

## CONSUMER UPDATE



**CAG uses diverse means to reach out to consumers to educate and empower them on consumer issues. While our quarterly newsletter “Public Newsense” is one such effort, considering the fact that there is much more information to be shared, we have decided to publish this bi-monthly, “Consumer Update”, which will focus only on consumer news. We sincerely hope that this will be useful and you will enjoy reading it. Thank you!**

### **New President for the Tamil Nadu State Consumer Disputes Redressal Commission**

Justice S. Tamilvanan, a former Judge of the Madras High Court, assumed office as President of the Tamil Nadu State Consumer Disputes Redressal Commission on December 23, 2016. The post remained vacant since May 2015, when Justice R. Regupathi retired from service. The President was only appointed after various representations, including the legal recourse taken by CAG.

### **Consumer Commission asks dealer to replace faulty vehicle**

Kanaram Jat bought a Scorpio for his personal use from Nagaur Automobiles Pvt. Ltd., in 2013, at a cost of Rs. 12.2 lakhs, including insurance and registration. Within few months of purchase, the vehicle started giving trouble. Following repeated problems, engine of the vehicle was replaced, with no effect. Kanaram had purchased the vehicle on loan and had to pay the monthly instalments without any use of the vehicle.

The dealer claimed that the vehicle was repaired and the fault was due to misuse and negligence. The manufacturer stated that the vehicle had run about 44,948 kms and therefore it cannot be claimed to be a production defect. However, the Rajasthan State Consumer Commission, before which the complainant had filed the complaint, refused to agree with the arguments of the manufacturer and dealer and ordered for replacement of the faulty Scorpio vehicle with a new one or to reimburse the full cost of the vehicle to the owner. In addition, the Commission directed to pay Rs.4 lakhs for causing mental agony and economic loss to Kanaram Jat. While Rs.2 lakhs was to be paid to the owner, Rs.2 lakhs was asked to be deposited in the account of the State Consumer Welfare Fund. Opposite parties were also asked to pay 10.5% interest on the loan amount from the date of purchase. The Commission asked the opposite parties to comply with its order within two months, failing which they were to pay interest @ 9% on the whole amount.

## Telecom Subscription Data as on 31<sup>st</sup> August, 2016

Particulars	No. of Wireless subscribers (in Millions)	No. of Wire-line Subscribers (in Millions)	No. of Total subscribers (Wireless + Wire-line) (in Millions)
Urban Subscription	585.89	20.57	606.46
Rural Subscription	442.99	3.94	446.94
Total Subscription	1028.88	24.51	1053.40
Overall Tele-density	80.62	1.92	82.54
Share of Urban Subscription	56.94%	83.91%	57.57%
Share of Rural Subscription	43.06%	16.09%	42.43%
No. of Broadband Subscribers	154.04	17.67	171.71

Source: TRAI

### Online Consumer Mediation Centre

National Law School, Bangalore (NLS) has set up a centre on Online Consumer Mediation Centre on the 24<sup>th</sup> of December (National Consumer Day) that will enable dispute resolution between consumers and E-commerce companies. E-commerce has changed the way people buy goods, but it sometimes comes with hidden surprises in the form of wrong orders or damaged goods landing at the buyer's doorstep. Now, there is some help at hand for customers who are unable to find an amicable resolution to disputes. The National Law School of India University, Bengaluru, is set to launch an Online Consumer Mediation Centre (OCMC) to help such consumers get a remedy, for a fee of Rs.100/-. Click [here](#) for more details.

### A review of the developments and judgements in the field of consumer protection - 2016

Sale of packaged drinking water above MRP, medical negligence cases and delay in handing over of flats by builders were some issues that led the consumer fora to take sellers and service providers to task in 2016. Click [here](#) for more details.

### FSSAI Rolls Out Scheme to Upgrade Food Testing Labs

In a bid to strengthen food testing infrastructure in the country, the Food Safety and Standards Authority of India (FSSAI) is rolling out a scheme to upgrade food testing laboratories with an investment of Rs.482 crore. The scheme is undertaken in the light of recent observations of the Bombay High Court regarding the urgent need to upgrade these labs in the country.

## *Mobile labs*

“Under this scheme, 45 State/UT food testing labs (at least one in each State/UT with a provision of two labs in larger states) and 14 referral food testing labs will be upgraded to enable them to obtain NABL accreditation. Besides, 62 mobile testing labs will also be established across all States/UTs,” the regulator said in a statement.

The regulator added that the mobile food testing labs set up in Punjab, Gujarat, Kerala and Tamil Nadu will serve as a model for these mobile testing labs. The empowered committee, which was constituted to implement the scheme, held its first meeting on November 2, chaired by the Chairperson of FSSAI. Representatives from the Centre and various state governments are members of the committee. Click [here](#) for more details.

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## **Never touch an accident vehicle until inspection!**

Ghanshyam Maurya had purchased an Escorts tractor from Tractor Dealer Farm Equipment and Machinery. It had a one-year warranty. During the warranty period, the tractor met with an accident and was taken to the authorized service centre for repairs. An estimate for repairs was sought and the insurance company was also intimated. An estimate for Rs. 25,000/- was given by the service centre. Later, the insurance surveyor, who inspected the vehicle, recommended for repudiation of the claim as Maurya had agreed for the tractor to be opened up for getting the repair estimate, prior to its inspection by the surveyor.

In the meanwhile, Maurya filed a complaint before the District Forum stating that the tractor was taken to the authorized service centre many times but the defects were not rectified thus proving that the vehicle suffered from inherent manufacturing defects. Hence he sought a replacement and compensation for harassment. The dealer and the manufacturer argued that within the warranty period, the company would either repair or replace any defective component free of cost. In this instance, since the insurance company refused to entertain the claim, the complainant filed a false complaint alleging manufacturing defect, averred the manufacturer.

The District Forum allowed the complaint and ordered for replacement of the tractor, or alternatively, to refund its cost along with interest, compensation and costs. This order was challenged before the Uttar Pradesh State Commission, but the appeal was dismissed. The dealer then filed a revision petition before the National Commission. The National Commission observed that Maurya had not produced any evidence or expert opinion to establish manufacturing defect in the tractor. Also, he did not produce the job sheets or other documentary proof to show that the tractor was repeatedly taken to the workshop for repairs. On the contrary, the documents showed that the tractor was taken periodically for free servicing during the warranty period and not for any defect. The National Commission concluded that Maurya had made false allegations about manufacturing defect when there was none, merely because the insurance company had rejected his claim and that too only because of him getting the tractor opened prior to inspection by the surveyor. Thus, the National Commission set aside the orders of the lower fora and dismissed Maurya's complaint.

## தவறான விளம்பரங்களுக்காக பதாஞ்சலி நிறுவனத்திற்கு நீதிமன்றம் அபராதம் விதித்தது

பிற நிறுவனங்கள் தயாரிக்கும் சில பொருட்களில் தங்களது லேபிளை பயன்படுத்தி விற்று, நுகர்வோரை ஏமாற்றியதற்காக, ஹரித்வாரின் கூடுதல் மாவட்ட நீதிபதி, பதாஞ்சலி நிறுவனத்திற்கு ரூபாய் 11 லட்சம் அபராதம் விதித்து தீர்ப்பளித்தார்.

பதாஞ்சலி நிறுவனத்தின் தயாரிப்புக்களான கடுகு எண்ணெய், அன்னாசி பழ ஜாம், தேன் போன்றவற்றின் மாதிரிகள் சோதனை செய்யப்பட்டு, அவற்றின் தரம் குறைவாக இருந்ததால், மாவட்ட உணவு பாதுகாப்புத்துறை, 2012 இல், பதாஞ்சலி நிறுவனத்தின் மீது வழக்கு தொடர்ந்தது.

பொருட்கள், உணவு பாதுகாப்பு மற்றும் தரச் சட்டத்தின் பிரிவு 52-53 மற்றும் உணவு பாதுகாப்பு மற்றும் தர (பொட்டலப்படுத்தப்பட்ட மற்றும் லேபிவிங்) விதிமுறையின் பிரிவு 23.1 (5) ஆகியவற்றை மீறுவதாக கண்டறியப்பட்டது.

*December 24 —  
National Consumer Rights Day*



# CAG

Citizen consumer and civic Action Group

CAG is a 31 year old non profit, non political, professional organization working towards protecting citizen's rights in consumer and environmental issues and promoting good governance including transparency, accountability and participatory decision making.

The complaints cell at CAG addresses specific problems of consumers. Also CAG regularly conducts consumer awareness programmes for schools, colleges and special target groups.

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