

Frequently Asked Questions (FAQs)

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<u>Serial No.</u>	<u>Chapter</u>	<u>Page No.</u>
A	Cheque Dishonour Cases	3-4
B	Consumer Cases	5-6
C	Insurance	7-10

A. CHEQUE DISHONOUR CASES

Q. 1. What is the validity of the cheque in day to day business?

Ans. The current validity of cheques is 3 months.

Q.2. What can we do if a cheque given to us has been dishonoured?

Ans. The holder of a cheque that has been dishonoured can seek remedy in the following manner:

Action under Section 138 Negotiable Instruments Act (N.I. Act): Give notice under within 30 days of receipt of information of dishonour from the bank. In case of non- payment by the drawer within the notice period of 15 days, then the holder must institute a complaint case for prosecuting drawer within 30 days of expiry of notice period.

Q. 3. How long after receiving information of dishonour of cheque do we have to serve notice to the drawer?

Ans. We need to serve a legal notice to drawer of cheque demanding payment of cheque amount within 30 days of the receipt of information from your banker regarding dishonour of cheque under Section 138 N.I. Act.

Q.4. What drawer's address is necessary for the said remedy?

Ans. We need the address of the drawer of cheque to issue notice as contemplated under provisions of N.I. Act; also the address is necessary if we wish to avail other legal remedies available to you.

Q. 5. What are the documents required for filing of the complaint for Dishonoured Cheque?

Ans. a. Original Cheque(s);
b. Original Return memo(s);
c. Copy of Ledger maintained by the TCIL w.r.t. to the concerned customer;
d. Copy of Invoices with their respected CNS along with the Original Once and

Frequently Asked Questions (FAQs)

- e. Customer Service Agreement with the Customer (if any).

Q.6. How long after notice has been served can we file a case against the drawer?

Ans. After giving notice we need to file a complaint case against drawer under Section 138 N.I. Act within 30 days from the expiry of notice period i.e. 15 days.

In other words you need to file complaint case against drawer within 45 days (15+30) from the date of issue of notice.

Failure to do so will lead to loss of remedy under Section 138 N.I. Act; however, you can file a summary suit for recovery of money and initiate criminal proceedings under Section 420 I.P.C. within 3 years from date of issue of cheque.

Q.7. In which court do we need to file the complaint case under Section 138 N.I. Act in case drawer did not pay after receiving notice?

Ans. A complaint case under Section 138 N.I. Act can be filed in any competent court in whose jurisdiction any of the following acts have occurred:

- a) Place of drawing of the cheque,
- b) Address of bank where cheque was presented (holders bank address),
- c) Address of bank where cheque is payable (drawers bank address)
- d) Place from where notice was received by drawer of cheque

B. CONSUMER CASES

Q.1. Who can file a Complaint?

Ans. The following are the persons who can file a complaint under the Act:

1. A consumer; or
2. any voluntary consumer association registered under the Companies Act, 1956 or under any other law in force, or the Central Government or any State Government, one or more consumers, where there are numerous consumers having the same interest

Q.2. What are the issues to consider when filing a complaint?

Ans. We would have to check where the jurisdiction would lie and then ascertain the value of the claim. We will have to file our complaint depending upon the amount of money or compensation we want from the opposite party for the deficient service he has provided us.

Q.3. What is deficiency?

Ans. As per sect. 2(1)(g) of the Act, the deficiency means any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of performance in rendering any service required to be maintained under any law, contract or otherwise.

Q.4. Where do we file our complaint?

Ans. Pecuniary Jurisdiction

1. District Forum - Where the value of goods and services involved is less than Rs. 20 Lakhs in value;
2. State Commission - Where the value of goods and services involved is more than Rs. 20 Lakhs in value but does not exceed Rs 1 crore;
3. National Commission - Where the value of goods and services involved is more than 1 crore in value then you can file a complaint with the National Commission which has been constituted only in New Delhi.

Q.5. Is there any time limit for filing a Complaint?

Frequently Asked Questions (FAQs)

Ans. Yes, the time limit is within two years from the date on which the cause of action arises. This would mean two years from the day the deficiency in service or defect in goods has arisen/detected.

Q.6. Can we Approach the Consumer Courts If we bought the Goods or Services for Commercial Purposes?

Ans. No, the Consumer Courts are only meant for the ordinary consumers who have bought goods & services for their own use or needs.

This forum is not meant for businesses, firms and Industries but for the common man/consumer looking for quick & effective justice.

Q.7. Where does an appeal against the orders of District Forum lie?

Ans. An appeal against the orders of district forum can be filed before its respective State Consumer Dispute Redressal commission.

Q.8. What is the limitation for filing an appeal?

Ans. An appeal against the orders of District forum can be filed before the State commission within the period of thirty days from the date of such order.

Further, the appellant has to deposit fifty per cent of the decree amount or twenty-thousand rupees, which ever less.

C. INSURANCE

Q.1. What is insurance?

Ans. Expecting the future risks which could arise in our day to-day activities resulting in the financial loss to us, the cover of these future risks under the specific policies are termed as "Insurance".

Q.2. Who can take the insurance?

Ans. Any individual or organization which has the insurable interest involved in the property/goods can take the insurance to protect their financial condition.

Q.3. Am I liable to take the insurance cover for my property/goods?

Ans. There is no mandatory requirement for taking the policy for your own goods until unless you are legally bound to take the policy such as motor insurance.

Q.4. What if the goods/property is financed by the financial institutions?

Ans. If there is an interest of financial institution in the goods or property, then is mandatory for us to take the insurance policy as per financial institution requirement.

Q.5. How many types of insurance are there globally?

Ans. Insurance is broadly categorized into 2 fields -

- a. General insurance – Which covers motor & non-motor insurance
- b. Life insurance – Which covers life of an individual.

Q.6. What is General insurance?

Ans. General Insurance covers the risks against goods, property or any other immovable or movable asset other than life. There are different policies which help us to cover our risk under this segment such as Motor policy, Fire & burglary policy, Liability policy, Crime Policy, All Risk policy, Travel policy, Money policy, Mediclaim Policy etc.

Q.7. What is Life insurance?

Ans. Covering the life of any person against the future risks which would result in creating the financial burden on the family during the phase after the death of the primary earning member of the family or due to condition where the primary member becomes bed-ridden due to any accident.

Q.8. Is there any policy which falls under the General as well as in the Life Insurance?

Ans. Personal Accident policy is the only policy which can be claimed from "N" of insurance companies. In case of the accidental death of the insured, his nominee will get the compensation from all the insurance companies with whom the insured has taken the PA policy from.

Q.9. What are the policies which are essential for an organization?

Ans. There are many policies which one should take to cover the risks against any perils. However, few of the policies which are important for any organization are given below:

- a. Standard & Special Perils Policy - This policy covers Fire, lightening, explosion, implosion, riots, strikes, malicious damage, storms, tempest, flood, inundation, earthquake, terrorism, over flowing of tanks, impact damage and missile testing operations, leakage from automatic sprinklers.
- b. Burglary Policy - Any damage caused to premises resulting from burglary and/or housebreaking or any attempt threat, any time during policy period is covered under the policy.
- c. Money Policy - Money in transit, carried by insured or its representative occasioned by burglary or hold up, robbery, theft or any other fortuitous cause are covered under the Money policy. Also, money kept in locked safe &/or money kept in counter during office
- d. Public Liability Policy - The Insurance Company will indemnify the Insured in accordance with Indemnity Clause for Insured's legal liability to pay compensation for Bodily Injury and/or Property Damage and/or Pollution for an Occurrence caused by or arising out of or in connection with the Insured Business
- e. Fidelity Policy - Any business employer needs to be concerned with Employee Dishonesty or any business handing cash or securities needs protection from robbery or theft will need Fidelity/Crime Insurance.

Frequently Asked Questions (FAQs)

f. Mediclaim/Health Policy - The term 'Health Insurance' relates to a type of insurance that essentially covers your medical expenses.

Q.10. Duty of Insured at the time of claims?

Ans.

- Intimate the insurer the occurrence of loss & submit full statement in writing of the claim, providing the nature and extent of loss and also the estimate of loss. Any delay in intimation might jeopardize the claim as the insurer may express inability in accepting liability of the loss / damage.
- Try to reduce and minimize the extent of loss / damage and liability.
- Proximate cause of the loss and assess the type/extent and whether it is within the scope of the policy.
- To extent full co-operation to the insurer and the surveyor appointed for completion of the survey work and for proper assessment of the loss.
- Produce all such records and proof as may be required by the surveyor or the insurer for arriving at the extent of loss and the liability under policy.
- Keeps the damage property under the safe custody until advice by the surveyor / insurance regarding its disposal?
- Inform fire brigade as also police immediately and obtain their reports.
- Obtain meteorological report if required in case of natural calamities.
- Identification of the subject matter insured

Q.11. Claim Intimation?

Ans. Intimation should be given in writing to insurance company immediately on becoming aware of loss or damage. The basic information to be advised is:-

- Policy number
- Period of insurance
- Date & time of loss
- Description of cause of loss

Frequently Asked Questions (FAQs)

- Estimated loss
- Location where survey is to be carried out.
- Contact details of insured's representative for coordination etc.

Q.12. How CLL further help us to cover 10 times of maximum limit of our freight only & how counter claims settle on COF value or invoice/claim value please clarify?

Ans. Our CLL policy will be helpful. In case, Insurance Company after obtaining 'Letter of Subrogation' from the Consignor or Consignee files claim on us, then we have to forward such claim on our insurance company and our insurance company will settle the said claim as per Section 12 of the new Act.

Q.13. Can Insurance Company file the case in consumer forum (District Level, State Level and National Level)?

Ans. No, Insurance Company cannot file complaint against Road Transporter in District Forum, State Forum or with National Commission because Insurance Company is not Consumer u/s 2(d) of Consumer Protection Act. Insurance Company can only file civil case after paying stamp duty and giving notice to Road Transporter as per Act at the registered office of the Road Transporter.

Q.14. If the vehicle hired/owned by the Transporter is hijacked by dacoits or anti-social elements in that case whether the Road Transporter's liability is there or not?

Ans. Yes, Road Transporter hired trucks and owned trucks are directly or indirectly the agents or servants of the Road Transporter. Hence for the loss of the goods Road Transporter is liable as per Act and Rules.