



## CONSUMER UPDATE

### World Consumer Rights Day 2019

Every year, the world over, 15th March is celebrated as World Consumer Rights Day. This is an international consumers' movement which champions the rights of the consumer and works toward deepening global solidarity among consumers by way of events, awareness campaigns, and peaceful protest. This movement is being led by Consumers International (CI), a federation of consumer organizations from across the globe, which provides a theme for coordinated action each year. This year, the theme was [Trusted Smart Products](#). In order to discuss the opportunities and challenges about smart products, CAG, in collaboration with Ethiraj College for Women, Chennai organised an event on the 14th of March, 2019.



A student representative from Ethiraj College welcomed the gathering and S. Saroja from CAG gave a brief introduction about the program. Following this, Savitha Thirunavukkarasu from CAG gave a detailed presentation on "Digital Applications". As part of her presentation, Savitha conducted a quiz for students on various applications that are popular on smartphones. She explained how consumers could ensure their safety while using any of these products by managing application permissions, not allowing unwanted notifications, not saving credit/debit card or password details, not sharing personal details on pop-ups etc. There were also video snippets that described the real risk of being hacked.

Later, students performed a skit on "Smartphones and their impact on life" and debated on the topic "Smart Products - A boon or a bane". Sumana Narayanan from CAG judged the event. In conclusion, Sumana said that there are no cut and dried answers on whether smart devices were a boon or a bane. A consumer's needs and lifestyle should determine where s/he draws the line. What is important is for consumers to be aware that our information can be used or misused.

### Bata Fined Rs. 9,000/- for Asking Customer to Pay Rs.3/- for Carry Bag

Bata India Limited has been told to pay Rs.9,000/- to a consumer for deficiency in services. Acting on a complaint filed by the customer, a Chandigarh Consumer Forum has slammed Bata for asking the customer to pay Rs.3/- for a paper bag.

In his complaint, Chandigarh resident Dinesh Prasad Raturi told the consumer forum that he had purchased a pair of shoes on February 5 from a Bata store. The store charged him Rs.402/- which also included charges for the paper bag. Raturi told the Forum that by charging him for the bag, Bata was also endorsing its brand on the bag, which was not justified. The Forum said compelling a customer to pay for a paper bag was a clear deficiency in service as it was the store's duty to provide a free bag to the customer who had purchased their product. The Consumer Forum also directed Bata India to provide free paper bags to its customers. It also observed that if the companies were really worried about the environment, they should provide free environment-friendly bags to their customers.

For more details, [click here](#)

## Campaign on “No Bank Charges”

The banking sector is under a prolonged and severe crisis. Bad loans continue to grow and banks remain undercapitalized with profits in the red. As a result, banks are now caught in the middle of shifting the burden of the banking crisis onto the public depositors, viz. levying charges, fees and penalties across the board - on ATM transactions, on cash withdrawals, on non-maintenance of minimum balance and other charges. All these charges are arbitrary in nature and increase consumers’ financial burden manifold.



Demanding that the Government/Reserve Bank of India scrap these charges that are detrimental to consumers’ interests, Financial Accountability Network (FAN), India launched a nation-wide campaign titled “No Bank Charges”. As part of this larger campaign, CAG, in collaboration with Financial Accountability Network India and Madras Metropolitan Consumer Rights Protection Centre, organised a Seminar on “No Bank Charges” at SSN College of

Engineering, Chennai on Thursday, 11 April 2019 to educate consumers on the conspiracy behind these bank charges and demand for abolishing the same. Mr. Thomas Franco, former General Secretary of All India Bank Officers' Confederation, spoke at the seminar and Ms. Priya Darshini, FAN India asked consumers to write letters to the Prime Minister, Finance Minister and RBI Governor demanding to scrap various bank charges.

---

### Rs. 70,000 crore of our money lying unclaimed!

**Rs 16,000 cr of insurance:** As much as Rs 15,230 crore of policyholders’ money is lying unclaimed with 24 life insurers with about 70% (Rs 10,509 crore) with LIC alone (as of March 31, 2018). The 34 non-life insurers have another Rs 848 crore in unclaimed funds.

**Banks owe Rs 20,000 cr:** RBI’s Depositor Education and Awareness Fund (DEA Fund) takes over bank accounts and deposits that have not been operated or claimed for over 10 years. The fund had a staggering Rs 19,567 crore lying unclaimed as of June 2018.

**Rs 9,000 cr in post offices:** Rs 9,395 crore is lying unclaimed in various Post Office schemes as depositors forgot to withdraw it after maturity and many of the small savings schemes have been discontinued.

**Rs. 1,514 cr from Finance Company:** The money Indians invested in just one company, Peerless General Finance and Investment, adds up to Rs 1,514 crore over 15 years. The amount raised through about 1.49 crore deposit certificates belonged mostly to small investors as 51% of it was in certificates of value of Rs 2,000 or less. The Corporate Affairs Ministry has said that the money has been [transferred](#) to the government-owned Investor Education and Protection Fund (IEPF).

**IEPF :** The IEPF, in which companies' unclaimed dividends for seven years and the underlying shares are transferred, has an accumulated corpus of around Rs 4,138 crore. Companies have also transferred 65.02 crore shares valued at Rs 21,232.15 crore.

**That adds up to...** about **Rs 70,000 crore**. Most of these investments lie unclaimed because the next of kin of a deceased investor are either unaware of them or are unable to prove their claims. However, if you can prove your claim there is still a way to claim what’s yours. *Source: Times of India*

---

### Chennai District Consumer Disputes Redressal Forum ordered developer to pay compensation

Amar Prakash developers were ordered to pay compensation of Rs.60,000/- to the complainant, for not handing over possession of apartment even after making full payment. In addition, the developer was asked to pay a monthly rent of Rs. 8000/- for the period of delay. The Consumer Forum observed that the complainant had complied with the norms of the builder and therefore, the demand of interest for alleged delayed payment was illegal and the delay constituted deficiency in service. *For more details, [click here](#)*

## **TRAI raps Dish TV India over consumer complaints**

Telecom Regulatory Authority of India (TRAI), the telecom and broadcast regulator has asked DTH operator Dish TV India to comply with the provisions of the new regulations for cable and DTH companies. The regulator was responding to consumer complaints about the operator. Earlier, TRAI Chairman had said they would take strict action against companies that were not complying with the new regulatory framework and were forcing consumers to stick with their own packs and plans.

TRAI also pulled up Bharti Telemedia, which is the company name for Airtel DTH, on similar grounds. According to the TRAI, Dish TV “is forcefully offering a bouquet of free-to-air channels with no choice to subscribers and without their consent.” *For more details, [click here](#)*

---

## **Don't use 70% of home buyers' funds to repay loans**

Developers should not repay loans taken from banks and financial institutions by using 70% of the total amount collected from buyers and allottees of a project. This amount is meant to complete construction of the project and meet the land cost, observed Haryana Real Estate Regulatory Authority (HRERA) and UP Real Estate Regulatory Authority (UPRERA).

In a case in Gurgaon, the local bench of HRERA, directed the Police Commissioner to register a criminal case against India Bulls Housing Finance Limited, Industrial Finance Corporation of India Limited and PNB Housing Finance Limited for using money from the 70% of the amount collected from buyers and allottees, which it said should be used to complete construction of the project as per the RERA Act. *For more details, [click here](#)*

---

## **Many essential drugs priced much higher than manufacturing cost: WHO**

Around 40% of the essential medicines in India with lowest MRP are priced significantly higher than estimated production costs, an assessment by World Health Organization (WHO) shows, highlighting the exorbitant profiteering by the pharmaceutical companies.

This results in high expenditure, pushing people into poverty. In India, over 75% of health expenditure is out-of-pocket, of which the major junk is spent on medicines.

The study shows while Indian prices were less than WHO's estimated generic price in many cases, they were mostly government tender prices, which are likely to be significantly lower than the private market prices more often experienced by those needing medicines in India. Moreover, most of the high-priced medicines in India were found only in the private market, suggesting a lack of availability in public facilities, the study said.

The market prices of medicines in India do not bear any resemblance to the cost of production. The National Pricing Regulation, applied to essential medicines, has shifted from a cost-plus mechanism to a market based mechanism in 2013. All India Drug Action Network (AIDAN) has challenged the same in the Supreme Court because the market-based mechanism is deeply flawed. *For more details, [click here](#)*

---

## **No product will be 'fresh', 'pure' or 'natural' without permission**

To grab the attention of customers, companies often use labels like 'natural', 'pure', 'authentic', etc. But come July 1, the use of such words on products will cost manufacturers Rs 10 lakh in fines. It has now been made mandatory for brands to either get permission to use such words, or carry a disclaimer about them on the product. There are several products that carry such words, but as per the new rule of the Food Safety and Standards Authority of India (FSSAI), their usage without permission could land the manufacturer in trouble.

Customers are generally attracted to words like 'genuine', 'original,' etc on food products. When a company uses the

word 'real,' for a food product for instance, it implies that it is the only real/original product, which is in violation of the Advertisement Act of FSSAI. This creates a false perception of a product for customers.

The circular issued by the apex food regulating body, states that where the meaning of a trade mark, brand name, or fancy word containing adjectives such as natural; fresh, pure etc appears in the labeling, presentation, or advertising of a food product in a way that is likely to mislead the consumer about the nature of the food, a disclaimer not less than 3mm in size shall be given in an appropriate place on the product. It should state 'This is only a brand name or trade mark and doesn't represent its true nature.' **Source: FSSAI**

## வீடு கிடைக்காத 19 பேருக்கு இழப்பீடு - ரியல் எஸ்டேட் ஆணையம் உத்தரவு

தனியார் நிறுவன குடியிருப்பு திட்டத்தில், குறிப்பிட்ட காலத்தில் வீடு ஒப்படைக்கப்படாததால், பாதிக்கப்பட்ட, 19 பேருக்கு, அவர்கள் செலுத்திய பணத்தையும், தாமதத்தால் ஏற்பட்ட மன உளைச்சலுக்கு இழப்பீடும் வழங்க, ரியல் எஸ்டேட் ஒழுங்கு முறை ஆணையம் உத்தரவிட்டது.

காஞ்சிபுரம் மாவட்டம், ஸ்ரீபெரும்புதூரை அடுத்த போந்தூரில், "மார்க்" நிறுவனம், 'பிருந்தாவன்' என்ற பெயரில், குடியிருப்பு திட்டத்தை அறிவித்தது. 2013ல், இத்திட்டத்தில் ஏராளமானோர் வீடு வாங்க பணம் செலுத்தினர்.

ஆனால், ஒப்பந்தத்தில் குறிப்பிட்டபடி, அந்நிறுவனம் கட்டுமான பணிகளை முடித்து, வீடுகளை ஒப்படைக்கவில்லை. இதனால், அதில் முதலீடு செய்த, 19 பேர், ரியல் எஸ்டேட் ஒழுங்கு முறை ஆணையத்தில் மனு செய்தனர்.

இது தொடர்பாக, இரு தரப்பினரிடமும் விசாரித்த ஆணைய விசாரணை அதிகாரி சரவணன் பிறப்பித்த உத்தரவில், "கட்டுமான நிறுவனம், குறிப்பிட்ட காலத்தில் வீடுகளை ஒப்படைக்காததால், அதில் பணம் செலுத்திய, 19 பேரும் இழப்பீடு பெற தகுதி பெறுகின்றனர். இவர்கள் செலுத்திய பணத்தை, வட்டியுடன் திருப்பி தர வேண்டும். மேலும், வீடு கிடைக்காததால் ஏற்பட்ட மன உளைச்சலுக்காக, 19 பேருக்கும், தலா 20 ஆயிரம் ரூபாய் இழப்பீடும், வழக்கு செலவு தொகையையும், கட்டுமான நிறுவனம், 60 நாட்களுக்குள் வழங்க வேண்டும். மேலும், வீடு வாங்குவதற்காக, கட்டுமான நிறுவனத்துடன் மேற்கொள்ளப்பட்ட ஒப்பந்த பத்திரங்களை ரத்து செய்ய, பாதிக்கப்பட்டவர்கள் நடவடிக்கை எடுக்கலாம்" என்று குறிப்பிடப்பட்டுள்ளது.



# CAG

Citizen consumer and civic Action Group

New No.246, Old No.277-B,  
T.T.K. Road (J.J. Road),  
Alwarpet, Chennai 600 018.  
Ph: 044 - 2499 4458 / 2466 0387  
Email: [helpdesk@cag.org.in](mailto:helpdesk@cag.org.in)

CAG is a 33 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.

### TRUSTEES

Sriram Panchu  
Arjun Rajagopalan  
Suchitra Ramakumar

R. Hema

George S. Thomas

C. Rammanohar Reddy

Keshav Desiraju

### ADVISORS

Tara Murali

N.L. Rajah