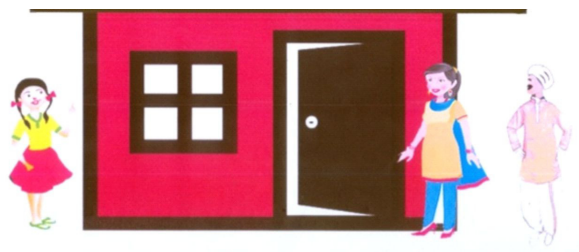


# Consumer Dialogue

Volume VII, Issue 2, May-August 2016

E-newsletter



The Department of Consumer Affairs, Government of India sponsored *Grahak Suvidha Kendra* (GSK), which was formally launched on September 15, 2015. GSK Jaipur provides services, such as advice on consumer protection related issues and complaints, publications of books, pamphlets, magazines and other materials on consumer related issues and handling consumer complaints through counseling and conciliation for quick and easy redressal.

#### GSK details can be accessed at:

[http://www.cuts-international.org/CART/Grahak\\_Suvidha\\_Kendra.htm](http://www.cuts-international.org/CART/Grahak_Suvidha_Kendra.htm)

#### For being a part of GSK family visit:

<https://www.facebook.com/Grahak-Suvidha-Kendra-GSK-Jaipur-1459230614407574/?fref=ts>

#### Online Submission of Complaints:

Online consumer complaints for GSK can be registered at:

<https://docs.google.com/a/cuts.org/forms/d/14B78zgXN1cQa61MTuZSPtcrF6rEoUBTkbTYeL4ajXx0/viewform?c=0&w=1>

For online registration of consumer complaints against misleading advertisements, Ministry of Consumer Affairs of Government of India has developed the web portal:

<http://gama.gov.in/Default.aspx> / <http://gama.gov.in/Secure/Login.aspx>

## INSIDE

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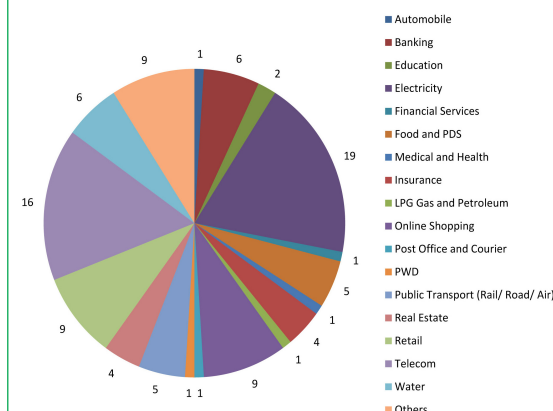
**CUTS**  
International



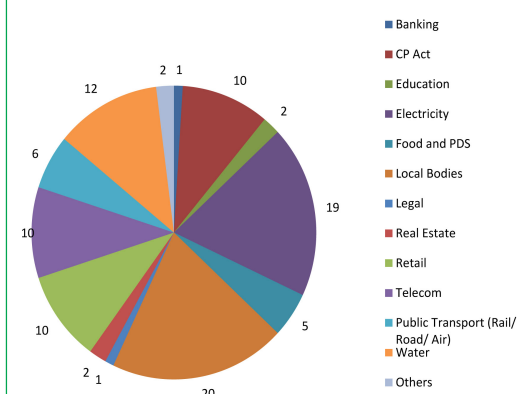
CUTS CART

## Complaint Analysis of GSK, Jaipur (May-August 2016)

Sectorwise Complaints  
in Percentage



Sectorwise Advisories  
in Percentage





## Reserve Bank of India Takes the Onus of Educating Depositors

The Reserve Bank of India (RBI) has established the 'Depositor Education and Awareness Fund (DEAF) Scheme 2014' comprising unclaimed funds of depositors, with the objective of utilising them for the promotion of interests of the depositors'. The statutory basis of this fund is Section 26 A of the Banking Regulation Act, 1949 and on this ground this fund was created by taking over inoperative deposit accounts. This refers to the accounts or unclaimed deposits, which were not operated for ten years or more and were lying in the various banks in India.

It is to be noted that as per the information provided in Indian Parliament in December 2013, 3,652 crore of unclaimed deposits are in Indian Banks. Out of this, 340 crore are deposited in the private banks and 75 crore in foreign banks. Further, 68 percent includes savings account and 13 percent comprises fixed account in the specified amount. The RBI has invited application from NGOs to conduct awareness related programmes from the Fund and for this, they registered Non-government



Organisations (NGOs) with them. Initially, as many as 20 (NGOs) got registered with the RBI and CUTS International, a Jaipur-based NGO in Rajasthan was assigned the task to implement the programmes in the State of Rajasthan.

To kickstart the programme, CUTS conducted awareness workshops in five cities in the State of Rajasthan comprising Jaipur, Kota, Chittorgarh, Bhilwara and Sawai Madhopur. The launch of the programme along with first awareness workshop were conducted in Jaipur on June 07, 2016. Madhavi Sharma, banking Ombudsman; P K Pradhan, General Manager, Banking Supervision, RBI; and Deepak Gogia, Assistant General Manager, and many senior managers of various banks participated in the programme.

Madhavi Sharma as Chief Guest of the event stated that consumers generally have grievances and complaints, in case they are not satisfied with the banking services or products. S Balachandran, Senior Vice President, Axis Bank, Mumbai deliberated on 'Know Your Customer' (KYC) norms and demystified the same. He explained about KYC norms, role of RBI in setting up the norms, importance of KYC and future role of KYC in safeguarding the depositor's interest. Munish P Kothari, Chief Counsellor DISHA Trust-Financial Literacy Credit Counselling (FLCC) and also a former Regional Director of RBI, Mumbai discussed about the customer rights, Charter of customer rights, overall protection of consumer concerns.

Moreover, Mukesh A Mehra, Chief Manager, Baroda Academy, Bank of Baroda talked in detailed about steps taken by Bank of Baroda for consumer awareness programmes, steps taken for consumer protection and complaint redressal. N K Sharma, Chief Manager, State Bank of Bikaner and Jaipur (SBBJ) also shared his experiences and said that along with the responsibilities of the banking officials it is also necessary that all the consumers also follow their duties and approach to the internal mechanism of banks of complaint redressal rather approaching directly to the high level officials.

The workshop was attended by around 125 customers including urban, semi urban and rural areas, which included representatives from NGOs, Civil Society Organisations (CSOs) and media as well.


**Other Depositor Education Awareness Programme Held**

S. No.	Date and Place	Resource Persons/Speakers
1.	July 15, 2016 at Sawaimadhopur	<ul style="list-style-type: none"> <li>Nirbhoy Dev Sharma, Manager, Office of Banking Ombudsman, Reserve Bank of India, Jaipur</li> <li>K N Verma, Counsellor, Disha Trust-FLCC, Jaipur</li> <li>B N Sharma, Assistant Regional Manager, Baroda Rajasthan Grameen Bank, Sawimadhopur</li> <li>S L Sharma, Director, Baroda Academy (Bank of Baroda), Sawaimadhopur</li> <li>Satya Narayan Lodha, Assistant Manager, SBBJ, Sawaimadhopur</li> </ul>
2.	July 22, 2016 at Bhilwara	<ul style="list-style-type: none"> <li>R P Sharma, Assistant General Manager, Office of Banking Ombudsman, Reserve Bank of India, Jaipur</li> <li>K N Verma, Counsellor, Disha Trust-FLCC, Jaipur</li> <li>N C Jain, Assistant Lead Development Manager, Lead Bank, Bank of Baroda, Bhilwara</li> <li>Shiv Kumar Gupta, District Development Manager, NABARD (National Agriculture Bank for Rural Development), Bhilwara</li> <li>D S Medatiya, Chief Manager, Baroda Rajasthan Kshetriya Grameen Bank, Bhilwara</li> </ul>
3.	August 31, 2016 at Chittorgarh	<ul style="list-style-type: none"> <li>Indrajeet Singh, Collector, Chittorgarh</li> <li>Munish P Kothari, Chief Counsellor, Disha Trust-FLCC, Jaipur</li> <li>N K Somani, Assistant General Manager, SBBJ, Chittorgarh</li> <li>S D Vaishnav, Branch Manager, Baroda Rajasthan Khetriya Grameen Bank (BRKGB)</li> <li>R P Sharma, LEAD District Manager (LDM), Bank of Baroda, Chittorgarh</li> </ul>







## Hazardous e-Waste:

### Apple Cannot Import or Sell Second-Hand Phones in India

The Indian government has expressed that the multinational and electronics company Apple that it is in-principle against allowing import and sale of second-hand phones in India to prevent dumping of hazardous electronic waste.

This deals a setback to the smartphone maker's expansion plans in a market where it sees huge potential amid overall slowdown of its sales. "We conveyed our views on the matter and the representatives respected our stand", according to a senior government official.

The government's views come as a dampener for Apple, which has aggressive expansion plans in the fastest growing smartphone market in the world where the Cupertino-based smartphone maker sees huge potential.



(The Economic Times, May 04, 2016)

For details: <http://economictimes.indiatimes.com/tech/hardware/hazardous-e-waste-apple-cant-import-or-sell-second-hand-phones-in-india/articleshow/52099477.cms>

## New Draft Rules for Road Safety

From making vehicle drivers liable for punishment in case there is a violation of seatbelt norms by their co-passengers, to prohibit drink and drive and playing of loud music, the new draft Rules of Road Regulation have spelt out a slew of measures to make the roads safer for the public.

For the first time, the rules have also proposed holding road construction and maintenance agencies responsible for any accident or death/injury caused due to their negligence or dereliction. The new draft rules envisage a slew of measures to make the roads safer for all users to bring down the number of deaths, which were found to be nearly 146,000 in 2015.



(The Wire, May 02, 2016)

For details: <http://thewire.in/2016/05/02/no-loud-music-no-drinking-and-driving-new-draft-rules-to-make-indian-roads-safer-33248/>

## Now, No Negative Balances in Savings Accounts: RBI

Negative balances in savings accounts due to penalty charges are now history following a directive from the Reserve Bank of India (RBI). The central bank has asked banks to stop imposing charges for non-maintenance of minimum balance once the balance in a savings account touches zero. Although the norms came into effect in 2016, some banks were carrying out the practice of creating negative balances in savings accounts until recently.

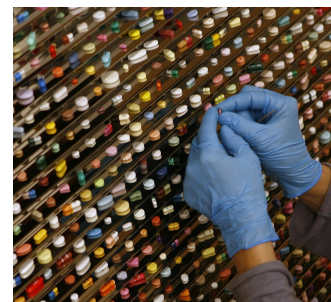
Moreover, according to the RBI, if any bank continues to debit charges on a savings account creating a negative balance, customers can approach the banking ombudsman. Most banks stated that they do not create a negative balance in savings bank accounts.

(Times of India, May 11, 2016)

For details: <http://timesofindia.indiatimes.com/business/india-business/No-negative-balances-in-savings-accounts-RBI/articleshow/52214982.cms>

## Price Cap on Drugs Counterproductive

With India's enormous population, one of the biggest challenges we face is providing access to quality health care for all our citizens. Access to health care extends beyond the cost of medicine to the proximity, quality and functionality of health care infrastructure. A 2015 study by IMS Health on "Assessing the Impact of Price Control Measures on Access to Medicines in India" concluded that price controls do not improve access to medicines. The consumption of price-controlled medicines in rural areas declined by 7 percent over 2013 and 2014, while that of non-price controlled drugs went up by five percent. The findings found that price-capping of medicines is actually counterproductive. The IIM study found that the Drug Price Control Order (DPCO) of 2013 has resulted in reducing the availability of essential drugs, especially in rural areas.



(Business Standard, May 30, 2016)

For details: [http://www.business-standard.com/article/opinion/ranjit-shahani-price-cap-on-drugs-counterproductive-116053001483\\_1.html](http://www.business-standard.com/article/opinion/ranjit-shahani-price-cap-on-drugs-counterproductive-116053001483_1.html)

## TRAI Sets the Stage to Define Net Neutrality

India is on course to join an ever-increasing list of countries that will clearly define what 'net neutrality' is and its binding principles. Telecom Regulatory Authority of India (Trai) has come out with a pre-consultation report on net neutrality, following the department of telecommunications seeking the regulator's views. According to TRAI, the shift in consumer behaviour will not only create opportunities and innovations as far as businesses are concerned, but will also increase risks for consumers, thanks to the trail of information they will leave behind.



(Business Standard, May 31, 2016,)

For details: [http://www.business-standard.com/article/economy-policy/trai-sets-the-stage-to-define-net-neutrality-116053100040\\_1.html](http://www.business-standard.com/article/economy-policy/trai-sets-the-stage-to-define-net-neutrality-116053100040_1.html)

## 2.24 Million Cars Recalled in India in the Past Four Years

Indian auto makers recalled 2.24 million vehicles citing safety concerns between July 2012 and May 2016, a *Mint* analysis of data provided by Society of Indian Automobile Manufacturers (Siam) shows. Of these, 1.01 million cars were recalled in 2015 alone. In the five months to May this year, car makers have recalled around half a million cars and with increased scrutiny on the quality of vehicles, the year 2016 may end up seeing the highest number of recalls yet.

India's auto makers have started to recall vehicles more frequently after the country's auto lobby group Siam adopted a voluntary code on vehicle recalls in 2012. Rising customer awareness over global recalls has also played a part. Siam defines a recall thus: "After release to markets, if in the opinion of manufacturer some vehicles have issues, which pose a safety defect as defined herein, such vehicles are voluntarily inspected and rectified by the manufacturers/importers, free of cost."



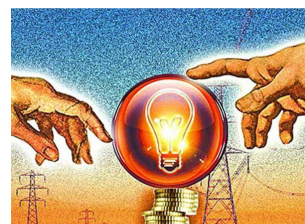
(Livemint, June 06, 2016)

For details: <http://www.livemint.com/Industry/UdqDR4jH0oFmmPKMKOevKP/224-million-cars-recalled-in-India-in-the-past-four-years.html>

## States Agree on 24x7 Power Supply to All Households by May 2017

All the Indian States have resolved to provide 24x7 power to all households by May 2017, around a year ahead of target set by the Prime Minister.

In a recent meeting Goa Minister Piyush Goyal said all the states, except those affected by leftwing extremism, have also resolved to electrify all remaining un-electrified villages by December, 2016 and states will award contracts in the following 30 days for this work. Minister said it was resolved to provide power to all households in 18,452 villages in the country in a mission mode by May 01, 2017. The states also resolved to ensure that operational and financial milestones in the memorandum of understanding for Ujwal Discom Assurance Scheme (UDAY) would be implemented. In a landmark decision, all States also resolved to procure henceforth only smart meters, which are tamper proof and communication-enabled.



(The Hindu Business Line June 17, 2016)

For details: [http://www.thehindubusinessline.com/economy/piyush-goyal-urges-states-to-plug-powertheft/article8741417.ece?utm\\_source=email&utm\\_medium=Email&utm\\_campaign=Newsletter](http://www.thehindubusinessline.com/economy/piyush-goyal-urges-states-to-plug-powertheft/article8741417.ece?utm_source=email&utm_medium=Email&utm_campaign=Newsletter)

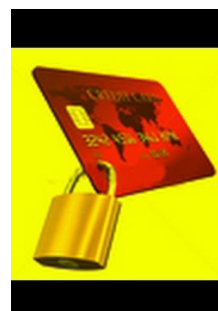
## RBI to Come Hard on Banks Failing to Protect Customer Rights

The Reserve Bank of India plans to crack down on banks that don't ensure the protection of customers' rights in line with the charter, it issued last year.

The charter stated that customers should not be subjected to unfair business or marketing practices, coercive contractual terms or misleading representations. It also seeks to restrict practices such as the sale of unsuitable financial products to customers. More than having to pay penalties for such infractions, banks should be worried about the loss to their reputation that stems from this.

(The Economic Times, June 28, 2016)

For details: <http://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-to-come-hard-on-banks-that-fail-to-protect-customer-rights/articleshow/52860269.cms>



IMPORTANT  
JUDGEMENTS/  
DECISIONS/  
NEWS







## Builders to Pay 11 percent Interest for Delayed Projects

Developers may have to pay 11.2 percent interest to buyers for delay in handing over apartments and homes, according to draft rules unveiled by the Indian government, a step seen as bringing relief to homebuyers reeling under the impact of delayed projects and mounting loan liabilities.

The rules also say projects without a completion certificate will have to register with the Real Estate Regulatory Authority, to be set up in states/UTs within three months of the rules being notified. Builders will have to give information on completion date of a project, size of flats and promised facilities, state the draft rules, published to seek public comments till July 08, 2016.

The draft Real Estate rules have been formulated by the Housing and Urban Poverty Alleviation Ministry within two months of some sections of the Real Estate (Development and Regulation) Act, 2016, coming into force on May 01. The interest rate compensation has been proposed to be 2 percentage points over and above the prime lending rate (PLR) of State Bank of India. Normally, a home loan from SBI is pegged at 0.20 percentage points to 0.80 percentage points over and above the MCLR (marginal cost of fund based lending rate) at 9.15 percent, which is the PLR for a retail loan. That means, rates for compensation would be 11.2 percent as against the home loan rate of 9.35 percent to 9.95 percent.



(The Times of India, June 29, 2016)

For details: <http://timesofindia.indiatimes.com/india/Builders-may-have-to-pay-11-interest-for-delayed-projects/articleshow/52964626.cms>

## Food Wastage Can Cost a Family 80 Lakh

The world wastes 1.3 billion tonnes of food a year.

Indians waste food as much as the entire UK consumes. While the wastage cannot completely eliminate, it can be reduced. Here is how much you will gain if you reduce the waste by half. If the monthly savings on food are invested in an option that earns a modest 10 percent compounded returns, a family will be able to accumulate 20.5 lakh in 30 years. However, this is not a static number because food prices keep rising with time.

(The Economic Times, July 18, 2016)

For details: [http://economictimes.indiatimes.com/food-wastage-can-cost-a-family-rs-80-lakh/articleshowsp/53127874.cms?inttarget=no&utm\\_source=newsletter&utm\\_medium=email&utm\\_campaign=Dailynewsletter&type=dailynews&code=fcd2253fc9f0a6c39eb1db2a919b7c](http://economictimes.indiatimes.com/food-wastage-can-cost-a-family-rs-80-lakh/articleshowsp/53127874.cms?inttarget=no&utm_source=newsletter&utm_medium=email&utm_campaign=Dailynewsletter&type=dailynews&code=fcd2253fc9f0a6c39eb1db2a919b7c)



## Bad Roads Killer of over 10k People in 2015

In 2015, as many as 10,727 people were killed in crashes caused by potholes, speed breakers and roads that were under repair or being constructed. The number of people killed due to potholes rose to 3,416, from 3,039 in the previous year. Deaths caused by potholes saw a massive seven-fold increase in Maharashtra in 2015, according to the surface transport ministry's road accidents report. A rise in such fatalities indicates failure of road-owning agencies to maintain stretches. Interestingly, Uttar Pradesh, known for its bad roads, reported an almost 50 percent reduction in pothole deaths as compared with 2014.

(The Times of India, August 01, 2016)

For details: <http://timesofindia.indiatimes.com/india/Bad-roads-killed-over-10k-people-in-2015-3416-deaths-due-to-potholes/articleshow/53482615.cms>



## Second Advisory Committee of GSK

Marking the completion of a year of GSK, the second meeting of the Advisory Committee was held at CUTS Jaipur on June 30, 2016. The meeting was chaired by O P Singh Gurjar, President, District Consumer Forum, Jaipur III. It was attended by Geeta Pareek, Member, District Consumer Forum, Jaipur



III; Anant Sharma, President, Consumer Action and Network Society (CANS); Seema Joshi, Maulik Foundation, Jaipur; Rakesh Parmar, Samajik Vikas Samiti, Dholpur; and George Cheriyan along with the CUTS GSK Team.

## Tobacco Control Advocacy Initiative

On July 19, 2016, CUTS signed a Memorandum of Association (MOA) with Consumer Voice to conduct advocacy activities in Rajasthan for Tobacco Control Interventions, which is supported by Tobacco Free Kids- (TFK). The main objective of the project is to influence the policy makers to maintain higher taxes on tobacco products in the interest of consumers.

## National Environment Awareness Campaign (NEAC)

CUTS has been re-appointed as Regional Resource Agency for NEAC 2016-17. It has conducted pre-proposal workshop in the districts of Rajasthan Chittorgarh, Jaipur, Jodhpur and Kota in August 2016.

## ProOrganic Phase 2016-17 Takes off

Marking the commencement of activities, a Partners' Orientation Meeting was organised at Jaipur on April 08, 2016. The objective of the meeting was to present and discuss objectives of the next phase of the project and its work plan with district partners in six project districts of Rajasthan: Jaipur, Dausa, Udaipur, Chittorgarh, Pratapgarh and Kota. Among the activities under the phase so far, during May-August, 2016, as many as 89 village level awareness programmes were conducted in 89 different villages under 51 blocks of six districts. Few (two to seven) similar programmes were conducted during the period May-August, 2016 at the block and district level. One Farmer's Training and Exposure visit was also conducted in Kota.



## Seminar-cum-Exhibition

Deepak Saxena, Deputy Head of Consumer Action Research and Training (CART) participated in a seminar-cum-exhibition hosted by the Ministry of Food and Consumer Affairs of Government of India in Patna on May 17, 2016. GSK Jaipur also displayed and distributed CUTS publications in the exhibition comprising CUTS literature, manuals, reports, pamphlets, posters and other publications. As many as 409 people visited the stall including Ram Vilas Paswan and Sushil Modi, former Deputy Chief Minister, Bihar.

## Glimpses of ACTIVITIES



## REPRESENTATION



- George attended the 10<sup>th</sup> Anniversary Commemorative Special Meeting of FSSAI and Panel Discussion on Food Safety, Food Safety Standard Authority of India held at New Delhi organised by FSSAI on August 22 and 23, 2016 respectively.
- Dharmendra and Manisha represented CUTS at Consumer Education Workshop organised by Tata Docomo at Hotel Chomu Palace, on August 26, 2016. Both also represented CUTS at Consumer outreach programme organised by TRAI at on August 30, 2016 at Madhuvan Hotel, Dausa.
- George attended the first meeting of the Task Force on UNGCP (United National Guidelines on Consumer Protection) at Dept. of Consumer Affairs on August 23, 2016. George attended the Consumers International Partners (Consumer Action Group, Consumer Association of India, Consumer Education Research Centre & CUTS) meeting with IKEA Foundation and CI staff held at Ahmedabad on August 17-18, 2016. Manisha Joshi, Renu Beniwal of CUTS CART and Madan Giri Goswami of CHD represented GSK Jaipur at the tenth Training Programme for coordinators and advisors of State Consumer Helplines and 2<sup>nd</sup> Training Programme for *Grahak Suvidha Kendra* on Consumer Protection and Consumer Welfare Organised by Centre for Consumer Studies, Indian Institute of Public Administration during July 07-09, 2016 at IIPA, New Delhi.
- George attended the 17<sup>th</sup> meeting of the Central Advisory Committee (CAC) of Food Safety and Standards Authority (FSSAI) held at New Delhi on June 22, 2016. Deepak Saxena and Madhusudan Sharma participated in the *Vidhayak Sanwad* organised at Rajasthan assembly building dated June 08, 2016 on Green Growth and Energy Transformation. In the meeting, eight MLAs, who are member of the Environment Committee took part. The meeting was presided over by Rao Rajendra Singh, Deputy Speaker, Rajasthan Assembly.
- George and Dharmendra attended an open house organised by Bharat Sanchar Nigam Limited (BSNL) on May 28, 2016 at BSNL headquarters, Jaipur.
- George Cheriyan participated in the first meeting of the committee to examine and recommend amendments in the Legal Metrology Rules, 2011, held at New Delhi on May 09, 2016.
- George visited Chittorgarh on May 18, 2016 to facilitate the visit of Indrani Thuraisingham (Head, Office of Asia and the Pacific, Consumers International, Kuala Lumpur, Malaysia) to CUTS Centre of Human Development (CHD), Chittorgarh and nearby villages and meeting with women's groups, as part of scoping visit for finalising a CI proposal to IKEA Foundation.
- Deepak attended a meeting on the consultation on Draft BIS Rules on July 26, 2016 at Manak Bhawan, New Delhi.

### Upcoming Events

- Depositors Education Awareness Programme on September 22, 2016 at Kota under DEAF.
- Stakeholders Consultation on 'Organic Food and Farming' under Green Action Week of ProOrganic project on October 20, 2016.
- Consultation with TRAI, Telecom Service Providers and NGO reps in November 2016 under GSK.
- Parfore (Parliamentary Forum) Meeting on November 16, 2016 and National Advocacy Meeting on December 15, 2016 under ROSA (Road Safety Advocacy) project.
- National Workshop on Human Rights Based Approach under ProOrganic on November 29-30, 2016.
- Remaining Farmer's Training and Exposure Visits; Village, Block and District level Workshops and Organic Fair under ProOrganic project.



### CUTS Centre for Consumer Action, Research & Training (CART)

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