ITEM NO.37 COURT NO.14 SECTION XVII-A

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition(s) for Special Leave to Appeal (C) No(s). 3806/2021

[Arising out of impugned judgment and order dated 21-10-2020 in CC No. 844/2020 passed by the National Consumer Disputes Redressal Commission, New Delhi]

M/S AVON ELASTOMERS (INDIA) Petitioner(s)

VERSUS

M/S BAJAJ ALLIANZ GENERAL
INSURANCE CO. LTD & ORS. Respondent(s)

IA No. 30983/2021 - EXEMPTION FROM FILING AFFIDAVIT, IA No. 30981/2021 - EXEMPTION FROM FILING C/C OF I/JUDGMENT, IA No. 191371/2022 - PERMISSION TO FILE ADDL.DOCS./FACTS/ANNEXURES, IA No. 16669/2022 - PERMISSION TO FILE ADDL.DOCUMENTS/FACTS/ANNEXURES

Date : 13-08-2026 This matter was called on for hearing today.

CORAM :
HON'BLE MR. JUSTICE K.V. VISWANATHAN
HON'BLE MR. JUSTICE ARUN PALLI

For Petitioner(s) Mr. Gagan Gupta, Sr. Adv.
Mr. Anuroop Chakravarti, Adv.
Mr. M.s.vishnu Sankaar, Adv.
Mr. Aryan Shankar, Adv.
Ms. Athira G. Nair, Adv.
Mr. Saurabh Gupta, Adv.
Mr. Jasbir Singh, Adv.
M/s Lawfic, AOR

For Respondent(s) Mr. Jagdish Chandra, Adv.
Mr. Jagdish Chandra Solanki, Adv.
Mr. Vishal Meghwal, AOR (through VC)
Ms. Sanskriti Sharma, Adv.

Mr. Amit Kumar Singh, AOR
Ms. K Enatoli Sema, Adv.
Ms. Chubalemla Chang, Adv.
Mr. Prang Newmai, Adv.

Dr. Surender Singh Hooda, AOR

Mr. Vikramjit Banerjee, A.S.G.
Mrs. Vanshaja Shukla, Adv.

Mr. Bhuvan Mishra, Adv.
Mr. Padmesh Mishra, Adv.
Mr. Gautam Bhardwaj, Adv.
Mr. Gautam Bharadwaj, Adv.
Mr. Prashant Rawat, Adv.
Ms. Akansha, Adv.
Mr. Aditya Kashyap, Adv.
Mr. Sahil Bhalotia, Adv.
Mr. Amrish Kumar, AOR

UPON hearing the counsel the Court made the following
O R D E R

1. Heard Mr. Gagan Gupta, learned Senior Counsel along with Mr. Anuroop Chakravarti, learned counsel for the petitioner(s) and Mr. Vikramjit Banerjee, learned Additional Solicitor General (ASG) appearing for the Union of India.

2. The present case involves the question whether jurisdiction of the consumer fora, namely District Consumer Disputes Redressal Commission (for short, 'District Commission), State Consumer Disputes Redressal Commission(for short, 'State Commission') and National Consumer Disputes Redressal Commission(for short, 'National Commission') will depend on the value of the goods or services paid as consideration or will depend on the amount of compensation claimed.

3. Learned Senior Counsel for the petitioner(s) submits that firstly if the pecuniary jurisdiction is to be decided based on the value of the goods or services paid as consideration, then a whole host of anomalies arise and secondly several deficiencies in service will be outside the purview of the consumer commissions. The present case arises out of an insurance contract and the learned ASG submits that there is

no difficulty in ascertaining the consideration paid for the insurance contract, which according to him, is the premium amount paid or agreed to be paid.

4. In a note handed over by Mr. Gagan Gupta, learned Senior Counsel, it is pointed out that fixed deposit holders in banks are consumers. Learned Senior Counsel submits that, if there were any deficiencies on the part of the bank in handling the fixed deposits, technically there is no consideration paid for the services, since all that has happened is the opening of a fixed deposit.

5. Further, learned Senior Counsel submits that in case of loss of money deposited in a savings bank account, there again, there is no consideration paid.

6. As a third illustration, learned Senior Counsel highlights the medical services in hospitals where there is subsidy in the sense that where some patients pay and some patients do not pay any charges, those patients who do not pay are also covered under the head 'consumer'. According to learned Senior Counsel for the petitioner(s), difficulties may arise, if charges paid are to be reckoned as the basis for determining pecuniary jurisdiction. Learned ASG on this aspect submits that as far as medical services are concerned, there are judgments in his favour answering the issue.

7. Further, it is pointed out by the learned Senior Counsel for the petitioner(s) that if consideration paid is taken as the basis, in a given case, where in a proceeding against the builder, the deficiencies alleged is only against certain

fixtures and fittings in the house/flat and since there is no breakup of consideration available, the value of the entire house/flat may have to be taken for lodging a claim before the appropriate fora. Another aspect pointed out is that a consumer who bought a car worth Rs.2.50 crores, but only has a grievance against a defective windshield, even to replace that windshield, the consumer will have to move to National Commission whereas in the case of a consumer who has paid an advance of Rs.40 lakhs for the car, where delivery of the car is delayed, the said consumer will have to approach the District Commission.

8. Mr. Jagdish Chandra Solanki, learned counsel for respondent no.1, highlights one more aspect of the matter. Learned Counsel submits that proceedings before the District Commission, State Commission and National Commission are not only initiated by consumers. By drawing attention to Section 2(5) of the Consumer Protection Act, 2019 (for short, CP Act), learned counsel submits that voluntary consumer associations registered under any law, Central Government or any State Government and the Central Authority(ies), can also file complaints. Further, drawing attention to Section 18 of the CP Act, learned counsel submits that when a Central Authority initiates proceedings, it is to protect, promote, and to enforce the rights of the consumer, prevent unfair trade practices and to ensure that no false or misleading advertisement is made and so on. Learned counsel submits that in cases initiated other than by consumers, the question of

paying consideration would not arise at all.

9. We are of the opinion that before we interpret the provisions, some time to be given to Union of India to reflect over these alleged anomalies and come back to us with an appropriate affidavit.

10. The Union of India, within six weeks from today, shall file an appropriate affidavit to respond to these alleged anomalies.

11. The affidavit should also address the reasoning behind the reduction of the pecuniary jurisdiction of National Commission from ten crores as was fixed in the year 2019 Act to Two crores, by notification dated 30.12.2021.

12. Learned ASG at this point submits that it is the right of the law-making body to fix the basis for pecuniary jurisdiction. There is no quarrel with that proposition. However, we are anxious to know how the pecuniary jurisdiction will operate in the light of the alleged anomalies highlighted above.

13. We make it clear that these anomalies are only illustrative, as highlighted above.

14. As a *prima facie* response, learned ASG submits that the validity of the provisions with regard to pecuniary jurisdiction has been upheld by this Court in W.P.(C)No.282/2021 titled as *"Rutu Mihir Panchal & Ors. vs. Union of India & Ors.", reported in* 2025 *SCC OnLine SC 974.*

15. We have examined the said judgment. However, we are of the opinion that what arises in this case is the

interpretation of the provisions providing for the pecuniary jurisdiction and to in order to enable us to comprehensively address the matter, we are of the opinion that the Union of India, through the concerned Ministry of the Government of India, should place an affidavit addressing the aspects highlighted in the aforestated portion of the order.

16. List on 08th October, 2026.

(NIRMALA NEGI)
ASTT. REGISTRAR-cum-PS

(MANOJ KUMAR)
COURT MASTER (NSH)