

## Mandatory to Provide Cash Memo/Bill by Shopkeepers



License should be given to only those shopkeepers who provide cash memo/bills, this would help in reducing the time to redress consumers' grievances and all the states should adopt this, said Hon'ble Justice S Talapatra, Guwahati High Court during his inaugural speech in a two-day Knowledge Enhancement Workshop (KEW-Second round) jointly organised by CUTS and Consumers' Protection Association (CPA) in Agartala (Tripura) on May 18-19, 2012. He mentioned that European market as compared to Indian is more open and with increasing access to remote rural markets with little regulations in place, investor/traders are maximising their profits at the cost of consumers' interest.

He opined that even after 25 years of Consumer Protection Act (COPRA), no significant initiative has been taken by the government to promote it. He also expressed his concern and said that 2.4 crore cases are pending for judgment in various courts across India.

Rural India is having the biggest market and in 2010, 55 percent of insurance was sold by Life Insurance Corporation in rural areas. Also, many items of vehicle, electrical, etc. are sold in rural areas since urban areas are saturated; however they do not have any grievance redressal mechanism below the district level. George Cheriyan, Director, CUTS emphasised on the need for making consumer protection law and grievance redressal mechanism workable for the poor and rural consumers and the role of local administrative bodies in this regard.

"Most of consumers do not use grievance redressal this mechanism due to lack of awareness", said Amrit Lal Saha, President of CPA & Chairman, Consumer Coordination Council. In one of his recommendations, he stated that complaints handling procedure will need to be made more accessible to common consumers and the fee required to register a complaint should be less or eliminated.

The event received excellent media coverage in national and local newspapers. The workshop was attended by prominent personalities, such as B Kilikder, Retd. Judge; K K Roy, Principal, Tripura Government College; Hari Das Dutta, Advocate, Guwahati High Court; Indraneel Bhowmik, Reader, Tripura University; Shukla Saha, Assistant Professor, Ramthakur Degree College; Shreelekha Roy, Executive Director, Voluntary Health Association of Tripura, Agartala; and Samya Bharadwaj, Director, Consumer Legal Protection Forum, Assam. Total 94 participants attended the KEW.

### WHAT'S NEW

**CUTS ConsumersUp Yahoo Group**  
ConsumersUp yahoo group was formed and consumer protection-related news was posted. Members of different COs and CSOs are regularly participating in discussions.

For more detail please visit:  
<http://finance.groups.yahoo.com/group/CUTSConsumersUp/>

### UPCOMING ACTIVITIES

Four Regional Consultations are scheduled to disseminate the preliminary findings from the field research and to get the feedback/recommendations from various region specific stakeholders such as representatives of State Department of Consumer Affairs, consumers' grievances redressal bodies, consumer organisations, policy makers, subject expert, media, academia etc. Apart from dissemination of preliminary research findings, these consultations will serve the purpose of advocacy. About 50 representatives will be part of this consultation.

- August 03, 2012 at Bengaluru (Karnataka)
- August 17, 2012 at Agartala (Tripura)
- August 22, 2012 at Chandigarh (Union Territory)
- August 29, 2012 at Ranchi (Jharkhand)

Inside

### INFORMATIVE PART 3

Send SMS for Cheaper Drug Options

### JUDGEMENT 3

Doctors, Hospital Fined for Negligence

Cheque Encashed by Fraud

### RESEARCH ACTIVITIES 4

### NEWS 4

Banks to Introduce a Centralised Grievance Redressal System

### IN MEDIA 4



Ministry of Consumer Affairs,  
Food & Public Distribution  
Government of India

सत्यमेव जयते

## Government to take Steps to Promote Generic Medicines

**D**rug industry makes a whole lot more money on pharmaceuticals that patients must take perpetually for chronic conditions, rather than on those, they take occasionally for isolated illnesses, this is why big pharma has worked hard over the years to get as many people as possible hooked on drugs that must essentially be taken for life, said **Jayashree Gupta, Former Additional Secretary to Government of India and President of Consumers India** in her key address in a two-day KEW-second round event jointly organised by CUTS and Citizens Awareness Group in Gurgaon, Haryana on May 07-08, 2012.

Talking about generic medicines, she informed that a generic medicine is a medicine that is developed to be the same as a medicine that has already been authorised (the 'reference medicine'). However, the name of the medicine, its appearance (such as colour or shape) and packaging can be different from those of the reference medicine.

Poonam Pandey, Project Associate, *Deutsche Gesellschaft für Internationale Zusammenarbeit* informed participants about various avenues available to consumers for redressal of grievances and how consumer issues and awareness can be taken in the rural areas as 70 percent of the Indian population reside in villages. In her view, 'negligence on part of consumers' was equally responsible for the current condition. She felt that consumers in rural areas were the primary victims of malpractices.

Amarjeet Singh, Project Coordinator, CUTS shared his insights on the key advocacy skills that should be garnered to take up consumer protection issues. He also explained research methods such as quantitative, qualitative and sampling techniques with special reference to consumer organisations.

The workshop was attended by prominent key speakers, such as Prabhakar Rai, Director, Bureau of Indian Standards, Faridabad; Rajinder Raja, B P Yadav, District Supply Officer; Surinder Kumar, Food & Supply Department, Gurgaon; and B K Mitra, Telecom User Group of India who provided valuable inputs. Total 44 participants were present in KEW.



## Legal Aid Councils to be Extended to Rural Communities

**B**etter access of the rural population to complaint resolution at the pre-litigation stage should be guaranteed by using the *Panchayati Raj* Institution, Legal Aid Councils should be extended to rural communities and promoted, establishment and strengthening of a State Consumer Welfare Fund were few recommendations which emerged out in a two-day KEW-Second round in Ranchi, Jharkhand on May 14-15, 2012.



The best way to define consumer is "anybody who chooses any goods or services and spends money to obtain them and uses them to satisfy his or her own needs" said Sanjay Sharma, Director, Employee State Insurance Corporation (ESIC), Jharkhand. He explained various laws/regulations related to consumer protection to participants.

Arun Sharma Manager, ESIC said that in courts of law huge unreasonable claims are considered irresponsible and may go against consumer's interest. Hence, as a consumer we must be careful while claiming compensation. He emphasised that one should not make unreasonably large claims while making complaints and claiming compensation.

Sajjan Saraf, President, Jharkhand Chamber of Commerce and Industries while providing an overview of consumer awareness and protection, said that the consumer movement in India traces in antecedents to the independence movement when the consumer organisations got themselves registered in Chennai in 1930s.

Ashok Kumar Thakur, Retired Deputy Zonal Manager, Bank of India insisted that one should be very cautious while purchasing any product or scheme and taking loan from banks. He also said that one should read documents carefully before signing while taking any loan from banks, as there are many hidden costs in it.

The event received excellent media coverage in national and local newspapers. Government & other officials as well as activists, representatives from CSOs, and NGOs from Jharkhand & Bihar actively attended the KEW. Total 62 participants attended the workshop.

(For more details of all KEWs please visit: <http://www.cuts-international.org/CART/ConsumersUp/Events.htm>)

## Send SMS for Cheaper Drug Options

Some good news for consumers might be at hand. They would soon be able to find the most affordable alternative to the medicine prescribed by their doctors through an SMS-based service. The service, expected to be launched by the government in August 2012, will be available throughout the country.

Once the person sends a text message of the prescribed brand of drug to a particular number from his mobile, he will receive two to three options of the same medicine, along with the price differential. Sometimes, the price differential between two alternatives of the same medicine is huge up to 10-15 times. This service would help a patient choose the cheapest alternative available.

The government plans to cover at least two-thirds of the prescription market through this scheme, which would include all widely used therapies, such as anti-infectives, painkillers, respiratory and gastrointestinal drugs. There would, however, be riders. The government will set in filters where options may not be available. These would include cases where the person is suffering from serious ailments, and certain lifestyle diseases like diabetes where the medicine and dose vary according to person's physiological conditions.

The SMS programme will arm the consumer with cheaper options. A few years ago, the government launched a 24x7 helpline where a consumer could complain of being overcharged by a chemist. It also gave consumers information on essential medicines and their prices, besides helping them locate a cheaper generic version if an expensive, branded version had been prescribed. *(Times of India, 17.07.12)*

## JUDGEMENT

### Doctors, Hospital Fined for Negligence

Two doctors and a leading cardiac hospital of Kolkata B M Birla Heart Research Centre have been directed by the State Consumer Disputes Redressal Commission to pay compensation to the tune of ₹18 lakh for negligence leading to the death of a 23-year-old patient in 2005.

Parents of Gaurav Khanna complained to the Consumer Forum of medical negligence, deficiency in service and unfair trade practice, following which the State Forum passed the verdict. The hospital said it may contest the verdict and move to the Supreme Court. The consumer court has also directed the hospital and two doctors to pay an additional litigation fee of ₹5 lakh to Gaurav's parents. The hospital has also been asked to refund ₹6,15,000 to Gaurav's parents, as it was found to have been wrongly charged.

On January 17, 2005, Gaurav was admitted to the hospital with chest pain. He was put in the cardiac care unit (CCU). Two doctors diagnosed that Gaurav had an aortic valve leakage and advised a replacement. A surgery was done on January 22, but it failed to improve his condition. Gaurav suffered a renal failure and was put on a ventilator. He was put through multiple surgeries, without seeking consent of his parents. But operations could not revive the youngster and he died on February 05, 2012.

His parents complained to the consumer court that he was shifted to a room from the CCU and charged ₹1400 daily. The hospital authority offered a package of ₹1.35 lakh for the operation. But since Gaurav wanted a TV in the room, the package went up to ₹1.75. It was strange that ₹40,000 was charged for a TV. *(Times of India, 02.07.12)*

### Cheque Encashed by Fraud

A Consumer Forum recently held a Bank guilty of deficiency for attempting to absolve itself of responsibility in a fraudulent cheque encashment case. Indian Bank was reprimanded for being negligent and allowing the encashment of a cheque which was evidently tampered with. The Forum ordered the Bank to pay Qatar-based Riyaz Mukdam the encashed amount of ₹2.81 lakh along with nine percent interest from December 2008. This amounts to about ₹25,000. Mukdam will also get ₹10,000 as cost of the complaint.

On November 24, 2008, he sent five post-dated cheques to his brother Abdullah in Mumbai. One of the cheques dated November 25, 2009 was for ₹2.81 lakh. On December 12, 2008, when Mukdam asked his brother about the cheques, he was told that he had not received that one. When Abdullah checked with the bank, he realized that somebody had overwritten his brother's name with another name and encashed it at the Bank's Bandra branch. The cheques date was changed from November 25, 2008 to November 25, 2009, and Mukdam's signature was forged. He alleged that the cheque was encashed due to the Bank's negligence.

Mukdam filed a complaint with the Mumbai District Consumer Disputes Redressal Forum on December 10, 2010 alleging Bank's carelessness. The forum stated that from documents presented, it was proved that the cheque was tampered with and the signature was forged. The Forum said that when it was clear that there were obvious changes to the cheque, the bank should have checked with Mukdam and conducted investigations. The forum also said the Bank's irresponsible behaviour was evident after it delayed in filing the police complaint. *(Times of India, 15.05.12)*

The key activity of the project is to bring out a credible report on the 'State of the Indian Consumers Report 2012'. The report will be having chapters on each of the consumer rights, consisting of an analysis of the state of implementation of the consumer rights based on a comprehensive literature review and findings of a comprehensive field research, based on a quantitative and qualitative sample survey. The field research incorporates 11,500 responses received from 88 districts of 19 states and 3 union territories. The respondents belong to diverse education and financial status, rural and urban divide and literacy rate. Apart from common consumers, responses of service providers, consumer organisation, consumer fora and government agencies/authorities related to consumer issues were collected under the research. Preliminary report on the 'State of the Indian Consumers Report 2012' has been prepared.

NEWS

## Banks to Introduce a Centralised Grievance Redressal System

The Finance Ministry has instructed the Public Sector Banks to establish a grievance redressal system which would resolve the customer complaints in 21 days. This redressal system has to be uniform in all banks throughout the country.

According to the Ministry, the redressal system would be a three-tier system. Under the system, the principal responsibility of solving the customer grievances would lie with the branch manager. Each branch has to redress a grievance within 10 days. If the matter remains unsolved after 10 days, then the complaint would reach the regional/office level. At this level another 5 days would be given to solve the grievance. If the customer grievance is still not solved, then the matter would reach the head office which would get six days to solve it. In all, it should not take more than a total of 21 days to solve a complaint.

Further, the Ministry Directive said that the bank customers should have many channels through which they can lodge their complaints. It should include a complaint book or register at the branch level, toll free phone numbers and call centers, through letter, fax, email and through mobile and bank website. These complaints would be added in a centralised digital system where each complaint would generate a complaint number for future reference. Each complaint has to be acknowledged by the respective bank, then within a stipulated time frame the complainant will receive a reply.

The Ministry also suggested that a final letter stating the action taken after receiving the complaint could be provided to the complainant, once the matter gets resolved.

(www.rupeetimes.com, 14.06.12)

IN MEDIA

