

TEACHERS REFERENCE BOOK



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UNIT 1

INTRODUCTION

STRUCTURE

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CONSUMER EDUCATION

provides knowledge, attitudes and skills to make a person a better consumer,

orients the students to consume products and services with an ethical and environmental conscience.

helps the students to know their rights and duties while consuming the products and services.

*Consumer education is one of the concerns now knocking at the doors of schools / colleges curriculum. Its need has been realized by all the enlightened people. Educationists have also started getting convinced that such a concern should find due place in school curriculum. Technological development has flooded the market with a variety of goods and services. It is, therefore, important that a child possesses basic knowledge and skills to judge the products. Consumer Education helps in providing this knowledge to the students. In other words, **Consumer Education develops critical awareness and living skills which are oriented towards building a better future for our society.***

It is only in the schools / colleges that tomorrow's consumers will learn to become more discriminating in their shopping habits, more knowledgeable of their rights and responsibilities. The child becomes a discriminating buyer by taking rational decisions, there by refusing to fall a prey to advertisement or persuasions.

Aware and alert student consumers can become the eyes and ears of the nation, helping to foster a sense of national pride. *It is said that Consumer Education helps to open the 'Consumer eye' of a person, where by a well informed consumer buys the products after critical and analytical evaluation from the point of view of his individual interest and in the interest of the society and nation at large.*

Consumer Education at school / college level aims to educate the pupils to become knowledgeable and rational consumers, conscious of their needs and capable of choosing products in a relatively free and uninfluenced manner. This, in turn is expected to lead to effective and economic competition as well as to healthy and correct production corresponding to consumers' needs and wishes.



As stressed by the UN Guidelines, Consumer Education should reach all the groups that are most susceptible to harmful market practices and hazardous products. For them, Consumer Education can ensure knowledge and skill to fight against exploitation. Over the past few years, the technological changes have been unprecedented. New ways of buying are developing fast. Buying through internet has becoming a practice. Possibilities of paying electronically has replaced paying in cash. In this changed circumstances, financial management has to be learned at an early age.

Hence consumer education at school / college level is essential in view of

- The changing needs of the new generation
- The changed economic and industrial scenario of the country
- Aggressive market strategies, the misleading advertisements
- Ensuring better quality of life for the future citizens of the country who would be educated enough to guard 'against bad products' and 'bad services'

1.1 TEACHING CONSUMER EDUCATION

The teacher's role is very important in consumer education. The teacher has to choose effective teaching methods in order to be effective in Consumer Education. Owing to the different aims of Consumer Education and the multi-disciplinary nature of the subject, the teaching methods for Consumer Education are of critical importance. It is not only just as transfer of knowledge, but also development of skills and

understanding of the society in which consumers play their part. One cannot become an informed consumer just by listening to a teacher, reading a book or learning a theory. Consumer Education is a continuous process of learning and practising skills in daily life situations.

Activities are an essential part of Consumer Education. Activities are good for assimilation of experiences and empirical insights. But activities alone are not good enough. Consumer Education has to contribute to concept formation as well. Acting as a responsible consumer also means being guided by sound principles and that means consumers must have a clear understanding of the socio-economic structure of society.



Besides, an approach has to be chosen. Consumer Education could be anti-business, but does not have to be. According to an American Consumer activist, Ralph Nader, Consumer Education should be viewed as both defensive and assertive education. He says, "The defensive aspect teaches students to avoid pitfalls, to analyse their own behaviour and to deal effectively in their everyday consumer transactions. The assertive one enables them to regard themselves as responsible consumer citizens and to see the alternatives that are, or should be, open to them in the marketplace".

Consumer Education focuses on behaviour towards others, and problem-solving techniques. Listening skills, brain storming, assertiveness training, role play, group-work, referral and research skills are part of the learning process. This means that beyond the traditional lecture, there are numerous ways to teach Consumer Education which are a lot more effective and interesting. The most frequently used methods are mentioned below.

1.2 TEACHING METHODS

1.2.1 Questions and tasks

Questions function as a test of whether the student has understood the information he/she has just heard or read.

The question should be a tool to determine the present knowledge and understanding of the students, or to stimulate them to reflect on their own behaviour and attitudes.

For instance, the students get a piece of text introducing the problems that consumers face when purchasing something expensive like a Walkman. Questions arise such as :

Is it of good quality? Is it worth the price? The task for the student is then to imagine how to plan buying a Walkman. What aspect do you look for? After that task, the text book can then explain how tests on such products are carried out and why consumer organisations test and publish.

1.2.2 Project work

This can be defined as an activity of a group of students who study a chosen subject or conduct a survey.

The teacher can act as a guide, advisor or coordinator. The students work more or less independently and gain experience on their own. Projects have the advantage of having immediate practical use.

The subject chosen must be of direct concern to children (e.g. bicycles, shoes, school bags and soft drinks, rather than refrigerators or washing machines). There must be some clearly defined reason for carrying out the project. The subject should be limited and centralized rather than vast and unwidely (for example, if the subject is advertising, deal with a specific product like shoes or jeans). Follow-up work should also be done. Reports and other results could be put together in an exhibition.

Project work requires special skills from the teachers, especially in allowing the students to draw their own conclusions from their project experiences. Due to the inter-disciplinary nature of Consumer Education, project work is an ideal teaching method to bring teachers from different disciplines together in one large group.

1.2.3 Product testing and evaluation

Consumer purchasing influences in many ways by advertising and packaging, social influences, personal values and so forth.



Product testing increases students' awareness of these influences and the need for a more rational approach to product evaluation becomes apparent.

In such an activity, it is easy to put certain well-known products and alternatives side by side in order to evaluate them. However, remember to stick to simple products - the comparison will be easier and the lesson more effective. For example, let the students taste fruit juices without knowing which brand they taste. This comparative testing increases students' awareness of influences from advertising and peers.

1.2.4 Role-playing

Role-playing is a very successful educational technique and can be a valuable tool in Consumer Education. Consumer problems can be created and examined in the classroom. Participants are presented with a situation and given a brief description of the part each one must play. The players improvise their scripts and are encouraged to enjoy their parts even to the extent of overacting to make a point. The audience plays the role of a critic. Members of the audience note which issues are discussed and the reactions they create. They are encouraged to imagine themselves playing each role and to consider how they would react in a given situation. At the end of the session the members of the audience are invited to put forward their ideas.

Role-playing needs thorough planning and the teacher should provide guidance beforehand on the theme being investigated.

Complaints about transactions between buyer and seller are often used for role-playing, for example complaints about a defective product. Participants not only get information about their rights as consumers, but also learn to plead their cause.

1.2.5 Games

Several consumer games can be produced. The advantages are that children learn while playing. These games are particularly suitable for students up to 12 years of age. A disadvantage is that only a small group of children can play at the same time.

1.2.6 Audio-Visuals

These can provide a basis for discussions or an introduction to a specific item. All types of audio-visuals can be used as long as the teacher keeps the overall objective

in mind: for example, television programmes, slide shows or films made by consumer organisations or other non-profit organisations.

1.2.7 Computers in Consumer Education

The computer has entered Consumer Education. Besides games, several other programmes have been prepared, mostly about a certain theme such as the environment. With a diskette or CD-ROM students can learn about the issue by answering questions and the computer gives the answers with or without comments.

1.2.8 Internet

To day, the Internet is playing a significant role in Consumer Education. The Swedish Consumer Agency started a magazine for older students with a lot of information on how to live on your own with issues like food, furnishing etc.

Consumers Union of the United States publishes a kids magazine “Zillions” games, puzzles and interactive projects. It is called Juniornet and it is a secure on-line service for children, carrying commercial-free contents from major children’s magazine of the States.

In Denmark a project called “Young Consumer on the Internet” has been carried out. The National Consumer Agency developed a series of interactive stories which “forced” the pupils to search for information on the Consumer Agency’s homepage and other relevant sites on the Internet.

UNIT 2

CONSUMER MOVEMENT

STRUCTURE

2.0 LEARNING OBJECTIVES

2.1 HISTORY

2.2 FIRST ERA OF CONSUMER MOVEMENT

2.3 SECOND ERA OF CONSUMER MOVEMENT

2.4 THIRD ERA OF CONSUMER MOVEMENT

2.5 ORIGIN OF THE CONSUMER INTERNATIONAL

2.6 CONSUMER MOVEMENT IN INDIA

2.7 CONSUMER MOVEMENT IN EUROPE AND ASIA

2.8 KEY CONCEPTS

2.9 SUGGESTED ACTIVITIES

2.0 LEARNING OBJECTIVES

The aim of the unit is to make the students

- * understand the origin of consumer movement
- * realise their responsibility in carrying out the movement for the welfare of the society.

2.1 HISTORY

Organising consumers and protesting against unfair trade practices was not a new phenomena. Way back in the middle of the 19th century, a section of consumers in England organized themselves to protest against exploitation of labour by the textile industry and they gave a call to boycott the buying of textiles manufactured by such erring companies. There were also similar moves by another section against employment of child and women labour, and slavery. Towards the end of the 19th century, there were sporadic attempts by consumers in the U.K. America and Europe to form Buyers Clubs in order to avoid middlemen and profiteering. The buyers clubs were like informal consumer co-operatives where goods were purchased directly from the producers and supplied to consumers to assure quality, prevent adulteration and ensure a reasonable price.



Laws aimed at the protection of consumers are not confined to modern times. In 200 BC there were laws in India against food adulteration. The Laws of Manu which are several centuries old refer to punishments to be given to dishonest traders. The Greeks too had laws prohibiting adulteration of food. Ancient Egypt had laws on meat handling and inspection

by food inspectors of the government. The first consumer law was enacted in 1784 in Massachusetts followed by the law on weights and measures in 1790. In the U.K. Merchandise Marks Act was passed in 1852 and in 1878, the first Weights and Measurement Act was passed. The well known Sale of Goods Act came into force in 1893. Some prohibitions against adulterated food and false weights and measures are thousands of years old, such as those found in Old Testament, the code of Hamurabhi and the ancient laws of India. European Consumer Protection statutes began to appear in the 15th and 16th centuries and were based on the principle of deterrence. During most of the middle ages, consumers were protected to some degree by the moral structures of the Catholic Church, self-regulations by craft guilds and consumers' own knowledge of products and local sellers. Gradually the European kings over-saw a shift in legal doctrine that favoured sellers, in their efforts to encourage the growth of trade. The dominant rule of the market place became "caveat emptor" or buyer beware. The supply and demand conditions that underlay the doctrine of "caveat emptor" and limited Government intervention on behalf of consumers changed rapidly in the latter decades of the 19th century.

2.2 FIRST ERA OF CONSUMER MOVEMENT

The industrialization of American life entertained many benefits but it had its dark side as well. Particularly two negative aspects contributed to the first wave of consumer movement in United States of America. The first problem was achieving the right amount of competition in various markets. The second problem was the safety and the quality of the new branded goods that were being sold in national rather than local market. Although most manufacturers of branded goods had



been sensitive to associate their names with high quality, some disregarded consumer welfare.

There was formation of trust, initiatives and referendums for laws protecting female and child labourers, tariff reforms and most importantly the rights of consumers. In 1887, the Interstate Commerce Commission was established to regulate the rail road industry, setting the precedent for independent regulatory agencies and in 1894 the Federal Trade Commission was established to regulate the products. In 1865, a Federal Law was passed to outlaw the importation of diseased cattle and swine. In 1848, the Import Drugs Act was passed to deal with the counterfeit, contaminated, dilute and decomposed drugs being sold in the United States of America.

The efforts of the anti-adulteration movement culminated in 1906 with the passage of the Pure Food and Drug Act and the Meat Inspection Act. All these pieces of legislation owed their existence to the efforts of one person, Dr. Harvey W. Wiley, who became Head of the Department of Agriculture's Division of Chemistry in 1883. Relying upon the findings of his chemists, he attempted to publicise dangers in American Food Supply. In 1903 he established "Poison Squad" a group of young male volunteers. Wiley's efforts were supplemented by those of a number of citizens groups especially those composed of women. The National Consumer League, originally founded to improve the working conditions of women and children through selective boycotts was one of these. The American Medical Association also joined the fight. Thus the first wave of consumer activism in the United States of America was a part of the broader progressive movement.

2.3 SECOND ERA OF CONSUMER MOVEMENT

The first era of consumer movement ended in 1910s it was an outgrowth of the massive changes brought by the early stages of the industrial revolution. The period of 1920s and 1930s marks the second era of consumer movement and it may be conceived as response to the broadening impact of industrialization revolution, it goes beyond the factories and transportation systems to whom, the domain of consumption itself. A new organization



called “Consumers Research Inc.” was formed with financial support from the State and it started disseminating the product testing and information. The establishment of consumers unions constitutes one of key events in the second era of consumer movement in America. Another landmark development which occurred at the same time involved the attempt to provide consumer representation in the federal government. The Consumer Advisory Board within the National Recovery Administration (NRA) and the Consumer Council within the department of agriculture provided such an opportunity for consumer representation. Between the two world wars, there were a string of legislations in the area of food and drug. The Federal Food, Drug and Cosmetics Act, 1938 replaced the Food and Drug Act, 1906. An important amendment was made to the Federal Trade Commission Act, 1914 in 1938 empowering the Federal Trade Commission to regulate deceptive practices in addition to the unfair ones. This had the effect of giving the Federal Trade Commission jurisdiction over a wide range of harmful business practices, including dissipative advertising.



Consumer Guru
Ralph Nader

2.4 THIRD ERA OF CONSUMER MOVEMENT

The Decade following the World War II was not hospitable to any form of social protests, including consumer movement. Nevertheless owing to increase of consumer prices as a result of inflation between 1946 and 1956, it offered difficult choice to the consumers among the new and technologically complex products. Ralph Nader was to become the unchallenged leader of the American consumer movement, his name becoming almost synonymous with it. The issue of auto-safety had been languishing for more than a decade until Ralph Nader to testify at a congressional hearing and the subsequent revelation that General Motors was spying on Nader. Although Nader showed that a single concerned citizen could triumph against one of the world’s largest corporations, he moved to institutionalize his guerilla operation by establishing the Center for the Study of Responsive Law. The centre served as the staging area for Nader’s Raiders, typically idealistic students who spent their summers in Washington, D.C. The Raiders descended on federal agencies such as the Federal Trade Commission, Interstate Commerce Commission, and Food and Drug Administration. Their mission was to document the extent to which these regulatory watchdogs had fallen asleep on the job or, worse, become the tools of the very interests they were supposed to regulate.

With Nader and his associates shooting from the hip and distracting the opposition's attention, more moderate consumerists, particularly a number of consumer-minded members of Congress, succeeded in passing a series of major pieces of consumer legislation.

President John Kennedy's "Consumer message" to Congress serves as a convenient starting point for the third era of consumer movement in the United States. The message, the first one by a President on the topic of consumer protection, was delivered on 15 March, 1962. In it, President Kennedy enunciated a Consumer Bill of Rights, including the rights to (1) safety, (2) information, (3) choose among a variety of products and services at competitive prices, and (4) a fair hearing by government in the formulation of consumer policy.

2.5 ORIGIN OF THE CONSUMERS INTERNATIONAL (CI)

With the consumer movement taking a shape, consumer groups in U.K., U.S.A., Netherlands, Australia, France, Iceland, Austria, Israel, Sweden, Newzealand, Denmark and Norway met on April 1960 at the Hague to form a new "Social Institution" called the International Organization of Consumers Unions (IOCU). In 1995, the name of IOCU was changed to Consumers International (CI)

2.6 CONSUMER MOVEMENT IN INDIA

India's history reveals that in various periods and regimes of different kings and dynasties prior to the British rule, there were enactments to punish the dishonest and unfair traders and producers. The laws of Manu and Chanakya's 'Arthasastra' also refer to the punishments to be awarded to dishonest traders. The British introduced in India laws such as the Sale of Goods Act, Weights and Measurements Act which were being followed in England. Some organized effort to protect consumers from the middlemen was made in the 1940s by eminent freedom fighters such as SriTanguturi Prakasam, Sri C. Rajagopalachari (Rajaji), etc., in Southern India. They started consumer co-operative stores to retail essential commodities. This became a social movement and the concept of consumer co-operatives spread to different parts of the country. Today, consumer organizations such as the Mumbai Grahak Panchayat in Mumbai are continuing this approach to consumer welfare by organizing the procurement and distribution of essential items to their members.

The origin and growth of the consumer movement in India which has many similarities to the movements elsewhere, can be divided into three significant phases.

The first phase constitutes the 1960s in which organisations such as the Consumer Guidance Society of India (Bombay) were formed to inform and educate consumers on the quality of goods and services and to conduct simple tests on goods of daily consumption.



During the second phase, 1970-1980, shortages in the supply of essential commodities and the unsatisfactory functioning of the Public Distribution System (PDS) led activists to form consumer organizations in their towns and localities to ventilate their grievances to the authorities concerned. Several such organizations which were formed between 1970 and 1980 were primarily concerned with the problems of inflation, food adulteration and the Public Distribution System. These organizations served a very useful purpose as voluntary vigilance groups in the market place.

The third phase of growth covering the period from 1981 to 1990 signifies expansion and consolidation of the consumer movement in India, especially after 1986. With the enactment of the Consumer Protection Act, 1986, there has been a spurt in the number of new organizations in the country.

We can certainly say that the consumer movement in India has come of age. Beginning with less than 10 organisations in 1965, we had by 1996 established over 900 consumer organizations across the country. This is the largest number of consumer organisations in any country in the world.

2.7 CONSUMER MOVEMENT IN EUROPE AND ASIA

Europe

Consumer movement in England began in a real sense only after the Second World War. The common law did protect the consumer against aggressive selling, fraud and breach of promise. The British National Standard Institute in U.K. played a significant role in arousing the interest of the consumers in 1925. Many consumer magazines and shoppers' guides were published to educate the consumers. Consumer Associations came into existence to expose undesirable as well as defective products. Gradually, consumer organizations began to take shape in other countries. Before 1960, three major organizations had been founded in Europe: "Consumenten Tehand" in the Netherlands, the "Union Beige des Consommateurs" (now the 'Association des Consommateurs') in Belgium and "Union Federale de la Consommation" in France. All began publishing information for and about consumers, including reports on products they had tested themselves.



A consumer awakening of similar type also appeared in Netherlands in 1926. Between 1947 and 1957, there was consumer revolution in Denmark, Federal Republic of Germany, Switzerland, Japan, Kenya, France, Hungary, Italy, Canada and Belgium. Press campaigns in favour of the consumer in these countries played a significant role in the creation of the concept of consumerism. Women's organizations in these countries have been a mainstay of the consumer movement. Poland was the first country in Eastern Europe to have independent consumer organizations.

The pattern of consumer protection in Europe bears a remarkable similarity to the U.S. experience. Industrialised nations in both the continents generated extensive brand name advertising and were faced with many of the same problems of packaging and of ensuring the purity of food and drugs. The idea of supporting the consumer with results of product testing by brand name crossed the Atlantic after World War II. Starting with Great Britain, the Netherlands and Belgium, it spread to Scandinavian countries, Austria, West Germany and France and then to Australia, Japan and Israel.

While United States, Canada and Australia have non-governmental consumer groups and consumerism exists as a grass-root social movement, in almost all European countries, considerable government support to consumer representation exists. The Consumer's 'Ombudsman' found in Sweden, Norway, Denmark and Finland, are perhaps the most visible examples of high level government institutionalization of resolving complaints. He is usually a government official. In the United Kingdom, National Council serves as a consumer advocate within the national government using a combination of lobbying and research to press its position. In Netherlands, private consumer organizations are compensated when they are consulted by the government or asked to participate on national or international committees. The Australian government helped to create the Australian Federation of Consumer Organisations (AFCO) to co-ordinate the activities of some fifty consumers and community groups. In addition to representing the views of its constituent organizations, AFCO also serves as a source for appointees to government and private organizations dealing with consumer matters (Committee on Consumer Policy, 1983).

Asia

Leadership of testing consumer products in Asia belonged to Japan. There was competition between the Japan Consumer Association, the Japan Housewives Association and the Japan Consumer Union. A number of embryonic movements had been formed in Korea, Philippines, Malaysia and India.

Unlike in the U.S.A., consumer movement in Japan made its initial progress under the leadership of women. Also, while the concern of leaders of consumer

movement in U.S.A., was with the safety of automobiles. In Japan it were the basic problems relating to day to day living.



In Japan immediately after the end of the war in 1945, the Kansai League of Housewives was formed. This was organized further in 1948 on the occasion of a protest rally in Tokyo against inferior match sticks. The League's office tested items of daily use and exposed inferior and defective merchandise. It was the league's discovery of false merchandising in 1960 when 'Canned Beef, instead of 'Whale' and 'Horsemeat'

were found that a law or prevention of 'false labelling' and 'false premium drawn' was enacted by the Fair Trade Commission. But the league lacked organizational base and the movement was rather weak. In 1956, the consumer movement was joined by men and in 1961; Japan Consumer Association came into existence. Still, Japan's consumer movement had to make major progress through the efforts of women only, led mainly by housewives. In 1964, the 'Livelihood-School Movement', a voluntary and decentralized local and not central activity as before, was inaugurated. In every elementary school district, groups of 50 to 100 housewives formed 'Livelihood Schools' to have meetings and discussions of problems and inviting producers, officials and scholars. This created awareness about the consumer movement and moved local governments to establish consumer affair offices.

An epochal event in the history of consumer movement in Japan was the agitation against double pricing system and boycott of colour televisions. This was in September, 1970. The success of this agitation was seen in terms of prices being slashed. This was due to the 'Livelihood Schools' and the women who were considered to be the pure consumers and their movement for pure necessities of daily life. But the lack of experience and awareness hindered the immediate creation of a suitable organization that necessitated the participation of men. It was thought essential for broadbasing the movement.

Today the consumer movement is active in the country. The encouragement given by Government and the participation of Consumer Voluntary Organizations have made the movement alive.

2.8 KEY CONCEPTS

Consumer Movement
Consumer International
Industrialization



2.9 SUGGESTED ACTIVITIES

- * Discuss the importance and need of consumer movement in the present context.
- * Explain the role of a leader to initiate and carry out the movement.
- * Ask the students to identify the qualities a leader should have to lead the movement.
- * Make the students understand the need to be organised to protest against unfair trade practices.



UNIT 3

THE CONSUMER PROTECTION ACT, 1986

(As amended by Act, 62 of 2002)

STRUCTURE

3.0 LEARNING OBJECTIVES

3.1 INTRODUCTION

3.2 MAIN FEATURES OF THE CONSUMER PROTECTION ACT

3.3 PROVISIONS UNDER THE ACT

3.3.1 Consumer Protection Councils

3.3.2 Consumer Disputes Redressal Adjudicatory Bodies

3.4 RIGHTS OF CONSUMER

3.5 CONSUMER

3.6 CONSUMER GOODS

3.7 SERVICES

3.8 COMPLAINT

3.9 WHO CAN FILE A COMPLAINT

3.10 FILING A COMPLAINT

3.11 COMPLAINT FORM

3.12 FEE PAYABLE

3.13 ADMISSION OF COMPLAINT

3.14 PROCEDURE ON RECEIPT OF COMPLAINT

3.15 APPEALS

3.16 REMEDIES AVAILABLE TO CONSUMER

3.17 SCOPE AND DEFINITION

3.18 KEY CONCEPTS

3.19 SUGGESTED ACTIVITIES

3.0 LEARNING OBJECTIVES

The student should be able to understand

- * the importance of Consumer Protection Act
- * applicability of the Act
- * provisions made under the Act
- * how to approach Consumer Forum

3.1 INTRODUCTION

As organised manufacturing activity increased, the seller became stronger and better organised, while the buyer the ultimate consumer, continued to be unorganised and weak. Buyers could easily be misled and duped. The common consumer is neither knowledgeable, nor well informed. He needs support and protection from unscrupulous sellers. He is not in a position to approach civil court for quick, inexpensive and speedy justice to his complaint if required. The United Nations adopted guidelines for protection of consumers on 9-4-1985. All countries were expected to take suitable legislative measures. Accordingly, 'Consumer Protection Act 1986' was passed with this view in mind. It is the first enactment of its kind in India which is aimed at better protection of interests of consumers in general.

The object of the Act is to protect the consumer from the exploitative and unfair practices of trade and to provide inexpensive, easily accessible and speedy remedy. The Act meets the long-felt need of protecting the common man from such wrongs for which the remedy under ordinary law for various reasons has become illusory. The importance of the Act lies in promoting welfare of the society by enabling the consumer to participate directly in the market economy. It attempts to remove the helplessness of a consumer which he faces against powerful business network and the society.

The Indian Parliament enacted this legislation in December, 1986. It came into force on April 15, 1987 except in the State of Jammu and Kashmir. By July 1987, all the provisions came into operation. The Jammu and Kashmir



Legislature has passed the Jammu and Kashmir Consumer Protection Act, 1987. The State legislature has incorporated most of the provisions of the Central Act of 1986. Amendments were made to the Act in 1991 to provide for situations of absence of President of Forum. Major changes were made in 1993. Monetary limit of District Forum was increased from Rs.1.00 lakh to Rs.5.00 lakhs and that of State Commission from Rs.10.00 lakhs to Rs.20.00 lakhs. Limitation of two years was specified for filing of complaint. Provision for awarding costs upto Rs.10,000/- was made for frivolous or vexatious complaints. Many changes were made in respect of working of Pattern District Forum, State Commission and National Commission. On getting further experience in implementation of the Act, substantial changes have been made by Amendment Act,2002. The major changes made are



- (i) Enhancement in monetary limits of District Forum and State Commission
- (ii) Payment of fees for filing complaint or appeal
- (iii) Complaint or appeal that will have to be admitted first
- (iv) Reasons to be recorded if decision not given within specified time
- (v) Cost of adjournment to be imposed
- (vi) Interim orders to be passed
- (vii) Allowing of senior most member to discharge functions of President in absence of President.
- (viii) Pre-deposit of certain amount before appeal is entertained
- (ix) Notice to be sent by Fax or Courier.

3.2 MAIN FEATURES OF THE CONSUMER PROTECTION ACT

The main features covered under the Act are stated below.

- * The Act applies to all goods and services unless specifically exempted by the Central Government
- * It covers all the sectors - private, public and cooperative
- * The provisions of the Act are compensatory in nature
- * It provides adjudicatory authorities which are simple, speedy and inexpensive
- * It also provides Consumer Protection Councils at the National, State and District levels.



3.3 PROVISIONS UNDER THE ACT

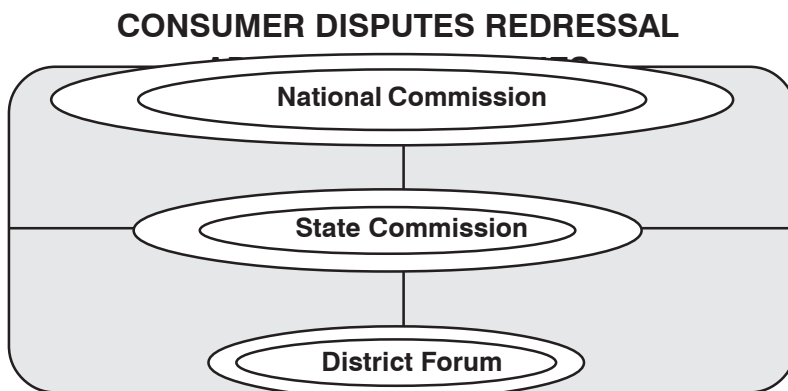
The main objective of the Consumer Protection Act of 1986 is to safeguard the interests of consumers. The Act made provisions for the establishment of

- * Consumer Protection Councils and
- * Consumer Disputes Redressal Adjudicatory Bodies

3.3.1 Consumer Protection councils : The Act provides for the establishment of the Consumer Protection Councils at the National, State and District level. The objects of these councils are to help the respective governments in adopting and reviewing policies for promoting and protecting the rights of the consumers. The composition of these consumer councils is broad based. The citizens and organisations representing different interest groups having implications for consumer's rights protection are members of these councils. The Consumer Councils are required to be constituted on public-private partnership basis for better feed back and thereby review the policy in the area of consumer's rights protection. The main objective of these councils is to promote and protect the rights and interests of consumers in the society.

3.3.2 Consumer Disputes Redressal adjudicatory bodies:

The Act envisages a 3-tier quasi-judicial system. There are Consumer Disputes Redressal adjudicatory bodies established at three levels i.e. District, State and National. They are known as District Forums, State Commission and National Commission. These decentralised infrastructure help the consumers who are aggrieved to approach the appropriate fora. The District Forum is presided by a District Judge. The Sate Commission is presided by a Retired High Court Judge. The National Commission is presided by a retired Supreme Court Judge. The District Forum can adjudicate on the matter upto Rs.20 lakhs, State Commission upto one crore and National Commission above Rs.1.00 crore. The proceedings before these-adjudicatory bodies are regulated in accordance with the principles of natural justice. New complaints filed are required to be accompanied with court fee.



3.4 RIGHTS OF CONSUMER

The Act is intended to protect the following rights of the consumer:

- (i) Right of protection from marketing of the goods and services which are hazardous to life and property.
- (ii) Right to be informed about the quality, quantity, purity, standard and price ' of the goods or services, so that the consumers are protected from the unfair trade practices.
- (iii) Right to have access to variety of the goods and services at competitive prices - (Right to choose)
- (iv) Right to be heard and to be assured that consumer interests will receive due consideration.
- (v) Right to stop unfair trade practices, restrictive trade practices and exploitation of consumer.
- (vi) Right to consumer education.
- (vii) Right of speedy and simple redressal to consumer disputes.

3.5 CONSUMER

The Act defines the term consumer as follows :

“Consumer” means any person who

- (i) buys any goods for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any user of such goods other than the person who buys such goods for consideration paid or promised or partly paid or partly promised, or under any system of



deferred payment when such use is made with the approval of such person, but does not include a person who obtains such goods for resale or for any commercial purpose; or

- (ii) Consumer also means anyone who hires or avails himself / herself of any services for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any beneficiary of such services other than the person who hires or avails of the services for consideration paid or promised, or partly paid and partly promised, or under any system of deferred payment, when such services are availed of with the approval of the first mentioned person but does not include a person who avails of such services for any commercial purpose.

3.6 CONSUMER GOODS

Under the Act, “Goods” means every kind of movable property other than actionable claims and money; and includes stock and shares, growing crops, grass and things attached to or forming part of the land which are agreed to be served before sale or under the contract of sale.

3.7 SERVICE

Under the Act, “Service” means service of any description which is made available to potential users including the provision of facilities in connection with banking, financing, insurance, transport, processing, supply of electrical or other energy, boarding or lodging or both, housing construction, entertainment, amusement or the purveying of news or other information. The Act does not cover the services rendered free of charge or under a contract of personal service.

3.8 COMPLAINT

Act defines that “complaint” means any allegation in writing made by a complainant that -

- (i) an unfair trade practice or a restrictive trade practice has been adopted by any trader or service provider
- (ii) the goods bought by him or agreed to be bought by him suffer from one or more defects

- (iii) the services hired or availed of or agreed to be hired or availed of by him suffer from deficiency in any respect.
- (iv) a trader or the service provider, as the case may be, has charged for the goods or for the services mentioned in the complaint, a price in excess of the price - (a) fixed by or under any law for the time being in force; (b) displayed on the goods or any package containing such goods; (c) displayed on the price list exhibited by him by or under any law for the time being in force; (d) agreed between the parties.
- (v) goods which will be hazardous to life and safety when used are being offered for sale to the public - (a) in contravention of any standards relating to safety of such goods as required to be complied with, by or under any law for the time being in force; (b) if the trader could have known with due diligence that the goods so offered are unsafe to the public;
- (vi) services which are hazardous or likely to be hazardous to life and safety of the public when used, are being offered by the service provider which such person could have known with due diligence to be injurious to life and safety.

3.9 WHO CAN FILE A COMPLAINT

A complaint in relation to any goods sold or delivered or agreed to be sold or delivered or any service provided or agreed to be provided may be filed with a District Forum by -

- (i) the consumer to whom such goods are sold or delivered or agreed to be sold or delivered or such service provided or agreed to be provided
- (ii) any recognised consumer association whether the consumer to whom the goods sold or delivered or agreed to be sold or delivered or service provided or agreed to be provided is a member of such association or not;



- (iii) one or more consumers, where there are numerous consumers having the same interest, with the permission of the District Forum, on behalf of, or for the benefit of, all consumers so interested; or
- (iv) the Central Government or the State Government, as the case may be, either in its individual capacity or as a representative of interests of consumers in general.

3.10 FILING A COMPLAINT

Complaint can be sent by post or personally filed. Normally, four copies of complaint are required to be submitted, out of which one is forwarded to the opposite party. Complaint can be filed and signed by complainant or his authorised agent.

3.11 COMPLAINT FORM

The Act does not prescribe any specific form for filing a complaint. A well-drafted complaint should be in the following format.

- * Name and address of complainant
- * Name and address of opposite party / parties
- * Background of complaint
- * Defect / Deficiency / Observed
- * Efforts made by complainant to sort out the grievance
- * Proofs in support of complaint
- * Jurisdiction
- * Limitation
- * Relief claimed
- * Place, date and signature

3.12 FEE PAYABLE

Prescribed fee will be payable along with every complaint	
Upto Rs. 1.00 lakh	Rs. 100
Between 1.00 lakh and 5.00 lakhs	Rs. 200
Between 5.00 lakhs and 10.00 lakhs	Rs. 400
Between Rs. 10.00 lakhs and Rs.20.00 lakhs	Rs. 500
Between Rs. 20.00 lakhs and Rs. 50.00 lakhs	Rs. 2000
Between Rs. 50.00 lakhs and Rs. 1.00 crore	Rs. 4000
Above Rs. 1.00 crore	Rs. 5000

3.13 ADMISSION OF COMPLAINT

On receipt of complaint the District Forum may, by order, allow the complaint to be proceeded with or rejected. Before rejecting a complaint, an opportunity of being heard has to be given to the complainant.

3.14 PROCEDURE ON RECEIPT OF A COMPLAINT

On receipt of the complaint, the District Forum will first decide on admissibility of the complaint within 21 days. If it is admitted, a copy of the complaint will be sent to the opposite party mentioned in the complaint within 21 days, asking him to give his version of the complaint. The reply should be given within 30 days. This period can be further extended by 15 days. If the opposite party denies or disputes the allegations in the complaint, or does not reply within the time, the forum shall proceed to settle the dispute.

3.15 APPEALS

When a person is aggrieved by the decision of a forum, he/she can challenge the decision in a higher court, is called an appeal. Appeal against the decision of the District Forum should be presented before State Commission and State Commission should be presented before the National Commission, and National Commission should be presented before the Supreme Court within a period of thirty days from the date of verdict.

3.16 REMEDIES AVAILABLE TO CONSUMER

- (i) To remove the defect pointed out by the appropriate laboratory from the goods.
- (ii) To replace the goods with the new goods of similar description, which are free from similar defects.
- (iii) To return the price or the charges paid by the complainant
- (iv) To pay such amount as compensation to the consumer for any loss or injury suffered by the consumer due to the negligence of the opposite party.
- (v) To remove the defects or deficiencies in the services in question;
- (vi) To discontinue the unfair trade practice or the restrictive trade practice or not to repeat.
- (vii) Not to offer the hazardous goods for sale.
- (viii) To withdraw the hazardous goods from being offered for sale and
- (ix) To provide for adequate costs to parties.



3.17 SCOPE AND DEFINITION

The Act incorporates the definition of various expressions used. These definitions determine the application of the word or phrase defined. It clearly means that the definitions are applicable only to the Act and its purposes.

Appropriate laboratory : An appropriate laboratory is the one recognised by the appropriate Government. It may even be a private laboratory provided it is duly recognised by the Government. The appropriate laboratory is required to carry out analysis or test of any goods with a view to determine whether such goods suffer from any defect.

Complainant : The Act defines “complainant” as meaning

- (i) a consumer or
- (ii) any voluntary consumer association registered under the Companies Act, 1956 or under any other appropriate law or
- (iii) the Central Government or any State Government, who or which makes a complaint or
- (iv) one or more consumers; where there are numerous consumers having the same interest.

This is a novel provision which helps a majority of the Indians get redressal for their grievances especially when they are illiterates and ignorant of their rights.

Complaint : The Act defines the complaint as any allegation in writing made by a complainant regarding or against unfair and restrictive trade practices, defective goods, deficient services, excess prices and hazardous goods.

The definition of complaint has been expanded in the 2002 Amendment. Now a complainant under the Act can be made not only against the traders but also service providers for adopting unfair trade practices, deficiency in service etc.

Consumer of goods : These are the first category of consumers within the definition. A person claiming as a consumer should satisfy the following conditions.

- (i) There must be a sale transaction between the seller and the buyer
- (ii) It must be of goods

- (iii) It must be for a consideration
- (iv) It must have been paid or promised or partly paid and partly promised or under any system of deferred payment
- (v) The user may also be a consumer when such use is made with the approval of the original buyer.

Consumer Of Services : The second category of consumers identified by the Act is that of hirer or user of services. In order to be considered as a consumer under the Act, for the purpose of services, it is essential that the services must have been hired or availed of for consideration. However such consideration may not be paid immediately.

Consumer Dispute : It means a dispute, where the person against whom a complaint has been made, denies or disputes the allegations contained in the complaint.

Defect : “Defect” means any fault, imperfection or short coming in the quality, quantity, potency, purity or standard which is required to be maintained by or under any law for the time being in force or (under any contract, express or implied or) as is claimed by the trader in any manner whatsoever in relation to any goods.

Deficiency : “Deficiency” means any fault, imperfection or short coming or inadequacy in the quality, nature and manner of performance which is required to be maintained by or under any law for the time being in force or has been undertaken to be performed by a person in pursuance of a contract or otherwise in relation to any service;

Goods : The consumer goods include

- (i) products manufactured, processed or mined in India allotment
- (ii) shares and stocks including issue of shares before allotment
- (iii) in relation to goods supplied, distributed or controlled in India, goods imported into India.

Manufacturer : One who

- (i) makes or manufactures any goods or their parts or

- (ii) assembles the parts manufactured by others and claims the end product to be the goods manufactured by him or
- (iii) puts his own mark on any goods made or manufactured by any other manufacturer and claims such goods to be goods made or manufactured by him.

Restrictive Trade Practice : Any trade practice which requires a consumer to buy, hire or avail of any goods or services, as the case may be, as a condition precedent for buying, hiring, or availing of other goods or services. In this context, a trade practice has to be understood as proactive relating to carrying on of any trade and includes

- (i) anything done by any person which controls or affects the prices charged by, or the methods of trading or, any trader or any class of traders, (ii) a single or isolated action of any person in relation to any trade.



Unfair Trade Practice : “*Unfair Trade Practice*” means a trade practice which, for the purpose of promoting the sale, use, or supply of any goods or for the provision of any service. It includes adopting any unfair method or deceptive practice.

3.18 KEY CONCEPTS

Consumer
Consumer rights
Consumer goods and services
Complaint
Consumer disputes redressal
Restrictive trade practice
Unfair trade practice
Appropriate testing laboratory



3.19 SUGGESTED ACTIVITIES

- * Ask the students to come up with their own views on the need for consumer protection
- * Explain the importance of the participation of students in consumer protection.
- * Explain the role of students in successful implementation of the Act.



UNIT 4

INTRODUCTION CONSUMER RIGHTS AND RESPONSIBILITIES

STRUCTURE

- 4.0 LEARNING OBJECTIVES
- 4.1 INTRODUCTION
- 4.2 CONSUMER RIGHTS
 - 4.2.1. Right to Safety
 - 4.2.2 Right to be Informed
 - 4.2.3. Right to Choose
 - 4.2.4. Right to be Heard

 - 4.2.5. Right to Redress
 - 4.2.6. Right to Consumer Education
 - 4.2.7. Right to Healthy Environment
 - 4.2.8. Right to Satisfaction of Basic Needs
- 4.3 CONSUMER RESPONSIBILITIES
 - 4.3.1. Critical Awareness
 - 4.3.2. Action
 - 4.3.3. Social Concern
 - 4.3.4. Environmental Concerns
 - 4.3.5. Working Together
- 4.4 KEY CONCEPTS
- 4.5 SUGGESTED ACTIVITIES

4.0 LEARNING OBJECTIVES

The study of this unit will enable the student to understand

- * the rights of consumers
- * the responsibilities of consumers
- * and get motivated to act with responsibility and exercise their rights.

4.1 INTRODUCTION

The word “Consumer” is a derivative of the French word “Consumerer” which means, “to eat or drink”. The consumer is one who consumes or uses any commodity or service available to him either from natural resources or through a market. According to John F. Kennedy, “Consumer by definition includes every one. They are the largest economic group affecting and affected by almost every public and private economic decision”. The Consumer Protection Act, 1986 defines consumer as “one who buys any goods, hires any service or services, for a consideration which has been paid or promised or partly paid and partly promised or under any system of deferred payment”.



4.2 CONSUMER RIGHTS

The Consumer Protection Act enshrines the following rights to consumer.

- Right to Safety
- Right to be Informed
- Right to Choose

Right to be Heard

Right to Redress

Right to Consumer Education

Right to Healthy Environment

Right to Satisfaction of Basic Needs

4.2.1 Right to Safety : Every consumer has a right to be protected against marketing of goods and services, which are hazardous to life and property. Purchased goods or services should meet the safety needs. This right protects consumer against danger and harm to life, health and property.

4.2.2 Right to Information: Every Consumer has the right to be informed about the Quantity, Quality, Potency, purity, standard and price of goods or services, so as to protect the consumer against the unfair trade practices. The right of consumers to obtain sufficient information is an important right, which affords the consumer to take intelligent decisions at the time of purchasing any goods or hiring any services. The right to information is a powerful weapon against the unfair trade practices adopted by the traders.

4.2.3 Right to Choose : Every consumer has the right to be assured, wherever possible, access to a variety of goods and services at competitive prices. In other words the consumer must have an option to choose the goods or services they want, from the market at competitive prices. Fair and healthy competition is encouraged in order to provide consumers with the greatest range of choice among products or goods or services at competitive price.

4.2.4 Right to be Heard : The consumer has a right to express his opinion, observations and grievances at appropriate forum. Whenever a consumer has a complaint, he has a right to be heard and also to be assured that his interest will receive due consideration at appropriate forum.

4.2.5 Right to Redress : The right to redress is the consumer's right to seek legal compensation and justice when his rights are infringed upon. It assures consumer the right to receive compensation for misrepresentation of goods or unsatisfactory services,,

4.2.6 Right to Consumer Education : The Consumer has a right to acquire the knowledge and skills to be an informed consumer throughout life. Consumer has right to knowledge and skills needed for taking action to influence factors which affect consumer decisions.

4.3 CONSUMER RESPONSIBILITIES

A responsible consumer is the one who takes active part in consumer protection. While exercising the rights described above a consumer is expected to shoulder the responsibilities and take an active role in consumer movement. Responsibilities of consumer are as under has identified following consumer responsibilities

4.3.1 Critical Awareness : It is the responsibility of a consumer to be alert and question about the price and quality of the goods and services he buys and uses. Consumer should look, listen and ask questions. He need to shop around, checking the facts of products and services. He should asses the value for money, value for people and value for the environment.



4.3.2 Action : It is consumer responsibility to assert himself and act to ensure that he gets a fair deal. As long as he remain as a passive consumer he will continue to be exploited. When something is wrong, one should act to put it right. One should value relationship with others in the community. The consumer need to ensure that he do not compromise his culture and customs in getting a fair deal.

4.3.3 Social Concern : It is the responsibility of a consumer to be aware of the impact of his use of consumer goods and services on other citizens, especially disadvantaged and powerless groups whether in the local, regional or international community. He need to make sure that the products and services that he use are not produced in a situation that harms others.



4.3.4 Environmental Concern : The consumer should understand the environmental and other consequences of his consumption. He should recognise his individual and collective responsibility to conserve natural resources and protect the earth for future generations. He needs to make sure that the production, use and disposal of goods and services do not harm the environment.



4.3.5 Sustainable consumption :

The consumer, before buying a good or before availing service should satisfy about the need for the same and also should consume only up to his requirement and should not let goods or services wasted.

4.3.6 Working Together :

The consumer should shoulder the responsibility of organising consumers and together to develop the strength and influence. To promote and protect the interests of

consumers, it is essential to stand with others who are working for the cause of consumers. One should organise the consumers and make them work together for the welfare of consumers.

The above mentioned consumer rights and responsibilities are explained in detail in the following units.

4.4 KEY CONCEPTS

Consumer rights

Consumer responsibilities

Critical awareness Action

Social concern

Environmental concern

Working together



4.5 SUGGESTED ACTIVITIES

- * Discuss the concept of each right
- * Explain the role of consumers in relation to each right
- * Ask the students to identify consumer responsibilities related to each right.



UNIT 5

RIGHT TO SAFETY

STRUCTURE

- 5.0 LEARNING OBJECTIVES
- 5.1 INTRODUCTION
- 5.2 MEANING
- 5.3 MEASURES FOR SAFETY
- 5.4 UNITED NATION GUIDELINES
- 5.5 SAFETY STANDARDS
 - 5.5.1 Standard certification marks
- 5.6 LEGISLATIONS FOR CONSUMER SAFETY
 - 5.6.1 Food safety
 - 5.6.2 Safe drugs
 - 5.6.3 Product Safety
- 5.7 KEY CONCEPTS
- 5.8 SUGGESTED ACTIVITIES

5.0 LEARNING OBJECTIVES

The objectives of the unit are to enable the student

- * understand the concept of right to safety
- * know the measures taken by the Government and other bodies to ensure safety
- * understand safety in terms of foods, drugs and products
- * understand legal framework that exists to protect consumers and to exercise right to safety

5.1 INTRODUCTION



The wide variety of products and services that are available in the market because of technological advances require safe handling. The use of some of these products requires technical knowledge. Many consumers may not be aware of the safe use of the products, they also lack technical knowledge to assess the safety aspects of products and services. Therefore, product safety from the consumer's point of view is a matter of utmost importance. The Consumer Protection Act, 1986 has legalised the right to safety as one of the consumer rights.

5.2 MEANING

The right to safety means the right to be protected against product, production process and services which are hazardous to health or life. It includes concern for long term interests and immediate requirements of consumers. When purchased a good or availed a service,

*The consumer has a right to get himself / herself protection against damage to his property and person.

- * It should not cause any physical danger, health hazard or put the consumer in any difficulty owing to failure.
- * It should satisfy the consumer in terms of its quality and safety.

5.3 MEASURES FOR SAFETY

Protection and empowerment of consumers against damage would depend upon the various measures that are taken by the Government to enforce. Some of the possible measures are

- * Establishing measures and standards to ensure safety and quality of goods and services.
- * Providing facilities for testing and certification of essential goods and services.
- * Formulating policies to ensure that manufacturers compensate for defective or hazardous products.



5.4 UNITED NATIONS GUIDELINES

The United Nations Guidelines on consumer protection which were adopted by the General Assembly in 1985 specified the measures to be taken by the Government for consumer protection.

- * The Government should adopt or encourage the adoption of appropriate measures, including legal systems, safety regulations, national or international standards, voluntary standards and the maintenance of safety records to ensure that products are safe in use.
- * Appropriate policies should ensure that goods produced by manufacturers are safe in use.
- * Those responsible for bringing goods to the market, in particular, suppliers, exporters, importers, retailers and the like would ensure that while in their care these goods are not rendered unsafe through improper handling or storage.

- * The consumer should be instructed in the proper use of goods and should be informed of the risks involved in use.
- * Vital safety information should be conveyed to consumers by internationally understandable symbols wherever possible.
- * Appropriate polices should ensure that if manufacturers or distributors become aware of unforeseen hazards after products are placed in the market, they should notify the relevant authorities and, the public without delay
- * Governments should also consider ways of ensuring that consumers are properly informed of such hazards.
- * The Government should adopt policies under which if a product is found to be seriously defective and or to constitute a substantial and severe hazard even when properly used, manufacturers or distributors should recall it and replace or modify it, or substitute another product for it. If it is not possible to do this within a reasonable period of time, the consumer should be adequately compensated.

5.5 SAFETY STANDARDS

The United Nations guidelines also highlight the importance of standards for the safety and quality of consumer goods. The following are some of the measures to be taken by the Government to ensure safety:

- * The Government should appropriately by formulate or promote the elaboration and implementation of standards, voluntary and other, at the, national and international levels for the safety and quality of goods and services and give them appropriate publicity.



- * National standards and regulations for product safety and quality should be reviewed from time to time, in order to ensure that they confirm where ever possible to generally accepted international standards.
- * Where a standard lower than the generally accepted international standard is being applied because of local economic conditions every effort should be made to raise that standards as soon as possible.
- * The Government should encourage and ensure the availability of facilities to test and certify the safety, quality and performance of essential consumer goods and services.

Safety standards are intended to specify protection against different kinds of hazards like

- Mechanical hazards
- Electrical hazards
- Thermal hazards
- Fire or Explosion hazards
- Chemical hazards
- Biological hazards
- Radiation hazards

5.5.1 Standard Certification Marks: The Bureau of Indian Standards (BIS) plays a vital role in preparing standards for safety and quality. It has regular interactions with various Governmental and non-Governmental agencies. The standards and BIS mark are promoted by the Bureau after discussions with various organisations by organising seminars, participating in seminars and through print and electronic media. A standard or a certification mark on the product is an indication of guarantee of safety in its use. It is an assurance of the fact that the product has passed through certain standardized test and it ensures safety against health hazards. The BIS formulates standards for all sectors of economy. They grant permission to use BIS mark for the goods that maintain quality. The Directorate of Marketing and Inspection allows the producers and marketers to use AGMARK for safe and qualitative products. Vegetable oils, butter, rice, ghee etc., come within this mark. The Food Product Order (FPO) is regulated by the Ministry of Food permitting the manufacturers of fruit and

vegetable products such as jams, fruit juices, squashes, jellies and canned foods. Quality control and standardization is dealt with as a separate chapter to make the students understand the concept in detail.

5.6 LEGISLATIONS FOR CONSUMER SAFETY

To ensure availability of safe products for consumer consumption and use, the Government has enacted pro-consumer Acts. Food items and medicines are not only essential for survival, but also dangerous if they are adulterated or not of specific standards. To protect the consumers and to ensure safe food and safe drugs, laws have been enacted.

5.6.1 Food Safety: The Prevention of Food Adulteration Act 1954, was passed by the Parliament to provide for a comprehensive legislation for preventing adulteration of food stuffs. The Act provides for constitution of a Central Committee for Food Standards and also for a central food laboratory. Certain articles of food have been prohibited from being manufactured. Adulterated food is examined by public analyst and food inspectors are appointed to enforce the law. Manufacturers, distributors and dealers of food need to give warranty for the good quality and contents of food. Sellers have to disclose the name of the person from whom the food was originally purchased. Instances of food poisoning are to be reported by medical practitioners to such officers as may be notified by State Governments. Strict penalties have been provided for violation of the law. Courts have been empowered to punish those found guilty, forfeit their property and also impose enhanced penalty. To enable the provisions of the Act to be applied, the Prevention of Food Adulteration Rules, 1955 have also been framed. These rules give details about standards of quality of food, duties of Public Analyst and Food Inspectors, procedure of sealing and despatch of samples, use of colouring material in food, packing and labeling of foods, regulation of sales licences, use of preservatives, prohibition of poisonous metal contaminants, insecticides and pesticides irradiation of food, etc.

5.6.2 Safe Drugs: The Drugs and Cosmetic Act, 1940 and the amendments made in the year 1964, regulates the import, manufacture, sale and distribution of drugs and cosmetics. Its main aim is to protect the consumer from sub-standard drugs and cosmetics. The Act stipulates that in respect of patented or proprietary medicines there must be a list of ingredients or

formula displayed in the prescribed manner on the label or container. Misbranding of drugs is illegal. Drugs are adulterated if they contain any 'filthy, putrid or decomposed' substance or they have been stored or packaged in insanitary conditions or contain toxic substances. If the Government is satisfied that any of the drugs involves any risk to human beings or animals or that it does not have the therapeutic value claimed, the Government may ban it. The Drugs and Cosmetics Rules are made under the Drugs and Cosmetics Act 1940. They include provisions for licensing of the import, sale, distribution, packaging, stocking, labeling etc. of drugs and cosmetics.



5.6.3 Product Safety : There is no comprehensive product safety act in India. There are legislations such as the Insecticide Control Order, The Environmental Protection Act, the Consumer Protection Act, 1986 and the MRTP Act which deal largely with compensation aspect of injury or damage caused.

Government is taking every step to

- * protect the public against unreasonable risks of injury associated with consumer products
- * assist consumers in evaluating the comparative safety of consumer products

- * develop uniform safety standards for consumer products and minimize conflicting state and local regulations.
- * promote research and investigation into the causes and prevention of product related deaths, illness and injuries.
- * enforce standards through litigation and administrative actions

The Consumer Protection Act, 1986 enables a consumer to make a complaint to a redressal agency if his/her right to safety is not ensured. The consumer can seek redressal against any unfair trade practices, or any defective good or goods which will be hazardous to life and safety when used. With globalization of the economy and e-commerce, net-shopping and rapid expansion of markets and goods, the consumers need greater protection with respect to the safety of products.

5.7 KEY CONCEPTS

Safety products
Safety Standards
Food safety
Product safety
Safe drugs
Toxic substances
Hazards



5.8 SUGGESTED ACTIVITIES

- * Read and discuss the consumer Right to Safety.
- * Explain the characteristics of safe and unsafe products.
- * Explain the product safety standards.
- * Discuss the need for product testing laboratories.
- * Explain Legislations for consumer safety.
- * Discuss how consumers, especially children, can be protected from unsafe products.
- * Teachers can think of any other appropriate activities apart from the above.

UNIT 6

RIGHT TO INFORMATION

STRUCTURE

- 6.0 LEARNING OBJECTIVES
- 6.1 INTRODUCTION
- 6.2 MEANING
- 6.3 SOURCES OF INFORMATION
 - 6.3.1 LABEL
 - 6.3.1.1 Ingredients
 - 6.3.1.2 Nutritional Information
 - 6.3.1.3 Additives
 - 6.3.1.4 Use by date
 - 6.3.1.5 Processing techniques
 - 6.3.2 ADVERTISEMENTS, PRINT AND ELECTRONIC MEDIA
 - 6.3.3 OFFICIAL RECORDS AND CITIZEN CHARTER
- 6.4 KEY CONCEPTS
- 6.5 SUGGESTED ACTIVITIES

6.0 LEARNING OBJECTIVES

The study of this unit would enable the student to know

- * the right to be informed
- * the sources of consumer information
- * the importance of information to make wise choice
- * how to exercise the right for the welfare of the society

6.1 INTRODUCTION

Consumers have the right to obtain accurate and adequate information not only on all consumer goods and services, but also from any public authority for any development. There has to be a two-way traffic of information between the development agencies and the people. The right to information is an essential part of the right to life, development and social justice. The governance and management of society must be transparent to the people. The absence of access to information seriously limits the effectiveness of consumer groups whose activities often depend on facts



and figures usually available with public and private organisations. The Indian Constitution guarantees the fundamental rights to free speech and expression. The absence of authentic information on matters of public interest discourages meaningful debate. An access to information on the hazardous chemical substances stored by Union Carbide and the remedial measures in case of an emergency might have prevented the avoidable Bhopal gas disaster. Right to information ensures public participation in the decision-making process of the country which is an essential element in a democracy.

6.2 MEANING

The right to be informed means the right to be provided about the facts needed to make an informed choice or decision. Consumers must be provided adequate information enabling them to act wisely and responsibly. More precisely the consumers have right

- * to get a detailed information regarding the products they are going to purchase
- * to get information regarding the quality, quantity, potency, purity, composition and prices of goods or services offered for sale
- * not to be misled by inaccurate publicity
- * to know the ill effects of consumer products, if any
- * to get all sorts of information to make a wise choice regarding products and services
- * to get access to issues which directly affect citizens, life.
- * to get access to welfare schemes of the Government

This right can help consumers to take free and intelligent decisions, and can protect them against fraudulent and misleading information.

6.3 SOURCES OF INFORMATION

Consumers can obtain information from various sources. Depending on the type of product or service the source of information may differ. The major sources of information are

- * Labels
- * Advertisements
- * Print media
- * Electronic media
- * Citizens charter of organisation
- * Official records of public and private undertakings

6.3.1 LABELS

A label is a simple tag attached to the product that carries the brand name, a great deal of information or an elaborately designed graphic that is part of the package. The information on the label helps the consumer to make an informed choice. The current food labelling rules under the Prevention of Food Adulteration Act, 1954 dictate the information to be provided in the label. The following information is essential to be provided by the manufacturer of food products:



6.3.1.1 Ingredients: Packaged food must give the details of the ingredients. It is a basic and important information. Some of the people are allergic to certain foods, food combinations or chemical additives. The labels should mention not only the names of such hazardous ingredients but also their quantities.

6.3.1.2 Nutritional Information : Nutrition labeling is now mandatory only for infant foods under the Prevention of Food Adulteration Act. It is important for a consumer to have information about carbohydrate, protein, fat contents, as also total calories and major vitamins and minerals. Apart from this information, the other information on parameters such as type of fat, i.e. saturated, mono unsaturated or poly unsaturated fats and their dietary fibre, cholesterol etc., is also essential. Nutrition supplement for each serving also needs to be supplied in case of ready to eat foods.

6.3.1.3 Additives : It is mandatory to mention which additive has been added to the food and in what quantity.

6.3.1.4 Use by Date : The manufacturer should declare a “use by date” or “best before” date. (date of expiry) Some products will have limited shelf life. In such cases from the safety point of view this information is very crucial. A consumer should know till what date the product is safe. Similarly storage conditions are also equally important. Ideal storage conditions are a must.

6.3.1.5 Processing Techniques : Prevention of Food Adulteration Act requires that details such as date of irradiation, log, licence number and purpose of irradiation to be mentioned in the case of irradiated foods. But it is equally important for the consumer to know when other process like leaching, different drying process etc. have been used and these should be mentioned on labels.

An ideal label should have the following information

- * Name of the product
- * Name and address of manufacturer
- * Ingredients with quantity
- * Quantity (net weight, drained weight)
- * Batch No.
- * Month and year of manufacturing
- * Nutrition information
- * Additives along with their names and quantity
- * Ideal storage condition
- * Processing techniques used
- * Warning on labels
- * Meaningful health claims

The information on the label should not mislead the consumer. The label should not contain any statement, claim, design, device, fancy name or abbreviation which is false or misleading.

6.3.2 Advertisements, Print and Electronic Media : The manufacturer, to spread the information regarding a new product being launched, may use different kinds of media. Advertising is a powerful tool to introduce the product. Today manufacturers, traders perceive advertising as a necessity for promoting new products and keeping the consumer informed about availability and choice in the market. On the other hand, aggressive advertising pushes new products into peoples' lives by promoting them as more efficient, stylish or convenient to use. The consumer should be guided. The advertisers should be regulated. The Advertising Standard Council of India (ASCI) is a body set up by advertisers, advertising agencies, newspapers, magazines and others engaged in advertising. The council has formulated a code by which advertisers regulate themselves. The council believes that all advertising must be responsible and to the benefit of all parties concerned. The code has been drawn up to ensure truthfulness and honesty of representation and claims made by advertisements and to safeguard against misleading advertisements. The code applies not only to the advertisements in newspapers, magazines but also to advertisements wherever they appear like in television, over the radio, in cinema on hoardings and posters in shops and on the product labels. Advertisements should not give misleading information. The consumers should be given information regarding the product safety aspects, nutritional value, value for money and so on.



6.3.3 Official records and Citizen Charter : Every citizen shall have the freedom to seek information from any public authority. Every public authority shall be under a duty to maintain all its records as per its operational requirements and grant access to information to any citizen requesting for it. It shall also be the duty of the officer concerned to give reasons for decisions to those affected and to

disclose the relevant facts and analyse when major policies or decisions are announced.

Public undertakings which provide services to the public are bound to keep the information open to consumers through its citizens charter. It is a written document and a declaration by service provider about the standards, accessibility, transparency. The consumer can get information regarding the rules and procedures followed in making the services available, details of cost, and its standards.



The consumer should be provided with factual information to make a wise choice. They have right for information on proper use and risks associated with certain consumer products. There should be free flow of information relating to issues of consumer concern. Appropriate information enables the consumer act wisely and responsibly. A responsible consumer is essential. Consumers should be empowered with appropriate information. Consumers can insist on getting all the information about the product or service before making a choice or a decision.

6.4 KEY CONCEPTS

Sources of information

Media

Citizen charter

Label

Ingredients

Nutritional Information

Additives

Processing techniques



6.5 SUGGESTED ACTIVITIES

Teachers to

Read and discuss the consumer Right to information

Explain the sources of the information

Discuss in detail the information a label should contain.

Discuss information on Weights and Measures devices.

Explain the misleading source of information.

Motivate on use of information for welfare of the society.

Discuss advertisements as a source of information and misinformation.

Ask the students to watch an advertisement and find out what sort of information is provided.

Take the students for a visit to local super bazar and ask them to find out the information available.

Students to

- * Observe a label and find out the information available.
- * To prepare an information label to any one product.
- * Make a shopping list using the information available.
- * Make a poster depicting the information a label should have.
- * Explain unfair trade practices of traders in giving misleading information.



UNIT 7

RIGHT TO CHOOSE

STRUCTURE

- 7.0 LEARNING OBJECTIVES
- 7.1 INTRODUCTION
- 7.2 MEANING
- 7.3 RESTRICTED CHOICE
- 7.4 POWERS OF MRTP COMMISSION
- 7.5 KEY CONCEPTS
- 7.6 SUGGESTED ACTIVITIES

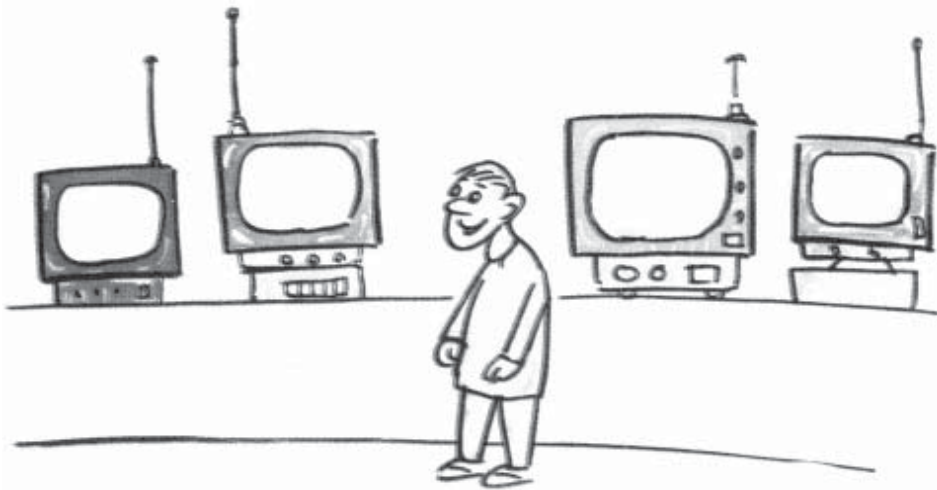
7.0 LEARNING OBJECTIVES

The objectives of this unit are to make the student understand

- * the right to choose
- * the restrictive trade practices
- * the unfair trade practices
- * the legal measures to ensure the right to choose.

7.1 INTRODUCTION

A consumer has a right to choose and buy the product of his choice. He should have access to wide variety of goods, where he is given a chance to choose the product of his choice. A wise consumer tries to spend the money at his disposal in a way that yields maximum satisfaction. This involves exercising choice. In other words, the market should be with variety of goods giving an option to the consumer to choose one among. In a market where choice is not available, the consumer is forced to buy the available product at the price the seller offers. The consumer is not given an opportunity to choose the product of his choice. The trader has no right to restrict the choice of consumer.



7.2 MEANING

The right to choose means the right to be assured, wherever possible, of access to a variety of goods at competitive prices. In other words, the consumer has a right to select and purchase the product of his choice out

of a number of products available in terms of quality and price of goods. A shopkeeper cannot force or impress upon a customer to buy a particular brand or type of product. Similarly, the consumer should not be forced to buy through any sale gimmicks.

7.3 RESTRICTED CHOICE



When the market is not with a variety of goods at competitive prices, the consumer is left with no choice except buying the product available. In such kind of situations the trader can

Fix the price he likes.

Create artificial shortage and hike the prices

Manipulate the conditions of delivery

Affect the flow of goods into the market

This kind of situation in the market is a form of **restrictive trade practices**.

Restrictive trade practice obstruct the free flow of capital or resources into the stream of production or of finished goods in the stream of distribution at any point before they reach the hands of the ultimate consumer. The Monopolies and Restrictive Trade Practice Act 1969 (MRTP) was enacted to

- a) ensure that the operation of the economic system does not result in the concentration of economic power to the common detriment.
- b) to prohibit monopolistic, restrictive and unfair trade practices which are prejudicial to public interest.

Under this Act, the Government of India established a commission known as the Monopolies and Restrictive Trade Practices (MRTP) Commission.

7.4 POWERS OF MRTP COMMISSION

In case the trader is following any restrictive trade practices by restricting the choices of consumers goods, or compelling the consumer to choose within the limited variety, the Commission can

- i) issue temporary injunctions, i.e. stay order directing the undertaking to stop indulging in the practice complained
- ii) issue cease and desist order
- iii) issue directions

MRTP Commission is empowered to enquire into any restrictive trade practice. In response to the specific complaints by consumer or consumer organisation, the Commission will find out whether the said practice is prejudicial to the public interest. If so, the Commission may, by order, direct to discontinue the practice or shall not repeat it.

Thus, the consumers, right to choose is well protected. It is the consumer who has to be alert and exercise the right.

7.5 KEY CONCEPTS

Restricted choice
Monopolistic Trade Practice
Restrictive Trade Practice
Unfair Trade Practice



7.6 SUGGESTED ACTIVITIES

To introduce the topic by discussing the following:

- * Balancing the quality of goods and services against price
- * Comparing the cost
- * Safety of the product
- * Effect on the health aspects
- * Impact on the environment
- * The reliability of the product
- * Detection of adulterated, spurious and fake products
- * Legal measures
- * Discuss the factors that influence the consumer choice.



UNIT 8

RIGHT TO BE HEARD

STRUCTURE

- 8.0 LEARNING OBJECTIVES
- 8.1 INTRODUCTION
- 8.2 CONSUMER VOICE
- 8.3 PLATFORMS FOR CONSUMER REPRESENTATION
- 8.4 NEED TO BE ORGANISED
- 8.5 KEY CONCEPTS
- 8.6 SUGGESTED ACTIVITIES

8.0 LEARNING OBJECTIVES

The objectives of the unit are to make the students

- * understand the various platforms available for consumers to represent their interest.
- * realize the need for collective action to fight for their rights.
- * understand their role in the welfare of the society.

8.1 INTRODUCTION

The right to be heard means the right to advocate consumer's interests with a view to receiving full and sympathetic consideration in formulation and execution of economic and other policies. It includes the right of representation in governmental and other policy bodies as well as in the development of products and services before they are produced or setup. For the welfare of consumers an individual has a right to be heard. He can express his view in various forums. The consumer is assured that his interests will receive due consideration. Consumers can express their view in the decision making bodies.



8.2 CONSUMER VOICE

To protect the consumers right to be represented, there is a need to provide necessary forums for consumer participation. The manufacturers of goods, traders, service providers, public and private enterprises who provide goods and services to consumers have the responsibility to work for the welfare of consumers. They need to provide opportunities for consumers to be heard. Their suggestion need to be considered for the welfare of consumers, the end users.



- * The manufacturing units can have customer care centres. Consumer should be given a chance to express his / her opinion regarding the design and working of the manufactured goods. Many companies care for their customers. They take the opinion of the consumers. The feed back from the consumers can serve as an input to come up with the goods that are acceptable to the consumers.

- * Institutions providing services to the consumers can have consumer grievance redressal cell. The consumer complaints can be taken care in time. Today most of the public and private enterprises do have consumer grievances redressal cell.

* Consumers need to have an access to Government to express their views on important issues. Government policies are for the people, therefore the participation of people is utmost important. Consultation and participation are the two ways that consumer voice can be heard. Consultation means Government approaches people for their expert views. Participation means people are invited to take part in decision making. People become members of various committees formed for formulating and implementing policies.

8.3 PLATFORMS FOR CONSUMER REPRESENTATION

Various platforms have been created for consumer representation. Some of them are

- * Consumer Redressal Fora
- * Consumer Protection Councils at District, State and National Level
- * Advisory Committees at District, State and National Level
- * Grievances and Redressal Cells of public utilities departments
- * Consumer Care Centres

8.4 NEED TO BE ORGANISED

To be heard, consumers need to become organised. Consumer organisations can raise their voice collectively. They can

- * provide public forum
- * take up issues of public interest
- * initiate public discussions on the subjects of public interest
- * insist on safety of consumer products
- * organise people through media
- * organise consumer forums for discussions on various subjects of consumer interest

The Right to be heard pertains to the right of the consumer to express his opinion, observations and grievances at appropriate fora, which should be accessible to the consumers. Whenever a consumer has a complaint, he has a right to be heard and also to be assured that his interest

will receive due consideration at appropriate fora. The Consumer Protection Act has established a very effective quasi-judicial mechanism to tackle with such complaints and assured about the protection of interests of consumers in a fair, economical and expeditious manner.

8.5 KEY CONCEPTS

Right to be heard
Consumer interests
Consumer voice
Consumer representation



8.6 SUGGESTED ACTIVITIES

Teachers to

- * Discuss how consumer organisations can be formed for protecting consumer rights.
- * Explain how to get consumer organised on a specific issue.
- * Describe how consumers can contribute to Government policy.
- * Discuss how the consumer voice can be heard at village, community, regional, national and international levels.

Students to

- * Select any one of the issues such as short supply of water; Electricity cut during examination; abnormal rise of prices of vegetables.
- * Study the issue.
Find the facts about the issue
Check the facts.
- * Get organised
Explain the problem to others
Tell the need to raise the voice collectively.
- * Plan the course of action
- * Organise the campaign.



UNIT 9

RIGHT TO REDRESSAL

STRUCTURE

- 9.0 LEARNING OBJECTIVES
- 9.1 INTRODUCTION
- 9.2 REDRESSAL AGENCIES
- 9.3 TYPES OF GRIEVANCES
- 9.4 REMEDIES AVAILABLE TO CONSUMERS
- 9.5 KEY CONCEPTS
- 9.6 SUGGESTED ACTIVITIES

9.0 LEARNING OBJECTIVES

The study of this unit will make the students understand

- * the protection available to consumer in case the trader has cheated.
- * the types of remedies available to the consumer.
- * need to seek redressal.

9.1 INTRODUCTION

Redress means 'put things right'. When a consumer has a problem with goods or services he has paid for, he has a right to seek redressal. The consumer has the right to fair settlement of genuine grievances. If the performance or quality of goods or service is short of expectations, the consumer can launch a complaint. The consumer can also complain against any unfair trade practice or unscrupulous exploitation of consumers.



The Right to seek redressal provides an opportunity for the consumer to seek redressal against unfair trade practices or unscrupulous exploitation of consumers. It also provides the right to fair settlement of grievances that are genuine. The right ensures compensation for faulty goods or services. Redressal is the natural follow-up of hearing of complaints and making a settlement in a manner that is acceptable to consumer as well as the seller. The Consumer Protection Act, 1986 was enacted with an aim to protect the consumer from the exploitative and unfair practices of trade and to provide inexpensive,

easily accessible and speedy remedy. Various measures have been provided under the law for consumers to exercise their right to redressal.

9.2 REDRESSAL AGENCIES

To help the aggrieved consumer, the consumer dispute redressal agencies known as consumer fora are established. They are District Forum at District level, State Commission at State Level, and National Commission at National level. These are quasi-judicial bodies. They have been empowered to give reliefs of a specific nature and to award compensation wherever appropriate. The services of these Consumer Fora cover all public and private business, and service sector which includes banking, finance, insurance, transport, electricity, telecommunications, entertainment and so on.

9.3 TYPES OF GRIEVANCES

The consumer can seek redressal for various kinds of grievances and can launch a complaint in the appropriate Consumer Forum if

- * A trader adopts unfair or restrictive trade practice
- * Goods bought are defective
- * Services of any kind suffer from deficiency
- * The trader collects price in excess than the fixed price, or the price displayed on goods or package, or the price displayed on the price list.
- * Goods which are hazardous to life and safety are being offered for sale.
- * Services hazardous to life are being offered for sale.

9.4 REMEDIES AVAILABLE TO CONSUMERS

In case of a genuine complaint the Consumer Fora can direct the trader

- * to remove the defects of goods
- * to replace the defective goods with another free from similar defects
- * to return the price or the charges paid by the consumer
- * to pay compensation

Citizen Consumer Clubs

- * to remove defects or deficiencies in services
- * to discontinue unfair trade practices
- * not to offer hazardous goods for sale

For effective exercise of this right various laws and redressal mechanism have been provided. The consumer must make complaints for genuine grievances. It is the responsibility of consumer to seek redressal. Consumers alone, or the organisations working for the welfare of consumers, should come forward to register complaints against greedy traders who exploit consumers.



9.5 KEY CONCEPTS

Redressal
Consumer fora
Grievances



9.6 SUGGESTED ACTIVITIES

- * Plan a visit to District Consumer Forum.
- * Arrange a lecture on structure and functioning of Consumer Redressal Fora.
- * Arrange a lecture on “Consumer Protection Law”.
- * Make the students to organise a rally on need for seeking redressal.
- * Arrange an exhibition on consumer redressal mechanism.
- * Ask the students to find out the instances where the traders are cheating consumers and present in the class
- * Discuss the possible remedies in such cases.
- * Students to collect consumer cases published in local news papers.
- * Let the students make a draft complaint to file a case on any one local unfair trade practice.
- * Organise mock consumer forum.



UNIT 10

RIGHT TO CONSUMER EDUCATION

STRUCTURE

- 10.0 LEARNING OBJECTIVES
- 10.1 INTRODUCTION
- 10.2 AIM OF CONSUMER EDUCATION
- 10.3 UNITED NATIONS GUIDELINES
- 10.4 BENEFITS OF THE RIGHT
- 10.5 KEY CONCEPTS
- 10.6 SUGGESTED ACTIVITIES

10.0 LEARNING

The study of the unit will enable the students to understand the

- * importance of consumer education
- * importance of spreading consumer education
- * role of individuals in educating fellow-consumers

10.1 INTRODUCTION

The right to consumer education means the right to acquire the knowledge and skills to be an informed consumer throughout the life. The right to consumer education incorporates the right to knowledge and skills needed for taking action to influence factors which affect consumer decisions. Consumer education provides the knowledge necessary to develop citizens as intelligent consumers. In a broader sense, the right to consumer education is consumers' right to know and be aware of all developments concerning his environment which might affect his choices. Consumer Education has many sources and caters to different age groups and sections of the society through various systems of education. One of the pressing needs of consumer empowerment today is to initiate the younger generation into the consumer education mainstream through Citizen Consumer Clubs.



Consumer education may mean anything from the development of a known sense of buymanship to a more complete realization of economic and social possibilities of the modern industrial economy. It is an organized movement to improve the method of preparing people to assume a matured consumer role within the society.

10.2 AIM OF EDUCATION

The aim of consumer education is to

- * increase consumer awareness
- * develop confidence
- * assist in making sound decisions
- * realize the role of consumer in market economy
- * understand legal system that helps consumer exercise their rights.
- * assist consumer to become a wise buyer
- * assist consumer to become a better manager of resources
- * help consumer become a better consumer citizen.



10.3 UNITED NATIONS GUIDELINES

The Guidelines issued by the United Nations for consumer protection are very useful, regarding consumer education

- * The Government (Central as well as States) should develop or encourage the development of general consumer education and information programmes, bearing in mind the cultural tradition of the people of this country. The aim of such programmes should be to enable people to act as discriminating consumers, capable of making an informed choice of goods and services, and conscious of their rights and responsibilities. In developing such programmes,

special attention should be paid to the needs of disadvantaged consumers, in both rural and urban areas, including low-income consumers and those with low or non-existent literacy level.

- * Consumer education should become an integral part of the basic curriculum of the educational system, preferably as a component of the existing subjects.
- * The Government (Central as well as States) should encourage consumer organizations and other interested groups, including the media to undertake education and information programmes, particularly for the benefit of low-income consumer groups in rural and urban areas.
- * Business should, where appropriate, undertake or participate in factual and relevant consumer education and information programmes.
- * Bearing in mind the need to reach rural consumers and illiterate consumers, the Government (Central as well as States) should develop and encourage the development of consumer information programmes in the mass media.
- * The Government (Central as well as States) should organize or encourage training programmes for educators, mass media professionals and consumer advisers, to enable them to participate to carry out consumer information and education programmes.
- * Consumer education and information programmes should cover the following important aspects of consumer protection :
 - ◆ Health, nutrition, prevention of food-borne diseases and food adulteration - avoiding junk food.
 - ◆ Drugs
 - ◆ Product hazards
 - ◆ Product labeling
 - ◆ Relevant legislation, how to obtain redress, and agencies and organizations for consumer protection

- * Information on weights and measures, prices, quality, credit conditions and availability of basic necessities
- * Pollution and environment.

10.4 BENEFITS OF THE RIGHT

The right encourages the consumer

- * to acquire the knowledge and skills to become an informed consumer throughout life
- * to cultivate critical thinking
- * to impart life skills
- * to improve understanding

The ignorance of consumers is mainly responsible for their exploitation. Consumer Protection Act provides the right to consumer education. Therefore, it becomes the duty of the Government to keep consumers informed of their rights. Consumer education help a consumer to protect himself against fraudulent, deceitful, grossly misleading information and other practices. Consumer education brings alertness and ability to question about the price and quality of goods. Right to consumer education is an important means to make use of other consumer rights. Therefore, right to consumer education should be given due importance.

10.5 KEY CONCEPTS

Consumer education
Consumer information
Knowledge
Skills
Ignorance
Exploitation



10.6 SUGESTED ACTIVITIES

- * Discuss the need for consumer education and role of each individual.
- * Make the students list down few situations where consumer is exploited.
- * Guide the students how to impart consumer education in case of consumers exploitations in Weight and Measures.
- * Make the students prepare the plan and execute it.
- * Ask the students to plan consumer education on “Misleading Advertisements”.
- * Organise a role-play to educate public on Misleading Advertisements.



UNIT 11

RIGHT TO BASIC NEEDS

STRUCTURE

- 11.0 LEARNING OBJECTIVES
- 11.1 INTRODUCTION
- 11.2 MEASURE TO ENFORCE THE RIGHT
- 11.3 KEY CONCEPTS
- 11.4 SUGGESTED ACTIVITIES

11.0 LEARNING OBJECTIVES

The objectives of the unit are to enable the students

- * to differentiate needs and wants of consumers
- * recognise essential goods and services for decent living
- * understand consumer right for satisfaction of basic needs
- * understand various market economies and their influence on family living.

11.1 INTRODUCTION

Right to basic needs ensures the consumer the basic goods and services which guarantee survival. It includes adequate food, clothing, shelter, health care, education and sanitation to lead a decent life. The right to satisfaction of basic needs has different meanings for different societies and countries. In the developing world, basic needs of a consumer would be interpreted as adequate food, clothing and shelter, whereas the American or European Continent would interpret basic needs of a consumer as fair quality of consumers goods or prompt, ensured and accountable services.



In a broader sense

- * Every consumer has the right to basic needs and services which guarantee dignified living.
- * It includes adequate food, clothing, shelter, healthcare, drinking water, education, sanitation, energy and transportation.

11.2 MEASURES TO ENFORCE THE RIGHT

The following are some of the measures that can be adopted

- * Adopting food safety measures, including safety criteria, food standards and dietary requirements, effective monitoring, inspection and evaluation mechanisms.
- * Adopting food standards of Food & Agricultural Organisation (FAO), World Health Organisation (WHO), CODEX Alimentarius or generally accepted international food standards.
- * Improving the quality and appropriate use of pharmaceuticals through integrated national drug policies.
- * Developing national drug policies that could address procurement, distribution, licensing arrangements, registration systems and availability of reliable information on pharmaceuticals taking into consideration the relevant work and recommendations of the WHO.
- * Developing, maintaining and strengthening national policies to improve the supply, distribution and quality of drinking water.



It is the right of every citizen in fact to lead a decent and healthy life. The Government should take appropriate steps to ensure basic needs to its people. The welfare programmes should aim at providing the citizens the basic needs.

11.3 KEY CONCEPTS

Basic Needs
 Right to basic needs
 Dignified living
 Welfare programmes



11.4 SUGGESTED ACTIVITIES

Teacher to

- * Lead a discussion on the differences between
 - * Wants and comforts and Comforts and luxuries
 - * Essential goods and desired goods.
- * discuss the factors that influence the choice of goods and services of a family.
- * explain the providers of goods and services, transactions in a market place.
- * discuss the factors that influence the purchasing power of a family.
- * discuss the role of the Government and the individual in providing basic needs.
- * discuss on sustainable consumption

Students to

- * identify their wants, comforts and luxuries.
- * make a list of basic needs of a family.
- * to make a list of essential goods and services and
- * to make a list of non essential but desired goods and services a family require.
- * Students to identify the providers of goods and services listed above.
- * Students to identify the market factors in their town that influence their choice of goods.



UNIT - 12

RIGHT TO HEALTHY ENVIRONMENT

STRUCTURE

- 12.0 LEARNING OBJECTIVES
- 12.1 INTRODUCTION
- 12.2 CONSUMER RESPONSIBILITY
- 12.3 HOW TO EXERCISE THE RIGHT
- 12.4 KEY CONCEPTS
- 12.5 SUGGESTED ACTIVITIES

12.0 LEARNING OBJECTIVE

The study of the unit will enable the students understand

- * the importance of a healthy environment.
- * factors that affect the environment.
- * their responsibility to protect environment.

12.1 INTRODUCTION

The right to healthy environment means the right to a physical environment that will enhance the quality of life. It includes protection against environmental dangers over which the individuals have no control. It acknowledges the need to protect and improve the environment for present and future generations.



The right to healthy environment is in fact implicit to all rights that human beings have in every aspect of life. It is the right to lead a healthy life style without dangers of water, air, soil and noise pollution.

Healthy Environment includes both global and local environmental conditions. The Ozone depletion, global warming and increase in toxic wastes are as much infringement of the right to healthy environment as polluted ground water supply or air laden with toxic gases at local levels. Recently the purview of healthy environment for consumers has progressed to the natural disaster occurrences which have increased manifold due to unsustainable development and unchecked growth. Consumers are now demanding the right to a safe and natural environment.

consumer has the right to live and work in-an environment which is neither threatening nor dangerous but permit a life of dignity and well being.

They should get protection from environmental dangers or ill effects of the pollution of air, earth, water etc.

12.2 CONSUMER RESPONSIBILITY

It is a consumer responsibility to build a healthy environment. Consumption pattern of consumers can influence the production of goods. Wasteful consumption of natural resources by some section of consumers have a negative impact on the natural environment of specific regions. For example, consumption of wood in urban areas is directly related to deforestation. The excessive use of energy by industry and urban-consumer is the reason for building of large scale dams in the hilly regions.



To reduce, reuse, recycle and reject the use of non-biodegradable consumer products is essential. A responsible consumer should switch over to products which are environment friendly. The consumer should respect the interdependence of man and environment and does not have an exploitative or wasteful attitude towards natural resources.

12.3 HOW TO EXERCISE THE RIGHT

- * Consumers individually and collectively reject the use of non-biodegradable consumer products
- * Reduce the wasteful consumption
- * Conserve natural resources
- * Encourage the production of products that can be recycled

12.4 KEY CONCEPTS

Healthy environment
Environmental protection
Environmental friendly products
Recycled products
Natural disaster



12.5 SUGGESTED ACTIVITIES

- * The Teacher to lead the discussion on the need for good environment and factors that affect the quality of environment.
- * Discuss with the students link between “activities of people and environmental quality”.
- * Ask the students to list down environment friendly activities. Discuss the eco-friendly products and eco-mark.
- * Discuss the measures to be taken by the individual to ensure right to healthy environment.
- * Conduct debates on “Developmental activities and their impact on environment.
- * Arrange an exhibition on the need for protection of environment.



UNIT 13

CONSUMER DISPUTES

REDRESSAL AGENCIES

STRUCTURE

- 13.0 LEARNING OBJECTIVES
- 13.1 INTRODUCTION
- 13.2 DISTRICT FORUM
 - 13.2.1 Composition
 - 13.2.2 Appointment
 - 13.2.3 Term of Office
 - 13.2.4 Conditions of Service
 - 13.2.5 Jurisdiction of the District Forum
 - 13.2.6 Competency to make complaint
 - 13.2.7 Contents of Complaint
 - 13.2.8 Procedure to file complaint
 - 13.2.9 Limitation for filing complaint
 - 13.2.10 Remedies available to consumers
- 13.3 STATE COMMISSION
 - 13.3.1 Composition
 - 13.3.2 Appointments
 - 13.3.3 Conditions of Service
 - 13.3.4 Term of office
 - 13.3.5 Removal of president or member
 - 13.3.6 Jurisdiction of the State Commission
 - 13.3.7 Place of sitting and other matters
 - 13.3.8 Appeals
 - 13.3.9 Hearing of appeals
- 13.4 NATIONAL COMMISSION
 - 13.4.1 Establishment
 - 13.4.2 Constitution
 - 13.4.3 Terms and conditions of service
 - 13.4.4 Independence of the National Commission
 - 13.4.5 Jurisdiction of the National Commission
 - 13.4.6 Procedure to be followed by the National Commission
 - 13.4.7 Reliefs granted by National Commission
 - 13.4.8 Transfer of cases
 - 13.4.9 Holding of circuit benches
 - 13.4.10 Appeal
- 13.5 KEY CONCEPTS
- 13.6 SUGGESTED ACTIVITIES

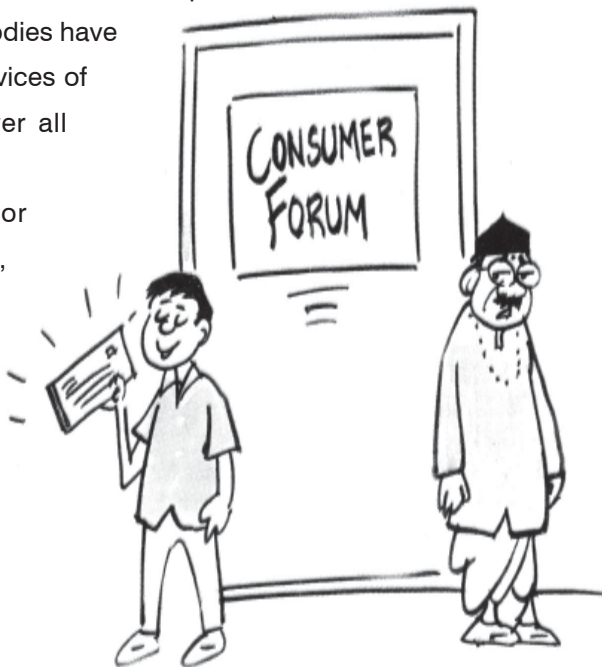
13.0 LEARNING OBJECTIVES

After studying this unit, the student should understand

- * the objectives, structure and functioning of three-tier quasi-judicial redressal mechanism.
- * how to approach the consumer forum for self-interest as well as group interest
- * how to guide consumers to approach the consumer forum.

13.1 INTRODUCTION

The main object of the Consumer Protection Act is to provide economical, efficacious and speedy justice to the consumers at large. The Act envisages the setting up of a three-tier quasi-judicial redressal mechanism viz., i) the District Forum ii) the State Commission; and iii) the National Commission. This decentralised system helps the consumers who are aggrieved to approach the appropriate fora. These quasi-judicial bodies will observe the principles of natural justice and have been empowered to give reliefs of a specific nature and to award compensation wherever appropriate. Penalties for non-compliance of the orders given by the quasi-judicial bodies have also been provided. The services of these \ consumer fora cover all public, private business and service sector which includes Banking, Finance, Insurance, Transport, Electricity, Telecommunications, Entertainment and so on. These fora have been expanding their jurisdiction in the best interest of consumers.



13.2 DISTRICT FORUM

The State Government is empowered to establish a Consumer Disputes Redressal Forum known as District Forum at each district. The State Government can establish more than one District Forum in a district, in



case the necessity is felt. The District Forum is the lowest in the hierarchy of the three-tier quasi-judicial system. Prior to the Amendment made to the Act during 1993, the State Government was empowered to establish a District Forum only with the approval of the Central Government. However the same requirement has been omitted in the 1993 amendment. As a result, the State Governments have been authorised to establish District Fora, on their own, without the interference of the Central Government.

13.2.1 COMPOSITION

Every District Forum consists of a president and two other members, The president should be qualified to be or have been a District Judge. The two other members should be the persons of ability, integrity and standing. They must have adequate knowledge and experience and capacity in dealing with problems relating to economics, law, commerce, accountancy, industry, public affairs or administration. One of the members shall be a woman. There are certain qualifications as well as disqualifications for the members of the District Forum. The qualifications are that the members should be at least 35 years of age, should possess a Bachelor's Degree apart from being persons of ability, integrity and standing. The disqualifications are (i) conviction and sentence to imprisonment for an offence involving moral turpitude

(ii) undischarged insolvency (iii) unsound mind as declared by competent court
 (iv) removal or dismissal from the service of government or (v) having financial or other interest likely to affect prejudicially his functions as a member. With the recent Amendment, now a member shall be eligible for reappointment.

13.2.2 APPOINTMENT

Every president or member of the District Forum shall be appointed by the State Government on the recommendation of a Selection Committee. The Selection Committee consists of three ex-officio members. They are

(i) the President of the State Commission	Chairman
(ii) Secretary, Law Department of the State	Member
(iii) Secretary incharge of the Department of consumer affairs in the State	Member

13.2.3 TERM OF OFFICE

Every member of the District Forum shall hold the office for a term of 5 years or upto the age of 65 years which ever is earlier. Provided that a member shall be eligible for re-appointment for another term of five years or up to the age of sixty-five years whichever is earlier subject to the condition that he fulfils the qualifications and other conditions for appointment.

13.2.4 CONDITIONS OF SERVICE

The salary and other conditions of service of the President and Members of the District Forum are prescribed by the State Government by making the necessary rules.

13.2.5 JURISDICTION OF THE DISTRICT FORUM

- 1) The 'District Forum' has jurisdiction to entertain complaints where the value of goods, services and compensation claimed (if any) does not exceed Rs. 20 lakhs
- 2) A complaint can be filed in the District Forum in whose territorial jurisdiction the opposite party or parties, at the time of filing of complaint, actually and voluntarily resides, carries on business, has a branch office or personally works for gain. /

- 3) If any of the opposite parties does not voluntarily reside or carry on business or have a branch office or personally works for gain, the District Forum should grant permission to it. The opposite party should get the consent of such an institution.
- 4) The complaint can also be filed before the District Forum in whose jurisdiction the cause of action, wholly or in part arises.

13.2.6 COMPETENCY TO MAKE COMPLAINT

A complaint may be filed by the consumer to whom any goods are sold or delivered or agreed to be delivered or sold or any service provided or agreed to be provided. Generally the consumer is a person who is a buyer of goods or hirer of services for consideration. For the purpose of filing a complaint, it is not necessary that the consumer must have actually purchased or received the delivery of goods or actually availed himself / herself of the services. It is sufficient if there is an agreement to purchase or take delivery of goods or avail oneself of any services.

There is nothing in the Act which prevents the legal representative of a consumer to file a consumer dispute seeking relief. The legal representatives of the deceased consumer also are entitled to maintain a claim for compensation. If on account of deficiency in the rendering of service, the death of a consumer occurs, then his/her heirs who are entitled to the estate of the deceased can file the complaint under the Act.

A complaint may also be filed by any recognised consumer association whether the consumer to whom the goods sold or delivered or agreed to be sold or delivered or service provided or agreed to be provided is a member of such association or not. When a consumer is not in a position to approach a consumer forum due to lack of resources, and ignorance etc., a recognised consumer association may file a complaint on behalf of all those consumers. It is not necessary that such consumers must be members of the association. A “recognized consumer association” means any voluntary consumer association registered under the Companies Act, 1956 or

any other law in force at that time. The interests of the consumers and the society at large will be protected better if the voluntary consumer associations are permitted to file a complaint covering the persons similarly situated, when the cause of action arises out of the same act or transaction or a series of acts or transactions against the same opponents. An unregistered consumer association cannot file a complaint.



Prior to the 1993 Amendment, there was no provision for 'class action' in the Act. It became necessary to provide for the 'class action' to cater to the needs of large number of consumers who may suffer damages at the hands of a producer, supplier or seller, due to poverty, lack of resources or ignorance. If individual action is to be insisted on, it will result in deprivation of a large number of such consumers from the benefits of the Consumer Protection legislations. In order to improve the things, the 1993 Amendment to the Act provided for 'class action' enabled one or, more consumers, where there are numerous consumers having the same interest to file "class action" complaint with the permission of the consumer forum, on behalf of or for the benefit of all consumers so interested.

A, complaint can be filed before an appropriate forum not only by an aggrieved consumer or a genuine consumer association but also by the Central or State Government on behalf of consumers at large.

13.2.7 CONTENTS OF COMPLAINT

Generally a complaint filed in a consumer forum must contain all the relevant details as to the alleged defect in goods or deficiency in services. Besides, it must contain-

- (i) the name, description and address of the complainant
- (ii) the name, description and address of the opposite party or respondent, to the extent the same can be ascertained
- (iii) the facts relating to complaint including the nature of defect or deficiency, place, time etc. and
- (iv) the relief which the complainant claims .

Every complaint must be accompanied by the documents in support of the allegations contained in the complaint. In certain States, the Consumer Fora insist on filing an affidavit along with the main complaint.

13.2.8 PROCEDURE TO FILE COMPLAINT

The procedure to be followed while filing a complaint is very informal. It can be filed either by the complainant himself or by his authorised agent either personally or through post. It should be signed by the complainant or his authorised agent as the case may be. Prior to the 2002 Amendment, there was no requirement of paying any court fee. However, the 2002 Amendment has provided that every complaint should be accompanied with prescribed amount of fee payable.

One of the important changes introduced by the 2002 Amendment is that the admissibility of the complaint should be ordinarily decided within 21 days from the date of its receipt. This will expedite the disposal of complaints. There is no mandatory requirement of engaging a legal practitioner. It is only optional on the part of the consumers. The consumer himself can attend his case.

13.2.9 LIMITATION FOR FILING COMPLAINT

The limitation period for filing a complaint before a District Forum, State Commission or National Commission is two years from the date on which cause of action arose. However, a complaint may be entertained by the appropriate forum even if filed after the expiry of period of limitation, if the complainant satisfies the District

Forum or other Commissions that he had sufficient cause for not filing the complaint within such period.

13.2.10 REMEDIES AVAILABLE TO CONSUMERS

The reliefs that can be granted by a District Forum has been increased by the 2002 Amendment. Now the District Forum is empowered to direct the opposite party to pay punitive damage, manufacture of hazardous goods and restricting from offering services which are hazardous in nature. The Forum may also direct the opposite party to pay such a sum not less than 5% of the value of the defective goods sold or services provided where loss or injury has been suffered by a large number of consumers who are not conveniently identifiable and also to issue corrective advertisement to neutralize the effect of misleading advertisement. If the District Forum is satisfied that there is a defect in the goods or deficiency in service, it may issue an order to the opposite party directing him to do one or more of the following things.

Removal of defects : The Forum may direct the opposite party to remove the defects in the goods supplied or sold by the opposite party to the complainant consumer. In case, any analysis or test is required to determine the defects of goods, the Forum may pass an order referring the goods to the appropriate laboratory. If the appropriate laboratory points out any defects, the District Forum can issue an order to the opposite party to remove the defect from the goods in question. However, where the complainant alleges a defect in the goods which cannot be determined by any analysis or test, the Forum should decide the complaint on the basis of evidence produced by the respective parties and may pass appropriate order.

Replacement of goods:

Where it is not possible to remove the defects alleged, the Forum may direct the opposite party to replace the goods.

Return of price: Where it is proved that the quality of goods is of sub-standard, defective and is liable to be returned to the seller or supplier,



the Forum may direct the opposite party to return the price paid by the complainant consumer. Similarly, in case of deficiency in service, the Forum may order the opposite party to refund the service charges.

Compensation: Consumer disputes are basically in the nature of torts, and the most common relief that the complainants ask for is the compensation. The Forum awards compensation in case the negligence of the opposite party and particular loss or injury to the complainant is proved.

Negligence : Negligence is omission of something which is expected to be done by a reasonable man or doing of something which a reasonable man would not do, for example, medical negligence on the part of a doctor. If a doctor fails to diagnose the disease and fails to give appropriate treatment, it is the negligence of the doctor. If negligence on the part of the doctor is proved, and patient, the consumer has suffered any loss or injury, the doctor will be held liable.

Product liability and Negligence : If the negligence on the part of a manufacturer to take reasonable care is proved, and consequently the consumer has suffered any loss or injury, the manufacturer will be held liable. For example, A and B, two friends went to a cool drink shop. A bought a cool drink and gave B, after B drank a part of it, A poured the rest out of the bottle which revealed the decomposed body of a cockroach. B suffered from shock and gastro enteritis. Even though B, the consumer of the drink is not a purchaser, the court held the manufacturer liable on the ground that the manufacturer owed a duty of care to the ultimate consumer.

Compensation : The compensation is regarded as equivalent to or recompense for loss of privation. Generally, compensation is awarded by the Forum to the aggrieved party when the other reliefs specified under Act are not effective or adequate to redress the grievance of the complainant consumer. In consumer disputes, compensation is sought on various grounds like compensation for the mental agony, distress, harassment and so on. Such damages are special in nature and in addition to the actual damages caused for the actual and tangible injury or loss. Even though the consumer fora are not vested with any special or exclusive power to award special damages, it is generally understood that the power to award damages is wide enough to award special damages also. In a case-Lucknow Development Authority vs. M.K.Gupta-the Supreme Court has held categorically that the Commission or the

Forum is entitled not only to award value of the goods or services but also to compensate a consumer for injustice suffered by him. This implies that the Forum under the Act can award special damages also for the suffering of agony, distress and mental tension by the aggrieved consumer.

Removal of the defects or deficiencies : The District Forum has been empowered to direct the opposite party to remove the defect or deficiency in the services in question.

Order to 'cease and desist : When the opposite party is found guilty "*prima facie*" of indulging in unfair or restrictive trade practices, the Forum may direct it to discontinue or not to repeat it. It may be in the nature of a temporary or final order depending on the facts and circumstances of the case.

Not to offer hazardous goods for sale : The term 'hazardous goods' has not been defined under the Act. It can be understood as the goods or articles which are patently dangerous and detrimental to the consumers thereof. These goods may endanger the life, property or health of the consumers at large. The District Forum has been empowered by the 1993 Amendment to order or direct the opposite party, not to offer the hazardous goods for sale. The District Forum has not only the power to direct the opposite party not to offer the hazardous goods for sale but also to withdraw them from being offered for sale.

To provide for adequate costs to parties : The District Forum is empowered to award costs to complainants in fit cases. Costs can be awarded where the Forum is satisfied that the complainant deserves the same. If the complainant makes a frivolous or vexatious complaint against any opposite party vexatious only with a view to harass him or to cause undue hardship, the Forum may impose costs against the complainant also. Such power is especially granted under the Act.

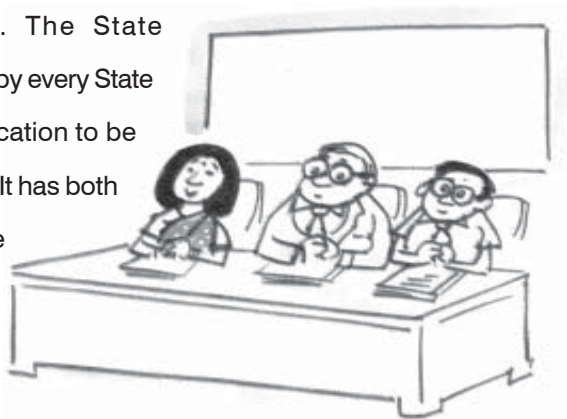
An order passed by the District Forum is not final. Any person aggrieved by an order made by the District Forum may prefer an appeal against such order to the State Commission within a period of 30 days from the date of the order.

Prior to the 2002 Amendment to the Act, there was no requirement that a person who wants to prefer an appeal against the District Forum should pay any part of the amount directed to be paid by him to the opposite party. However, now it is specifically provided that no appeal by

a person who is required to pay any amount in terms of an order of the District Forum, shall be entertained by the State Commission unless the appellant deposits 50% of the amount or 25,000 Rupees, whichever is less.

13.3 STATE COMMISSION

The State Commission called “State Consumer Disputes Redressal Commission” is the second in the hierarchy of the three-tier quasi-judicial system established under the Act. The State Commission is to be established by every State Government by issue of a notification to be published in the Official Gazette. It has both the original as well as appellate jurisdictions.



13.3.1 COMPOSITION

Each State Commission consists of one president and two other members. The president should be a person who is or has been a judge of a High Court. The two members of the Commission must be persons of ability, integrity and standing and be not less than 35 years of age. Should possess a bachelors degree. They must possess adequate knowledge or experience or show capacity in dealing with problems related to economics, law, commerce, accountancy, industry, public affairs or administration. At least one of the members should be a woman. The 2002 Amendment has introduced certain qualifications and also disqualifications of members of State Commission which are similar to the changes made with regard to the District Forum. Further, the Amendment provides for the first time for creation of Benches of State Commission, to facilitate quicker disposal of cases in State Commissions having a large number of cases.

13.3.2 APPOINTMENTS

No appointment as the President of the State Commission can be made except after consultation with the Chief Justice of the High Court. Therefore, it is mandatory for the State Government to consult the Chief Justice of that State High Court before making the appointment of the President of State Commission.

13.3.3 CONDITIONS OF SERVICE

The terms and conditions of service of the members of the State Commissions, are governed by the Rules framed by the concerned State Governments.

13.3.4 TERM OF OFFICE

Every member of the State Commission should hold office for a term of 5 years or up to the age of 67 years, whichever is earlier.

13.3.5 REMOVAL OF PRESIDENT OR MEMBER

State Government may remove the President or Member from office, when

- (i) he has been adjudged insolvent; or
- (ii) he has been convicted of an offence, involving “moral turpitude”; or
- (iii) he has become incapable, physically or mentally of acting as such member; or
- (iv) he has acquired such financial interest to affect his functioning: or
- (v) he has abused his official position etc.

13.3.6 JURISDICTION OF THE STATE COMMISSION

Subject to the other provisions of the Act, the State Commission shall have jurisdiction to entertain complaints where the value of the goods or services and compensation, if any, claimed exceeds rupees twenty lakhs but does not exceed Rs.1.00 crore. There is no direct provision under the Act that deals with the territorial jurisdiction of the State Commission. A State Commission can exercise its original, appellate or territorial jurisdiction only in respect of the disputes arising within the State.

The State Commission is empowered to entertain appeals against the order of any District Forum within the State. An aggrieved party may prefer an appeal against the order of a District Forum within 30 days of that order to the State Commission. The State Commission has the power to revise the orders passed by the District Forum. An order passed by the District Forum can be challenged in an appeal before the State Commission only. Similarly an order passed by the State Commission can be appealed only before the National Commission.

13.3.7 PLACE OF SITTING AND OTHER MATTERS

- 1) The office of the State Commission shall be located at the capital of the State
- 2) The working and the office hours of the State Commission shall be the same as that of the State Government.
- 3) The official seal and emblem of the State Commission shall be such as the State Government may specify.
- 4) The sitting of the State Commission, as and when necessary, shall be convened by the President.
- 5) No act or proceedings of the State Commission shall be invalid by reason only of the existence of any vacancy among its members or any defect in its constitution thereof.
- 6) The State Government shall appoint such staff, as may be necessary, to assist the State Commission in its work and perform such other functions as are provided under these rules or assigned to it by the President. The salary payable to such staff shall be defrayed out of the consolidated fund of the State Government.
- 7) Where the opposite party admits the allegation made by the complainant the State Commission shall decide the complaint on the basis of the merit of the case and documents present before it.
- 8) If, during the proceedings conducted the State Commission fixes a date for hearing of the parties, it shall be obligatory on the complainant and opposite party or his authorised agent to appear before the State Commission on such date of hearing or any other date to which hearing could be adjourned.

Where the complainant or his authorised agent fails to appear before the State Commission on such day, the State Commission may in its discretion either dismiss the complaint for default or decide it on merits. Where the opposite party or its authorised agent fails to appear on the day of hearing, the State Commission may decide the complaint ex-parte.

- 9) If the State Commission thinks fit and at any stage, to adjourn the hearing of the complaint not more than one adjournment shall ordinarily be given and the complaint should be decided within 90 days where complaint does not require analysis or testing of the goods and within 150 days if it requires analysis or testing of the goods.
- 10) The orders of the State Commission shall be signed and dated by the Members of the State Commission constituting the Bench and shall be communicated to parties free of charge.

13.3.8 APPEALS

Any person aggrieved by an order made by the State Commission in exercise of its powers conferred may prefer an appeal against such order to the National Commission within a period of thirty days from the date of the order in such form and manner as may be prescribed.

Provided that the National Commission may entertain an appeal after the expiry of the said period of thirty days if it is satisfied that there was sufficient cause for not filing it within that period.

13.3.9 HEARING OF APPEAL

An appeal filed before the State Commission the National Commission shall be heard as expeditiously as possible and an endeavour shall be made to finally dispose of the appeal within a period of ninety days from the date of its admission.

13.4 NATIONAL COMMISSION

13.4.1 ESTABLISHMENT

The Act provides for the establishment of the National Commission by the

Central Government by notification. It is the highest consumer disputes redressal forum among the three tiers established under the Act.

13.4.2 CONSTITUTION

The National Commission consists of

- i) a chairman; and
- ii) four other members

appointed by the Central Government. The chairman must be either a retired or serving judge of the Supreme Court and his appointment must be made in consultation with the Chief Justice of India.

The four other members should be persons of ability, integrity and standing and they must have adequate knowledge or experience of problems relating to economics, law, commerce, accountancy, industry, public affairs, or administration one of whom shall be a woman. The Amendment to the Act made in 2002 imposed certain qualifications and disqualifications on members apart from providing that they are eligible for reappointment. It also provides that more than four members may be appointed and also for creation of Benches of the National Commission. Since India is a large country, formation of Benches of the National Commission would go a long way in providing consumers easy access to consumer justice. The appointment of the members should be made by the Central Government on the recommendation of a selection committee consisting of,

- i) a Judge of Supreme Court, nominated
by the Chief Justice of India ... Chairman
- ii) the Secretary in the Department of Law ... Member
- iii) Secretary, Department of Consumer
Affairs in Central Government ... Member

13.4.3 TERMS AND CONDITIONS OF SERVICE

Every member of the National Commission shall hold office for a term of five years or upto the age of seventy years, whichever is earlier and shall not be eligible for re-appointment.

13.4.4 INDEPENDENCE OF THE NATIONAL COMMISSION

A perusal of the rules and provisions makes it very clear that the Government intended to secure independence of the Commission. Before assuming the office, the members of the commission have to give an undertaking that they do not and will not have any financial or other interests capable of affecting their functions. It is gratifying to note that the President or any Member is debarred from holding any office for five years after ceasing to hold such office, in any organisation which was a party before the National Commission during his tenure. Any person contravening this provision would be committing an offence under the Act.

The Central Government may remove from office, the president or any member of the National Commission, who

- a) has been adjudged an insolvent; or
- b) has been convicted of an offence which in the opinion of the Central Government, involves moral turpitude; or
- c) has been physically or mentally incapable of acting as President or the Member; or
- d) has acquired such financial or other interest as is likely to affect prejudicially his functions as the President or a Member; or
- e) has so abused his position as to render his continuance in office prejudicial to public interest.

13.4.5 JURISDICTION OF THE NATIONAL COMMISSION

Subject to the other provisions of this Act, the National Commission shall have jurisdiction to entertain

- i) complaints where the value of the goods or services and compensation, if any, claimed exceeds rupees one crore; and
- ii) appeals against the orders of any State Commission; and
- b) to call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by and State Commission where it appears to the National Commission that such State Commission has exercised a jurisdiction not vested in it by law, or has failed to exercise

a jurisdiction so vested, or has acted in the exercise of its jurisdiction illegally or with material irregularity.

13.4.6 PROCEDURE TO BE FOLLOWED BY THE NATIONAL COMMISSION

1. A complaint containing the following particulars shall be presented by the complainant in person or by his agent to the National Commission or be sent by registered post addressed to the National Commission:
 - a) the name, description and the address of the complainant;
 - b) the name, description and address of the opposite party or parties as the case may be, so far as they can be ascertained;
 - c) the facts relating to the complaint and when and where it arose;
 - d) documents in support of the allegations contained in the complaint;
 - e) the relief which the complainant claims
2. The National Commission shall, in disposal of any complaint before it, as far as possible, follow the procedures laid down in relation to the complaint received by the District Forum.
3. On the date of hearing or any other date to which hearing could be adjourned, it shall be obligatory on the parties or their agents to appear before the National Commission. Where the complainant or his agent fails to appear before the National Commission on such days, the National Commission may in its discretion either dismiss the complaint for default or decide it on merits. Where the opposite party or its agent fails to appear on the date of hearing, the National Commission may decide the complaint ex parte.
4. The National Commission may on such terms as it deems fit and at any stage of the proceedings, adjourn the hearing of the complaint but the complaint shall be decided as far as possible within a period of three months from the date of notice received by opposite party where complaint does not require analysis or testing of commodities.
5. The National Commission shall also have the power to direct that any order passed by it, where no appeal has been preferred or where the

order of the National Commission has been affirmed by the Supreme Court under that section, be published in the Official Gazette or through any other media and no legal proceedings shall lie against the National Commission or any media for such publication.

13.4.7 RELIEFS GRANTED BY NATIONAL COMMISSION

The District Forums, State Commissions and the National Commission have the power to grant similar reliefs.

13.4.8 TRANSFER OF CASES

On the application of the complainant or of its own motion, the National Commission may, at any stage of the proceeding in the interest of justice, transfer any complaint pending before the District Forum of one State to a District Forum of another State or before one State Commission to another State Commission.

13.4.9 HOLDING OF CIRCUIT BENCHES

Under this provision added by the 2002 Amendment, the National Commission is empowered to ride circuit i.e. hold sittings at different places in the country at different times. This would enable the consumers to have easy access to the National Commission.

13.4.10 APPEAL

Any person aggrieved by an order made by the National Commission in exercise of its powers may prefer an appeal against such an order to the Supreme Court within a period of thirty days from the date of the order.

Provided that the Supreme Court may entertain an appeal after the expiry of the period of thirty days if it is satisfied that there was sufficient cause for not filing it within that period.

13.5 key concepts

Consumer forum

Quasi judicial redressal mechanism

Jurisdiction

Complaint

Appeal

Class action



13.6 suggested

- * Plan a visit to local consumer fora
- * Arrange a guest lecture by a local Voluntary Consumer Organisation representative or an advocate
- * Conduct a mock consumer forum
- * Collect at least one case treated in the consumer forum of your district and discuss with students
- * Ask the students to collect consumer cases published in newspapers and display in the school notice board.



UNIT 14

CONSUMER PROTECTION COUNCILS

STRUCTURE

- 14.0 OBJECTIVES
- 14.1 INTRODUCTION
- 14.2 THE CENTRAL CONSUMER PROTECTION COUNCIL
 - 14.2.1 Objectives
 - 14.2.2 Composition
 - 14.2.3 Meetings
 - 14.2.4 Procedure of the Council
- 14.3 THE STATE CONSUMER PROTECTION COUNCIL
 - 14.3.1 Objectives
 - 14.3.2 Composition
 - 14.3.3 Meetings
 - 14.3.4 Procedure of the Council
- 14.4 THE DISTRICT CONSUMER PROTECTION COUNCIL
 - 14.4.1 Objectives
 - 14.4.2 Composition
 - 14.4.3 Meetings
- 14.5 KEY CONCEPTS
- 14.6 SUGGESTED ACTIVITIES

14.6 LEARNING OBJECTIVES:

The objectives of this unit are

- * To make the students understand the constitutions, objectives and working of consumer protection councils at three levels
- * To enlighten the students the role of consumer protection councils in safeguarding the interest of consumers
- * To encourage the students for their participation in consumer protection activities.

14.1

A well-organized sector of manufacturers and traders with better knowledge of markets has come into existence, thereby affecting the relationship between the traders and the consumers making the principle of consumer sovereignty almost inapplicable. The advertisements of various goods and services on television, and in newspapers and magazines influence the demand for the same by the consumers though there may be manufacturing defects or imperfections or shortcomings in the quality, quantity and the purity of the goods or there may be deficiency in the services rendered. In addition, the production of the same item by many firms has led to the confusion of the consumers who have little time to make a selection and to think before they can purchase the best. For the welfare of the public, the gluts of adulterated and sub-standard articles in the market have to be checked. In spite of various provisions providing protection to the consumer and providing for stringent action against adulterated and sub-standard articles in different enactments, it has become necessary to protect the consumers from exploitation and to save them from adulterated and sub-standard goods and deficiency in services and to safeguard the interests of the consumers.

The Consumer Protection Act, 1986 made provision for the establishment of Consumer Councils and to promote and protect the rights of the consumers.

Initially as per the provisions made under Consumer Protection Act, 1986, Consumer Protection Councils were established at the Central level (The Central Consumer Protection Council) and at the State level (The State Consumer Protection Council).

14.2 CENTRAL CONSUMER PROTECTION COUNCIL

As per the provisions of the Consumer Protection Act, 1986, the Central Government shall establish a council to be known as “Central Consumer Protection Council” at the national level by issue of notification.



14.2.1 OBJECTIVES

The objective of the Central Council shall be to promote and protect the rights of the consumers.

14.2.2 COMPOSITION

The Central Consumer Protection Council shall consist of the following members:

- a) the Minister-in-charge of Consumer Affairs in the Central Government who shall also be the Chairman of the Central Council.
- b) the Minister of State (where he is not holding the independent charge) or Deputy Minister (in-charge of Consumer Affairs in the Central Government), who shall be the Vice Chairman of the Central Council.
- c) the Minister of Food and Civil Supplies or Minister-in-charge of Consumer Affairs in the States.
- d) eight members of Parliament five from Lok Sabha and three from Rajya Sabha.
- e) the Secretary of the National Commission for Scheduled Castes and Scheduled Tribes.
- f) representatives of the Central Government Departments and autonomous organizations concerned with consumer interests - not exceeding twenty.
- g) representatives of the Consumer Voluntary Organizations or consumers - not less than 35.

- h) representatives of women -not less than 10.
- i) representatives of farmers, trade and industries - not exceeding twenty;
- j) persons capable of representing consumer interest - not specified above, not exceeding 15 and
- k) the Secretary in the Department of Civil Supplies shall be the member

From the composition of the council, it could be seen that it has a wide base and representation from all the, sections concerned . It consists of representatives not only from the consumers, but also from the trade and industry. Women as well as the representatives of the weaker sections like S.Cs and S.Ts are given adequate representation. The council is expected to play a vital role in creating consumer awareness and in contributing to the growth of healthy consumer movement in the country.

- 1) According to the Consumer Protection Rules, 1987, the term of the Central Council shall be three years.
- 2) Any member may, by writing under his hand to the Chairman of the Central Council, resign from the Council. The vacancies, so caused or otherwise, shall be filled from the same category by the Central Government and such person shall hold office so long as the member whose place he fills would have been entitled to hold office, if the vacancy had not occurred.

For the purpose of monitoring the implementation of the recommendations of the Central Council and to suggest the working of the Council, the Central Government may constitute from amongst the members of the Council, a Standing Working Group, under the chairmanship of the Member Secretary of the Council. The Standing Working Group shall consist of members not exceeding 30 and shall meet as and when considered necessary by the Central Government.

14.2.3 MEETINGS

- a. The Central Council shall meet as and when necessary, but at least one meeting of the council shall be held every year.

- b. The Central Council shall meet at such time and place as the Chairman may think fit and shall observe procedure in regard to the transaction of its business as may be prescribed.

14.2.4 PROCEDURE OF THE COUNCIL

The Central Council shall observe the following procedure in regard to the transaction of its business

- 1) The meeting of the Central Council shall be presided over by the Chairman. In the absence of the Chairman, the Vice-Chairman shall preside over the meeting of the Central Council. In the absence of the Chairman and the Vice-Chairman, the Central Council shall elect a member to preside over that meeting of the Council.
- 2) Each meeting of the Central Council shall be convened by giving not less than ten days time from the date of issue of notice in writing to every member.
- 3) Every notice of a meeting of the Central Council shall specify the place and the day and hour of the meeting and shall contain statement of business of the Council.
- 4) No proceedings of the Central Council shall be invalid merely by reasons of existence of any vacancy in or any defect in the constitution of the Council.
- 5) For the purpose of performing its functions under the Act, the Central Council may constitute from amongst its members, such working groups as it may deem necessary and every working group so constituted shall perform such functions as are assigned to it by the Central Council. The findings of such working groups shall be placed before the Central Council for its consideration.
- 6) In connection with the journey to and fro undertaken by the non-official members for attending the meeting of the Central Consumer Protection Council or its working group, they shall be entitled to avail first class or two-tier air-conditioned class of railway accommodation by all trains (including Rajdhani Express) and claim such fare or cost of actual mode

of travel, whichever is less. The non-official members from Island territories shall be entitled to and fro air journey (economy class) in domestic airlines from the Islands to the nearest main-land airport and thereafter rail fare by entitled class. The non-official members who are senior citizens shall be entitled to and fro air-journey (economy class) in domestic airlines on availing senior citizen concessional airfare for their journeys provided the distance being traveled is 1000 kms or above. The non-official members shall be entitled to a sum of Rs. 1000/- per day as incidental charges to cover the expenditure towards their daily allowance, lodging, local conveyance from residence to the station/airport and from station/airport to the venue of meeting and vice-versa. Every claim made under this sub-rule shall be subject to certifying that the member will not claim any benefit from any other Central Government Ministry, Department or Organization during his visit for attending the meeting of the Central Consumer Protection Council or any of its Working Group. Local non-official members residing at the place of the venue of the meeting shall be paid consolidated conveyance, hire charges and incidental charges to cover the daily allowances to the tune of Rs. 200/- per day irrespective of the classification of the city. Members of Parliament attending meetings of the Council or its Working Group shall be entitled to traveling and daily allowances at such rates as are admissible to such members.

- 7) The resolution passed by the Central Council shall be recommendatory in nature.



14.3 THE STATE CONSUMER PROTECTION COUNCIL

As per the provisions of the Consumer Protection Act, 1986 the State Government shall establish a Council to be known as “State Consumer Protection Council” for the State by issue of notification.

14.3.1 OBJECTIVES

The objectives of the State Council shall be to promote and protect the rights of the consumers in the State. The State Consumer Protection Council should protect the consumers and assure them of

- i. Delivery of goods at correct weights and measures duly stamped by the concerned Department.
- ii. Quality of food grains/edible oils being sold;
- iii. Sufficiency of public transport, charges levied, stopping at the specified stages and also at request;
- iv. Services provided by Telecom Departments/ Organizations including settlement of bills, faults repairs and shifting of phones at request;
- v. Issue of bills by traders/service providers to all the consumers;
- vi. Satisfactory services by Municipality with reference to sanitation, maintenance of roads and supply of safe drinking water;
- vii. Timely recording of meter readings, giving correct bills and redressal of complaints in respect of Power Distribution Companies;
- viii. Redressal of public grievances by the public utilities etc.

14.3.2 COMPOSITION :

The State Consumer Protection Council, according to sec.7 of the Act, shall consist of following members

a) Representative of Government		
1.	The Honourable Minister for Cooperation, Food, Civil Supplies and Consumer Protection	... Chairman
2.	The Secretary to Government, Cooperation, Food and Consumer Protection Department, Chennai-9.	... Member - Secretary
3.	Secretary to Government, Health and Family Welfare Department, Chennai - 9	... Member
4.	Secretary to Government, Transport department, Chennai - 9	... Member
5.	Secretary to Government, Industries department, Chennai - 9	... Member
6.	Secretary to Government, Housing and Urban Development Department, Chennai - 9	... Member
7.	Secretary to Government, Municipal Administration and Water Supply Department, Chennai - 9	... Member
8.	Secretary to Government, Higher Education Department, Chennai - 9	... Member
9.	Secretary to Government, School Education	... Member
10.	Commissioner of Civil Supplies and Consumer Protection Department, Chepauk, Chennai - 5	... Member
b) Representatives From the Trade industry and Service Sector : ... 15 Members to be nominated by the Chairman		
c) Representatives of Voluntary Consumer Organisation : ... 20 Members to be nominated by the Chairman		
d) Members of Parliament : ... 2 Members		
e) Members of Legislative Assembly : ... 2 Members		
f) District Panchayat President : ... 2 Members		
g) One representative from Department of Consumer Affairs Government of India : ... Member		

h) Nominee of Bureau of Indian Standards (BIS) National Test House (NTH) (from nearest Regional Office)	: ...Member
i) Nominee of Department of information and Broadcasting Government of India (from nearest Regional Office)	: ... Member
j) Nominee of Department of Secondary and Higher Education, Government of India (from nearest Regional Office)	: ... Member
k) Nominee of Department of Youth Affairs & Sports Government of India (from nearest Regional Office)	: ... Member

- (i) The Term of the Council so appointed shall be as decided by the State Government of Tamil nadu however the total tenure shall not exceed 3 years.
- (ii) Any member of SCPC may by writing under his hand to the chairman of the SCPC resign from the council. The vacancies so caused or otherwise shall be filled from the same category by the State Government of Tamil Nadu and such person shall hold office if the vacancy had not occurred.
- (iii) The SCPC shall meet at regular intervals as prescribed in Consumer Protection Act, 1986.
- (iv) The State Government of Tamil Nadu may after giving reasonable opportunity remove any member of the SCPC at any time. The vacancy so created shall be filled in as indicated in para (ii).
- (v) The SCPC may also require the presence of any other officer of the State or Central Government for its meeting as special invitees for any subject of importance to consumers from time to time.

Procedure of the State Consumer Protection Council :-

SCPC shall observe the following procedure in regard into the transaction of its business :-

Citizen Consumer Clubs

- (i) The meeting of the State Consumer Protection Council shall be presided over by the Chairman. In the absence of the Chairman, the Member Secretary shall preside over the meeting of the State Consumer Protection Council. In the absence of the Chairman and Member Secretary, the State Consumer Protection Council shall elect a member to preside over that meeting of the Council.
- (ii) Each meeting of the State Consumer Protection Council shall be called by giving, not less than ten days from the date of issue, notice in writing to every member.
- (iii) Every notice of a meeting of the State Consumer Protection Council shall specify the place and day and hour of the meeting and shall contain statement of business to be transacted there at.
- (iv) No proceedings of the State Consumer Protection Council shall be invalid merely by reason of existence of any vacancy in or any defect in the constitution of the Council.
- (v) For the purpose of performing its functions under the Act, the State Consumer Protection Council may constitute from amongst its members, such working groups as it may deem necessary and every working group so constituted shall perform such functions as are assigned to it by State Consumer Protection Council. The findings of such working group shall be placed before the State Consumer Protection Council for its consideration.
- (vi) Resolutions passed by SCPC shall be recommendatory in nature.

14.4 THE DISTRICT CONSUMER PROTECTION COUNCIL

As per the provisions of the Consumer Protection (Amendment) Act, 2002 (Act 62 of 2002), the State Government shall establish a council to be known as District Consumer Protection Council for every District by issue of notification, with effect from such date as it may specify in such notification.



14.4.1 OBJECTIVES

The objective of the District Council shall be to promote and protect the rights of the consumers with in the district

14.4.2 COMPOSITION

- 1) The District Consumer Protection Council, according to Section 8A of the Act, shall consist of the following members, namely :-

a) Districts other than chennai		
i)	District Collector	- Chairman
ii)	District Revenue officer	- Vice Chairman
iii)	District Supply and Consumer Protection Officer	- Member Secretary
iv)	All Sitting MLAs & MPs of the district	- Member
v)	Joint Registrar - Co-operation	- Member
vi)	Joint Director, Public Health & Preventive Medicine.	- Member
vii)	MD, Government Transport Corporation.	- Member
viii)	Regional Transport Office	- Member
ix)	Superintendent of Police	- Member
x)	Regional Director of Municipal Administration	- Member
xi)	Assistant Director - Town & Country Planning	- Member
xii)	Superintending Engineer, TNEB	- Member
xiii)	Superintending Engineer, TWAD	- Member
xiv)	District Manager, BSNL	- Member
xv)	Divisional Railway Manager	- Member
xvi)	District Level incharge of Legal Metrology Department	- Member
xvii)	Inspector of Drugs Control	- Member
xviii)	Lead District Manager (LDM)	- Member
xix)	Two representatives of Traders Association nominated by Chairman	- Member
xx)	Four representatives from registered Voluntary Consumer Organisations nominated by the Chairman	- Member
xxi)	Self Help Group - Block federation leaders from 4 blocks nominated by the Chairman	- Member
Chennai City and its belt area		
i)	Commissioner of Civil Supplies and Consumer Protection	- Member
ii)	Additional / Joint Commissioner of Civil Supplies and Consumer Protection	- Member
iii)	Deputy Commissioner	- Member

iv)	Deputy Commissioner (City) North and South	- Member
v)	All sitting MLAs & MPs of Chennai City	- Member
vi)	Health Officer, Chennai Corporation	- Member
vii)	Deputy Commissioner of Transport Department	- Member
viii)	MD, Metropolitan Transport Corporation	- Member
ix)	Chief Engineer, TNEB	- Member
x)	Chief Engineer, Chennai Metropolitan Water Supply & Sewerage Board	- Member
xi)	Joint Director, Public Health & Preventive medicine (PFA)	- Member
xii)	Joint Director, Special Panchayat	- Member
xiii)	Joint Director, Town & Country Planning	- Member
xiv)	Joint Director, Drugs Control	- Member
xv)	Joint Director, Medical Services, Chennai	- Member
xvi)	Representative of Commissioner of Police, Chennai	- Member
xvii)	Joint Commissioner of Municipal Administration	- Member
xviii)	Controller of Legal Metrology	- Member
xix)	Joint Director of Industries & Commerce	- Member
xx)	Deputy Director General, BIS	- Member
xxi)	General Manager, Chennai Telephones	- Member
xxii)	Representative of CMDA, Chennai nominated by Chairman	- Member
xxiii)	4 Representatives from VCOs nominated by Chairman	- Members
xxiv)	2 Representative from Traders Association nominated by Chairman	- Members

- I. Any member of DCPC may by writing under his hand to the Chairman of the DCPC resign from the council. The vacancies so caused or otherwise shall be filled from the same category by the State Government of Tamil Nadu and such person shall hold office so long as the member whose place he fills would have been entitled to held Office if the vacancy had not occurred.

Citizen Consumer Clubs

- II. The DCPC shall meet at regular intervals as prescribed in Consumer Protection Act, 1986.
- III. The Chairman, DCPC may after giving reasonable opportunity remove any member of the DCPC at any time. The vacancy so created shall be filled in as indicated in para (iii).
- IV. The DCPC may also request the presence of any other district level Officer as a special invitee at any DCPC meeting based on issue of importance to consumers from time to time
- V. Non-official members of the DCPC shall have a term of 3 years.

Procedure of District Consumer Protection Council :-

DCPC shall observe the following procedure in regard to the transaction of its business :-

- I. The meeting of the District Consumer Protection Council shall be presided over by the Chairman. In the absence of the Chairman, in Chennai, the Member Secretary shall preside over the meeting of the District Consumer Protection Council and in respect of Districts other than Chennai Vice Chairman shall preside over the meeting. In the absence of the Chairman and Member Secretary / Vice Chairman, the District Consumer Protection Council shall elect a member to preside over that meeting of the Council.
- II. Each meeting of the District Consumer Protection Council shall be called by giving, not less than ten days from the date of issue, notice in writing to every member.
- III. Every notice of a meeting of the District Consumer Protection Council shall specify the place and day and hour of the meeting and shall contain statement of business to be transacted there at.
- IV. No proceedings of the District Consumer Protection Council shall be invalid merely by reason of existence of any vacancy in or any defect in the constitution of the Council.
- V. For the purpose of performing its functions under the Act, the District Consumer Protection Council may constitute from amongst its members, such working groups as it may deem necessary and every working group so constituted shall perform such functions as are assigned to it by the District Consumer Protection Council. The findings of such working groups shall be placed before the District Consumer Protection Council for its consideration.
- VI. The resolution passed by the District Consumer Protection Council shall be recommendatory in nature.

14.5 KEY CONCEPTS

Consumer Protection Council

Standing working group

Working group

Ex-officio Principal Secretary



14.6 SUGGESTED ACTIVITIES

- * Invite a member of your District Consumer Protection Council and make the students interact with them.
- * Encourage students to form a consumer council in your school. Let the students frame objectives and procedure for its functioning.



UNIT 15

CONSUMER RESPONSIBILITIES

STRUCTURE

- 15.0 LEARNING OBJECTIVES
- 15.1 INTRODUCTION
- 15.2 CONSUMER CITIZEN
- 15.3 RESPONSIBLE CONSUMER
- 15.4 CONSUMER RESPONSIBILITIES
- 15.5 CONSUMER RIGHTS AND ASSOCIATED RESPONSIBILITIES
 - 15.5.1 Responsibilities in association with Right to Safety
 - 15.5.2 Responsibilities in association with Right to Information
 - 15.5.3 Responsibilities in association with Right to Choose
 - 15.5.4 Responsibilities in association with Right to be Heard
 - 15.5.5 Responsibilities in association with Right to Redress
 - 15.5.6 Responsibilities in association with Right to Consumer Education
 - 15.5.7 Responsibilities in association with Right to Basic Needs
 - 15.5.8 Responsibilities in association with Right to Healthy Environment
- 15.6 KEY CONCEPTS
- 15.7 SUGGESTED ACTIVITIES

15.0 LEARNING OBJECTIVES

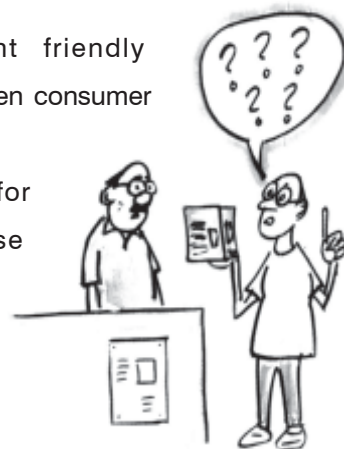
The study of the unit will enable the students to realise the need for responsible consumers and to understand the responsibilities of a consumer and also to get motivated to be a responsible consumer

15.1 INTRODUCTION

A responsible consumer is one who ensures value for the money spent on the purchase of goods or services, and makes the other fellow-consumers aware of their rights and responsibilities. A responsible consumer's actions or choices do not affect the rights and responsibilities of the other-fellow consumers. In other words, any responsible consumer must not act in a selfish manner for getting short term pleasure or profit.

In short, the components of the consumer's responsibilities include:

- * recognition of one's power and ability to control ones own consumption practices.
- * creation of an environment friendly life-style, or what is known as "green consumer life-style".
- * awareness of accountability for one's actions and purchase decisions
- * capacity for rationale thought
- * being a watchdog over the activities of the industries and businesses
- * demanding the standards and quality of the products.



15.2 CONSUMER CITIZEN

A consumer is a citizen. As a consumer his range of activities and interactions extends from home to the market place. But as a citizen, the area

of his activity expands to encompass not only what he can carry from the market to his home for personal use, but also what he can give in return to society and to the environment. This involves not only action but also the decision not to act in a certain established or acceptable manner. For example, as a user of market commodities he takes partial responsibility for garbage disposal. As a user of natural resource he takes less care to conserve them. It is the responsibility of a consumer to assume the responsibility as a citizen and act accordingly.



The consumer's responsibility towards the society is fulfilled only when he/she assumes responsibility as an aware and alert citizen. He/she must behave knowing fully well that the environment is fragile and that it has to be carefully nurtured by each generation. Similarly, as natural resources and national resource are abundant, conservation of resources is his major responsibility. By doing so, the future generations can benefit. The consumer's responsibility as a global citizen involves thinking and acting not only for nurturing the environment but also for reversing the damage caused.

A responsible consumer is a person who exercises his/her discretion with full awareness of the implication of his/her right to choice, and is accountable to other consumers as well as to the environment for his/her purchase decisions.

15.3 RESPONSIBLE CONSUMER

To be an effective consumer and further his/her interests, and to make a proper consumer choice, the consumer must be knowledgeable and empowered. The consumer intervention can influence the market. Therefore, the consumer should act responsibly. The consumer should

- * be alert in the market
- * should always check correct weights and measures
- * be conscious about date of manufacture and expiry
- * observe pricing and ingredient labelling minutely
- * check the standard marks like ISI, Agmark, Eco-mark

- * obtain proper receipt for payment.
- * see the terms and conditions of warranties and guarantees before making a purchase.
- * assert but not abuse their consumer rights when seeking value for the money in market place transactions
- * know what and when to ask questions



15.4 CONSUMER RESPONSIBILITIES

A responsible consumer should take active part in consumer protection. Consumer International, a world body of consumer organisations, has identified the following consumer responsibilities :

Critical Awareness

The responsible consumer has

- * To be alert and questioning about the goods and services used
- * Not to be tempted by clever and misleading advertisements with exaggerated claims of products and services, but to critically examine the utility of the product or services and the guarantees and warranties attached to them.
- * To take up examination of products and offer services
- * To exercise of choice on the basis of comparison of relative merits of products and services, wherever such choice is available
- * Adopt an attitude of non-compromising quality of goods and services to ensure full value for money paid.
- * To raise his/her voice and protest against any form of exploitation by Trade and Industry or violation of any of the consumers' rights in regard to quality of goods and services, be prepared to take action to enforce fair and just demands.

Social Responsibility

The responsible consumer has

- + To be concerned about the impact of his/her consumption on other citizens, particularly, in relation to disadvantaged groups, in local, national or international environment.

Environmental Awareness

The responsible consumer has

- + To be sensitive to environmental degradation and pollution in order to prevent waste and ensure conservation of natural resources.

Solidarity

The responsible consumer has

- + To be ready to join forces and act together to strengthen consumer movement and consumer protection measures through networking and campaign and advocacy programmes on various consumer issues.

15.5 CONSUMER RIGHTS AND ASSOCIATED RESPONSIBILITIES

It is very important to make children responsible consumers. To make things clear to young minds, consumer responsibilities are discussed in terms of each right.

The consumers have a responsibility to exercise their rights and not to allow themselves to be victims. These rights have value if the associated consumer responsibilities are exercised. More precisely, consumer responsibilities are the expectations of the consumers while exercising their rights.

Specific consumer responsibilities in the light of each right are listed below.



15.5.1 Responsibilities in association with Right to Safety:

The consumer has a right to be protected against product, production, process and services which are hazardous to health or life. To exercise this right, it is the responsibility of the consumer to

- * Use products with reasonable caution and care and report defects
- * Carefully read product labels and use products as intended
- * Read the instruction manual and follow the instruction carefully
- * Read warning labels, if any
- * Question sellers about the safety attributes of products
- * Examine merchandise for safety features before buying
- * Assume personal responsibility for normal precautions when using a product
- * Inform retailers, manufacturers, industry and Government agencies when a product does not satisfy safety standards.
- * Support efforts to improve safety for all consumers.

15.5.2 Responsibilities in association with Right to Information:

The consumer should be provided with facts needed to make an informed choice or decision, and must be given adequate information enabling them to act wisely and responsibly. He/she must also be protected from misleading or inaccurate publicity material, whether included in advertising, labeling, packaging or by other means. It is the responsibility of a consumer to



- * Use available information and make sound choices
- * Seek accurate information about products and services
- * Read advertisements and promotional claims carefully.
- * Question the sellers about products and services when information is not available or not clear.
- * Support sellers who make serious efforts to provide useful information to all consumers.

15.5.3 Responsibilities in association with Right to Choose :

A consumer should have access to a variety of products and services at competitive prices. An option should be available to the consumer. It is the duty of the consumer to see that he/she has been given an option.

- * Exercise the right to make a wise purchase
- * Understand their personal motivations for buying certain products and services.
- * Recognise persuasive selling techniques

- * Compare products for both price and quality
- * Exercise independancy of judgement in decision making
- * Avoid buying by habit
- * Choose carefully
- * Practice comparative shopping in an effort to get the best product or service that in the buyers opinion represents acceptable quality at a fair and a low price.
- * Consider the cost of time and other resources in decision making
- * Continue to buy when products and services are satisfactory
- * Discontinue to buy when products and services are unsatisfactory
- * Recognise the ecological consequences of choices
- * Be honest in dealing with sellers
- * Exchange sellers and Governments to enhance access to choices for all consumers
- * Make purchases from sellers who support consumer rights.



15.5.4 Responsibilities in association with Right to be Heard :

It is the right of a consumer to advocate consumers' interests with a view to receiving full and sympathetic consideration in formulation and execution of economic and other policies. It includes the right of representation in governmental and other policy-making bodies as well as in the development of products and services before they are produced or set up. The consumer should take up the responsibility of offering sound suggestion. He/she should

- * become informed and speak up about issues that affect all types of consumers
- * seek remedies to consumer problems
- * seek to set right the wrong practices of the market place
- * assist others in asserting their consumer rights
- * support efforts to increase the ability of consumers to participate effectively in industry and government decision making.

15.5.5 Responsibilities in association with Right to Redress :

It is the right of a consumer to receive compensation for misrepresentation of shoddy goods or unsatisfactory services. It is the responsibility of a consumer to seek redressal in case a trader or manufacturer has cheated. The Consumer should act in time.



He/she should not let the trader take him/her for granted. A responsible consumer should

- * know where and how to go about seeking redressal
- * speak out when errors occur, when safety problems are apparent and when the quality of products or services is inferior.
- * make suggestions for product and service improvement
- * complain to or compliment the sellers appropriately
- * seek satisfaction directly from the sellers before using other forms of redressal
- * utilize informal dispute redressal mechanism when available
- * seek out and utilize third party complaint handling procedures where available
- * at appropriate times use the legal system to get redressal
- * support efforts to broaden access to redressal mechanism for all consumers.

15.5.6 Responsibilities in association with Right to Consumer Education :

The consumer has a right to acquire the knowledge and skills to be an informed consumer throughout life. The right to consumer education incorporates the right to knowledge and skills needed for taking action to influence factors which affect consumer decision. A responsible consumer should

- * become more informed about how to get money's worth from the market
- * learn to assert all the consumer rights



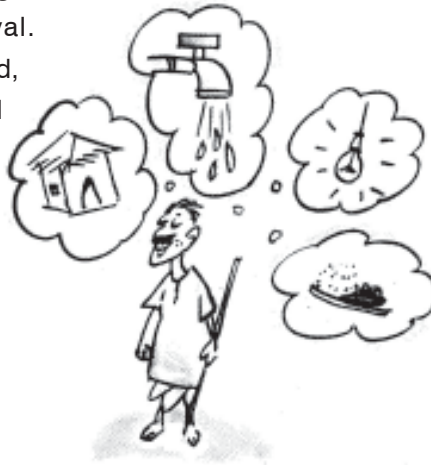
- * become more knowledgeable about the market place and the consumers role in it
- * learn how to protect and assist the consumer interest
- * become an educated consumer
- * support efforts to make consumer information and education accessible to all

15.5.7 Responsibilities in association with Right to Basic Needs:

The consumer has a right to basic goods and services which guarantee survival.

Consumer has a right to get adequate food, clothing, shelter, health care, education and sanitation. On the other hand, it is the responsibility of a consumer to

- * expect and demand good service
- * compliment service providers where appropriate
- * enquiry of health services available
- * demand for proper sanitary conditions



15.5.8 Responsibilities in association with Right to Healthy Environment:

The consumer has a right to a physical environment that will enhance the quality of life. It includes protection against environmental dangers over which the individuals have no control. It acknowledges the need to protect and improve the environment for present and future generations. A responsible consumer should see that his actions have no adverse effect on the environment. It is his responsibility to

- * Be informed about environmental issues
- * Learn the environmental effects of alternate product / service choices.
- * Compare products for their effects on the environment
- * Make reasonable and environmentally sound consumption choices

- * Support sellers, who practice healthy environmental policies
- * Support efforts to stop the use of consumer products that are harmful to the environment and to enhance the availability of environmental friendly goods.

A responsible consumer should understand his/her role in consumer protection to act positively in time. A responsible consumer should

- * think critically, be aware of his/her activities,
- * act with environmental concern and
- * shoulder the responsibility of organising fellow-consumers for the well-being of the humanity.

15.6 KEY CONCEPTS

- * Consumption
- * Consumer choice
- * Green consumer
- * Market place
- * Consumer responsibilities



15.7 SUGGESTED ACTIVITIES

* Take the students to a stationery shop and observe their buying behaviour. Later conduct a discussion on their actions, behaviour and what should be done and what should not be done.

* Ask the students to carefully observe the features in the school environment / school neighbourhood leading to damage / degradation of the environment and write an article for a magazine / newspaper giving suggestions for improvement.

* Bring labels / information brochures of different articles and services and show them how to get information from them

* Ask students to form themselves into groups of 3 or 4 and prepare a plan of action to fight for common problems faced by students



UNIT 16

RESTRICTIVE AND UNFAIR TRADE PRACTICES

STRUCTURE

- 16.0 LEARNING OBJECTIVES
- 16.1 INTRODUCTION
- 16.2 RESTRICTIVE TRADE PRACTICES
 - 16.2.1 INSTITUTION OF RESTRICTIVE TRADE PRACTICES
 - 16.2.1.1 Price fixing
 - 16.2.1.2 Exclusive Dealings
 - 16.2.1.3 Territorial restriction
 - 16.2.1.4 Tie-up sales
 - 16.2.1.5 Withholding supplies
 - 16.2.1.6 Full-line forcing
- 16.3 UNFAIR TRADE PRACTICES
 - 16.3.1 Instances of unfair trade practices
 - 16.3.2 Discount Sales
 - 16.3.3 Misleading and false advertisement regarding high returns on investment
 - 16.3.4 False claim of treatment of diseases
 - 16.3.5 Failure to repair machine during warranty period
 - 16.3.6 Misleading false advertisement regarding Quality of educational service
- 16.4 MONOPOLIES RESTRICTIVE TRADE PRACTICES (MRTP) COMMISSION
- 16.5 KEY CONCEPTS
- 16.6 SUGGESTED ACTIVITIES

LEARNING OBJECTIVES

The study of this unit would enable the students to know

- * the restrictive trade practices
- * the unfair trade practices
- * consumer rights and responsibilities to check restrictive and unfair trade practices

16.1 INTRODUCTION

For making huge profits or becoming rich overnight, all sorts of means and methods of malpractices are being adopted by the traders, businessmen, employers, producers and sellers at the cost of consumer's interest. Thus, marketing of goods injurious to health and life, deception of the consumer through unfair trade practices such as, substandard quality, adulteration, non-supply of correct quantity, excess pricing etc., are rampant in our society.



16.2 RESTRICTIVE TRADE PRACTICES

The Consumer Protection (Amendment) Act, 1993 has inserted a new clause in the Act of 1986, to define the term 'restrictive trade practice'. The new clause enlarges the scope of the Consumer Protection Act by covering a Restrictive Trade Practice within its ambit. According to the definition under the Consumer Protection Act, 1986, a restrictive trade practice means a trade practice which has or may have the effect of preventing, distorting or restricting competition in any manner, and in particular

- i) which tends to obstruct the flow of capital or resources into the stream of production; or
- ii) which tends to bring about manipulation of prices or conditions of delivery or to effect the flow of supplies in the market relating to goods or services in such manner as to impose on the consumer unjustified costs or restrictions. The most essential qualification for a restrictive trade practice is that it must have some actual or probable effect on competition. Practices like price fixing, collective boycott, exclusive dealing, collective tendering or bidding, territorial restriction, price discrimination, tie-up sales and resale price maintenance etc, are the examples of restrictive trade practices.



16.2.1 INSTANCES OF RESTRICTIVE TRADE PRACTICES

The following are some of the instances of restrictive trade practices:

16.2.1.1 Price fixing : This is the commonest form of restrictive trade practices where the traders determine the price of goods by fiat of combination or concert. The main purpose behind price-fixing is to eliminate competition and maintain the upward trend of the prices. Such an effort to control the market would be a restrictive trade practice.

16.2.1.2 Exclusive Dealings : It is an arrangement or practice whereby a producer or manufacturer or supplier, requires his dealers to deal exclusively in his products and not in the products of his competitors. They are similar to 'solus' agreements which may not be unlawful per se, if they do not prevent, distort or restrict competition but merely regulate it. However, if the exclusive agreement dodges or fore closes competition by blocking the market with one's own products, it would tantamount to a restrictive trade practice.

16.2.1.3 Territorial restriction : Where a manufacturer or supplier requires his dealers to sell the products only in the allocated area or market, such a practice may amount to restrictive trade practice on the ground of territorial restriction. Eventhough in certain cases it may be justified on the ground of reduced costs or equitable distribution of the product, the same may not be justified in certain other cases. Especially if the intention behind imposing such territorial restriction to kill the competition or to create monopoly for a particular brand product.

16.2.1.4 Tie-up sales : A 'tie-up sale' or 'tying-up arrangement, can be understood as an arrangement or agreement whereby a purchaser is forced to take one or more articles or services. Generally, imposing a condition precedent of purchasing one item for the purchase of another would be a tie-up sale. This way a trader can force his goods which are not wanted by the buyers on them. It is nothing but exploitation of the



consumers by the traders and it serves hardly any purpose beyond the suppression of competition.

For example, a buyer wants to purchase item 'x' but the trader imposes a precedent condition that to purchase 'x', the buyer must buy item 'y' also from him. The effect of such an arrangement would be compelling the buyer to buy some goods or services which he does not want. In such an event, the buyer forgoes his free choice between competing products, resulting in economic harm to competition in the free market. These tie-up sales hardly serve any purpose beyond the suppression of competition.

16.2.1.5 Withholding supplies : Where the supplier withholds the supplies with the apprehension that they are likely to be sold by the dealers for less than the minimum resale price, it would be covered by the definition of Restrictive Trade Practice. It is pertinent to note that Section 40 of the M.R.T.P. Act prohibits the supplier from withholding supplies of any goods from any wholesaler or retailer on the ground that such wholesaler or retailer is selling or is likely to sell the goods at a price below the fixed minimum price.

16.2.1.6 Full-line forcing : Where a buyer is forced to purchase not only the main products but also all the auxiliary products produced or sold by the seller, it is called 'full line forcing'. It is nothing but an extreme form of tie-up sales. It is unreasonable because it may deprive the buyers of their right to choose the best goods out of the competitive brands offered in the free and open market.

16.3 UNFAIR TRADE PRACTICES

The primary objective of the Parliament in passing the 1986 Act is to protect the rights of consumers against the unfair trade practices followed by unscrupulous traders. Thus it becomes important to know the definition of the expression "unfair trade practice". The 1993 Amendment has incorporated a complete definition of the expression with a view to make it an independent source.

According to the Act, 'Unfair Trade Practice' means a trade practice which for the purpose of promoting the sale, use, or supply of any goods or for the provision of any service. any unfair method / practice or deceptive practice that is adopted by

the traders in promoting their sales or services becomes an Unfair Trade Practice. It includes the following:

- i) false representation as to the standard, quality, quantity, grade, composition, style or model of the goods sold
- ii) false representation as to the standard, quality or grade of the service hired
- iii) false representation that a rebuilt, second-hand, renovated, re-conditioned or old goods are new goods
- iv) false representation as to the sponsorship, approval, performance, characteristic, accessories, uses or benefits of the goods or services
- v) false representation that the seller or supplier has a sponsorship or approval or affiliation which he actually does not have.
- vi) false or misleading representation concerning the need for or the usefulness of any goods or services
- vii) giving warranty or guarantee to the public about the performance, efficacy or length of life of a product or of any goods, which is not based on adequate or proper testing
- viii) making misrepresentation as to a warranty or guarantee of a product or of any goods or services; or making a promise to replace, maintain or repair an article without any reasonable basis.
- ix) misleading the public concerning the price at which products / goods or services have been ordinarily sold
- x) giving false or misleading facts, suggesting unfairly that the goods, services or trade of another person are of low quality standard etc., so as to affect adversely other's trade.
- xi) permitting the publication of any advertisement in any form for the sale or supply at a bargain price of goods or services that are not intended to be offered for sale or supply at the bargain price etc.
- xii) permitting the offering of gifts or other items with the intention of creating impression that they are offered free of charge when the same are fully or partly covered by the amount collected by the trader

xiii) permitting the conduct of any contest, lottery or game of chance or skill, with an intention to promote either directly or indirectly the sale, use or supply of any product or any business interest

xiv) permitting the sale or supply of goods knowing or having reason to believe that the goods do not comply with the standards prescribed by competent authority relating to their performance, composition, contents, design, construction or packaging; and

xv) permitting the hoarding i.e. storing or destruction of goods or refusing to sell them with an intention to raise the cost of those or other similar goods.

This is a welcome change because it is common nowadays to find that the business community which announces a number of schemes to offer free gifts or prizes etc., normally does not publish the result of such schemes after their closure, thereby, putting the consumers to a lot of inconvenience. Now, under the explanation added to the newly added clause defining unfair trade practice clearly mandates that the results of such schemes should be published within a reasonable period of time in the same newspaper in which the scheme was originally advertised. Failure to do so would amount to unfair trade practices.

16.3.1 INSTANCES OF UNFAIR TRADE PRACTICES

The definition of Unfair Trade Practice under the Act is most comprehensive in the sense that it covers almost all the kinds of unfair practices followed or adopted by the traders. Some precedents of Unfair Trade Practice are mentioned hereunder:

16.3.1.1 Discount Sales : Advertising sale at throwaway price giving unverifiable market prices without mentioning the quality of goods offered for sale and the duration of the sale period would be prejudicial to the public interest and would be an unfair trade practice.

Similarly, advertisement of discount sale at 50% without specifying the particular quality of goods on which the discount would be given is an unfair trade practice.



16.3.1.2 Misleading and false advertisement regarding high returns on investment : Where certain firms or organizations advertised guaranteeing high returns, tax free income on eucalyptus trees or other growths, in effect guaranteeing about 3 times returns on the investment made by customers / members of the scheme without any factual basis, the same would be an Unfair Trade Practice. Where the finance companies offer high rates of interest on deposits without working out the rate of return on future investments, the same would be an unfair trade practice.

16.3.1.3 False claim of treatment of diseases : Where a little known doctor misled the general public by falsely representing that he offers 100% successful treatment for cure of white patches and he was a world renowned skin specialist, the M.R.T.P. Commission held that it was an Unfair Trade Practice.

16.3.1.4 Failure to repair machine during warranty period: Where the respondent seller of a machine gave one year guarantee for satisfactory performance at the time of purchase, but the machine went out of order within few months of

purchase, the failure of the seller / supplier in properly repairing or replacing the parts of the machine would be an unfair trade practice.

16.3.1.5 Misleading false advertisement regarding quality of educational service

: In the field of education, unscrupulous persons / organizations often try to dupe. The gullible public, by issuing misleading advertisement regarding the degrees conferred, one sitting examinations and unrecognized degrees etc. all such advertisements would fall within the ambit of Unfair Trade Practice. Making false representations through advertisements regarding imparting education equal to and recognized by American / Foreign Universities and false guarantee about getting jobs etc. would be Unfair Trade Practice.



16.4 MONOPOLISTIC RESTRICTIVE TRADE PRACTICES (MRTP) COMMISSION

The Monopolies Inquiry Commission realised the need for setting up a permanent body to investigate the complaints regarding Monopolistic Restrictive and Unfair Trade Practices which are detrimental to the public interest. The Act accordingly provides for a dual machinery for implementation of its provisions, namely, the Central Government and the M.R.T.P Commission.

The Commission has been conferred with wide jurisdiction and powers. It has the powers

- (i) To conduct an inquiry into a monopolistic or restrictive trade practice,
- (ii) To require the Director General to make preliminary investigation into an alleged monopolistic or restrictive trade practice.
- (iii) To summon and enforce the attendance of any witness and to examine him on oath.
- (iv) To receive evidence on affidavits.
- (v) To requisite any public record, firm, any court or office
- (vi) To issue any commission for the examination of witness.

The Central Government or any State Government, traders or class of traders or consumers may make an application to the commission for an order for the recovery of compensation for the damage or loss. It is important to note that this relief provided by the Act is in addition to the rights to institute a suit for recovery of compensation. Therefore, even a registered consumers association also may seek compensation or inquiry by the commission.

16.5 KEY CONCEPTS

Trade

Restrictive Trade Practices

Unfair Trade Practices

MRTP Commission



16.6 SUGGESTED ACTIVITIES

Students to

- * Collect the advertisements regarding unfair trade practices
- * Identify the restrictive and unfair trade practices in the local market
- * Critically examine the restrictive and unfair trade practices in local market.



UNIT 17

DEFICIENCY IN SERVICES AND CONSUMER PROTECTION

STRUCTURE

- 17.0 LEARNING OBJECTIVES
- 17.1 INTRODUCTION
- 17.2 DEFICIENCY IN SERVICES
 - 17.2.1 Medical Services
 - 17.2.2 Transport Services
 - 17.2.3 Insurance Services
 - 17.2.4 Education Services
 - 17.2.5 Housing Services
 - 17.2.6 Courier Services
 - 17.2.7 Postal Services
 - 17.2.8 Telephone Services
 - 17.2.9 Banking Services
 - 17.2.10 Employees Provident Fund
- 17.3 KEY CONCEPTS
- 17.4 SUGGESTED ACTIVITIES

17.0 LEARNING OBJECTIVES

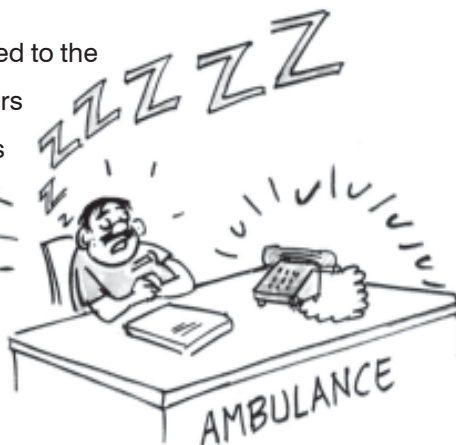
The study of this unit would enable the student to

- * identify the services they use
- * identify the services provided by the Government departments
- * understand the kind of action to be initiated in case of instances of deficiency of services.
- * guide fellow - consumers on the action to be taken in case of deficiency of services.

17.1 INTRODUCTION

The main purpose of the Consumer Protection Act is to compensate the consumers for defective goods and in respect of deficiency in service. "Service" means services of any description which are made available to potential users and includes the provision of facilities in connection with banking, financing, insurance, transport, processing, supply of electrical or other energy, boarding or lodging or both, housing construction, entertainment, amusement or the purveying of news or other information, but does not include any services rendered free of charge or under a contract of personal service. The term has a variety of meanings, depending upon the context or the sense in which it is used. Service means duty or labour to be rendered by one person to another, the former being bound to submit his will to the direction and control of the latter.

Thus, service is not only extended to the actual users but also to those consumers who are capable of using it. The clause is very wide and extends to any or all actual or potential users. For example, not only the actual buyer of goods but also those persons who are likely to buy the goods are consumers of services.



17.2 DEFICIENCY IN SERVICES

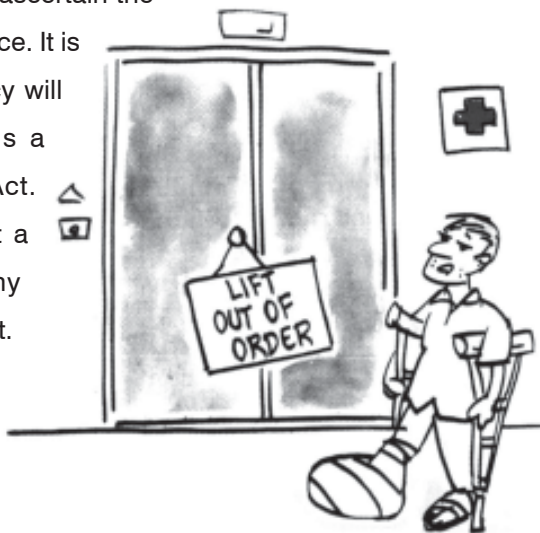
A complaint under the Act can be made only when there is a defect in the goods or deficiency in services. The term “*deficiency* means any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of performance which is required to be maintained by or under any law in force at that time or has been undertaken to be performed by a person in pursuance of a contract or otherwise in relation to any service.

It denotes any fault, imperfection or shortcoming in the quality, nature or manner of performance in relation to any service usually maintained as per a law or under a contract. The definition is very wide and comprehensive. It also covers the inadequacy in the quality. The nature and manner of service may be (a) as is required to be maintained by or under any law for the time being in force or (b) which has been undertaken to be performed by a person in pursuance of a contract which may be expressed or implied. For example, case of excessive billing for telephone services, negligent treatment by medical practitioners, a mistaken diagnosis, failure of railway administration in checking entry of unauthorized persons in a reserved compartment etc., are deficiencies in services.

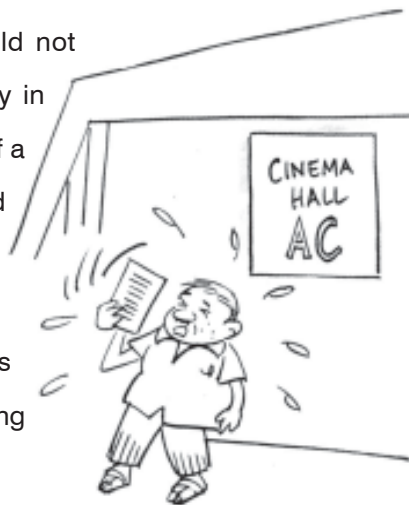
Inefficiency, lack of due care, absence of bonafides, rashness, haste or omission may be the factors to ascertain the deficiency in rendering the service. It is important to note that deficiency will arise only when an activity is a ‘service’ as defined by the Act. Therefore, if the activity is not a service, one cannot allege any deficiency in service under the act.

Inability to render

service owing to reasons wholly beyond the control of



the opposite party to render service would not constitute deficiency in service. 'Deficiency in service' connotes wilful non-performance of a service which otherwise ought to be performed or the denial of a service which is not so denied to others placed in similar circumstance. The following are the instances that may be noted for a better understanding of the deficiency in services:



17.2.1 MEDICAL SERVICES

Medical services including paramedical, diagnostic and surgical services come under the purview of 'services'. A mistaken diagnosis may amount to deficiency in service. Similarly, negligence of doctors in operations, prescribing medicines, running nursing homes and hospitals and negligence in providing nutritious food and other facilities would amount to deficiency in medical services.

The Supreme Court dealt with a case where a medical practitioner who operated a patient left a mop(towel) inside the abdomen while conducting sterilisation operation. The Supreme Court found that the negligence in leaving the



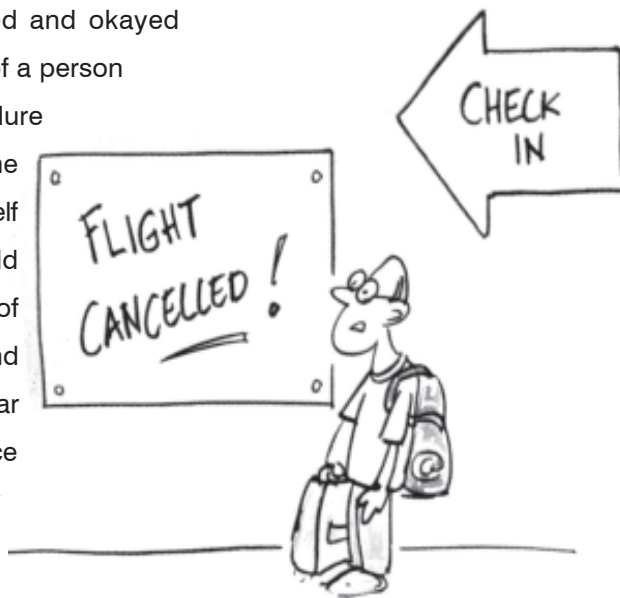
mop in the deceased's abdomen during the operation led ultimately to her death. Supreme Court held that a Diploma holder in Homoeopathy is under statutory duty to practise in Homeopathy and that he should not enter the field of any other system of medicine like Allopathy.

A person who does not have knowledge of a particular system of medicine but practises in that system is a quack and a mere pretender to medical knowledge or skill. His conduct amounted to an actionable negligence particularly as the duty of care.

17.2.2 TRANSPORT SERVICES

The carriage of goods or passengers by airlines, railways, buses, taxis, trucks and autos is a 'service' under the Act. In fact transport is included in the definition of service under the Act. Thus, any kind of deficiency pertaining to the said services would be a deficiency in service. The National Commission held that failure of the railway administration in checking entry of unauthorized persons in reserved compartments is a deficiency in service.

When a confirmed and okayed ticket is issued in favour of a person by Airways Authorities, failure to provide him a seat in the flight when he reports himself at the airport in time would be negligence on the part of the Airways Authorities and therefore, it would be a clear case of deficiency in service under the Act. Similarly defect in the food supplied to the passengers, would be regarded as a deficiency in service.



Persons traveling by air are consumers. Therefore, if their baggage is not

delivered to them at destination or if it is accidentally sent back to the place of boarding and the same is delivered after a few days, it amounts to negligence on the part of Airways Authority. Hence it would be a case of deficiency in service.

Where there was a delay in flight and the passengers were requested by the Airways Authority to wait, but the complainant passenger took chance and went out on some work by which time the flight had been announced and took off without the complainant. It would not be a case of deficiency in service.

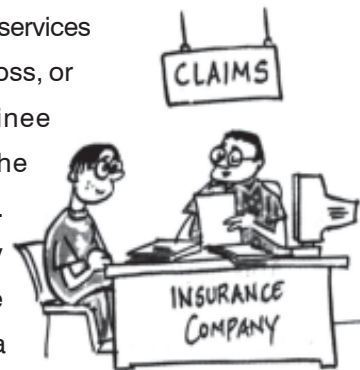
Not providing the berths to senior citizens in a railway coach when they were holding reserved tickets as they were occupied by unauthorized persons, would be a clear case of deficiency in service on the part of Railways.

17.2.3 INSURANCE SERVICES

The Insurance companies may cause deficiency in services when they fail to identify the insured regarding loss, or they fail to make the payment to the nominee appointed or fail to settle the claim under the insurance policy within a reasonable period of time.

Service under an Insurance Policy can arise only after the occurrence of the contingency viz., the maturity of policy or the death of insured. Where a claim is paid and received in full and in final

settlement there would be no deficiency in service and no relief against Insurance Companies can be granted under the Consumer Protection Act. In a significant judgment, the Supreme Court held that an Insurance Agent has no authority to receive premium on behalf of L.I.C. and that any such payment made to the Agent cannot be regarded as payment to the insurer. Where, under an agreement made between the employer and L.I.C., the premium payable by the employer should be deducted every month from the salary of employee and to be transmitted to the L.I.C., the employer though collected the premium from the employee's salary did not remit the same to the L.I.C., the L.I.C. would be responsible for paying the insurance amount on the death of the employee. Repudiation of the insurance claim by the Insurance Company on the ground that the



driver was not holding a valid driving license at the time of accident could not be termed as deficiency in service or negligence on the part of the insurance company. The Insurance companies must settle or repudiate the insurance claims within a reasonable period of time which would be construed as a period of 3 months. Any delay beyond that would be a deficiency of service. In certain cases, upon the death of the insured person, his or her legal heirs fight for the insured amount. If there is a dispute as to who are the legal heirs or representatives of the insured policy holder, the Insurance company would be justified in insisting upon a succession certificate being produced from the competent court. However, if there is no dispute as to the legal heirs or legal representatives, the Insurance Company can not insist on production of succession certificate. If it does, the same would be a deficiency in service.

17.2.4 EDUCATION SERVICES

The function of imparting education by the private educational institutions, deemed universities and self-sponsored educational courses has been viewed as a service.



Whenever the educational institution or the university commits any lapse that causes inconvenience to the students they can seek relief against such institutions on the grounds of deficiency in service. Thus, declaring the results of an exam erroneously or incorrectly delaying the issue of degree certificate, unreasonably and without any justification and admitting students to a course in violation of rules and regulations framed by the competent authority have been held to be deficiencies in service.

However, the University or the Board cannot be made liable in the matter of conducting examinations, evaluating answer books, announcing the results thereof and thereafter conducting rechecking of marks of any candidate on the application made by the concerned candidate, as there is no arrangement of hiring of any service in such a situation as contemplated by the Act.

17.2.5 HOUSING SERVICES

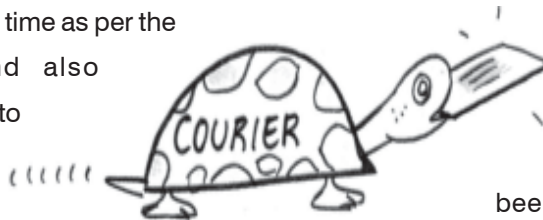
Till the Amendment made during 1993 to the Act, housing construction was not one of the services contained within the definition of 'service' under the Act. As a result the Supreme Court's land mark decision in *Lucknow Development Authority vs M.K.Gupta*, the Parliament has inserted housing construction under the



Act. Thus where a Housing Board uses poor quality of material for construction or does not provide basic amenities like roads, schools, lifts or parks etc, as promised under the scheme or contract of sale or allotment, it would amount to deficiency in service. The delay in handing over the possession of the flat, even after payment of total amount would be deficiency in service. Same would be the case where the builder of a house uses substandard material in construction of a building or makes a false representation about the condition of the house. Allotment of developed site under any particular scheme prepared for a particular purpose would come within the definition of service.

17.2.6 COURIER SERVICES

The most common complaint against courier services or companies is that they do not deliver the parcels within time or that the contents of the parcels are missing. Thus where a courier accepted a parcel to deliver it to the addressee within a stipulated time as per the directions of the sender and also received the charges but failed to deliver it within the stipulated time, it has been held to be a deficiency in service. Similarly loss of (documents or other contents of the parcel would amount to deficiency in service on the part of the courier. However, there is no obligation in law for the carrier to intimate the consignor about the failure of the consignee to take delivery of the goods.



17.2.7 POSTAL SERVICES

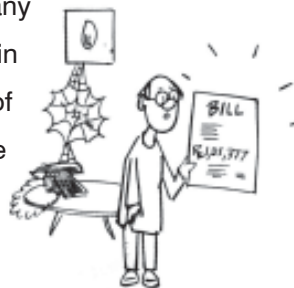
If the service rendered by the postal department suffers from deficiency in any respect, the consumer can file a complaint under the Act and can obtain suitable relief. Even though there are certain grounds on which the post office can claim immunity from liability under the provision of the post office guide, the department can be held liable for the negligence of its employees. Thus misdelivery of the money-order to the wrong person would amount to deficiency in service.



Similarly failure to post the invitation cards received by the counter clerk of a post office who received them with cash would amount to deficiency in service on the part of the postal department. Misdelaying back to the sender of a letter due to gross negligence of the postal staff is a deficiency in service. Claim for compensation against postal authority for loss of mis-delivery of registered post is not maintainable in view of Section 6 of the Indian Post Office Act. In order to attract the liability, there must be fraudulent or willful act of any particular postal employee for the loss or mis-delivery or delay or damage to any postal article in course of transmission by post.

17.2.8 TELEPHONE SERVICES

The telephone services are implicitly included in the definition under the heading 'purveying news or information'. Hence any deficiency relating thereto would become deficiency in service under the Act. The most common forms of deficiency relating to telephone services are excessive billing, disconnection of telephone without notice, refusal to supply Telephone Directory free of cost to subscribers and wrongful shifting of telephones etc.



17.2.9 BANKING SERVICES

There may be number of instances where the banks may be found guilty of deficiency of service on their part. They may include wrongfully refusing to encash a draft, collecting a cheque but failure to credit it, loss of valuables from the locker owned by a bank. Mere filing of the bank suit for recovery of the amount may not be an absolute bar on the Consumer Commission



to go into the question of deficiency in banking service. Thus if pursuant to the contract, the bank did not disburse the amount and if there was any resultant default in the payment on account thereof, that may be a ground open to the Account Holders to complain of deficiency in service by the Bank. The Supreme Court held that even though the service rendered by a bank is covered by the definition of service under of the Act, but the bank's failure to render service to its depositors due to illegal strike is not covered by the definition of word "deficiency" under the Act. Moreover, mere loss or injury to customer without any negligence on the part of the bank would not entitle the customer to claim compensation under the Act. If a bank refuses to encash a demand draft on the ground that there was no proper identification of complainant, such refusal would amount to an act of vindictiveness as only ten days before, the complainant closed his account with that bank. While upholding the contention of the complainant that there was deficiency in service rendered by the bank, the National Commission held that the petitioner would be entitled to nominal compensation of rupees five hundred. However, when the bank did not see any reason to doubt the genuineness of a cheque to clear it as there was pictorial identity and close resemblance of signatures and made the payment in good faith, it cannot be held liable for deficiency in service.

Freezing of the credit facilities without giving any notice to the consumer amounts to deficiency in rendering banking service. So is the dishonoring of cheques of customer without reason or justification when the sanctioned credit had not been revoked or exhausted. The same amounts to deficiency in rendering banking service.

17.2.10 EMPLOYEES PROVIDENT

Recently, the Supreme Court of India delivered a judgment, wherein it was held that the provisions of the Consumer Protection Act, 1986 can be invoked against the Provident Fund Commissioner by a member of the Employees' Provident Fund Scheme as such member is a 'consumer' and the duties performed by the Provident Fund Commissioner under the relevant scheme come under the 'service' under the Act. In *Regional Provident Fund Commissioner vs. S.K.Joshi*, the question that arose for consideration of the Supreme Court was whether delay caused by the Regional Provident Fund Commissioner in making the Provident Fund payment to a member of Employees Provident Fund amounts to deficiency in service. The court answered the question in affirmative on the "ground that-



The definition of "consumer" under the Act includes not only the person who hires the services for consideration but also the beneficiary, for whose benefit such services are hired. Even if it is held that administrative charges are paid by the Central Government and no part of it is paid by the employee, the services of the Provident Fund Commissioner in running the scheme shall be deemed to have been availed of for consideration by the Central Government for the benefit of employees who would be treated as beneficiary within the meaning of that word used in the definition of "consumer".

The above cited are some of the areas where deficiencies in service may be found. It is pertinent to note that in gas cylinder services, chit fund services and purveying of news and views by newspapers are also covered by the definition of

deficiency in service' under the Act. It is likely that more and more services would be covered by the Act in the near future and the likelihood of deficiency in such services is also likely to increase. The justification for making the opposite party or respondents lies in the principle that every consumer should get the worth of the money he pays for goods or services as the case may be.

17.3 KEY CONCEPTS

Employee Provident Fund

Deficiency

Services

Medical negligence

Insurance policy

Insurance

Legal heirs



17.4 SUGGESTED ACTIVITIES

Explain the students the working principles of few institutions rendering services and ask them to identify deficiency in services.

- * Make the students deliver a presentation on what a consumer should do in case of deficiency in service.



UNIT 18

FOOD ADULTERATION

STRUCTURE

- 18.0 LEARNING OBJECTIVES
- 18.1 INTRODUCTION
- 18.2 ADULTERATION IN VARIOUS FOODS
 - 18.2.1 Milk
 - 18.2.2 Health effects
 - 18.2.3 Milk Products
 - 18.2.4 Health effects
 - 18.2.5 Cereals and cereal products
 - 18.2.6 Health effect
 - 18.2.7 Pulses and pulse products
 - 18.2.8 Health effect
 - 18.2.9 Edible oils & fats
 - 18.2.10 Health effect
 - 18.2.11 Spices
 - 18.2.12 Health effect
 - 18.2.13 Tea
 - 18.2.14 Health effect
 - 18.2.15 Confectionary
 - 18.2.16 Health effects
 - 18.2.17 Fruits and vegetables
 - 18.2.18 Health concern
- 18.3 FOOD CONTAMINATION
 - 18.3.1 Microbiological contamination
 - 18.3.2 Chemical Contamination
 - 18.3.2.1 Pesticide residues
 - 18.3.2.2 Mycotoxins
 - 18.3.2.3 Veterinary Drug Residues
 - 18.3.3 Heavy metals
- 18.4 TESTS FOR DETECTION OF ADULTERATION
 - 18.4.1 Simple Tests
 - 18.4.2 Chemical Tests
 - 18.4.3 Laboratory Tests
- 18.5 PREVENTION OF FOOD ADULTERATION ACT, 1954
- 18.6 MEASURES TO COMBAT FOOD ADULTERATION
- 18.7 KEY CONCEPTS
- 18.8 SUGGESTED ACTIVITIES

18.0 LEARNING OBJECTIVES

The study of the unit will make the student understand

- * types of adulteration and contamination in various foods and its impact on health
- * the ways of detection of food adulteration
- * legal measures to protect consumer from food adulteration

18.1 INTRODUCTION

Food is most essential for our survival, but the same food becomes hazardous if it is adulterated or not of specific standards. It is said to be adulterated not only when there is intentional addition or substitution which adversely affects the nature, substance and quality of foods, but also when there is incidental contamination during the period of growth, harvesting, storage, processing, transportation and distribution.

Unfortunately, consumers themselves, either because of poverty or lack of proper education, had not been much concerned about the quality of food products.



This ignorance, at times is making them suffer from severe health hazards. In this context food safety is receiving attention throughout the world as the link between food and health is becoming more prominent day by day. Food safety implies absence or acceptable and safe levels of contaminants, adulterants, naturally occurring toxins or any other substance that may make food injurious to health on an acute or chronic basis. Hence a wise consumer must have knowledge regarding the different types of adulterants, detection process and legal protection given to consumers to put their foot down against adulteration.

Consumer awareness on the possible adulteration and likely adulterant in particular food will be most important aspect in the detection of food adulteration. Some of the adulterants which can be detected with naked eye include stones, clay, insects in cereal and cereal products, kesaridhal in redgram dhal, oily pulses or shining pepper where castor or mineral oil is coated, argemone seeds in mustard seeds etc.

18.2 ADULTERATION

The different types of adulterants in various food items and their effect on health are discussed below.

18.2.1 Milk: Milk is the most adulterated commodity in India as per the official statistics. The adulteration in milk includes addition of water, removal of fat, addition of starch, addition of skimmed milk powder, neutralisers like sodium bicarbonate, sodium carbonate. In some cases, urea, ammonium sulphate, addition of sugar cane juice also have been detected. The type of contamination include pesticide residues like DDT, veterinary drug residues like oxytetracycline, penicilline, and streptomycin. In some stray incidents there were cases of addition of gentamycin in milk to extend shelf life at room temperature. During the last few years there have been media reports of presence of “synthetic milk” in the market.

18.2.2 Health effects: Major consumers of milk are children and it is considered to be the complete food. Milk is supposed to be important source of calcium as it is needed for bone development. All the above considerations are on

assumption that milk is available in pure form. The type of adulteration that goes into milk essentially removes all the above virtues and in fact becomes Health Hazard. Children consuming adulterated milk may become malnourished and undernourished and the effect of this is seen in the later years of life. Oxytetracycline is an antibiotic which is not supposed to be given to the children even for therapeutic purposes is present as residue. It interferes with calcium metabolism and thus bone development is likely to be effected. Antibiotics present in milk can elicit allergic reactions in sensitive individuals. Continuous consumption of such contaminated milk may make intestinal microflora resistant to antibiotics. Antibiotic residues also affect the fermented milk products like curd formation.

18.2.3 Milk Products:

There are innumerable types of milk products prepared from milk. Khoa is one of the important milk products used in various sweets. Khoa is commonly adulterated with starch and all other adulterants used in milk like sodium bicarbonate and sodium carbonate. The microbiological contamination of khoa is another cause of concern. Adulteration in milk products detected include starch in srikhand, cellulose, saccharine in curd, rhodamine in rose milk, vanaspati, buttter yellow, mashed potato in butter etc. Aluminium foil in place of silver foil, use of unpermitted colours, use of permitted colours in excess of their limits are other types of adulteration seen in milk products.



18.2.4 : Health effects : Many food borne diseases as a result of consumption of milk products have been traced in khoa which is used as base material for many sweets. It is essentially due to microbiological contamination namely *Staphylococcus aureus*. Food handlers are major source of this contamination and subsequent improper storage and handling makes it hazardous.

18.2.5 : Cereals and cereal products The type of adulteration found in cereals is essentially foreign matter i.e. sand, other inedible particles and insect infestation, weevilled grains. If the wheat used to make maida or atta is insect infested or fungal infected, the gluten content will be less and also it makes inferior quality dough. Suji is adulterated with iron fillings.

18.2.6 Health Effects : If sand is physical contaminant it may damage teeth, while atta made from fungal infested wheat had resulted in foodborne disease among the consumers.

18.2.7 Pulses and pulse products : Lathyrus sativus(kesari dal) is toxic pulse grown in many parts of India and it is banned for sale for human consumption in majority of states. This pulse physically bears a close resemblance to redgram dal (tuar dal), and it is made into flour it goes well with bengal gram flour hence adulteration of redgram dal with lathyrus sativus (kesari dal), bengal gram flour with lathyrus sativus flour is often detected. Addition of yellow colour to pulses, bengal gram flour, dal moth, castor oil coating, addition of magnesium silicate are some of the types of adulteration found in pulses and its products.



18.2.8 Health effects : Long term consumption of lathyrus sativus in more quantities may result in a disease called lathyrism among consumers.

18.2.9 Edible oils and fats : The edible oils are more prone for adulteration in India. The major cooking mediums used are groundnut oil, coconut oil and mustard oil. The adulterants detected in groundnut oil include castor oil, mineral oil and number of cheaper edible oils like soyabean, cotton seed, palmolen, rape seed oils etc. Mustard oil is adulterated with argemone oil, synthetic allyl isothiocyanate and cheaper oils include sesame oil, linseed oil, rapeseed oil, groundnut oil and castor oil. Some times even colour is detected in mustard oil. Coconut oil is adulterated with castor oil, mineral oil and palmolein oil. Vanaspati is adulterated with prohibited oils like castor oil, palm stearin etc. Ghee is adulterated with vanaspati, animal body fat, artificial flavour and even artificial colour was also detected.

18.2.10 Health effects : There are innumerable outbreaks of dropsy, a disease caused by ingestion of edible oils adulterated with argemone oil. Many people have died due to this adulteration. To prevent such adulteration, government has banned the sale of loose oils. Castor oils ingestion could result in depletion of fat soluble vitamins leading to deficiency diseases.

18.2.11 Spices : Spices are the second most adulterated commodity following milk. Removal of the essential oils from cardamom, clove by steam distillation is an age old practice. Among the spice powders turmeric is highly adulterated commodity. Adulterants detected include artificial colours like tartrazine, metanil yellow, lead chromate, besides whole range of cheaper agriculture produces like starches of maize, jowar, arrow root, potato and tapioca.

18.2.12 Health effects : Adulteration of spices may not pose health hazard but the consumer is cheated for the money he is paying. Quantity of spice consumed is less, so the exposure to the particular adulterant is limited, hence food safety concern is minimised.

18.2.13 Tea : Among tea and coffee, tea powder seems to more adulterated commodity. Adulterants detected in tea include cashew husk, black gram husk, exhausted tea leaves, synthetic colours, iron filings. The iron filings enter tea powder or leaf due to wear and tear of machinery.

18.2.14 Health effects : Intake of artificial colours which include tartazine, carmosine may have long term affects on health like ashma, in adults attention efficiency hyper action disorder in children etc.

18.2.15 Confectionery : Children are the major consumers of the confectionery and to attract them most of the confectionaries use excess colours. Some of them contain unpermitted colours like rhodamine, orange, metanil yellow etc. Another regular adulterant in confectionary is saccharine.

18.2.16 Health effects : Consumption of colours in excess of their limit may cause different health effects depending on the colour, for example, higher intake of Erythrosine may cause hypo thyroidism in children. Excess intake of Ponceau 4R may cause ulceration of tongue in children.

18.2.17 Fruits and vegetables : Newer forms of food adulteration like addition of colours to cut-fruits is being observed. Artificial ripening of fruits which is prohibited in India is very well known. Green peas are being coloured with malachite green.

18.2.18 Health effects : There is a safe limit for colour consumption, beyond which each colour may have different toxic affects. In view of this, addition of synthetic colours are not permitted in all the foods. Toxic effects from artificial ripening could be due to toxic impurities present in calcium carbide.

18.3. FOOD CONTAMINATION

Apart from food adulteration, food contamination is another problem which affects health of the consumers. Following are some of the types of common food contaminations.



18.3.1 MICROBIOLOGICAL CONTAMINATION

Microbiological contamination of foods is a more serious threat to food safety than chemical contaminants like pesticide residues, veterinary drug residues or heavy metals. However, in India the significance of the microbiological contamination of food is yet to be understood. There are many studies on individual foods like ice cream, milk, milk products, sweets, poultry chicken, fish, prawn, etc. where the extent of microbiological contamination has been studied and most of them indicate the presence of one or the other pathogenic organism.

18.3.2 CHEMICAL CONTAMINATION

18.3.2.1: Pesticide residues : Among the chemical contaminants, pesticide residues are major cause of concern, more so with organochlorine pesticides like DDT, aldrin, dieldrin etc. These pesticides are banned for agricultural use but some of them are still used in public health programmes. Milk and milk products are more contaminated compared to other foods.

18.3.2.2 Mycotoxins : Mycotoxins are the toxins produced by certain fungi and their presence in food has both health and economic implications. Aflatoxins, Ochratoxin, deoxynaevalinol, patulin, fumonisin and ergot alkaloids are some of the important mycotoxins detected in various foods.

18.3.2.3 Veterinary Drug Residues : The problem of presence of veterinary drug residues in foods has been a recent phenomenon. Antibiotics used for treating animal diseases or feed additives and hormones used for increased production are two types of veterinary drugs that are found in milk.

18.3.3 HEAVY METALS

Lead, cadmium, mercury and arsenic are the four toxic metals which can enter food as contaminants.

18.4 TESTS FOR DETECTION OF ADULTERATION

Adulteration can be detected by using simple tests, chemical tests and laboratory tests. The following table gives the detailed procedure for these tests.

18.4.1 SIMPLE TESTS

Name of the Material	Adulterant	Testing Procedure
Tea Powder	Iron Filings	Take some Tea Powder in a paper, place a magnet below this and rub to and fro. Iron filings will stick to the magnet.
Tea Leaves	Saw dust artificially coloured	Take tea leaves on a moist coloured blotting paper. Adulterated tea leaves will immediately leave Colour.
Chilli Power	Saw dust and colour	Sprinkle Chilli Powder in a glass with water. Wood shavings float and added colour will colour water.
Dhania Powder	Saw dust	Take Dhania Powder in glass of water. Saw dust will float on water.
Grains, Sugar and pulses	Inorganic matter includes pebbles sand, clay Organic matter includes Chaff straw, foreign edible seeds	By physical examination easy to spot.
Large Cardamom	Small Cardamom	Large Cardamom does not have any wrinkles on its surface, whereas small cardamom has cracks and wrinkles.
	Talcum Power	Talcum will stick to the hands on rubbing the pods indicating the removal of essential oils.
Coffee Power	Chicory	Shake a small portion in cold water. Coffee will float while chicory will sink staining the water to brownish red.
	Tamarind seed powder	Shake a small portion in water. Tamarind seed powder settles down while pure coffee floats over the glass of water
Red Gram Dhal	Kesari Dhal	Kesari Dhal has a characteristic wedge shape and hence can be easily distinguished from red gram dhal.
Pepper	Papaya Seeds	Put papaya seeds in a glass of water- Papaya seeds are smooth round in comparison to pepper and they float when pored in glass of water

Milk	Detergent	Take milk and water in a measuring jar of equal amounts and mix well. If bubbles appear, it indicates adulteration in milk.
Salt	Sand, stones	Take 1 teaspoon of salt in a beaker, to this add water and stir well.
Sugar	Grit	Dissolve sugar in a glass of water. Sugar will dissolve whereas grit will not
Asafoetida	Resin or gum	Mix Asafoetida in water. Pure Asafoetida dissolves in water to coloured form, a milky white solution.
	Mud & Pebbles	Mix Asafoetida in a glass of water, Mud and Pebbles will settle down at the bottom of the glass.
Sago	Sand, Talcum	Burn the Sago. It will have a gritty feel in the mouth, if these are present, pure sago swells on burning and hardly leaves any ash.
Turmeric	Saw dust	Put turmeric in a glass of water. Saw dust floats on water.
Rawa	Iron filings	Put a magnet through the rawa. Iron filings will cling to magnet.
Wheat flour	Husk	Put wheat flour in a glass of water. Husk will float on the surface of water.
Mustard	Agremone seeds	Argemone seeds are round and smooth and can be easily recognised using magnifying glass.
Coconut Oil	Mineral Oil	Freezing the oil can test this. Coconut oil will freeze whereas mineral oil will remain liquid.

18.4.2 CHEMICAL TESTS

Name of the Material	Adulterant	Testing Procedure
Coconut Oil	Castor Oil	Take 1ml of coconut oil and 10 ml. cydifide petroleum ether and dissolve well. To this add concentrated Hydrochloric acid which is prepared from aluminium molybdate. Cloudiness is seen at the bottom of the measuring Jar if the oil is adulterated.
Cooking Oil	Argemone Oil	Add concentrated Nitric acid to the sample and shake well. Reddish brown colour in

		acid layer indicates the presence of argemone oil.
Ghee	Vanaspathi	Take 5ml. of the sample in a test tube. Add 5m. of Hydrochloric Acid and 0.4ml. of 2% furfural solution or sugar crystals. Insert the glass stopper and shake for 2 minutes. Development of a pink or red colour indicates presence of Vanaspathi in Ghee.
Butter	Sweet Potato, Potato	Dissolve 5ml. Butter and melt it, cool it and add ammonia. It immediately turns blue if the butter is adulterated.
Honey	Sugar, Jaggery	Take 5ml. Honey and 5m.. Ether and mix well. Separate the ether layer, to this add 2 or 3ml. resarsinal. The mixture turns to red colour.
Red Gram Dhal	Kesari Dhal	To the sample add 5ml Hcl mix and keep for 15 minutes. Pink colour is seen indicating that the Red gram dhal is adulterated.
Pulses	Metanil Yellow	To the sample add salt water and Hcl. Red colour is seen.
	Lead Chromate	To the sample add 5ml water and 4 to 5 drops of Hydro Chloric acid. Red colour is seen if it is adulterated.
Wheat flour	Chalk Power	To the test sample, add 10ml of carbon tetra chloride. Dirt, dust will settle at the bottom.
Red Chilli	Artificial colour	Rub outside of chillies with cotton soaked in liquid paraffin (or) burn a teaspoon of chillies. Ash indicates adulteration.
Turmeric	Metanil Yellow	Add few drops of Conc. Hydro Chloric acid (Hcl) to sample. Instant appearance of violet colour, which disappears on dilution with water, indicates pure turmeric. If colour persists metanil yellow is present.
Milk	Starch	Take 5ml of sample, heat and cool it. To this add 2 to 3 drops of iodine. Blue colour is seen if the milk is adulterated with starch.

18.4.3 LABORATORY TESTS

Name of the Material	Adulterant	Testing Procedure
Turmeric Power	Jowar flour, Wheat flour	Observe a pinch of turmeric power under a microscope. Observe the particles at the corners. If adulterated the particles will be white and soft.
Milk	Water	Measure the specific gravity with a lactometer. The normal milk values will fall between 1.030 and 1.034.

18.5 PREVENTION OF FOOD ADULTERATION ACT, 1954

The Prevention of Food Adulteration Act, 1954 was passed by the Parliament to provide for a comprehensive legislation for preventing adulteration of food stuffs and check various kinds of nefarious acts connected with articles of food. The Act provides for constitution of a Central Committee for food standards and also for a Central Food Laboratory. To enforce the provisions of the Act, the Prevention of Food Adulteration Rules, 1955 have also been framed. These rules give details about standards of quality of food, duties of public analysts and food inspectors, procedure of sealing and dispatch of samples, use of colouring material in food, packing and labeling of foods, regulation of sales licences, use of preservatives, prohibition of poisonous metal contaminants, flouring agencies, insecticides and pesticides, irradiation of food etc.

According to the Act, an article of food shall be deemed to be adulterated

- * If the article sold by a vendor is not of the nature, substance or quality demanded by the purchaser or which it purports to be;
- * If the article contains any substance affecting its quality or it is so processed as to injuriously affect its nature, substance or quality;
- * If any inferior or cheaper substance has been substituted wholly or in part for the article so as to affect injuriously the nature, substance or quality thereof;
- * If any constituent of the article has been wholly or in part abstracted so as to affect injuriously the nature, substance or quality thereof:

- * If the article has been prepared, packed or kept under insanitary conditions whereby it has become contaminated or injurious to health;
- * If the article consists wholly or in part of any filthy, putrid, rotten, decomposed or diseased animal or vegetable substance or is insect infested or is otherwise unfit for human consumption
- * If the article contains any poisonous or other ingredient which is injurious to health
- * If the article contains any prohibited colouring matter or preservative or any permitted colouring matter or preservative in excess of the prescribed limits :

Food is deemed to be misbranded

- * If it is an imitation of, or is a substitute for or resembles in a manner likely to deceive another article of food and is not conspicuously labeled so as to indicate its true character.
- * If it is falsely stated to be the product of any place or country
- * If it is sold by a name which belongs to another article of food
- * If it is so coloured, flavoured, coated, powdered or polished as to conceal any damage to the article or to appear of greater value than it really is;
- * If false claims are made for it upon the label or otherwise;
- * If when sold in sealed or prepared packages by its manufacturer, the contents of each package are not conspicuously and correctly stated on the outside thereof
- * If the package containing it is deceptive with respect to its contents in any manner such as label, statement, design or device which is misleading.
- * If the package containing it, or the label thereon, bears the name of a fictitious individual or company as the manufacturer or producer of the article
- * If purports to be, or is represented as being for special dietary uses, unless its label bears the prescribed information concerning its dietary properties

- * If it contains any artificial flavouring, colouring or chemical preservatives without declaring the same on the label, or in violation of the requirements of this Act and the rules made thereunder
- * If it is not labeled in accordance with requirements of this Act and Rules made thereunder.

18.6 MEASURES TO COMBAT FOOD ADULTERATION

The food adulteration can be tackled by taking the following measures

- * Massive public awareness
- * Quality product markets
- * Setting up laboratories for testing the products in every district
- * Severe Punishment for food adulteration.
- * Active participation of people to fight against it.

Food adulteration is a major public hazard. It saps the vitality of the people. Safety of the food is the basic requirement of food quality. The Consumer Protection Act empowers the consumers to fight against adulterations. As per this Act any food that is sold for human consumption in India has to conform to the rules, regulations and standards laid down under the Act. This problem can be overcome only with the joint efforts of people, Government and Non-Governmental organizations and the private sector.

18.7 JUNK FOOD

Normally the food items that are available in canteens of schools / colleges etc. comprise items like chips, crisps and fries, fried packaged snacks, pop corn, packaged instant foods, aerated drinks. All the above food items include preservatives to have lengthier shelf life flavoring agent, permitted or non-permitted coloring material. Also these commodities are high on sugar or salt or fats, etc. and normally have serious health impact when consumed regularly. Besides in most of the recent analysis tests it has been proved that imported chocolates and aerated drinks are also having ingredients which are not permitted by Prevention of Food Adulteration Act. Such junk food are known causes for obesity in Children. Therefore it has been suggested to the management of the educational institutions

to ensure that such junk food are not made available in their respective canteens. Despite they have been suggested to include healthier food items as follows which have to be supplied clean, covered and in hygienic manner.

1) Sundal (2) Sandwiches (3) Fresh juices (4) Cut fruits and salads (5) Ground nut / sesame candy (kadalai / ellu urundai) (6) Soups (7) curd, milk, buttermilk, soyamilk, lassi and milk shakes (8) wheat flour / rava/ sattu mavu laddus (9) reasted or boiled peanuts (10) vegetable noodles (without additives such as MSG) with lot of vegetables (11) Murukku, samasos, honda, vadi, cutlets & bajjis provided a good cooking medium is used (no reuse of oil) and colouring (especially in bajji) is avoided (12) Safe drinking water

18.8 KEY CONCEPTS

Adulteration

Contamination

Adulterant

Microbiological contamination

Metal contamination

Pesticide residues

Mycotoxins

Vegetarian drug residues



18.9 SUGGESTED ACTIVITIES

- * Arrange a visit to food testing laboratory
- * Train the students to give a demonstration on adulteration with the facilities available in your school laboratory.



UNIT 19

SPURIOUS AND COUNTERFEIT PRODUCTS

STRUCTURE

- 19.0 LEARNING OBJECTIVES
- 19.1 INTRODUCTION
- 19.2 DEFINITIONS
 - 19.2.1 Adulterated Drugs
 - 19.2.2 Spurious Drugs
 - 19.2.3 Misbranded Drugs
 - 19.2.4 Counterfeit Drugs
- 19.3 BRAND IMITATIONS
- 19.4 REASONS FOR SPURIOUS AND COUNTERFEIT PRODUCTS
- 19.5 CONSUMER RESPONSIBILITIES
- 19.6 CONSUMER REDRESSAL PROCEDURE
- 19.7 KEY CONCEPTS
- 19.8 SUGGESTED ACTIVITIES

19.0 LEARNING OBJECTIVES

The objectives of the unit are to educate the students on

- * identifying spurious and counterfeit products.
- * bringing awareness among consumers to counter spurious and counterfeit products.

19.1 INTRODUCTION

With the advances in technology, production of imitations, spurious and counterfeit products have become easy. It is often difficult to identify fake products. The imitations are so accurate that some times the manufacturer himself can not identify. The problem of spurious and counterfeit products are more prevalent in drugs, cosmetics, electrical goods, detergents and food products. Consumer has a good reason to be concerned about the lack of availability of safe and genuine products. The greedy men, who are upto anything to get rich quickly are manipulating cleverly to release spurious and counterfeit consumer products in to the market. The problem of spurious drugs is more serious. It is concerned with the health of the people.



2 DEFINITIONS

Adulterated Drugs, Spurious Drugs, and Misbranded drugs are defined in Drugs and Cosmetics Act.

19.2.1 Adulterated Drugs : While manufacture of drugs adulteration commonly happens because of the negligence and non-compliance of rules by the licensed manufacturers or deliberately by the un-licensed manufacturers of drugs. As a result, the adulterated drugs consist of filthy or putrid or decomposed substances or get manufactured under unsanitary conditions rendering the drug injurious to health. Some times the containers used for storage of drugs, may contain poisonous substances, non-permitted colors, hazardous substances and so on which may lead to adulteration of drugs.

19.2.2 Spurious Drugs: The manufacture of spurious drug is the result of the action of fraudulent or guilty mind with an intention of wrongful gain by the offenders, whether licensed or unlicensed. As a result, the spurious attains the name which belong to another drug or imitates the other drug, or bears the label of fictitious company or substituted wholly or part by another worthless material or bears the name of false manufacturer.

19.2.3 Misbranded Drugs; Misbranded drug is not so harmful as that of spurious or adulterated drug. But the consumer is attracted falsely or cheated due to false appearance. The misbranded drug is the drug manufactured by the firm by concealing the damage of the drug by colour coating or polishing or its label is not made as per the prescribed norms.

19.2.4 Counterfeit Drugs : The word 'Counterfeit Drugs' is not defined under Drugs and Cosmetics Act. But WHO document defines "Counterfeit Drug" as the drug which is deliberately and fraudulently mislabeled with respect to identity and

or source for both branded and generic products. For all practical purposes the word Spurious drug' can be substituted for "Counterfeit drug".

19.3 BRAND IMITATIONS

This is a very common problem. Famous brand names are imitated to mislead the consumers. The problem is more common with certain food items, electrical goods, and drugs. The consumers in a hurry do not identify clearly the brand imitations.



9.4 REASONS FOR SPURIOUS AND COUNTERFEIT PRODUCTS

1. the trade of spurious or counterfeit products have become very remunerative.
2. the technological improvements in printing has made it easy to make perfect counterfeits.
3. establishment of small scale industries.
4. inordinate delay in the trial of the accused and inadequate punishments.
5. lack of control on allied Industry and profession, particularly quackery in medical profession.
6. inadequate controls in the inter-state movement of drugs and products.
7. parallel markets to avoid duties like Excise, Sales Tax etc.
8. lack of co-ordination between the law enforcing agencies.
9. lack of centralized information and registry for drugs.
10. improper techniques during manufacturing
11. lack of sufficient equipment or technical staff to control

19.5 CONSUMER

The major responsibility lies with the consumers. They have to be vigilant and careful while purchasing products, such as to

- 1) observe the product carefully

- 2) read the product label
- 3) observe the brand name and trademark
- 4) if found any misbranded, counterfeit products, launch a complaint in consumer forum or with concerned authority
- 5) display of posters at all shops with the content regarding precautions in purchase of products.
- 6) Insist bill while purchasing the products. The bill ensure the liability of the dealer in case of dispute over genuineness of the drugs.
- 7) purchase drugs only from licensed medical shops. There may be un-licensed dealers who lure the retailers or public with attractive incentives to sell the spurious drugs as they do not follow the rules and regulations.
- 8) cross check the purchased drugs with the Doctor in case of doubt.
- 9) all the empty containers of the drugs to be destroyed immediately after use. These will avoid the recycling of containers with other drugs by gullible dealers which causes danger to health of the public.
- 10) should not accept the drugs labeled as “physician sample” or “Government samples” as they are not for sale.
- 11) observe the storage of drug by the Pharmacist while he takes drug for dispensing. Then cross check with the labeling directions of storage of drug.
- 12) form into vigilant groups and watch the market
- 13) educate the fellow consumers

The Government of India prohibit under Section 26A of Drugs and Cosmetics Act in public interest the manufacture, sale and distribution of certain drugs or cosmetics which are likely to involve any risk to human beings or animals from time to time.

19.6 CONSUMER REDRESSAL PROCEDURE

Consumer Protection Act, 1986, empowers consumers to launch a complaint against spurious and counterfeit products. Consumer can register complaint in appropriate consumer fora.

19.7 KEY CONCEPTS

Spurious drugs

Counterfeit products

Adulterated drugs

Misbranded products



19.8 SUGGESTED ACTIVITIES

- * Collect spurious drugs and show to the students
- * Ask the students to collect misbranded and fake products



UNIT 20

PRODUCT STANDARDS

STRUCTURE

- 20.0 LEARNING OBJECTIVES
- 20.1 INTRODUCTION
- 20.2 BUREAU OF INDIAN STANDARDS
 - 20.2.1 Activities of BIS
 - 20.2.2 Standardization Schemes
- 20.3 INDICATIONS OF ISI MARK
- 20.4 BIS AND CONSUMER CARE
- 20.5 CERTIFICATION MARKS
- 20.6 KEY CONCEPTS
- 20.7 SUGGESTED ACTIVITIES

20.0 LEARNING OBJECTIVES

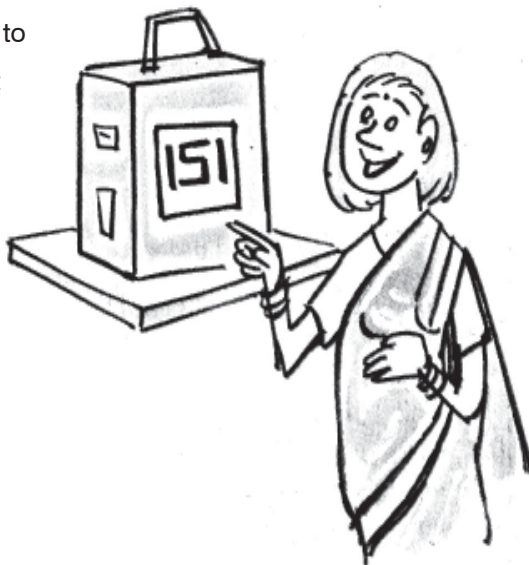
The study of the unit will enable the students to understand the

- * need for product standards
- * role of BIS in ensuring product safety
- * certification marks for various products

20.1 INTRODUCTION

The Indian market today is flooded with products of the same type with different features, different brand names and different prices. Wide publicity, attractive advertisements, attractive offers and sales gimmicks confuse the consumer. Most of the times the consumer doesn't know what factors are to be taken into consideration before buying a product. It is a challenge for the consumer to choose a quality product that can satisfy him in the long run. Owing to the competition among manufacturers and traders a wide variety of goods are dumped into the market. On the other hand, one sector of manufacturers and traders cleverly manipulate the quality of goods and release substandard, fake goods into the market. Imitations are such that they cannot be identified by a common consumer. Products of sub-standard create health hazards, safety problems and so on.

Under these circumstances, to protect consumers' interest to assist them in product selection and to assure the quality of product, standard organizations in various countries are playing a vital role in preparing product standards. In India, Bureau of Indian Standards (BIS) is engaged in formulation of standards. These standards speak about the quality of products.



20.2 BUREAU OF INDIAN STANDARDS

Recognizing the role of standard industrial development and Consumer Protection, Indian Standards Institute (ISI) was established on 6-1 -1947. ISI was later converted into a statutory body w.e.f. 1 -4-1987 and was renamed as Bureau of Indian Standards.

20.2.1 Activities of BIS: The main activities of the Bureau are

- (i) to formulate standards for various products and
- (ii) to promote ISI mark, a symbol of safety and quality.

Before allowing any manufacturer to use ISI mark on their products, BIS ensures that the manufacturer has complete infrastructure to manufacture and test the product as per the relevant Indian Standards. The product is tested to see whether it meets the requirements of the standards

- (iii) to run the testing laboratories
- (iv) to encourage manufacturers in implementation of standards
- (v) checking standards
- (vi) providing training in standardization
- (vii) conducting surprise visits to the factories
- (viii) procuring the samples from the market and evaluating
- (ix) getting feedback from consumers
- (x) checking whether the manufacturers are following schemes of testing and inspections desired by the Bureau.

20.2.2 Standardization Schemes : There are two types of schemes (i)

- (i) mandatory certification
- (ii) voluntary certification

Giving due importance to the health and safety of consumers, the items consumed by majority have been brought under the purview of mandatory certification through several acts and Government orders. The first item certified for safety requirement was the LPG cylinder. Several food products were brought under the purview of mandatory certification.

The Voluntary Certification Scheme covers the industries which have recognised the importance and benefits of having ISI mark on their product and approach BIS, though ISI mark is not necessary as per the law.

20.3 INDICATIONS OF ISI MARK

ISI mark on a product assures that the product

- (i) is of required quality
- (ii) is safe in use
- (iii) ensures safe performance
- (iv) is not a duplication
- (v) is not adulterated
- (vi) is tested by BIS

20.4 BIS AND CONSUMER CARE

Resolving of customer complaints is one of the important aspects of BIS certification mark scheme. If any consumer is not satisfied with any ISI marked product he/she can approach any BIS regional or branch offices with his/her complaint. In the complaint, consumer has to give the product's name, type, manufacturers name, serial number or batch number, type of complaint and details of purchase etc. After receiving the complaint the BIS investigates into the complaint and analyses whether the product under complaint needs the specified requirements or not. If it is proved that the product is of substandard quality, BIS ensures that the defective product is replaced free of cost by the manufacturer. Apart from this, BIS also ensures that reasons for such type of defects are analysed and the manufacturer are advised to follow the corrective measures so that such type of defects are avoided in future.












20.5 CERTIFICATION MARKS

A certification mark on the product is an indication of guarantee of safety in its use. It is an indication that the product is tested and proved safe. There are number of certification marks. Some of them are presented below

CERTIFICATION MARKS

CERTIFICATION MARKS

Certification Mark	Logo	Products
ISI Bureau of Indian Standards		Electrical, Electronic, Textiles, Chemicals, Pesticides, cement and concrete products, optical equipment, automobile parts, food beverages etc.
FPO Fruit Product Order		Jams, Fruit juices, squashes, bottled and canned fruits and vegetables, pickles, soups, dehydrated vegetables
AG Mark		Vegetable oil, ghee, cream, butter rice, gur, ground nuts, Fruits, pulses, spices, forest products
Eco-Mark (Eco-Labeling Scheme)		Soaps & detergents, paper, lubricating oil, packaging materials, paints & powder coating batteries, cosmetics, food additives, wood substitutes, textiles, fire extinguishers leather & plastic goods.
MPO (Meat Products Order)		Mutton, goatmeat, canned sausages, ham etc.
Wool Mark		Woollean fabrics and garments
Hall Mark		Gold Ornaments & Silver Products
HACCP (Hazard Analysis and Critical Control Point)		Processed food products.
ISO (International Organisation for Standardization)		ISO 9000 series for quality management system ISO 14000 series for Environment management system.

Silk Mark

Silk Cloths

20.6 KEY CONCEPTS

Product safety

Product standards

Standardization

Testing laboratory



20.7 SUGGESTED ACTIVITIES

- * Collect the standardization marks on different products and show to the students

- * Discuss the need for certification marks on products.



UNIT 21

GUARANTEE AND WARRANTY

STRUCTURE

- 21.0 LEARNING OBJECTIVES
- 21.0 INTRODUCTION
- 21.0 MEANING AND DEFINITIONS
 - 21.2.1 Guarantee
 - 21.2.2 Condition
 - 21.2.3 Warranty
- 21.3 GENERAL PRINCIPLES
- 21.4 CHEATING A CONSUMER
- 21.5 CONSUMER RESPONSIBILITIES
- 21.6 KEY CONCEPTS
- 21.7 SUGGESTED ACTIVITIES

21.0 LEARNING OBJECTIVES

The objectives of the unit are

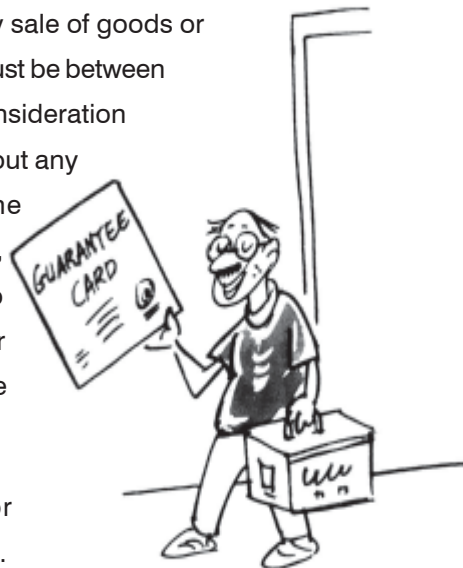
- * to make the students understand guarantee and warrantee
- * to make the students realize, how careful the consumer should be to claim guarantee and warrantee and protect his interests.

21.1 INTRODUCTION

A consumer gets a product in exchange of his money. What happens in the market is, a consumer who desires to purchase a product enters into the market with money. The product is available with the seller. The seller fixes the price for the product and offers for sale. When the consumer wants to purchase the product he is liable to pay the price of the product to the seller. The seller who offered the product for sale is ready to sell the product when he receives the price of the product as fixed by him. In this course of action, there is an agreement between the consumer and the seller. The seller is ready to transfer the product if he gets the money in return, similarly the consumer is ready to transfer the money and agrees to pay as per the price fixed by the seller in exchange of a product.

Therefore, buying of goods and services is an agreement or a contract to get something in exchange for payment of money. All the principles of a legal and valid contract apply to any sale of goods or services. Any sale of goods or services must be between two legally competent persons for a consideration (money) who agree to do so freely, without any coercion. When a sale is made, the principles of contract apply to all sales, damages for breaking any agreement to sell or for supply of defective goods or services are decided according to the Indian Contract Act.

A “Guarantee” or “contract for guarantee” arises under the Contract Act.



A consumer gets a guarantee for the product he purchased. A guarantee is a promise made by the seller on behalf of a manufacturer most of the times. Consumer and seller enters in to a contract.

Sales and purchases of goods is covered under Sale of Goods Act. The Act provides that all sales of goods and purchases by consumers are covered by certain basic standards of safety and quality. When sale of goods takes place, the consumer is assured of quality of the product. The sale of goods takes place under certain conditions and warranties. These conditions and warranties are offered by the manufacturer or seller to make the product more competitive. The manufacturer or seller is bound to agree the terms and conditions specified in the warranty.

The two terms 'guarantee' and 'warranty' are commonly used in the market. "Guarantee" or "Contract for guarantee" is covered under the Contract Act. The Conditions and Warranties are covered under the Sales of Goods Act.

21.2 MEANING AND DEFINITIONS

21.2.1 Guarantee: Guarantee is a contract to perform a promise or discharge the liability of a third person in case he fails to do so.

The person who gives the guarantee is called "Surety". The person in respect of whose default the guarantee is given is called the "principal debtor" and the person to whom the guarantee is given is called the 'creditor'.

A guarantee may be oral or written. Anything done, or any promise made, for the benefit of the principal debtor may be a sufficient consideration to the surety for giving the guarantee.

21.2.2 Condition : A condition is a stipulation essential to the main purpose of the contract, the breach of which gives rise to a right to treat the contract as repudiated.

21.2.3 Warranty : A warranty is a stipulated collateral to the main purpose of the contract, the breach of which gives rise to a claim for damage, but not be a right to reject the goods and treat the contract repudiated.

A breach of condition gives the aggrieved party a right to sue for damages as well as the right to repudiate the contract. A breach of warranty gives only the right to sue for damages. The contract cannot be repudiated.

Warrantees are designed to protect the consumer in the event of a product failure or malfunction while guarantees are given for the durability in terms of a period.

Warrantees can be implied or written. Implied warrantees are related to the fitness of the good, written warrantees are offered by the manufacturer or seller to make the product more competitive, and are in addition to the implied conditions and warranties.

21.3 GENERAL PRINCIPLES

A consumer should carefully examine guarantee, warranty and terms of conditions.

- (i) a guarantee must disclose clearly and conspicuously the nature and extent of the guarantee
- (ii) what product or part of the product is guaranteed
- (iii) what characteristics or properties of the designated product or part thereof are covered or excluded from the guarantee.
- (iv) The duration of the guarantee must be clear
- (v) The obligations of the claimant under the guarantee should be specified
- (vi) The obligations of the guarantor whether he will repair, refund or replace should be clarified
- (vii) The identity of guarantor must be clearly set out because the guarantor can be a seller or a manufacturer.
- (viii) The duration of the guarantee should be specified



- (ix) In case of warranty it must be stated full or partial

A full warranty implies that the seller or manufacturer undertakes to repair or replace any defect in the product free of charge within the time specified in the warranty.

A “service contract” can be sold by the seller or manufacturer in addition to a warranty. But it cannot be imposed upon or tied up with the warranty.

21.4 CHEATING A CONSUMER

It is a common practice cheating the consumer in laying down conditions of guarantee and warranty. Usually the terms and conditions are printed in small font and in a language which is not common and colloquial.

The seller is required to sign on guarantee or warantee card with his official seal. As the consumer is not aware of this, the seller often misleads him.

21.5 CONSUMER RESPONSIBILITIES

The consumer should be more careful. He should

- (i) clearly read the terms and conditions
- (ii) get clarifications regarding conditions not understood
- (iii) know the duration of guarantee
- (iv) know the conditions of warranty
- (v) know full and partial promises
- (vi) know how to claim in case the need arises
- (vii) see whether the warranty bears the signature, date and seal of warrantor.

21.6 KEY CONCEPTS

Indian Contract Act

Sales of Goods Act

Guarantee

Condition

Warrantee

Principal debtor

Surity

Creditor

Implied warrantee

Written warrantee



21.7 SUGGESTED ACTIVITIES

Collect a guarantee card and a warrantee card and show the students

- * Discuss the conditions of warrantee specified
- * Discuss the responsibilities of a consumer in terms of claiming guarantee and warrantee
- * Discuss the responsibilities of a consumer in terms of claiming guarantee and warrantee



UNIT 22

BRANDING, PACKAGING AND LABELLING

STRUCTURE

- 22.0 LEARNING OBJECTIVES
- 22.0 INTRODUCTION
- 22.0 DEFINITIONS
 - 22.2.1 Brand Name
 - 22.2.2 Label
 - 22.2.3 Package
 - 22.2.4 Trade mark
- 22.3 PRE-PACKED GOODS AND UNFAIR TRADE PRACTICES
- 22.4 LAWS ON PRE-PACKED COMMODITIES
- 22.5 DECLARATIONS TO BE MADE ON A LABEL
- 22.6 KEY CONCEPTS
- 22.7 SUGGESTED ACTIVITIES

22.0 LEARNING OBJECTIVES

The study of the unit would enable the student

- * to understand “brand name” “label” and “packaging”
- * to identify counterfeit products
- * to purchase the commodities carefully
- * to educate fellow consumers on false goods

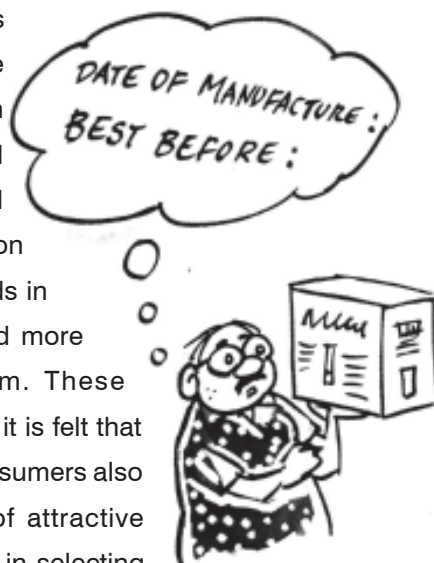
22.1 INTRODUCTION

In recent decades pre-packed commodities have received considerable importance because of the ease and convenience with which they can be transported and marketed. The technological

improvements in manufacture, preservation and packing as well as the changing trends in shopping practices are bringing more and more items for sale in ~ packaged form. These developments are at times encouraged as it is felt that they are convenient to consumers. The consumers also prefer to buy packed goods because of attractive presentation, ease in handling and facility in selecting

the commodity of the desired quantity, quality and price. However, as weighing or measuring in the presence of the purchaser is not possible in the case of pre-packed goods, special legal provisions are provided to protect the consumer.

In this context, the consumer to protect himself / herself from sales gimmicks should possess basic knowledge regarding packaging, labelling and branding. At the time of making a purchase, the consumer shall look for the characteristics such as safety, hygiene, environmental friendliness, quality and so on. The consumer, for want of time, money and interest, would like to minimize the risks. The consumer would seek effective means to recognize the difference between the goods before selection. Therefore, the trader promotes his product to maintain a corporate image



in the eyes of the consumer with 'brand', a vehicle of 'packaging' to carry the product safely through various stages of delivery. The trader gives an 'identity' to the product through its description in the form of labels.

22.2 DEFINITIONS

22.2.1 Brand Name: Brand name is a name, sign, symbol or design or a combination of them intended to identify the goods or services of seller or group of sellers and to differentiate them from those of others. The brand name helps the consumer to identify the product, to compare the products of similar nature, and to assess the quality of the product and so on. 'Cadbury' for chocolates, 'Britannia' for biscuits, 'Horlicks', 'Bournvita' and so on.

22.2.2 Label : Label is defined as a display of written, printed or graphic matter on the container or the package of the container. It is a simple tag attached to the product that carries the brand name. A great deal of information or an elaborately designed graphic is part of the package. A good label helps the consumer make a correct decision.

22.2.3 Package : A package is a wrapper or container in which a product is enclosed, encased or sealed. Packaging, therefore, includes the activities of designing and producing the container or a wrapper of the product.

22.2.4 Trade Mark : A trade mark is a legalised version of a brand. In other words, a trade mark is a brand that is legally protected. A trade mark is defined as "A brand or a part of a brand that is given legal protection because it is capable of exclusive appropriation". All trade marks are brands and include both the brand name and the pictorial design.

22.3 PRE-PACKED GOODS AND UNFAIR TRADE PRACTICES

The production and sale of goods in pre-packed form are likely to give rise to some forms of sales gimmicks. Some of the common unfair trade practices in the case of pre-packed goods are

- * Insufficient information on the label about the contents of the package
- * Deceptive packaging
- * Misleading slogans to describe package size



- * Underfilling
- * Confusion creation in unit price calculations
- * Reduction in the quantity of package
- * Over-charging on declared sale price

22.4 LAWS ON PRE-PACKED COMMODITIES

The laws in relation to pre-packed commodities are designed to curb the unfair trade practices. Standards of Weights and Measures Act, 1976 contains provisions for the regulation of pre-packed commodities.

22.5 DECLARATIONS TO BE MADE ON A LABEL

Every package should bear a label securely affixed. It should contain

- a) the name and address of the manufacturer or where the manufacturer is not the packer, the name and address of the manufacturer and packer
- b) the common or generic names of the commodity contained in the package
- c) the net quantity, in terms of the standard unit of weight or measure of the commodity contained in the package or where the commodity is packed or sold by number, the number of the commodity contained in the package.

- d) the month and year in which the commodity is manufactured or pre-packed
- e) batch number is to be indicated
- f) the retail sale price of the package
- g) picture of the product, accurate as to size, colour and appearance
- h) description of raw products used along with method of processing
- i) directions for use including caution against misuse
- j) possible adverse effects, if any
- k) directions on ideal storage conditions
- l) brand name

22.6 KEY CONCEPTS

Label

Brand name

Trademark

Packaging

Pre-packed commodity



22.7 SUGGESTED ACTIVITIES

- * Show a label and discuss the information available on it
- * Ask the students to identify brand names of a few products
- * Ask the students to collect labels of different products and make a chart.



UNIT 23

PRODUCT TESTING AND SAFETY STANDARDS

STRUCTURE

- 23.0 LEARNING OBJECTIVES
- 23.1 INTRODUCTION
- 23.2 PRODUCT TESTING
- 23.3 CONSUMER RESPONSIBILITIES
- 23.4 PRODUCT STANDARDS
- 23.5 TYPES OF PRODUCT STANDARDS
 - 23.5.1 Specification Standards
 - 23.5.2 Performance Standards
- 23.6 KEY CONCEPTS
- 23.7 SUGGESTED ACTIVITIES

23.0 LEARNING OBJECTIVES

- * understand the need for product safety
- * learn the importance of product testing to aid in product safety
- * recognise and understand the different types of product standards

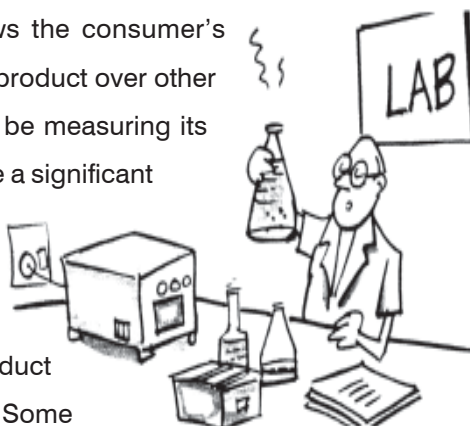
23.1 INTRODUCTION

The market place today is flooded with consumer goods and the consumers are in a state of confusion over choice, the appropriate choice for money's worth. The range of products presented to the consumer are varied, exciting and overwhelming. Hence, the consumers are not able to understand what to expect from the product or what is expected from them as end-users. It is becoming difficult for the consumers to assess the product quality, safety or value at the point of purchase and are much more bothered as product safety is more important for the consumer as it is they who ultimately pay for safety improvements, in terms of both money and related effects. In such a situation product testing and product standards aid in making a proper choice.

23.2 PRODUCT TESTING

Product testing is an activity that seeks to measure the attributes of a product and determine its performance, safety, quality and its compliance with established standards.

When consumers choose a product, they test the product for acceptance. This shows the consumer's personal preferences regarding the product over other comparable products. They will not be measuring its safety and quality attributes that have a significant impact on the safety and use. The public awareness of the hazards from every day products are increasing. Injuries and/or death due to the product use have a number of causal factors. Some



products have built-in hazards, such as knives that cut, motor vehicles that crash, matches that burn etc. Other consumer products have hazards that are not so apparent, perhaps hidden. For example, it is almost impossible for consumers to know that the equipment or products were defectively manufactured.

Product testing by the manufacturer helps in designing, developing and selling safe products. Two aspects of safety that need to be tested at the place of manufacture are

1. Reducing the incidence of injuries by preventing them from occurring in the first place.
2. Reducing the severity of injuries when they do occur.

The test results and preventive measures should be indicated and publicised along with the products. The consumers also have a responsibility in product testing for safety.

23.3 CONSUMER RESPONSIBILITIES

- * Examine the products for safety features before buying
- * Question sellers about the safety features or attributes of the product before buying
- * Carefully read product labels and literature and warning labels
- * Use products as intended and with reasonable caution and care
- * Assume personal responsibility for normal precaution when using a product
- * Inform the suitable agency when a product does not perform safely



- * Identify possible defects and report them to the proper agency
 - * Support efforts to improve safety for all consumers
- Specifications and performance standards also help in product safety.

23.4 PRODUCT STANDARDS

Product standards produce significant social benefits by aiding information flow, hastening technology transfer and promoting efficiency in production and safety. Standards are technical prescriptions for material production, design, installation, safety or performance characteristics of products. They are developed through organisations that bring together persons of knowledge who prescribe the standards.

23.5 TYPES OF PRODUCT STANDARDS

Several types of standards are recognized. Standard specifications prescribe use of particular materials, designs, production processes, performance levels and test methods.

23.5.1 Specification Standards : These are qualitative and quantitative measures of comparison that specify technically and precisely how something will function. Sizes of blades, specific metals / plastics, certain glades and weights etc.

23.5.2 Performance Standards : These are quantitative and qualitative measures of comparison that specify the criteria in terms of outputs of objectively measured units such as content, strength, power consumption, motor rating and other performance characteristics. Sellers tend to prefer performance standards over specification standards because they are less restrictive and they encourage competitive and efficient designs.

These standards can't be absolute standards, when if the product does not meet the requirements It cannot be sold on conditional standard, which is a qualified statement allowing for contingencies, when certain conditions exist regarding the user of the product or its application.

A variety of other terms are commonly used in reference to standards. For instance, standards that address produce safety may be referred to simply as safety standards. Design standards generally state requirements in terms of various input factors while performance standards address out

put requirements relating to actual product use. Standards adopted by Government authorities for regulatory purposes are called mandatory standards while private sector standards are referred to as voluntary standards.

Thus standards promote efficient individual consumption decisions when they provide accurate information about the suitability of products for specific needs. Standards also promote safety, thereby reducing risks of injury to health and property as they promote an acceptable level of product safety.

23.6 KEY CONCEPTS

Product safety

Product testing

Product standards

Specification standards

Performance standards



23.7 SUGGESTED ACTIVITIES

* Ask the students to list down what kind of safety standards are essential for

(a) electrical iron

(b) fan

(c) electrical water heater

* Discuss with the students the responsibilities of a consumer in promoting safety standards



UNIT 24

WEIGHTS AND MEASURES

STRUCTURE

- 24.0 LEARNING OBJECTIVES
- 24.1 INTRODUCTION
- 24.2 AIM OF DIRECTORATE
- 24.3 DEPARTMENT OF LEGAL METROLOGY
 - 24.3.1 Activities
- 24.4 STANDARD UNITS OF WEIGHTS AND MEASURES
- 24.5 VERIFICATION AND STAMPING OF WEIGHTS OR MEASURES
- 24.6 RIGHTS OF CONSUMERS
- 24.7 MAKING COMPLAINTS BY CONSUMERS
- 24.8 KEY CONCEPTS
- 24.9 SUGGESTED ACTIVITIES

24.0 LEARNING OBJECTS

After exposing to the topic the students should understand

- * what are standard weights and measures
- * government efforts in ensuring correct weights and measures
- * role of consumers in safeguarding their interest

24.1 INTRODUCTION

“Weight and Measure” means a weight or a measure specified under the Standards of Weights and Measures Act, 1976. “Weighing or Measuring Instrument” means any object, instrument, apparatus, device or any combination which is used for the purpose of making any weighing or measurement and includes any appliance, accessory or part associated with any such object, instrument, apparatus or device. There are different kinds of weights and measures, weighing and measuring instruments used by the traders, dealers of Trade and Commerce.

One of the important reforms undertaken in the country after Independence was the standardization of the system in weights and measures. Uniform standards of weights and measures based on the metric system were established in the country under the Standards of Weights and Measures Act, 1976. The Directorate of Weights and Measures in the Ministry of Food and Consumer Affairs is the nodal agency for all activities relating to the subject.



24.2 AIM OF DIRECTORATE

The main aim of the Directorate is to ensure the accuracy of the weights and measures and weighing and measuring instruments used by the traders and dealers and for protecting the interests of consumers in getting their money's worth.

24.3 DEPARTMENT OF LEGAL METROLOGY

The Legal Metrology Department enforces various laws pertaining to weights and measures and weighing and measuring instruments in the State. The Legal Metrology Department is also regulating the sale of commodities in packed form and ensure that the packed commodities bear the prescribed declaration to give precise and useful information to the consumers.

The executive staff of the Legal Metrology Department periodically conduct inspections, surprise checks of all shops, establishments of Trade and Commerce, Fair Price Shops, Stockist Points, Market etc., to protect the consumers from getting cheated by the traders in under-weighment or measurement of commodities or charging higher prices.



24.3.1 Activities : The Legal Metrology Department undertakes the following activities:

1. Verification and stamping of weights and measures, weighing instruments and measuring instruments.
2. Periodical inspections to check whether the verified weights and measures are used properly by the traders and registers cases for any violation of the laws.
3. Inspection of packaged commodities for ensuring the declaration of a. Name and Address of Manufacturer b. Name of the Commodity c. Net Weight or Measure d. Date of Packing e. Sale price in the form of Maximum Retail Price (inclusive of all taxes) and register cases for not declaring any of the above.
4. Surprise inspections to check whether the packaged commodities are sold at price not exceeding the maximum retail price.
5. Surprise inspections to check whether the traders are indulging in delivery of commodities by short weighment or measurement.
6. Surprise inspections to check that farmers are not cheated by the traders by taking excess commodity than the quantity contracted for and paid for.
7. Implementation of control orders on marketing of petrol and diesel to check adulteration.
8. Implementation of compulsory packaging of edible oils.

24.4 STANDARD UNITS OF WEIGHTS AND MEASURES

The base unit of numeration shall be the unit of the international form of Indian numerals. Every numeration shall be made in accordance with the decimal system.

The Central Government may specify in relation to the base units of weight

or measure, such supplementary, derived, or other units or standard symbols or definitions as the Central Conference on Weights and Measures or the International Organisation of Legal Metrology may recommend from time to time.

The base unit of mass and base units of measures specified above and the supplementary and other units, if any, specified by the Central Government from time to time shall be the standard units of weight or measure.

The Central Government shall, in relation to any weight or measure, prescribe the physical characteristics, configuration, constructional details, materials, equipment, performance, tolerances, method or procedures of tests in accordance with the recommendations made by the International Organisation of Legal Metrology.

No weight, measure or numeral, other than the standard weight, measure or numeral, shall be used as a standard weight, measure or numeral.

No weight, measure or numeral, other than the standard weight, measure or numeral, shall be manufactured.

No weight, measure or other goods shall bear any inscription or indication or weight, measure or numeral except in accordance with the standard unit of such weight, measure or numeration established under The Standards of Weights and Measures Act, 1976.

24.5 VERIFICATION AND STAMPING OF WEIGHTS OR MEASURES

- * Every person having any weight or measure in his possession, custody or control in circumstances indicating that such weight or measure is being, or is intended or likely to be, used by him in any transaction or for industrial production or for protection, shall, before putting such weight or measure into such use, have such weight or measure verified by the Controller of Legal Metrology Department or any person authorized by him on payment of prescribed fee.

- * Every weight or measure shall be re-verified at periodical intervals as prescribed in the certificate.
- * The Inspector of Legal Metrology shall verify every weight or measure which is brought to him and on satisfying that the said weight or measure conforms to the standards established under the Act, put his stamp thereon.
- * After verification of weights or measures, the Inspector of Legal Metrology shall issue a certificate in prescribed form indicating the particulars of the weights or measures verified and stamped by him.
- * Every certificate of verification issued by the Inspector of Legal Metrology shall be displayed in a conspicuous place in the premises where such weights or measures are being used in any transaction or for industrial production or for protection.

24.6 RIGHTS OF CONSUMERS

The consumer pay for a commodity in proportion to its weight or measure. Therefore he can exercise the following rights

- * Right to information regarding the package, weight, measure and seal etc., of articles;
- * Right to purchase only those articles / goods with prescribed standard weights, measures and numeration.
- * Right to inspect any article for the correct package, seal, weight or measure before purchase.
- * Right to know every reference standard, secondary standard and working standard for the purpose of verification of authentication;
- * Right to prosecute any person or company who violates the provisions of the Act as regards the above rights of consumers; and
- * Right to purchase, as regards certain commodities like Baby Food, Biscuits, Bread, Coffee, and Tea, Milk Powder, etc., only in standard packages.

24.7 MAKING A COMPLAINT BY CONSUMER

- * Any consumer can verify the weights, measures, weighing, measuring instruments used by the dealer, trader for selling commodities, goods, etc., when he/she gets a doubt about the delivering of quantities by the dealer or trader.
- * The consumer shall verify the seal stamp affixed by the Legal Metrology Department on the weight, measure, weighing, measuring instrument, certificate issued by the Department and ensure that the weight, measure is covered by validity period of certification. He/she should also ensure the seal stamp is in tact and not tampered by the dealer or trader.
- * If tampering of the seal stamp is noticed, the consumer should immediately lodge a written complaint before the Inspector of Legal Metrology, in charge of that Division under which the shop, establishment exists or Deputy controller of Legal Metrology available at district headquarters about the tampering of seal stamp, non-registration even after expiry of validity period.
- * The consumer can also lodge a complaint to District Consumer Protection council at district level for taking immediate action.

24.8 KEY CONCEPTS

Weight

Measure

Standard Unit



24.9 SUGGESTED ACTIVITIES

- * Plan a visit to local market and make the students observe the weights and measures
- * Organise a group discussion.



UNIT 25

ADVERTISING

STRUCTURE

- 25.0 LEARNING OBJECTIVES
- 25.1 INTRODUCTION
- 25.2 DEFINITION AND MEANING
- 25.3 DECEPTIVE AND MISLEADING ADVERTISEMENTS
 - 25.3.1 Common deceptive and misleading practices
- 25.4 LEGAL PROTECTION FOR CONSUMERS
- 25.5 ILLEGAL PRACTICES
- 25.6 ADVERTISING STANDARDS COUNCIL OF INDIA
- 25.7 KEY CONCEPTS
- 25.8 SUGGESTED ACTIVITIES

25.0 LEARNING OBJECTIVES

The study of the unit will enable the students to

- * understand the concept of advertising and its functions
- * identify the misleading advertisements
- * understand legal measures available for consumer protection
- * identify the role of consumers in safeguarding their interests

25.1 INTRODUCTION

The advertisement is ultimate tool to marketers which can change the attitude of consumer and consumption pattern. The main aim of advertising is to increase the sales of the product of company. It is to attract the consumers. By advertising a particular commodity the producer can introduce the product and can create confidence in the minds of consumers. Today, advertising prevails in all walks of human life. It is the most attractive, glamorous and visual marketing communication.



25.2 DEFINITION AND MEANING

The word advertising originates from a latin word 'advertise', which means to 'turn to'. The dictionary meaning of the term is 'to give public notice "or to announce publicly"'.

Advertising is used by the manufacturer or marketer to

- * inform about the product
- * motivate the consumer
- * suggest better solutions to the problems
- * create need for the product
- * play with the psychology of the consumer
- * increase the sales
- * create curiosity

Advertising involves the use of media like magazines, newspapers, short movies, outdoor posters, signs, direct mail, gifts, calendars, television, gift articles, circulars, store signs and so on.

25.3 DECEPTIVE AND MISLEADING ADVERTISEMENTS

Advertising containing false statement amounts to deception. Conceptually, deception exists when an advertisement is introduced into the perceptual process of some audience and the output of that perceptual process

- * differ from the reality of the situation
- * affects buying behaviour of the consumer

Advertisements become misleading when things are intentionally omitted, or may otherwise affect the behaviour of the buyer or when false claims are made.



25.3.1 Common Deceptive and misleading practices : Following are some of the common deceptive and misleading practices in advertisement.

- * False and misleading presentation of facts
- * Implying a benefit that does not exist
- * Deliberately omitting a needed information
- * Creating cultural degeneration
- * Open criticism of competitors
- * Creating fear in the minds of consumer
- * Advertisements for harmful products and services
- * Creating ambiguities in the minds of consumers
- * Spreading rumours

25.4 LEGAL PROTECTION FOR CONSUMERS

Following are the Acts which are in force to protect the consumers

- * Monopolies and Restrictive Trade Practices Act 1963
- * Trade and Merchandise Marks Act 1958
- * Prevention of Food Adulteration Rules. 1955.
- * Standards of Weights and Measures Rules.
- * Drug and Magic Remedies Act.
- * Advertising Standard Council of India .

25.5 ILLEGAL PRACTICES

Making any of the following statements orally or in writing or by visual representation is considered illegal :

- a) False representation that the goods or services are of a particular standard, quality, grade, style or model:
- b) Representing any re-built, second-hand, reconditioned or old goods as new goods.
- c) Representing that the seller or a supplier has a sponsorship or approval or affiliation which they do not have.

- d) Giving the public any warranty or guarantee of the performance, efficacy or length of life of a product or of any goods that is not based on an adequate or proper test thereof.
- e) Misleading the public concerning the price at which a product is ordinarily sold.
- f) Publishing any advertisements about the sale or supply of goods at a bargain price that are not intended to be offered for sale.
- g) The trader should not use any trade mark which is likely to be deceptive or which is scandalous or obscene or which may hurt religious susceptibilities of the people in India
- h) Miracle treatments
- i) Cure of diseases which in true sense not possible

25.6 ADVERTISING STANDARDS COUNCIL OF INDIA (ASCI)

The Advertising Standards Council of India is an organisation set up by advertisers, advertising agencies, newspapers and others involved with advertising. The council has formulated a code for self-regulation. The code is based on four fundamental principles:

- a) That advertisements should be truthful and honest and should not mislead
- b) They should not be offensive to generally accepted standards of public decency
- c) They should observe fairness in competition so that the consumer's need to be informed on choices in the marketplace is ensured and the cannons of generally accepted competitive behaviour in business is observed.



- d) Advertisements should not be used indiscriminately for the promotion of products which are regarded as hazardous to society or to individuals.

If only every advertiser follows the code drawn up by ASCI, there would not be any need for any other agency to oversee the advertisements. ASCI also has a very active complaints cell to which citizens can write and complain about advertisements. If the complaint cell upholds the complaint on the grounds that they violate ASCI's code, ASCI asks the advertiser to withdraw the offending advertisement or modify it.

However, any delay in this process could defeat the very purpose of such action. An advertisement, it is said, can generate an awareness level of 90 per cent for a product within three months. So, any action against an offending advertisement should be quick- say within a week or a fortnight of its release. Or else, the advertiser should be asked to issue corrective advertisements. In fact, the MRTP Act provides for such corrective advertisements.

The Consumer Protection Act too gives the consumer court the power to direct an advertiser to issue corrective advertisements. The new provisions to issue interim orders also help in dealing with false and misleading advertisement.

25.7 KEY CONCEPTS

Deceptive advertisements
Misleading advertisements
Buying behaviour
Visual communication



25.8 SUGGESTED ACTIVITIES

- * Collect some advertisements discuss with the students about their truthfulness.
- * Ask the students to collect genuine and misleading advertisements and present in the class.



UNIT 26

CITIZENS CHARTER

STRUCTURE

26.0 LEARNING OBJECTIVES

26.1 INTRODUCTION

26.2 OBJECTIVES

26.3 SERVICES OF THE GOVERNMENT DEPARTMENTS

26.4 OPENNESS, TRANSPARENCY AND AVAILABILITY

26.5 ACCOUNTABILITY

26.6 BENEFITS TO THE CITIZEN / CONSUMER

26.7 KEY CONCEPTS

26.8 SUGGESTED ACTIVITIES

26.0 LEARNING OBJECTIVES

The study of the unit will enable the **students to understand**

- * the importance of citizen charter
- * need of citizens charter as a source of information
- * role and responsibility of citizen consumer

26.1 INTRODUCTION

All public services are paid for by individual responsive to their needs to be provided efficiently and at a reasonable cost. The citizens when paid for such services have every right to get information. It is the duty of the Government Departments to provide essential information to citizens. It is duty of every department to publish a document known as citizens charter. People have a right to be informed and choose for themselves. It is to gain the confidence of citizens and to enhance the image of public servants.

The consumer citizen needs an organized attempt to build public opinion to bring the citizen together on issues of their concern and to make those in authority appreciate the needs of the citizens. To make the Government and the Governmental Machinery to work for the people, the Citizens Charter is essential.



The Citizens' charter, in short is a set of viewpoints of the users of public services. It is not meant to be a formula which imposes a dry and uniform pattern of response of all public services. It is meant to be a tool kit of initiatives and ideas to raise standards of performance in the way most appropriate to each service. It is intended to give more power to the citizens. It is not a plea for more State action.

26.2 OBJECT

The main objective of Citizens Charter is to evolve and lay down a code of conduct for the public utilities, various service providers and other governmental organizations that have an interface with the public. It is to find ways of bringing about a change in the way the governmental machinery functions at all levels. Citizens Charter is not theoretical in its approach. It is practical in terms of involving and motivating those and constitute Governmental Machinery themselves and the citizens to work out and adopt a more responsive organizational set up with increased public accountability and transparency, besides courteous and efficient service, response to the citizen's need. The main elements are:

Quality : A sustained new programme for improving the quality of public services

Choice : Wherever possible between competing providers is the best spur to quality improvement.

Standards : The citizen must be told what service standards are and be able to act where service is unacceptable.

Value : The citizen as a taxpayer has a right to expect that public services must give value for money within a tax bill, the nation can afford.

Accountability : By holding both individuals and organizations responsible for performance in keeping with the specified standards and also ensuring that lapses if any, are dealt with firmly and in an exemplary manner.

Transparency : Not only should make service providers available relevant information to the public but also provide easy access to such information, especially in regard to rules and procedures and redressal of grievances.

26.3 SERVICES OF THE GOVERNMENT DEPARTMENTS

All Government Organizations at different levels, whether it be the Central Government, the State Government, District Administration, Local Municipal Bodies or the Panchayats who deal with the public, as also the various public utilities and other organizations which provide different kinds of services to the public would be required to work out and:

- * set standards for their various services, indicating the reasonable minimum and maximum response time, or frequency of providing services, as the case may be, as far as possible in consultation with the users of the services to suit their convenience.
- * such standards should be prominently displayed and published and be readily available to the public on demand, in easily understandable local languages.
- * standards as displayed should be scrupulously adhered to and the official concerned should be held responsible and answerable for ensuring such standards.
- * if services are not satisfactory or the standards are not adhered to, without valid explanation or justification, there should be a duly notified grievance redressal procedure indicating clearly response time for replies to complaints with easy access to the officials concerned.
- * there should be transparency and easy access to information when required with well defined and notified display regarding who should be approached and for what information.
- * as far as possible there should be a single window disposal instead of the citizen being pushed around.



26.4 OPENNESS, TRANSPARENCY AND AVAILABILITY

Regarding the availability and access to information, it is presumed that there should be no secrecy about how public services are run. On the other hand the public should know:

- * What rules and procedures they follow in making available such services through easily understandable and easily available pamphlets. These should also be displayed prominently.
- * Wherever charges are levied these should be made known clearly and unambiguously.
- * Names, designation, telephone numbers etc. of those who are in charge with indication as to when they could be approached by the public should be clearly indicated.
- * Information on the extent to which targets as set are being achieved should be displayed.
- * Public servants should not be anonymous. Save only where there is a real threat to their safety, all those who deal directly with the public should wear name badges and give their names on the telephone while answering calls and in letters wherever replies are sent.
- * Full and accurate information should readily be available in plain language both in the form of pamphlets and display about what services are being provided and at what locations in the premises.
- * Target time for providing such services together with full audited information about results achieved in the past and attempts to improve performance should be indicated.

26.5 ACCOUNTABILITY

The citizens should, therefore, have a right to expect that not only their complaints will be acted upon and responsibility fixed for lapses, but also should have the right to be informed of the action taken on their complaints. Only then, there can be accountability and transparency in the Governmental Machinery.

Accountability in its broader sense also means holding both individuals and organizations responsible for performance, measured as objectively as possible. It applies equally to all levels of Government viz., the Centre, the State, the District, the Local Bodies, the Panchayats and the other agencies that deliver public services to the citizens.

26.6 BENEFITS TO THE CITIZEN / CONSUMER

If the Citizens Charter becomes a reality then:

- * the first benefit that the common citizen would get is the confidence that he would be heard.
- * the common citizen would know that he can expect and demand, courteous and efficient service with prescribed minimum standards, as a matter of right.
- * if things go wrong, the citizen would know what to do and whom to approach for redressal of his grievances and above all he will know that he will no longer be pushed from pillar to post and full frustrated in getting his grievances redressed.
- * more importantly the citizen will then be able to shed his apathy as also his passivity and fear and be able to raise his voice against mal-administration and inefficiency, as also various corrupt practices and thus become a force to be reckoned with.

26.7 KEY CONCEPTS

Citizens charter

Openness

Transparency

Accountability



26.8 SUGGESTED ACTIVITIES

- * Collect citizens charter from any one department and discuss with the student
- * Ask the students to form into groups and to select any one department and list down the services the consumer expects.



UNIT 27

CONSUMER ORGANISATIONS

STRUCTURE

- 27.0 LEARNING OBJECTIVES
- 27.1 INTRODUCTION
- 27.2 FUNCTIONS OF A CONSUMER ORGANISATION
 - 27.2.1 Education
 - 27.2.2 Research
 - 27.2.3 Grievances and complaints
 - 27.2.4 Vigilance
 - 27.2.5 Counselling
 - 27.2.6 Publication and Media
 - 27.2.7 Library
 - 27.2.8 Public Meeting
- 27.3 ORGANISATION SET UP
 - 27.3.1 Objectives
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 - 27.3.3 Office-bearers
 - 27.3.4 Volunteers
- 27.4 ORGANISATIONAL REQUIREMENTS
- 27.5 SUSTAINABILITY
 - 27.5.1 Tactics
 - 27.5.2 Strategies
- 27.6 KEY CONCEPTS
- 27.7 SUGGESTED ACTIVITIES

27.0 LEARNING OBJECTIVES

After studying this unit, the student should

- * understand the importance of consumer organisation to lead the consumer movement.
- * be able to formulate the objectives of a consumer organisation, develop skills to start a consumer organisation
- * be able to make suggestions for sustainability of the organisation

27.1 INTRODUCTION

Consumer Protection must be a collective effort of the citizens and the Government. The success of this movement depends solely on its ability to build a strong resistance against all kinds of exploitation. This is possible only if the consumers offer collective resistance. It may be extremely difficult for a single consumer to fight for his rights. The consumer organisation is the ideal set up to come together to provide collective resistance against all kinds of exploitation.

It is an organisation formed voluntarily by the consumers to protect their rights and interests. Mere legislations cannot assure consumer protection. In addition to legislation, consumers should establish their organisations to fight against unfair trade practices.

These organisations are set up to carry out specific functions. The common functions of a consumer organisation are explained below



27.2 FUNCTIONS OF A CONSUMER ORGANISATION

The main concern of a consumer organisation is to protect the rights of the consumers and to promote social justice and fairness in the market place. Consumers in each area have their own specific problems. It is important for the organisation to find out the local problems of the consumers and try to solve them through counseling, education and information services. Since every citizen of the country is a consumer and protection of consumers' rights and interests is the goal of a consumer organisation, the consumer organisation has to play a major role. Therefore, the various functions that a consumer organisation has to carry out are:

- * to provide education and information to local consumers
- * to conduct research on consumer problems and find out solutions
- * to work with consumers and help them to solve their problems
- * to provide counseling and guidance in case of grievances
- * to organise programmes of public interest

A consumer organisation, to be more functional and successful, should carry out the activities related to the following areas.

27.2.1 Education : Every consumer has the right to consumer education. It is the right education that would enable consumers to act as informed consumers. One of the problems of the Indian consumers is their ignorance. Most of the consumers are apathetic because they are not aware of their rights. Therefore, they do not have the strength to resist whenever they are cheated or exploited and they suffer silently. It is for this reason that education should be given to each and every consumer. The main objectives of consumer education are to

- * develop skills
- * impart knowledge, and
- * develop understanding

Consumer education should focus on specific issues like health, sanitation, nutrition, food and product safety, pharmaceuticals, basic needs, environmental problems,



market malpractices, finance, workers' rights, unethical advertisement practices, culture and life styles etc. Consumer education should be provided to all sections of people including school and college students, teachers, women youth groups, and religious organisations. This can be imparted through seminars, workshops, exhibitions and drama through film shows and campaigns. The organisation can also organise exhibition of books and magazines, charts, posters etc. of consumer interest, quality and certification marks for consumer goods. Through consumer education, the organisation can prepare a new generation of conscious concerned and committed citizens.

27.2.2 Research : Many of the consumer problems can be solved by conducting research studies and surveys. The organisation, in the first instance, should carry out research to find out what kind of consumer education the society needs, to what level and to what extent. Research also need to be carried out in the market place on malpractices and foodstuffs. The results of these tests can also be published in the local news papers and make the people aware of their problems.

27.2.3 Grievances and Complaints : The consumers generally have a lot of complaints on consumer issues like poor quality products and services, food adulteration, unhygienic conditions, lack of water and electric supply etc. The complaints may be received through mail, telephone or in person. Such consumers need proper counseling and guidance so that their grievances are redressed. Consumer organisations can file cases in the interest of consumers.

27.2.4 Vigilance: In India, many services like postal services, telephone, electricity, water supply and the public distribution system are managed by governmental agencies. Unfortunately, no concerted attempts appears to have been made so far in an adequate measure to make the government functionaries consumer friendly. Due to various reasons, such services tend to become impersonal in their approach. Therefore, most of the consumer complaints are pertaining to the public utility services. Some of the volunteers of an organisation, specially the younger group, can form a vigilance group to observe the rendering of these services. The members of the vigilance group can take the responsibility for delivery of the goods to the consumers.

27.2.5 Counselling : A few members of an organisation who are well conversant with the legal provisions under the various Acts can provide assistance and legal advice to consumers who are in need of such advice. In addition, they can oversee the implementation of the laws that have been imposed by the local government. They can also handle public interest cases and represent the community in need of such legal assistance and representation.

27.2.6 Publication and Media :It is said that ‘the pen is mightier than the sword’. No organisation is complete without a publication division. A regular newsletter or a magazine brought out periodically can become the medium of communication between the consumer activists and the consumer public. Through its columns, consumer activists can convey their ideas and information to the consumers. The consumers can also contribute their share by informing the organisation activists of their plight and the problems they encounter in their area.

A ‘consumer newsletter’ is an integral part of the consumer movement. Through the newsletter, the concerned organisation can give information to the consumers of the latest developments, notices of public meetings, landmark judgments in consumer cases etc.

The members of the concerned organisation who have a flair for writing and editing should take charge of this wing. The newsletter can be sold at a nominal price so that the collection can meet the printing and publishing costs.

Besides publishing newsletters, the organisation can also produce audio-visual materials like posters, charts, video films, cassettes and slides which can serve as a good media for dissemination of information.

27.2.7 Library : An organisation can also become a good information centre if it maintains a library. A wide range of books, journals, research reports and pamphlets along with press clippings can meet the reference needs of the consumer. The library premises can also be used occasionally as a meeting point for the members of the organisation. Many activities of the organisation may go unnoticed if they do not have a place to exhibit their notes on consumer issues. A library is an ideal place for the display of charts, posters etc. Notices for the members can also be put up on the notice board in the library for their information.

27.2.8 Public Meetings : Another important function of a consumer organisation is to organise public meetings. Participation in a discussion by many persons can be an effective tool for advocating consumerism. The impact of such meetings would make the organisation work on democratic principles. When consumers meet and discuss issues concerning their interests, the entire process becomes a democratic process. Most of the consumer problems arise out of fear and apathy on the part of the consumer. However, when a consumer picks up courage and takes the initiative to speak first, the rest follow him. Thus, it becomes a chain reaction and the consumer movement is augmented through such open discussions. Irrate and annoyed consumers can be pacified through discussions in public meetings. The supplier of goods and services or the opposite party members may also be invited to attend public meeting and provide a chance to meet the consumers face to face.

27.3 ORGANISATIONAL SET-UP

To set up a consumer organisation the first step is to decide its objectives. The objectives of the organisation can be formed taking local needs into consideration. General objectives of the Consumer Organisation are listed below. Depending on the aim, the organisation can formulate its own objectives.



27.3.1 Objectives

- * To create awareness among consumers on their rights, responsibilities and strengths
- * To take up consumer grievances, guidance, education and research
- * To take steps to ensure correct weights and measures, standards of quality and safety to consumer.
- * To collect and disseminate knowledge and information to consumers
- * To initiate public discussion on the subjects of public interest and make the authorities realise about public thinking.
- * To provide public forum for individuals who are otherwise unorganised.
- * To promote consumer protection activities
- * To develop consumer resistance through action programs.
- * To pursue affirmative actions for consumer action through litigation, public education of Members of Parliament and State Legislative Assembly, advocacy before administration.
- * To help people to seek redressal by giving representations to the Government. semi-Government and public authorities on matters related to rights.
- * To appraise, undertake, aid and promote testing and evaluation of consumer products and services.
- * To encourage, promote and foster strong independent consumer movement.

- * To organise consumer forums to report and give opinion and assist the society in the evaluation of quality, performance and safety of consumer products and services.
- * To provide a forum in which national and regional bodies working for the consumer may discuss their problems and work out possible solutions.
- * To undertake, conduct, sponsor or support consumer research.
- * To print, publish and circulate newsletters, journals, bulletins and booklets.
- * To establish and maintain libraries and laboratories.
- * To make efforts to introduce consumer education in schools, colleges and universities. -

27.3.2 Registration : Once the organisation's objectives and emblem are decided, it is necessary that it is registered so that it becomes a legal entity. An organisation can work more effectively if it is registered.

Registration of the organisation has a number of advantages:

- * citizens have more confidence in a registered organisation because their accounts are audited.
- * legally a registered organisation is recognized as it is subject to some discipline
- * registered organisations derive a right under the law to represent their cases in the consumer fora.
- * only the registered organisations can utilise the financial assistance given by Government and other voluntary bodies.

A consumer organisation can get itself registered either under the trust act or under the Societies Registration Act, 1860. The Societies Registration Act, 1860 provides for registering societies formed for promotion of literature, science or the fine arts or for charitable purposes. As a consumer organisation is an association of consumers formed with the object of furthering the cause of consumers and to protect their interests, it can be registered as a society under The Societies Registration Act. The Memorandum of Association contains the name and objects of the society along with the names, addresses and occupation of the governing body. A copy of the rules and regulations of the society shall also be filed along with the Memorandum of Association. Upon payment of the prescribed fee the Registrar issues a certificate registering the society under the Act. All provisions of the Societies Registration Act will apply to the society registered under the Act. The Act was enacted to improve the legal conditions of such societies.

27.3.3 Office-Bearers : The consumer organisations have many office-bearers like President, Vice-President, Secretary, Joint-Secretary, Treasurer and Chairman. There is no uniformity in the structure of the organisation.

27.3.4 Volunteers : The organisation also requires a few volunteers to perform various tasks. Any organisation formed with good intentions would attract people to join the organisation. Some members of the organisation might offer their services and act as volunteers.

27.4 ORGANISATIONAL REQUIREMENTS

An organisation to perform its functions requires certain basic **resources like premises**, funds, furniture, basic office equipments and man power.

In the first place the **organisation** require

- * Funds
- * Premises
- * Office furniture like chairs, writing table, telephone, computer and so on.
- * Man power, Office-bearers, volunteers and so on.

27.5 SUSTAINABILITY

To make a consumer organisation viable and effective it is essential for its members to be active and vigilant. The basic requirements and funds should also be assured. The consumer activist who has taken the pains and initiative to establish an organisation should ensure that the organisation survives and grows and does not close down within a short period. For this purpose, certain Tactics and Strategies have to be evolved.

27.5.1 Tactics

- * It should be a non-political organisation
- * The members themselves should be examples by practicing what they preach
- * It should be willing to admit a mistake, if proved :
- * The organisation should assure that it has nothing against any individual
- * Under any circumstance, violence should never be resorted to. Neither should they bear excessive tolerance, criticism, delay and overcome any inability to communicate directly.
- * The activist should be time-conscious, shrewd and patient but avoid all publicity
- * It is important for the activists to be prepared to meet the consequences
- * Activists should take care that the goals and objectives of the organisation are realistic

27.5.2 Strategies

- * It is important to emphasize on consumer education
- * It is necessary to create an image of a fair, principled and credible movement in the minds of consumers It should create a strong public opinion against all forms of injustice
- * It should always seek the help of some officials of the Government Department while finding a solution
- * It should always plan and follow a step-by-step action to avoid mistakes
- * It should realise that a complete reformation is not always possible
- * It should always keep a record of all day-to-day activities and a copy of every request or complaint
- * It should always ensure the genuineness of the complaint and should give a reasonable time limit for action to be taken up.

Consumer Movement is a movement involving a large number of people and the success of the movement depends on to what extent all of them are aware of their rights and responsibilities. They should try to link up with the national body of Consumer organisation called The Confederation of Indian Consumers Organisations” (CICO), Kolkatta. In addition, it is also necessary for a local consumer organisation to become aware of the existence of an ‘International Organisation of Consumer Union’ (IOCU) in London, now being called ‘Consumers International’ (CI).

Sharing of experiences and information through organisations will go a long way to strengthen the consumer movement in India.

27.6 KEY CONCEPTS

Grievances
Counselling
Sustainability
Vigilance
Objectives
Volunteers
Executive Members
Strategies
Tactics



27.7 SUGGESTED ACTIVITIES

- * take the students for a visit to local consumer organisation.
- * make the students form a consumer organisation.
- * ask them to work on objectives of a consumer organisation.



UNIT 28

INTERNET BUSINESS

STRUCTURE

- 28.0 LEARNING OBJECTIVES
- 28.1 INTRODUCTION
- 28.2 E-BUSINESS AND E-COMMERCE
- 28.3 ADVANTAGES OF E-MARKETING
 - 28.3.1 To consumers
 - 28.3.2 To businessmen
- 28.4 LIMITATIONS OF E-MARKETING
- 28.5 KEY CONCEPTS
- 28.6 SUGGESTED ACTIVITIES

28.0 LEARNING OBJECTIVES

The unit aims at introducing the concept of E-Business and E-Commerce. The study of the unit will enable the student to understand the concept of E-Marketing and E-business the advantages and disadvantages of E-business to consumer

28.1 INTRODUCTION

The Internet was originally designed for the exchange of data between decentralized computers and has eventually evolved into the World Wide Web (www). The ease of publishing on the web has facilitated the adoption of this technology by consumers and producers of goods alike. With the help of search engines like Yahoo, Google, and AOL consumers can obtain product information and often make purchases with much less effort. Similarly, as the cost of web publishing is less compared to other ways, producers can offer more product information through internet.

Internet has opened up possibilities and opportunities with regard to industry, commerce and trade. Companies have begun to realise the potential of internet to increase the productivity of employees. In order to remain competitive, a business must have sufficient information. Internet is useful in this period of globalisation connecting customers, sellers, employees and suppliers.



28.2 E-BUSINESS AND E-COMMERCE

The business done through Internet is called e-business. During the last few years, it has received tremendous momentum to the extent that it has now become necessary for any business to use this medium not only for faster growth and profitability but to remain in competition.

The term 'e-commerce' is generally associated with buying, selling and related transactions of the business like invoicing, payment authorisation and confirmation and other monetary transactions.

The term 'e-business' covers the total activities along the business chain like business development, marketing, purchase of raw material and components, production, total project management, system integration, sales transaction, involving services, insurance and so on.

28.3 ADVANTAGES OF E-MARKETING

28.3.1 to Consumers

- (i) Economy in transactions
- (ii) No boundaries in carrying out the trade
- (iii) Speed of response
- (iv) Can create competition by bringing in a large number of suppliers,
- (v) Consumer can find products from all over the world. So the number of offers is far greater than in local shopping centre.
- (vi) Can get best price
- (vii) Easy spot purchase for emergency situations



- (viii) Single point facility for buying, financing, leasing, tax consultations and other services

28.3.2 to businessmen

- (i) Increased market depth
- (ii) Reduced cost of marketing and market promotions
- (iii) Fast response
- (iv) Transparent process
- (v) Compared with a retail outlet, the cost of setting up an E-commerce web site is very low.

28.4 LIMITATIONS OF E-MARKETING

- (i) The consumers may not have trust and confidence
- (ii) Consumers are not assured security
- (in) No laws to safeguard the consumer rights

No doubt. E-commerce has changed the business all over the world. A trader can reach many customers. The success of a company is measured by how effectively it interacts with its customers. But, in the Indian context a lot more is to be done for the welfare of consumers. ‘

28.5 KEY CONCEPTS

Internet
World Wide Web
E-Commerce
E-Business
Internet marketing



28.6 SUGGESTED ACTICITIES

- * Arrange a demonstration to students on “searching through internet market”
- * Discuss the advantages and disadvantages of internet marketing.



**For any further details regarding Citizen Consumer
Club,**

Please Contact us

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- 2. Joint Commissioner - 91 - 44 - 2858 3139**
- 3. Deputy Commissioner - 91 - 44 - 2851 0670**
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MISSION OF CITIZEN CONSUMER CLUB

1. To enable students understand fundamental rights of a Citizen
2. To enable students realise and learn the fundamental duties of a good citizen
3. To inject knowledge and skills relating to consumer rights among youth
4. To impart knowledge on Product standards, product quality and about markets.
5. To learn about laws enacted for protection / welfare of consumers and enforcement authorities concerned
6. To develop a sense of awareness among youth on methods of exploitation of consumers by business concerns and measures to protect them.
7. To learn about sustainable consumption norms and implement them in real life
8. To assist the youth in making informed purchase decision as individual
9. To build a base of enlightened citizen customers as the foundation of future India.