

**Bill No. XXXI of 2015**

THE CONSUMER GOODS (RIGHT TO FREE RETURN) BILL, 2015

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BILL

*to provide for consumers the right to free return of consumer goods,  
within a stipulated time and for all matters connected  
therewith and incidental  
thereto.*

Be it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

- 5      **1.** (1) This Act may be called ‘the Consumer Goods (Right to Free Return) Act, 2015’;      Short title,  
         (2) It extends to the whole of India;      extent and  
         (3) It shall be come into force on such date, as the appropriate Government may, by      commencement.  
notification in the Official Gazette, appoint, and different dates may be appointed for coming  
into force of different provisions of this Act;
- 10      **2.** In this Act, unless the context otherwise requires,—      Definitions.  
         (a) "appropriate Government" means in the case of a state, the Government of  
         that State, and in other cases, the Central Government;
- (b) "consumer" means any person who 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; 5

(c) “consumer goods” means products that are purchased for consumption by an average consumer;

(d) “durable goods” means goods which are consumed and used or disposed after serving its usefulness for a period of time, which is more than two years, like refrigerator, laptops, television sets etc.; 10

(e) “manufacturer” would have the same meaning as given in section 2(j) of the Consumer Protection Act, 1986; 68 of 1986.

(f) “retailer” or “retail supplier” means any person who does the sale of goods from individuals or business to the end-user or final consumer and also includes online retail shops; 15

(g) “semi durable goods” means those products which are neither perishing nor lasting, like cloths, preserved foods, furniture etc.;

CHAPTER II

PROCURING RECEIPT AND EXCHANGE OF CONTRACT

Receipt to act as a guarantee contract. 3.(1) the appropriate Government shall make it mandatory for all retailers to give a receipt for every durable and semi durable consumer goods purchase by the consumers and such receipt of purchase shall act as contract between the retail supplier and the consumer, wherein the production of this receipt shall be a pre-requisite for every claim made under the provisions of this Act. 20

(2) Every receipt given to the consumer shall have consumer guarantees specified on it as under:— 25

(a) that goods are of acceptable quality;

(b) that goods will be reasonably fit for use;

(c) that the description of goods is accurate and it would match any sample or demonstration model; 30

(d) that the goods will satisfy any extra promises made about them;

(e) that there is a ‘right to free return’ of the goods within fifteen days of its purchase;

CHAPTER III

THE RIGHT TO FREE RETURN

Right to free return valid till fifteen days from purchase. 4. Every consumer shall have the right to return free any, semi durable or durable goods purchased, within fifteen days of the purchase in such manner as may be prescribed: 35

Provided that every such return of goods shall be done in their original condition, with no alteration to its size or shape, along with its original packing and the receipt of the purchase.

Removal of no replacement and no refund signs and display of right of consumers. 5. The Appropriate Government shall ensure that all retail shops shall,— 40

(a) remove all signs that say ‘no refund’ or ‘no replacement’ from product covers and the retail shops; and

(b) display a board mentioning the right of consumers for free return of goods purchased by them.

6. A receipt of the purchase of goods shall be considered as guarantee itself and the retail supplier shall not ask for any further payment from the consumer for receiving any guarantees;

No payable payment for receiving guarantee.

5 7. If a consumer returns the defective goods to the retailer, the retailer shall have the right to claim them against the wholesaler or the manufacturer, from whom he received the goods.

Right of retailer to make claim against defective goods.

CHAPTER IV

GRIEVANCE REDRESSAL MECHANISM

10 8. A consumer may in case of any grievance under this Act move the 'Consumer Disputes Redressal Forum' or the 'State Consumer Protection Council' or the 'Central Consumer Protection Council' established under the Consumer Protection Act, 1986 for redressal.

68 of 1986.

Right of Consumers to move to court.

9. The Central Consumer Protection Council established under CPA 1986 and the agencies appointed by it shall be responsible for the enforcement of the provisions and rules made under this Act.

Law enforcing agency.

15 10. The Central Consumer Protection Council shall publish on its website this Act and rules made thereunder and also the details of complaints received by the authorities in District, State and Central level, on different products, under the purview of this Act, including details of:—

Details disclosed online for transparency.

(a) the products returned;

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(b) the refund sought;

(c) tracking the progress of each complaint with time line for completion; and

(d) the complaint resolved;

25 11. The appropriate Government will from time to time, provide, after due appropriation made by the Parliament by law in this behalf, requisite funds for carrying out the purposes of this Act.

Appropriate Government to provide funds.

12. If any difficulty arises in giving effect to the provisions of this Act, the appropriate Government may make such order or give such direction, not inconsistent with the provisions of this Act, as appears to it to be necessary or expedient for the removal of any difficulty.

Power to remove difficulty.

30 13. The appropriate Government, may be notification in the Official Gazette, make rules for carrying out the purposes of this Act.

Power to make rules.

## STATEMENT OF OBJECTS AND REASONS

The Consumer Protection Act, 1986 is widely considered to be a benevolent social legislation that provides for the protection of consumer rights. The Act was amended a number of times, the last being in 2002. The Principal Act, introduced in 1986 and subsequently amended, established consumer dispute resolution mechanisms and provides to control the trade of spurious goods and services through the authorities established. It does not confer on the consumer a positive right which he can enforce himself. In the context of increasing influx of imported goods to the country and the new trend of online shopping, it is necessary that the consumers are empowered to refuse a goods that does not satisfy the needs, without approaching forums or courts.

The Bill makes it the right of a consumer to return any purchased product within a stipulated time for genuine reasons. It seeks to provide the consumer a right to return any purchased durable or semi-durable goods within fifteen days of purchase. It also provides that there should be a centralized database on complaints received and resolved by consumer protection councils and forums on goods purchased, so that before buying any product the consumer can make an informed choice to any terms agreed by both parties, retail supplier and consumer. The Bill seeks to provide additional statutory provisions for the benefit of the consumer.

The enforcement of the Act would be the responsibility of the authorities established under the Consumer Protection Act 1986. This will ensure that there is no burden on the Central or State Governments for establishing additional authorities for monitoring and carrying out the purposes of this Act.

Hence, this Bill.

VIVEK GUPTA

## FINANCIAL MEMORANDUM

Clause 11 of the Bill makes it obligatory for the appropriate Government to provide requisite funds for carrying out the purposes of the Bill. The Bill, if enacted will involve direct or indirect expenditure from the Consolidated Fund of India. At this stage, it is difficult to quantify the expenditure.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 13 of this Bill gives power to the appropriate Government to make necessary rules for carrying out the purposes of the Bill. The rules will relate to matters of details only.

The delegation of legislative power is of normal character.

RAJYA SABHA

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*(Shri Vivek Gupta, M.P.)*