

INFOLEX CONSULTANTS

LEGAL INSIGHTS:
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RECENT IMPORTANT LEGAL DEVELOPMENT

| Airline & Aviation

AIRLINE LIABLE FOR FAILURE TO PROVIDE PROMISED SPECIAL HANDLING OF SPORTS EQUIPMENT

In the case titled as '**Mr. Sushanth N.G. v. Air India Express Ltd. & Ors.**' [*Consumer Complaint No. 234/2025*], it was held by the District Consumer Disputes Redressal Commission, Dakshina Kannada, that an airline is liable for deficiency in service when it collects a separate fee for special handling of valuable sporting equipment but fails to provide the promised level of care.

The complainant had paid ₹2,000 towards special equipment handling for transporting his racing bicycle, valued at over ₹3 lakh. Despite the airline's representation that delicate sporting equipment would receive special care and caution, the bicycle was placed on the regular baggage carousel upon arrival.

The Commission observed that payment for a specialised service creates a reasonable expectation that the service will be performed in accordance with the representations made by the service provider. The fact that the bicycle was

ultimately delivered without physical damage did not negate the deficiency, as the promised special handling itself had not been provided. The Commission therefore directed Air India Express to refund ₹2,000, pay ₹20,000 as compensation for deficiency in service, mental agony and inconvenience, and ₹5,000 towards litigation costs, with 6% interest in case of default.

| Food & Beverage

SHOP LICENSEE LIABLE FOR SELLING WATER BOTTLE ABOVE MRP; ₹7 LAKH PUNITIVE DAMAGES IMPOSED

In the case titled as '**D. Venkateswara Rao v. The Executive Officer, Sri Veera Venkata Satyanarayana Swamyvari Devasthanam & Anr.**' [*C.C. No. 22/2026*], it was held by the District Consumer Disputes Redressal Commission, Kakinada, that charging a consumer an amount above the printed Maximum Retail Price (MRP) of a packaged product constitutes an unfair trade practice and deficiency in service.

The complainant had purchased a one-litre packaged drinking water bottle bearing an

MRP of ₹18, but was allegedly charged ₹25 by a licensed shop operating within the temple premises.

The Commission relied upon the UPI payment record and other evidence and found the shop licensee's explanation regarding the payment to be contradictory and unsupported by billing records or other material. While the temple administration was not held financially liable, the Commission directed it to strengthen monitoring and consumer-protection measures at licensed shops. The licensee was directed to refund ₹7, pay ₹10,000 as compensation and ₹5,000 towards litigation costs. Considering the deterrent purpose of consumer protection law, the Commission additionally imposed ₹7 lakh as punitive damages, directing its deposit in the Consumer Welfare Fund.

| Banking & Finance

BANK LIABLE FOR ATM FAILURE WHERE ACCOUNT DEBITED BUT CASH NOT DISPENSED

In the case titled as '**Jitender Singh v. Punjab & Sindh Bank & Ors.**' [*Consumer Complaint No. DC/77/CC/153/2023*], it was held by the District Consumer Disputes

Redressal Commission-VIII (Central), Delhi, that a bank is liable for deficiency in service where a customer's account is debited during an ATM transaction but cash is not actually dispensed, particularly when the bank fails to produce evidence establishing that the cash was delivered.

The Commission rejected the bank's reliance merely on the transaction being marked "successful", observing that such status by itself does not establish actual cash dispensation. The bank also failed to produce relevant ATM records, CCTV footage or other technical evidence to substantiate its defence. Relying upon the applicable RBI framework, the Commission observed that failed ATM transactions are required to be reversed within the prescribed period and the issuing bank cannot avoid responsibility by shifting the matter to another bank operating the ATM.

Holding the bank deficient in service, the Commission directed payment of ₹10,000 towards refund, ₹29,600 as delayed compensation, ₹10,000 for mental agony and harassment, and ₹10,000 towards litigation costs, totalling ₹59,600.

| Banking & Finance

BANK LIABLE FOR DELAY IN RELEASING DECEASED DEPOSITOR'S FUNDS TO ELDERLY HUSBAND

In the case titled as '**Govindan v. Manager, Bank of India, Kuruppampady Branch & Anr.**' [CC No. 867 of 2023], it was held by the District Consumer Disputes Redressal Commission, Ernakulam, that Banks may undertake necessary verification before releasing funds of a deceased depositor, but procedural safeguards cannot be applied in a manner that causes avoidable hardship to genuine legal heirs.

The complainant, an 83-year-old farmer, sought release of ₹62,541 lying in his deceased wife's account, where the nominated son had also predeceased her. Despite submitting the death certificate, relationship documents and subsequently a Certificate of Administration, he was subjected to repeated visits and further procedural requirements.

The Commission found that the bank failed to substantiate its claim that the delay was attributable to the complainant and held that the bank was required to communicate its requirements clearly and assist the claimant,

particularly considering his age and lack of familiarity with English. The conduct was held to constitute deficiency in service and unfair trade practice. The bank was directed to pay ₹10,000 as compensation and ₹5,000 towards litigation costs, besides adopting regional-language procedures for deceased-depositor claims.

| Hospital & Healthcare

HOSPITALS LIABLE FOR DELAY IN ACUTE STROKE TREATMENT

In the case titled as '**Chandrakala & Ors. v. Apollo Hospital Enterprises Ltd. & Ors.**' [C.C. No. 116 of 2015], it was held by the Telangana State Consumer Disputes Redressal Commission, Hyderabad (Additional Bench), that a hospital may be held liable for medical negligence where failure to provide timely treatment to a patient suffering from an acute ischemic stroke contributes to deterioration of the patient's condition.

The Commission noted that the patient developed stroke symptoms at around 1:30 PM, whereas the first medication was administered only at approximately 7:13 PM. It found that Apollo Hospitals failed to produce complete emergency records from

the Secunderabad hospital and observed inconsistencies and deficiencies in the medical records produced.

The Commission further rejected the justification regarding contraindications to thrombolysis where such reasoning was not adequately reflected in contemporaneous medical records. Holding the hospital vicariously liable for the acts and omissions of the concerned medical personnel, the Commission partly allowed the complaint and awarded ₹40,11,876 for medical negligence, along with amounts towards loss of estate, consortium, paternal affection and poor maintenance of medical records, besides ₹25,000 as litigation costs.

| Automobile

AUTOMOBILE MANUFACTURING COMPANY LIABLE FOR INDEFINITE DELAY IN VEHICLE DELIVERY AFTER RECEIVING FULL PAYMENT

In the case titled as ‘**Y. Raghavendra v. OLA Electric Mobility Private Limited & Anr.**’ [Consumer Complaint No. 65/2026], it was held by the District Consumer Disputes Redressal Commission, Kurnool, that an indicative delivery date cannot be relied upon by a service provider to

indefinitely retain a consumer’s money after receiving the entire sale consideration without delivering the purchased vehicle or providing a satisfactory explanation for the delay.

The complainant had paid ₹1,34,161 in full for an OLA Roadster X Plus, but the vehicle was not delivered within the scheduled period despite repeated follow-ups.

The Commission noted that registration and insurance of the vehicle did not amount to actual delivery or possession. It further found that OLA failed to produce convincing material explaining the prolonged delay and observed that subsequent inspection of the vehicle could not cure the earlier deficiency. Holding the conduct to constitute deficiency in service, the Commission directed OLA Electric Mobility Pvt. Ltd. and its showroom to refund ₹1,34,161 with 12% annual interest from October 2, 2025, along with ₹90,000 compensation and ₹10,000 litigation costs.

| Electrical & Electronics

DEALER LIABLE FOR SELLING MOBILE PHONE WITH PRE-ACTIVATED WARRANTY

In the case titled as ‘**Aman v. Maira Enterprises & Ors.**’ [DC/50/CC/12/2024], it was held by the District Consumer Disputes Redressal Commission, Haridwar, that a dealer commits deficiency in service when it sells a mobile phone with a warranty that had already been activated before the consumer’s purchase without adequately disclosing the earlier activation.

The complainant purchased a Samsung Galaxy Z Flip 3 5G on December 30, 2022, for ₹75,000, expecting the one-year warranty to remain valid until December 30, 2023. However, when he approached the service centre on November 24, 2023, he was informed that the warranty had expired on November 14, 2023, as the device had been activated before the purchase.

The Commission held that the complainant should receive warranty protection from the date of actual purchase and found the dealer deficient for failing to disclose the pre-activation. However, no deficiency was established against Samsung India or its service centre. The dealer was directed to repair the phone or provide an equivalent new phone, failing which it must refund ₹75,000 with 6% interest, besides ₹10,000 compensation and ₹5,000 litigation costs.

| Hospitality & Leisure

HOTEL LIABLE FOR FAILURE TO HONOUR CONFIRMED HOTEL BOOKING

In the case titled as ‘**Rajtrehan v. OYO Rooms Pvt. Ltd. & Anr.**’ [Consumer Complaint No. DC/50/CC/12/2022], it was held by the District Consumer Disputes Redressal Commission, Haridwar, that OYO Rooms Pvt. Ltd. liable for deficiency in service after a confirmed hotel booking was not honoured when the complainant reached the hotel. Although OYO contended that it merely operated an online booking platform and did not directly provide the accommodation, the Commission found that the booking had been made through OYO and that the complainant was compelled to incur additional expenditure for alternative accommodation.

The Commission also noted that OYO's subsequent offer to refund the amount and provide additional compensation was made only after the consumer dispute had been initiated. Accordingly, OYO was directed to pay ₹1,879 towards the alternative hotel booking, ₹150 towards auto-rickshaw expenses, ₹15,000 for mental agony and physical hardship, and ₹8,000 towards

litigation costs. The amounts were directed to be paid within 45 days, failing which interest at 10% per annum would apply. The complaint against the hotel was dismissed.

| Insurance

SUPREME COURT UPHOLDS REPUDIATION OF ₹2.4 CRORE FIRE INSURANCE CLAIM FOR FALSE DECLARATIONS

In the case titled as ‘**M/s New India Assurance Company Ltd. v. M/s Hemkund Duplex and Board Pvt. Ltd.**’ [2026 *LiveLaw (SC)* 969], it was held by the Hon'ble Supreme Court of India, that the insurer's repudiation of the fire insurance claim, finding breaches of Policy Conditions 6 and 8. It observed that the insured had made false declarations regarding the nature and quantity of material stored in the fire-affected shed and had failed to maintain reliable stock and stock-movement records.

The Court also found significant discrepancies in the insured's books, including an unexplained increase in reported yield and arbitrary recording of raw-material consumption. The reports of the surveyors and investigator indicated that the genuineness and quantum of the claim

were doubtful, while the circumstances surrounding the fire — including the delay in informing the fire brigade, the manner in which employees attempted to extinguish it, limited structural damage and the concentration of fire in the area containing old waste material—raised serious concerns.

The Supreme Court held that the NCDRC had erred in disregarding the surveyors' findings and allowed the insurer's appeal, while dismissing the insured's appeal regarding quantum.

| Lift and Escalators

HOME LIFT COMPANY LIABLE FOR ACCEPTING ADVANCE WITHOUT PROPER FEASIBILITY ASSESSMENT

In the case titled as ‘**Justice (Retd.) T.R. Ramachandran Nair & Anr. v. Nibav Lifts Private Ltd. & Anr.**’ [C.C. No. 217/2023], it was held by the District Consumer Disputes Redressal Commission, Ernakulam, that a home-lift company cannot accept substantial advance payment without first conducting an adequate technical feasibility assessment of the proposed installation.

The Commission observed that consumers ordinarily lack the technical expertise to assess structural, spatial and installation requirements, and therefore the responsibility to properly evaluate feasibility rests upon the service provider. In the present case, Nibav Lifts accepted ₹2,69,865 as advance towards a lift costing ₹10.79 lakh, but subsequent inspection revealed that the lift could not be brought through the available entrance without structural alterations. The Commission found that the company had failed to adequately inform the complainants about the practical and structural consequences of installation

before accepting the advance. This amounted to deficiency in service and unfair trade practice. Nibav Lifts was consequently directed to refund ₹2,69,865 with 7.25% annual interest, along with ₹25,000 towards litigation costs, within 45 days.

ARTICLES ON LEGISLATIVE ANALYSIS

(Please click on the article you need to read)

- 1. E-Commerce Rules 2026 Strengthens Consumer Protection**

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ARTICLES ON IMPORTANT INDUSTRIAL DEVELOPMENT

(Please click on the article you need to read)

- 1 Faster Metal Procurement: Legal Challenges for Indian Manufacture**
- 2. Rising Construction Costs Put Real Estate Sector Under Pressure**
- 3. Legal Risks in India's Expanding Specialty Chemicals Industry**
- 4. GST-Led Demand and Cost Pressures Reshape India's Auto Industry**
- 5. Aviation in India: Growth, Safety and Legal Risks**

KEY CONNECT



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