambers of India (FICCI)

TABLE: F
LEVEL OF CONSUMERS' AWARENESS ABOUT CONSUMER DISPUTES REDRESSAL AGENCIES

REDRESSAL AGENCY	AWARENESS LEVEL (%)	
	YES	NO
1. The Competition Commission of India.	32%	68%
2. Agencies under the Consumer Protection Act, 2019.	40	60
3. Concerned Govt. Departments or Ministries.	30	70
4. Voluntary Consumer Organisations.	28	72
5. Manufacturers or Dealers and their Associations.	22	78
6. News papers	16	84
7. Police	10	90
8. Bureau of Indian Standards.	07	93

TABLE: G :
CONSUMERS' SOURCES OF INFORMATION ABOUT CONSUMERS' DISPUTES
REDRESSAL AGENCIES

SOURCES	YES %	NO %
1. Radio	20%	80%
2. Television	30	70
3. News Papers	28	72
4. Magazines	18	82
5. Leaflets or Pamphalets.	12	88
6. Exhibitions.	12	88
7. Sign Boards.	14	86
8. Conferences or Seminars.	12	88
9. Voluntary Consumer Organisations.	17	83
10. Friends	40	60

Need for the Consumer Protection Act, 2019

The Consumer Protection Act, 1986 which subsequently repealed and in its place a new law namely The Consumer Protection Act, 2019 was enacted with many changes by the Indian legislature to deal with matters relating to violation of consumer's rights, unfair trade practices, misleading advertisements, and all those circumstances which are prejudicial to the consumer's rights. The intention of the Parliament behind enacting the Act was to include provisions for e-consumers due to the development of technology, buying and selling of goods and services online have considerably increased during the last few years. Before the enactment of Consumer Protection Act, 1986 there was the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969 which take care of the consumer protection from unfair trade practices .

The Act seeks to provide better protection of the rights and interests of the consumers by establishing Consumer Protection Councils to settle disputes in case any dispute arises and to provide adequate compensation to the consumers in case their rights have been infringed. It further provides speedy and effective disposal of consumer complaints through alternate dispute resolution mechanisms. The Act also promotes consumer education in order to educate the consumer about their rights, responsibilities and also redressing their grievances.

Objective of the Consumer Protection Act, 2019

The main objective of the Act is to protect the interests of the consumers and to establish a stable and strong mechanism for the settlement of consumer disputes. The Act aims to:

1. Protect against the marketing of products that are hazardous to life and property.
2. Inform about the quality, potency, quantity, standard, purity, and price of goods to safeguard the consumers against unfair trade practices.
3. Establish Consumer Protection Councils for protecting the rights and interests of the consumers.

4. Assure, wherever possible, access to an authority of goods at competitive prices.
5. Seek redressal against unfair trade practices or unscrupulous exploitation of consumers.
6. Protect the consumers by appointing authorities for timely and sufficient administration and settlement of consumers' disputes.
7. Lay down the penalties for offences committed under the Act.
8. Hear and ensure that consumers' welfare will receive due consideration at appropriate forums in case any problem or dispute arises.
9. Provide consumer education, so that the consumers are able to be aware of their rights.
10. Provide speedy and effective disposal of consumer complaints through alternate dispute resolution mechanisms.

What are consumer rights under Consumer Protection Act, 2019

There exist six rights of a consumer under the Consumer Protection Act, 2019. The rights of the consumers are mentioned under section 2 (9) of the Act, which are as follows:

1. The right of a consumer to be protected from the marketing of goods and services that are hazardous and detrimental to life and property.
2. The right of a consumer to be protected against unfair trade practices by being aware of the quality, quantity, potency, purity, standard and price of goods, products or services.
3. The right of a consumer to have access to a variety of goods, services and products at competitive prices.
4. The right to seek redressal at respective forums against unfair and restrictive trade practices.
5. The right to receive adequate compensation or consideration from respective consumer forums in case they have been wronged by the seller.
6. The right to receive consumer education.

Jurisdiction of the Consumer Disputes Redressal Agencies like the District Commission, State Commission and the National Commission:

1. The District Commissions will have the jurisdiction to entertain complaints where the value of the goods, services or products paid as consideration to the seller does not exceed 50 lakh rupees.
2. State Commissions will have the jurisdiction to entertain complaints where the value of the goods, services or products paid as consideration to the seller exceeds 50 lakh rupees but does not exceed two crore rupees.
3. The National Commission will have the jurisdiction to entertain complaints where the value of the goods, services or products paid as consideration to the seller exceeds two crore rupees.
4. The Act further states that every complaint concerning consumer dispute shall be disposed of as expeditiously as possible. A complaint filed under this Act shall be decided within the period of three months from the date of receipt of notice by the opposite party in the cases the complaint does not require analysis or testing of the goods and services and within a period of 5 months, if it requires analysis or testing of the goods and services.
5. The Consumer Protection Act, 2019 also facilitates the consumers to file complaints online. In this regard, the Central Government has set up [the E-Daakhil Portal](#), which provides a convenient, speedy and inexpensive facility to the consumers all over India so that they are able to approach the relevant consumer forums in case of any dispute arises.
6. The Act lays down the scope for e-commerce and direct selling.
7. The Consumer Protection Act, 2019 lays down provisions for mediation and alternative dispute resolution so that the parties are able to dispose of the case conveniently without going through the trouble of litigation.
8. The Consumer Protection Act, 2019 contains provisions for product liability, unfair contracts and it also includes three new unfair trade practices. In contrast, the old Act just stated six types of unfair trade practices.
9. The Act of 2019 acts as the advisory body for the promotion and protection of consumer rights.
10. Under the Consumer Protection Act, 2019 there is no scope for selection committees, the Act authorises the Central Government to appoint the members.

The Act also provides for setting up of the Consumer Protection Councils at District Level, State Level and Central Level.

Functions and duties of the Central Authority

The functions and responsibilities of the Central Authority are laid down in Section 18 of the Act which includes;

1. To protect and promote the rights of the consumers as a class and to prevent violation of consumer rights,
2. To prevent unfair trade practices,
3. To ensure no false or misleading advertisements regarding any goods or services are promoted,
4. To ensure no person takes part in false or misleading advertisements,
5. Inquire or investigate in cases of violation of consumer rights or unfair trade practices.
6. File complaints before the National, State or District Commission as the case may be,
7. To review matters relating to the factors hindering the enjoyment of consumer rights.
8. To recommend the adoption of international covenants and best international practices concerning consumer rights
9. Promote research and awareness of consumer rights.
10. Lay down necessary guidelines to prevent unfair trade practices and protect the interests of the consumers.

Furthermore, the Central Authority also has the power to investigate after receiving any complaint or directions from the Central Government or of its own motion in cases where there is an infringement of consumer rights or unfair trade practices are carried out. And if the Central Authority is satisfied that infringement of consumer rights or unfair trade practices has occurred then it may:

- Recall the goods or services which are hazardous and detrimental to the consumers,
- Reimburse the prices of the goods and services to the consumers, and
- Discontinue the practices that are prejudicial and harmful to the consumers.

Under Section 21 of the Act, the Central Authority is authorised to issue directions to false and misleading advertisements which may extend to ten lakh rupees. While determining the penalty of the offence the Central Authority must keep in mind factors such as; the population affected by the offence, frequency of the offence and gross revenue from the sales of such product. The Central Authority can also direct search and seizure for the purposes of this Act and in that case the provisions of the Criminal Procedure Code, 1973 will apply.

Mediation

Chapter 5 Section 74 of the Consumer Protection Act, 2019 states that a Consumer Mediation Cell shall be established by the Central Government at the national level and every state government shall establish Consumer Mediation Cell exercising within the jurisdiction of that state. The mediator nominated to carry out the mediation shall conduct it within such time and in such manner as may be specified by regulations.

Section 75 of the Act talks about the empanelment of the mediators. It states the qualifications, terms and conditions of service, the procedure for appointing, and the fee payable to the empanelled mediators.

It is the duty of the mediator to disclose certain facts such as; any personal, financial or professional in the result of the consumer dispute, the circumstances giving rise to their independence or impartiality and any other necessary information for the protection of consumer rights.

Product liability

Under Section 83 of the Act, a product liability action may be brought by a complainant against a product manufacturer, product service provider or product seller.

Liability of product manufacturer

A product manufacturer will be held liable in a product liability action under the following circumstances:

- The product contains manufacturing defects.
- The product is defective.
- There is a deviation from manufacturing specifications.
- The product does not conform to the express warranty.
- The product fails to contain adequate information for proper usage.

Liability of product service provider

A product service provider will be held liable in a product liability action under the following circumstances:

- The service provider will be responsible when the service provided by them is faulty or imperfect.
- There was an act of negligence on their part.
- The service provider failed to issue adequate instructions and warnings for the services.
- The service provider failed to conform to the express warranty or terms and conditions of the contract.

Liability of product seller

A product seller will be held liable in a product liability action under the following circumstances:

- They altered or modified the product which resulted in being detrimental to the consumer.
- They failed to exercise reasonable care in assembling, inspecting or maintaining such product
- They exercised substantial control over the product which resulted in causing harm to the consumer.

Exceptions to product liability

There are certain exceptions to product liability action mentioned in Section 87 of the Act, such as;

- The product was altered, modified or misused by the consumer,

- A consumer cannot bring product liability action when the manufacturer has given adequate warnings and instructions for the use of the product,
- The manufacturer would not be liable in case of a product liability action for not warning about any danger that is commonly known to the general public.

Offences and penalties under Consumer Protection Act, 2019

The offences and penalties listed under this Act are mentioned as follows.

1. **Punishment for false and misleading advertisements:** Under Section 89 of the Act any manufacturer or service provider who promotes false or misleading advertisements will be punished with imprisonment for a term that may extend to two years and with fine that may extend to ten lakh rupees.
2. **Punishment for manufacturing, selling, distributing products containing adulterants:** Under Section 90 of the Consumer Protection Act, 2019 any person who sells, manufactures, distributes products containing adulterants shall be penalised in case of the following circumstances;
 - If the adulterated product does not cause any injury to the consumer then the term for imprisonment will extend to a period of six months and fine which may extend to one lakh rupees,
 - If the product containing adulterant causes injury not amounting to grievous hurt then the term for imprisonment will extend to a period of one year and fine which may extend to three lakh rupees,
 - If the product containing adulterant causes injury amounting to grievous hurt then the term for imprisonment will extend to a period of seven years and fine which may extend to five lakh rupees,
 - If the product results in causing death to the consumer then the term for imprisonment will be for a period of seven years which may extend to life imprisonment and fine not less than ten lakh rupees.
3. **Punishment for manufacturing, selling, and distributing spurious products:** Section 91 states that any person who sells, manufactures, or distributes spurious products shall be punished for such acts.

How do consumers benefit from Consumer Protection Act, 2019

The Consumer Protection Act, 2019 is a significant piece of legislation brought as it is beneficial for the consumers. The Act widens the scope of protection regarding the rights and interests of consumers.

1. **Unfair contracts:** The Act introduced 'unfair contract' under section 2 (46) of the Act, which includes contracts requiring excessive security deposits to be given by the consumer for the performance of contractual obligations. However, the inclusion of unfair contracts in the Act would enable the consumer to file complaints in such cases and would also keep the fraudulent businesses in check.
2. **Territorial jurisdiction:** The Act enables the consumers to file complaints where the complainant resides or personally works for gain thus it would benefit the consumers in seeking redressal for their grievances when their rights have been violated.
3. **False and misleading advertisements:** The Act defines the term 'false and misleading advertisements' and also lays down strict penalties for such acts or omissions.
4. **Product liability:** The term 'product liability' has been defined by this Act, which states that it is the duty of the product manufacturer, service provider or seller to compensate for any harm caused to a consumer by such defective product manufactured or service provided to the consumer.
5. **Mediation and alternative dispute resolution:** The Act enables the consumer to opt for mediation and alternative dispute resolution mechanisms for speedy and effective settlement of consumer disputes.
6. **E-filing of complaints:** The Act also facilitates e-filing of the complaints and seeking video conference hearings by the Commission. Thus, providing convenient means for the consumers to voice their grievances.