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INDIAN MEDICAL ASSOCIATION V. V.P. SHANTHA, (1995): A CASE STUDY ON MEDICAL NEGLIGENCE AND CONSUMER PROTECTION IN INDIA

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ABSTRACT

The decision of the Supreme Court of India in *Indian Medical Association v. V.P. Shantha* (1995) marks a watershed moment in the evolution of medical negligence jurisprudence in India. This case fundamentally altered the legal relationship between medical professionals and patients by bringing medical services within the ambit of the Consumer Protection Act, 1986. Prior to this judgment, patients seeking redress for medical negligence were largely confined to civil courts, which involved prolonged litigation and high costs. Through this judgment, the Court recognized patients as “consumers” and doctors and hospitals as “service providers,” subjecting medical services rendered for consideration to consumer jurisdiction. This case study critically examines the factual background, legal issues, judicial reasoning, and the broader implications of the judgment on medical ethics, professional accountability, and patient rights. It also evaluates the balance struck by the Court between protecting consumer interests and safeguarding professional autonomy, while assessing the continuing relevance of the decision in the contemporary healthcare and legal framework of India.

KEYWORDS

Medical Negligence; Consumer Protection Act, 1986; Medical Services; Deficiency in Service; Patient Rights; Professional Accountability; Indian Medical Association v. V.P. Shantha; Healthcare Law; Medical Ethics.

INTRODUCTION

The regulation of medical negligence in India has historically been governed by the principles of tort law and criminal liability under the Indian Penal Code, now largely replaced by the Bharatiya Nyaya Sanhita, 2023.¹⁸³³ While these mechanisms provided theoretical remedies for patients, in practice they proved inadequate due to procedural delays, high litigation costs, and the technical complexity involved in proving negligence against medical professionals. As a result, patients often faced

significant barriers in accessing timely and effective justice.¹⁸³⁴

The enactment of the Consumer Protection Act, 1986 marked a paradigm shift in Indian consumer jurisprudence by introducing a simple, speedy, and cost-effective dispute resolution mechanism. However, the applicability of this legislation to medical services remained contentious. The medical fraternity strongly resisted the inclusion of healthcare within the consumer framework, arguing that medical practice is a noble profession governed by ethics and professional

¹⁸³³ Consumer Protection Act, No. 68 of 1986, § 2(1)(o), India Code (1986) (repealed 2019).

¹⁸³⁴ Indian Med. Ass'n v. V.P. Shantha, (1995) 6 S.C.C. 651 (India).

judgment rather than commercial considerations.¹⁸³⁵

It was against this backdrop that the Supreme Court was called upon to decide *Indian Medical Association v. V.P. Shantha* (1995). The judgment decisively clarified the legal status of medical services under consumer law and redefined the doctor–patient relationship by recognizing patients as consumers entitled to statutory protection. This case study seeks to analyse the significance of this decision, its doctrinal foundations, and its impact on medical jurisprudence, while situating the judgment within the broader discourse on medical ethics, professional autonomy, and patient rights.

BACKGROUND AND FACTS OF THE CASE

The case of *Indian Medical Association v. V.P. Shantha* arose from a series of complaints filed by patients before consumer forums alleging medical negligence and deficiency in medical services. These complaints were admitted by consumer authorities, prompting strong opposition from the medical community. The Indian Medical Association, representing the collective interests of medical practitioners, challenged the maintainability of such complaints under the Consumer Protection Act, 1986.¹⁸³⁶

The primary grievance of the medical profession was that medical services could not be equated with commercial or business services contemplated under consumer law. It was contended that medical treatment involves the exercise of professional skill and judgment, the outcomes of which cannot be guaranteed. The Indian Medical Association argued that subjecting doctors and hospitals to consumer jurisdiction would encourage frivolous litigation, undermine professional autonomy, and adversely affect the doctor–patient relationship.

On the other hand, patients argued that when medical services are rendered for

consideration, they constitute a “service” within the meaning of Section 2(1)(o) of the Consumer Protection Act, 1986. They contended that negligent treatment resulting in injury or loss amounts to “deficiency in service” and that patients should not be denied access to a speedy and inexpensive remedy merely because the service provider is a medical professional.¹⁸³⁷

Given the conflicting views and the growing number of medical negligence complaints before consumer forums across the country, the matter assumed national importance. The Supreme Court was thus called upon to settle the legal position regarding the applicability of consumer protection law to medical services and to delineate the scope of liability of doctors and hospitals under the Act.

ISSUES FOR DETERMINATION

In *Indian Medical Association v. V.P. Shantha* (1995), the Supreme Court was required to address several fundamental legal questions that lay at the intersection of consumer law and medical jurisprudence. The issues framed for determination were crucial in defining the scope of patient rights and professional accountability within the healthcare sector. The primary issue before the Court was whether medical services rendered by doctors and hospitals fall within the definition of “service” as provided under Section 2(1)(o) of the Consumer Protection Act, 1986. This issue required the Court to interpret the legislative intent of the Act and to determine whether professional services, particularly those involving specialized skill and judgment, were intended to be covered.¹⁸³⁸

A second issue concerned the extent to which doctors and hospitals could be held liable for “deficiency in service” under consumer law. The Court had to examine whether negligence in medical treatment could be equated with deficiency and whether the standard of care

¹⁸³⁵ Consumer Protection Act, No. 35 of 2019, § 2(42), India Code (2019).

¹⁸³⁶ Id. § 2(11) (definition of “deficiency”).

¹⁸³⁷ *Jacob Mathew v. State of Punjab*, (2005) 6 S.C.C. 1 (India).

¹⁸³⁸ *Kusum Sharma v. Batra Hosp. & Med. Research Ctr.*, (2010) 3 S.C.C. 480 (India).

applicable to medical professionals could be assessed by consumer forums.

Another important issue was whether all forms of medical services, including those rendered free of charge or under government and charitable institutions, would attract the provisions of the Consumer Protection Act. This required the Court to draw a distinction between services rendered for consideration and those provided gratuitously.¹⁸³⁹ Collectively, these issues required the Supreme Court to balance the objectives of consumer protection with the need to preserve professional discretion and ethical medical practice. The resolution of these questions laid the foundation for a new legal framework governing medical negligence in India.

LEGAL PROVISIONS AND STATUTORY FRAMEWORK INVOLVED

The decision in *Indian Medical Association v. V.P. Shantha* (1995) primarily turned on the interpretation of key provisions of the Consumer Protection Act, 1986, alongside established principles of medical negligence under common law. The statutory framework provided the foundation upon which the Supreme Court evaluated the nature of medical services and the extent of professional liability. The central provision under consideration was Section 2(1)(o) of the Consumer Protection Act, 1986, which defines “service” as service of any description made available to potential users for consideration, excluding services rendered free of charge or under a contract of personal service. The Court was required to determine whether medical treatment rendered by doctors and hospitals for payment fell within this definition.

Closely linked to this was the concept of “deficiency in service” under Section 2(1)(g) of the Act, which refers to any fault, imperfection, shortcoming, or inadequacy in the quality, nature, or manner of performance required to be maintained by law or under contract. The

applicability of this provision to negligent medical treatment was a critical aspect of the case.¹⁸⁴⁰ In addition to consumer law, the Court relied upon principles of medical negligence under tort law, particularly the duty of care owed by medical professionals to patients. The judgment implicitly acknowledged the relevance of the standard of care expected from a reasonably competent medical practitioner, drawing upon established jurisprudence without displacing traditional negligence principles.

The statutory framework was thus interpreted harmoniously, ensuring that the Consumer Protection Act supplemented rather than supplanted existing remedies under civil and criminal law. This approach enabled the Court to extend consumer protection to patients while maintaining doctrinal consistency in medical negligence jurisprudence.¹⁸⁴¹

JUDGMENT AND JUDICIAL REASONING

In *Indian Medical Association v. V.P. Shantha* (1995), the Supreme Court delivered a landmark judgment that conclusively brought medical services within the ambit of the Consumer Protection Act, 1986, subject to specific qualifications. The Court adopted a purposive interpretation of the Act, emphasizing its objective of providing simple, speedy, and inexpensive redressal to consumers.

The Court held that medical services rendered for consideration fall squarely within the definition of “service” under Section 2(1)(o) of the Act. It rejected the contention that professional services, by virtue of their specialized nature, stand excluded from consumer jurisdiction. The Court reasoned that the Act does not distinguish between commercial and professional services, and that excluding medical services would defeat the remedial purpose of the legislation.¹⁸⁴²

¹⁸⁴⁰ *Dr. Laxman Balkrishna Joshi v. Dr. Trimbak Babu Godbole*, A.I.R. 1969 S.C. 128 (India).

¹⁸⁴¹ *Martin F. D’Souza v. Mohd. Ishfaq*, (2009) 3 S.C.C. 1 (India).

¹⁸⁴² *Bolam v. Friern Hosp. Mgmt. Comm.*, [1957] 1 W.L.R. 582 (Q.B.).

¹⁸³⁹ *Spring Meadows Hosp. v. Harjol Ahluwalia*, (1998) 4 S.C.C. 39 (India).

A crucial aspect of the Court's reasoning was the distinction drawn between services rendered free of charge and those provided for consideration. The Court clarified that medical services rendered entirely free of charge, including those provided in government hospitals or charitable institutions where no patient is charged, are excluded from the purview of the Act. However, where a hospital charges some patients and offers free services to others, the services rendered even to non-paying patients would be deemed to be for consideration, as the cost is cross-subsidized.

The Court also clarified that the Act excludes services rendered under a contract of personal service, but not those under a contract for personal service. Medical treatment, the Court held, falls under the latter category, as it does not involve an employer–employee relationship but rather a professional service rendered independently. Importantly, the Supreme Court addressed concerns regarding frivolous litigation and professional autonomy by emphasizing that consumer forums must exercise due care while adjudicating medical negligence claims. The Court underscored that liability would arise only where negligence or deficiency in service is established, thereby safeguarding doctors against unwarranted claims while ensuring accountability.

This judgment fundamentally restructured the legal landscape of medical negligence in India by recognizing patients as consumers and medical professionals as accountable service providers within a statutory consumer protection framework.¹⁸⁴³

RATIO DECIDENDI AND KEY PRINCIPLES LAID DOWN

The ratio decidendi of Indian Medical Association v. V.P. Shantha (1995) lies in the Supreme Court's authoritative interpretation of the scope of "service" under the Consumer Protection Act, 1986 and its application to medical services. The Court conclusively held

that medical services rendered for consideration constitute "service" within the meaning of the Act and are therefore subject to consumer jurisdiction.

One of the core principles laid down by the Court is the recognition of patients as consumers when they avail medical services for payment, and doctors and hospitals as service providers. This principle established a statutory basis for holding medical professionals accountable for deficiency in service arising from negligence, thereby supplementing existing remedies under tort and criminal law.

Another key principle is the distinction between free and paid medical services. The Court clarified that purely free medical services fall outside the purview of the Consumer Protection Act. However, where medical institutions charge some patients and provide free services to others, the element of consideration is deemed to be present, bringing all services within the scope of the Act. This principle prevented medical institutions from evading liability through selective charging practices. The Court also elaborated on the difference between a contract of personal service and a contract for personal service, holding that medical services fall under the latter category. As a result, medical treatment does not enjoy exclusion under the Act, as there is no master–servant relationship between doctor and patient.¹⁸⁴⁴ Finally, the Court reaffirmed that consumer forums must apply established standards of medical negligence and cannot presume liability merely because treatment resulted in an adverse outcome. This principle ensured a balance between patient protection and professional discretion, making the ratio of the case both consumer-oriented and professionally sensitive.

IMPACT OF THE JUDGMENT ON MEDICAL AND CONSUMER JURISPRUDENCE

The judgment in Indian Medical Association v. V.P. Shantha (1995) has had a profound and

¹⁸⁴³ V. Kishan Rao v. Nikhil Super Speciality Hosp., (2010) 5 S.C.C. 513 (India).

¹⁸⁴⁴ State of Haryana v. Smt. Santra, (2000) 5 S.C.C. 182 (India).

lasting impact on both medical jurisprudence and consumer law in India. By bringing medical services within the ambit of the Consumer Protection Act, the Supreme Court fundamentally altered the legal framework governing the doctor–patient relationship and expanded the scope of consumer rights in the healthcare sector.

From a consumer law perspective, the decision significantly strengthened patient rights by providing an accessible, cost-effective, and expeditious forum for redressal of medical negligence. Patients were no longer confined to civil courts, which often involved prolonged litigation and substantial financial burden. Consumer forums emerged as a viable alternative for seeking compensation, thereby democratizing access to justice in medical negligence cases. In the realm of medical jurisprudence, the judgment introduced a new dimension of professional accountability. Doctors and hospitals became answerable not only to professional regulatory bodies but also to statutory consumer forums. This dual accountability mechanism enhanced transparency and encouraged adherence to reasonable standards of care, while also increasing awareness among medical professionals regarding legal responsibilities.

The judgment also influenced subsequent judicial decisions, with courts consistently relying on V.P. Shantha to affirm the maintainability of medical negligence complaints before consumer forums. It laid the groundwork for the development of structured principles governing medical negligence claims, including evidentiary standards and the role of expert medical opinion in consumer adjudication.¹⁸⁴⁵

However, the impact was not without controversy. Sections of the medical community expressed concern that increased litigation could lead to defensive medicine and adversely

affect patient care. Despite these concerns, the judgment is widely regarded as a balanced approach that seeks to protect patient interests without undermining professional autonomy.

CRITICAL ANALYSIS AND CHALLENGES

While Indian Medical Association v. V.P. Shantha (1995) is widely celebrated as a progressive step in strengthening patient rights, the judgment has also attracted critical scrutiny, particularly from the medical fraternity and legal scholars. A key criticism relates to the potential for over-litigation and the risk of defensive medical practice, where doctors may order unnecessary tests or procedures primarily to avoid legal liability rather than for patient benefit.

One of the major challenges arising from the judgment is the capacity and competence of consumer forums to adjudicate complex medical negligence cases. Medical disputes often involve highly technical questions requiring specialized knowledge, and concerns have been raised regarding the ability of consumer forums to assess medical evidence without excessive reliance on expert testimony. This has, in some cases, resulted in inconsistent decisions and uncertainty in the application of negligence standards. Another critical issue is the ambiguity in determining “deficiency in service” in medical cases. Unlike ordinary consumer goods or services, medical treatment outcomes are inherently uncertain. The fine distinction between an error of judgment and actionable negligence remains difficult to apply uniformly, leading to apprehensions among medical professionals about unfair liability.

Further, the exclusion of purely free medical services from the Consumer Protection Act has also been questioned. Critics argue that this distinction creates an unequal remedial framework, where economically weaker patients receiving free treatment in government hospitals are denied access to consumer remedies, despite being equally vulnerable to medical negligence.

¹⁸⁴⁵ Achutrao Haribhau Khodwa v. State of Maharashtra, (1996) 2 S.C.C. 634 (India).

Despite these challenges, the judgment has largely been upheld and reaffirmed in later decisions, with courts emphasizing the need for cautious and informed adjudication rather than wholesale exclusion of medical services. The criticisms surrounding V.P. Shantha underscore the need for continuous refinement of medical negligence jurisprudence through legislative clarity, judicial guidelines, and strengthened medical expert involvement.¹⁸⁴⁶

CONTEMPORARY RELEVANCE AND CONTINUING APPLICABILITY

The principles laid down in *Indian Medical Association v. V.P. Shantha* (1995) continue to hold significant relevance in the contemporary healthcare and legal landscape of India. Despite substantial developments in medical technology, healthcare delivery systems, and statutory reforms, the core reasoning of the judgment remains intact and frequently relied upon by courts and consumer forums.

With the replacement of the Consumer Protection Act, 1986 by the Consumer Protection Act, 2019, the applicability of consumer law to medical services has been reaffirmed rather than diluted. The definition of “service” under the 2019 Act substantially mirrors its predecessor, and judicial interpretation continues to treat medical services rendered for consideration as falling within consumer jurisdiction. Consequently, the ratio of V.P. Shantha retains its binding force under the new legislative framework.¹⁸⁴⁷ The judgment has also gained renewed relevance in the context of corporatized healthcare, private hospitals, diagnostic centres, and telemedicine services. As healthcare increasingly operates within a commercial framework, the consumer-centric approach adopted in V.P. Shantha provides an essential legal check on profit-driven medical practices while reinforcing patient autonomy and informed consent.

At the same time, courts have evolved safeguards to prevent misuse of consumer

remedies against medical professionals. Subsequent rulings have emphasized the necessity of prima facie evidence and expert medical opinion before proceeding with negligence claims, thereby aligning with the cautionary observations made in V.P. Shantha itself.¹⁸⁴⁸

In essence, the judgment continues to serve as a foundational precedent that balances patient rights with professional discretion. Its enduring applicability underscores the Supreme Court’s role in adapting consumer law to emerging societal needs without undermining the ethical and professional foundations of medical practice.¹⁸⁴⁹

CONCLUSION AND OBSERVATIONS

The decision in *Indian Medical Association v. V.P. Shantha* (1995) represents a transformative moment in Indian legal history, particularly in the domain of medical negligence and consumer protection. By categorically recognizing medical services rendered for consideration as “services” under consumer law, the Supreme Court expanded the scope of patient rights and ensured access to an effective remedial mechanism beyond traditional civil litigation.

The judgment successfully reconciles two competing interests: the need to protect patients from negligent medical treatment and the necessity of preserving professional autonomy and ethical medical practice. Through careful qualifications—such as the exclusion of purely free services and the insistence on proof of negligence—the Court avoided imposing strict or absolute liability on medical professionals. Instead, it reaffirmed that accountability must be grounded in established standards of care. From a jurisprudential perspective, V.P. Shantha strengthened the consumer-centric orientation of Indian law and underscored the judiciary’s

¹⁸⁴⁶ M.P. Jain, *Indian Constitutional Law* 1530–32 (8th ed. 2018).

¹⁸⁴⁷ Ratanlal & Dhirajlal, *The Law of Torts* 492–500 (28th ed. 2022).

¹⁸⁴⁸ Law Comm’n of India, 201st Report on Medical Negligence and Liability (2006).

¹⁸⁴⁹ B.K. Mathew, *Medical Negligence and Consumer Protection in India*, 37 *J. Indian L. Inst.* 223, 230–35 (1995).

commitment to social justice in essential services like healthcare. The case continues to guide courts, consumer forums, and policymakers, particularly in an era marked by privatization and commercialization of healthcare.

In conclusion, Indian Medical Association v. V.P. Shantha remains a cornerstone of medical negligence jurisprudence in India. Its enduring relevance lies in its balanced approach—one that empowers patients as consumers while maintaining the integrity and dignity of the medical profession. As healthcare systems evolve, the principles laid down in this case will continue to serve as a critical reference point for ensuring accountability, fairness, and justice in medical services.

