

Consumer Dialogue

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Expert Panel to Suggest Norms for Issuing SIM Cards

In a milestone decision, the Supreme Court of India has set up a joint expert panel to recommend the procedure for telecom firms to properly identifying customers before issuing SIM cards to them.

A bench consisting of Chief Justice S H Kapadia said the panel comprising officials of the Department of Telecommunications (DoT) and the Telecom Regulatory Authority of India (TRAI) will submit its report to the government within three months. The bench passed the order on a plea by telecom consumer Avishek Goenka seeking its direction to the government to frame guidelines for telecom firms for issuing SIM cards, which are now necessary in view of the recent probe in terror attacks pointing towards the use of mobile phones, the connections for which were given on the basis of fake documents.

The bench, however, refused to pass any guidelines saying that it has to be decided by the expert committee as the judiciary has no technical know-how on the issue. Some divergence on certain specific issues of the regulatory regime has been projected in the instructions and comments filed by TRAI and DoT. These need to be resolved but in

absence of any technical knowhow or expertise being available with Supreme Court, it did not find appropriate to decide, by a judicial dictum, as to which of the views expressed by these high powered bodies would be more beneficial to the regulatory regime and will prove more effective in advancing the public interest.

The above notified Committee shall resolve above specified issues and any other ancillary issue arising there from and make its recommendations known to the DoT within three months from the date of decision.

The Centre and the telecom regulator differed on a number of issues like whether re-verification should be undertaken by the service provider or the DoT itself or any other central body. They also differed on the mode of delivery of SIM cards to provide due verification of identity and address of a subscriber and on enhancing the penalty for violating the guidelines including sale of pre-activated SIM cards.

The bench, after noting down all the divergent opinion, said that these things should be sorted out as it can have serious ramifications.

In its decisions, the bench said that "The above mentioned points of divergence between TRAI and DoT are matters, which will have serious ramifications not only *vis-à-vis* regulatory authorities and licencees but also on subscribers and the entire country. These aspects demand serious deliberation at the hands of the technical experts".

"It is expected that the authorities concerned would enforce the regulatory regime with exactitude. Therefore, it is not only desirable but also imperative that TRAI and DoT seriously cogitate on issues where divergence has been expressed between them and bring unanimity in the terms and conditions of licences which would form an integral part of the instructions," the bench said.

(The Hindu, 27.04.12)



CUTS CART

Public Interface Meetings Phase I of 2012

The objective of Public Interface Meetings (PIMs) of phase I of third year is to raise consumer awareness at grassroots by strengthening the capacity of networkers in selected blocks of respective districts in Rajasthan; build a strong consumer movement at grassroots in Rajasthan; establish a contact institution in projected district to guide and motivate buyers as well as sellers for developing faith in the judiciary and the administrative system; share the existing appropriate mechanisms for exchange of information on measures of consumer protection, nationally and regionally; empower the urban and rural populations to make informed choices and thereby protect their health and safety and get more value for money; and obtain feedback from the people about the existing redressal mechanism condition.

In these programmes, local officials from government, *panchayat samities*, *gram panchayats*, schools, members of district consumer forums etc. served as resource persons.

In the first phase of third year of the project, PIMs were



conducted in Sujangarh (Churu) on April 05; in Dausa on April 06; in Todaraisingh (Tonk) on April 07; in Rewasa (Sikar) on April 10; in Sarmathura (Dholpur) on April 11; in Kota on April 12; in Devpura (Bundi) and Bhensroadgarh (Chittorgarh) on April 13; in Balesar (Jodhpur) on April 21; in Bansoor (Alwar) on April 23; in Kavrara (Ahore block) in Jalore on May 11; and in Banswara on May 19, 2012 respectively. More than 652 participants from various categories of consumers participated in 12 PIMs.

Some key observations and highlights of PIMs

- Overwhelming response from media, youths, *panchayat* representatives and women
- Majority of participants were unaware of consumer rights, availability of redressal mechanism and procedure of filing complaints at their respective districts
- Unawareness towards packed items, standardisation and food adulteration prevalent in rural areas
- Public Distribution System, electricity and mobile phone emerged as one of the main problematic areas among other district level departments
- In most of the places, people at the level of *Zila Pramukh*, *Zila Uppramukh*, Chairman, *Sarpanch*, *Pradhan*, *Tehsildar*, principals of schools and members of District Consumer Forum etc. actively participated
- Participants shown keen interest on several issues

Some burning issues/suggestions raised in PIMs

- Consumers to be made aware so that unfair trade practices would automatically stop
- Fee levied on consumers by consumer fora should be waived off
- Error margins in packaging items to be rationalised
- Consumer fora to move down up to the level of sub-division for wider outreach
- Need to run food safety and labelling awareness campaigns
- A Medical Board should be appointed to examine cases of medical abuses and negligence

OTHER CONSUMER RELATED ACTIVITIES

- George Cheriyan and Deepak Saxena met Tapesh Pawar, new Principal Secretary, Food, Consumer Affairs and Civil Supplies of Government of Rajasthan on June 01, 2012. The purpose of the visit was to meet him after assuming the responsibility as the new Secretary, Consumer Affairs and apprise him about CUTS and on-going activities/projects in the area of consumer protection and also discuss various issues related to consumer affairs.
- Dharmendra Chaturvedi attended an open house conducted by service providers Aircel on June 27, 2012 and discussed various issues related to telecom consumers and their grievances.
- Dharmendra Chaturvedi attended the first meeting of the newly constituted Divisional Railway Users' Consultative Committee of Western Railway, Jaipur on June 29, 2012 to discuss consumer issues pertaining to railway consumers.

Rajasthan Enacts Law on Right to Hearing

The Rajasthan Assembly recently in April 2012 passed a Bill providing the people with the right to a hearing on governance related issues within a stipulated timeframe. The state is the first in the country to do so.

The law shall extend to the whole of the state and the government shall appoint Public Hearing Officer (PHO), first appellate authority, second appellate authority and revision authority, as well as give stipulated time limits for disposing complaints.

A complainant may be lodged by a citizen or a group of citizens before PHO for seeking any benefit or relief relating to any policy, programme or scheme being run by the Central or state government.

The law envisages providing opportunities to common people to lodge complaints, if their grievances are not heard by the officials. The Bill also has provision of penalty. Where the second appellate authority is of the opinion that the PHO has failed to provide an opportunity of hearing within the stipulated time limit without sufficient and reasonable cause, it may impose on him a penalty not less than ₹500 and not exceed than ₹5000.

(www.igovernment.in; 27.04.12)

Rajasthan Passes Procurement Transparency Bill

Rajasthan Assembly passed another important bill entitled, 'Transparency in Public Procurement Bill-2012' to ensure transparency and accountability in public procurement process. The state government considered it necessary to ensure transparency in the public procurement process to enhance confidence of people in the public procurement.

The Act shall apply to all public procurement carried out by public procuring entities. At present, public procurement in the state is governed by administrative rules and procedures. The Bill has provisions for state procurement portal, which will have all information regarding the procurement, and a state procurement facilitation cell to ensure that the provisions of the Act are followed.

(Business Standard, 27.04.12)



Insurance Covers Death by Mosquito Bite

In one of the major decision, Delhi North District Consumer Dispute Redressal Forum remarked, "In our considered opinion when a snake bites a person, it is an accident." On this analogy, the Forum did not find any difference between the death caused by a snake bite and the death caused by the bite of malaria parasite provided there should be a proof to that fact.

The order of the bench came on the plea of aggrieved consumer Nirmal Singh of Punjab who had alleged that after his father's death due to malaria, the Oriental Insurance Co Ltd refused to reimburse his claim under the policy.

The insurance company contended that the insurance of the deceased was cancelled in 2002 itself as per the policy decision and the premium of ₹282 was refunded on proportionate basis for the un-expired period of the scheme.

The Forum while holding that death of Nirmal's father was due to an accident, however, upheld the decision of the company to reject his claim saying the policy was cancelled in 2002 and the cancellation was not challenged by him.

(Deccan Herald, 18.05.12)



PFC to Compensate RTI Applicant

An RTI applicant who suffered loss due to wrong information given by Punjab Financial Corporation (PFC) was awarded ₹50,000 compensation by Chandigarh Consumer Disputes Redressal Forum. The Forum has also directed the PFC Assistant Public Information Officer to pay ₹5,000 to Balraj Kalra, a 73-year-old resident of Kotkapura, Punjab.

In his complaint, Kalra stated that he applied to the Corporation for some information under the Right to Information (RTI) Act. Kalra added that on account of the wrong information, his wife had to pay the cost of land plus other expenses amounting to ₹2.8 lakh to the Corporation. He added that PFC was deficient in service towards him and also guilty of unfair trade practice.

PFC highlighted that the property sold to Kalra's wife was on lease with Punjab Small Industries and Export Corporation. It had only sold the leasehold rights of the property concerned, which is permissible under law.

The Forum stated that when PFC sold the land to Kalra's wife, it was the "lawful duty" of the Corporation to supply information regarding the land as demanded by him. The Forum directed the Corporation to compensate the complainant accordingly.

(Indian Express, 12.04.12)





IRDA's Initiatives Raising Awareness among Consumers

The Insurance Regulatory and Development Authority (IRDA) has been taking a series of initiatives under the *Bima Bemisaal* logo for creating awareness about insurance. The latest initiative is the proposed exclusive educational website for members of the public, prospects and policyholders with a view to educating them about matters relevant to consumers of or prospects for various insurance services.

The website will be in English and then enabled in Hindi and so on. It is an attempt to reach out to all to give certain basic generic information on the subjects in order that consumers begin to think and seek answers to questions such as what they need to buy, whether they are being offered the right product, that they must read the insurance policy fully, understand procedures and documentation involved in making a claim etc.

The website will seek feedback/suggestions from all, the public, prospects, policyholders, intermediaries, insurers and all other stakeholders of the insurance industry. The website can be accessed at www.policyholder.gov.in. As can be seen, there are some elements of the website that would be static and others that be dynamic wherein there would be periodic updations.

(www.irda.gov.in, 30.04.12)

Hallmarking now to be mandatory

The Cabinet, headed by Prime Minister Manmohan Singh, cleared the proposal by approving amendments to the Bureau of Indian Standards (BIS) Act, 1986, that aims to expand the ambit of mandatory hallmarking to include more products, including gold. The BIS (Amendment) Bill, will empower the government to bring in compulsory certification regime any article and/or process that it considers necessary from the point of view of health, safety, environment and prevention of deceptive practice.

At present, about 77 items, including cement, mineral water and milk products, are certified through mandatory hallmarking under the BIS Act for conformity with expected quality levels. The BIS hallmark, a mark of conformity widely accepted by the consumer, bestows the additional confidence to the consumer on the quality of products like gold jewellery.

Besides mandatory hallmarking, the amendments moved by the Consumer Affairs Ministry also seek to introduce registration of relevant standards as an alternative mechanism to the compulsory certification regime to facilitate growth of sunrise sectors like IT and biotechnology and protect consumers from spurious and substandard imports. It also aims to strengthen the penal provision for better and effective compliance with the provision of BIS Act.

Indian Scenario

The annual consumption of gold which was estimated at 65 tonnes in 1982 increased to over 500 tonnes presently about 80 percent is for jewellery fabrication for domestic demand, 15 percent for investor demand and barely five percent for industrial use.

Indian consumer is very often a victim of irregular metal quality. A buyer, for instance, will be told that he has bought gold of 22 carats. When he goes to sell or exchange it he discovers that the gold is actually only of 18 carats or many customers have lost money in this way. In India the emphasis is on high caratage jewellery, and problems have also arisen through the lack of suitable high carat solders. The traditional handcrafted pieces in 22 carat contain many soldered joints and the use of solder alloys of a much lower caratage has meant a serious level of under-carating.

Hallmarking Certification

The Government of India took the cognisance and understood the necessity of protecting the public in its purchases of gold jewellery especially with regard to standards of fineness and the prevention of adulteration, be it deliberate or accidental. The principle objectives of the Hallmarking Scheme are to protect the public against the fraud of adulteration and to oblige manufacturers to maintain legal standards of fineness.

Hallmarking is the accurate determination and official recording of the proportionate content of precious metal in gold. Hallmarks are thus official marks used in many countries as a guarantee of purity or fineness of gold jewellery.

(*The Hindu*, 04.01.12)

Upcoming GRANIRCA Activities

- Analysis and report writing of Survey Data under Research of 2012
- Publishing of second Briefing Paper
- DLTWs of 2012 in July and August 2012
- Publishing of Research Document 2012

