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GIST OF YOJANA

DECEMBER 2017

Consumer Awareness



Shankar IAS Academy™

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1. GST: IMPACT ON THE CONSUMERS

What are the impacts of GST on consumers?

- Footwear costing more than Rs. 500 attracted a GST rate of 18 percent from an earlier rate of 14.41 percent rate but rates for the footwear below Rs. 500 was reduced to 5 percent. So, one needed to shell out more for buying a footwear above Rs. 500.
- With respect to the readymade garments it has been reduced to 12 percent from an existing 18.16 percent which would make them cheaper. This is a major relief for the trendy youth or a fashionable youth.
- Taking taxi rides like Ola and Uber have become cheaper because it has been reduced from existing 6 percent to 5 percent slab.
- The effective tax rate for the railways has increased from 4.5 percent to 5 percent in GST. But the Input tax credit can be availed for business trips and it will reduce the expenses.
- Under the GST, tax rate for economy class for flight tickets is set at 5 percent and for business class at 12 percent. But the business class trips can avail the Input tax credit so it becomes cheaper to travel and in turn it promotes airways.
- Movie tickets costing below Rs.100 will be charged a GST rate of 18 percent but prices above Rs.100 are charged with 28 percent. So movie goers particularly in the western and northern part of India are worst affected as the ticket prices ranges from Rs.175 to Rs.300.
- The premium amounts on insurance policies are to rise and an immediate impact can be seen on one's term and endowment policy premia as the rates have been increased under GST across Life, Health and General insurance.
- GST impact on your returns from mutual funds investments will largely be marginal as the GST will be charged on the Total Expense Ratio of the mutual fund.
- Investment in Gold has become slightly expensive because there is a 3 percent GST on gold and 5 percent on making charges and the earlier tax rate was 2 percent.
- Under construction properties will be cheaper than ready to move in properties. The GST rate for an under construction property is 18 percent but the effective rate on this kind of property which will be around 12 percent due to the input tax credit of the builder will avail of, financial experts claim.
- The impact on education and health sectors for the consumers is nil as both



these were kept out of the ambit of the GST implementation.

- The staying in low budget hotels will be cheaper as there is no GST for the rent below 1000 rupees but the 3 star and 5 star hotel stays are to become costlier as the GST slab is 28 percent.
- The buying of cars will be cheaper as the GST rate is 28 percent irrespective of the make, dimensions and engine capacity.
- People have to pay more amount to their phone calls as they have to pay the tax rate at 18 percent when compared to the earlier tax rate of 15 percent.
- Eating out with families in weekends will be less costlier than compared before as the rates are reduced to 5 percent.
- Popular sports events like IPL now attract a GST of 28 percent when compared to earlier 20 percent and because of this rise the ticketing costs will rise and it affects the sports fans.
- The GST rate for events like art festival, theatre festival and folklore festivals now attract 18 percent which is less when compared to earlier 20 percent which promotes these kind of events indirectly.
- DTH connections or money paid to cable operators should reduce a bit as the tax rate is 18 percent when compared to earlier varying rates from 10 -30 percent in addition to 15 percent service tax.
- The tickets to the amusement parks will now rise as the rate of tax has been hiked

from earlier 15 percent to 28 percent under the GST structure.

- The daily consumable items like milk, vegetables, cereals, fruits are exempted from the GST and it will have a very great impact on the consumer end.

2. CONSUMER PROTECTION: SINE QUA NON FOR GOOD GOVERNANCE

What are the six basic rights of consumers?

- **Right to safety** : Consumers are authorised to protect themselves against the marketing of services and goods which are hazardous for life and property.
- **Right to information** : Consumers have every right to be informed about the quality, quantity, potency, purity, standard and price of service or goods with a view to protect the consumers against the unfair trade practices.
- **Right to choose** : Consumers are authorised to get access to variety of services and goods at competitive services.
- **Right to be heard** : This right is the crux of the Consumer protection Act, because under this right, consumers are assured that if something goes wrong with the consumers, the interest will receive due care in the appropriate consumer forum.
- **Right to redressal** : If a consumer has suffered a loss or injury due to unfair trade practices or restrictive trade practice and allegations made in the complaint have been proved, the appropriate forum where



complaint has been made, will identify and compensate the consumer.

- **Right to education** : This right informs the consumer about the practice prevalent in the market and what remedies can be availed of against them.

What are the new provisions in new Consumer protection Bill?

- Consumer Dispute Redressal Commissions will be set up at the district, state and national levels for adjudicating consumer complaints.
- The Bill establishes a Consumer Protection Authority to investigate into consumer complaints, issue safety notices for goods and services, and pass orders for recall of goods and against misleading advertisements.
- If a consumer suffers an injury from a defect in a good, he may file a claim of product liability against the manufacturer. The consumer must establish seven conditions in order to prove such a claim.
- The Bill classifies six contract terms as 'unfair'. These cover terms such as (i) payment of excessive security deposits; (ii) disproportionate penalty for a breach ; (iii) unilateral termination without cause; (iv) one which puts the consumer at a disadvantage.
- The central government will set up the Central Consumer Protection Authority (CCPA) to promote, protect and enforce the rights of consumers.

What are the government interventions in consumer protection?

- To provide an alternate channel to resolve their complaints GOI has set up a National Consumer Helpline (NCH) with a toll free number 1800 11 4000 which provides information, guidance and empower the consumers.
- As value added services, a mobile application and easy to remember five digit short code 14404 have also been launched for consumers from across the country to access National Consumer Helpline.
- The Department of Consumer Affairs has launched an Integrated Grievance Redress Mechanism (INGRAM) portal for bringing all stakeholders such as consumers, Central and State Government Agencies, private companies, regulators, Ombudsmen and call centers etc. on to a single platform.
- GOI in association with GS1 India has launched a mobile application " Smart Consumer" to enable the consumer to scan the bar code of the product and get all details of the product such as name of the product, details of manufacturer, year and month of manufacture, net content and consumer care details for making complaint in case of any defect.
- The Online Consumer Mediation Centre (OCMC) has been established at the National Law School of India University, Bengaluru under the aegis of Ministry of Consumer Affairs, Government of India.



The Centre aims to provide for a state-of-the-art infrastructure for resolving consumer disputes both through physical as well as online mediation through its platform.

- The Grahak Suvidha Kendra – a one stop center was launched to provide a host of services to consumers under one roof. The services envisaged include information dissemination, consumer awareness, mediation, grievance redress, assistance in filing complaints before the relevant consumer forum and counseling.
- A dedicated portal to register Grievances Against Misleading Advertisements (GAMA) was initiated to serve as a central registry for complaints against misleading advertisements. Any consumer in any part of the country can register on this site and can lodge a complaint against misleading advertisements.
- In association with the Local Circles, a social media platform, the GOI has launched a platform 'Online Consumer Communities' for citizens to discuss and opine about, consumer related issues.
- The Jago Grahak Jago campaign will integrate the internet safety message into everyday tasks that Indian consumers undertake over internet - whether it be doing financial transactions, using emails, doing e-Commerce or simply surfing the internet for information.
- International Conference on Consumer Protection is being organised by the Department of Consumer Affairs,

Government of India with the association of United Nations Conference on Trade and Development (UNCTAD).

- This is the first time an international conference on consumer protection is being organised by India for countries of the region which account for a majority of the global consumers and share common challenges and experiences.

3. CONSUMER PROTECTION IN INDIA: GENESIS AND RECENT DEVELOPMENTS

What is the origin of consumer protectionism?

- Consumer protection owes its origin to the USA. In the early 1960's, when consumers were unhappy with business firms which followed unfair trade practices, Ralph Nader, a young advocate, championed the cause of consumers against traders and business firms.
- John F Kennedy, on March 15, 1962, in a message to the U.S congress proclaimed that consumers has four rights i.e. right to safety, right to be informed, right to choose and the right to be heard.
- In India, the legal provisions for the prevention and control of unfair trade practices and for the promotion and protection of consumer's interest have been in existence for a long time.
- Despite more than a dozen such resolutions consumer and consumer interests were not protected. So the GOI



enacted a separate legislation called Consumer Protection Act in 1986.

What are the rights of an consumer under CPA, 1986?

- Right to be protected against marketing of goods and services which are hazardous to life and property.
- Right to be informed about the quality, quantity, standard and price of goods or services so as to protect the consumer against unfair trade practices.
- Right to be assured, wherever possible, access to variety of goods and services at competitive prices.
- Right to be heard and to be assured that consumers interests will receive due consideration at appropriate forums.
- Right to seek redressal against unfair trade practices.
- Right to consumer education.

What is consumer redressal Forum?

- Under the Consumer Protection Act, every district has at least one consumer redressal forum also called a consumer court.
- Here, consumers can get their grievances heard. Above the district forums are the state commissions. At the top is the National Consumer Disputes Redressal Commission in New Delhi.
- A written complaint to the company is taken as proof that the company has been informed. The complaint must be backed

by copies of bills, prescriptions and other relevant documents, and should set a deadline for the company to respond. Consumers can also complain through a consumer organisation.

- Claims of less than Rs. 5 lakh should be filed with district forum, claims of Rs. 5- Rs. 20 lakh directly with the state commission, and claims of more than Rs. 20 lakh with the National Commission.

How to file a complaint?

- Complaint is to be filed within two years of buying the product or using the service.
- Complaint needs to be in writing. Letters should be sent by registered post, hand-delivered, by email or fax. Don't forget to take an acknowledgment.
- The complaint should mention the name and address of the person who is complaining and against whom the complaint is being filed. Copies of relevant documents must be enclosed.
- The consumer must mention details of the problem and the demand on the company for redressal. This could be replacement of the product, removal of the defect, refund of money, or compensation for expenses incurred and for physical/mental torture. Please ensure that the claims are reasonable.
- You should preserve all bills, receipts and proof of correspondence related to the case. Avoid using voice mail or telephone because such interactions are normally difficult to prove.



- The complaint can be in any Indian language, but it is better to use English.
- There is no compulsion to hire a lawyer. Main cost consists of correspondence and travelling to the consumer forum for the hearing
- Maintain a complete record of the emails and documents sent by you

What are provisions of new Consumer protection Bill?

- The Bill enforces consumer rights, and provides a mechanism for redressal of complaints regarding defect in goods and deficiency in services.
- Consumer Dispute Redressal Commissions will be set up at the district, state and national levels for adjudicating consumer complaints.
- The Bill establishes a Consumer Protection Authority to investigate into consumer complaints, issue safety notices for goods and services, and pass orders for recall of goods and against misleading advertisements.
- If a consumer suffers an injury from a defect in a good, he may file a claim of product liability against the manufacturer. The consumer must establish seven conditions in order to prove such a claim.
- The Bill classifies six contract terms as 'unfair'. These cover terms such as (i) payment of excessive security deposits; (ii) disproportionate penalty for a breach ; (iii) unilateral termination without cause; (iv)

one which puts the consumer at a disadvantage.

4. KEEPING PACE WITH TECHNOLOGICAL DYNAMICS

Why Consumer protection is necessary at present?

- Our world is becoming globalised, experiencing speedy transformational change in determining required information, sharing, communicating, socialising, banking etc., all creating choices, opportunities, conveniences and lower prices for consumers.
- Today over 40 percent of the world's population uses internet and with current continued focus on access and inclusion, this is bound to increase.
- In a digital economy, we may not be able to avoid data transmissions. However, it is vital that consumers exert control over personal data flows and privacy preferences.
- Losing all the information like personal records, bank account details, email ids could mean financial loss, identity theft and deep distress on finding private information in public domain.
- Powerful digital technology allows companies to collect, store and share vast quantities of consumer's personal data to support product functionality, but many are truly neither necessary nor required.
- Personal security and safety in the digital world necessarily should also cover



particularly child consumers, who are vulnerable to harm or less able to manage online risks.

- It is difficult to spot hazards and new risk threats in sophisticated new and unfamiliar digital products now available as they may harm the consumers even without their knowledge.
- Consumer products embedded with sensor devices augmenting their functionality and thereby becoming "smart" are growing in the consumer market.
- Internet connectivity and wireless access may spur the demand of these products and it has a great potential threat as the consumers may be unaware of these products and may be trapped by these products and can lose all the personal information.

What can be the way forward to these changes regarding to consumer protection ?

- To increase consumers trust on business, it is necessary to willingly listen, understand consumer under current demands with a consumer centric approach and respond to their expectations.
- Upholding digital consumer protection and treating them fairly, should be the corporate culture and fundamental objective in governance of digital providers.
- Regulatory policy legislation should be such that companies not adhering to it or

practicing adverse methods that harm vulnerable consumers be severely punished.

- In order to take apt and necessary decisions the consumer must be made aware about their personal data usage implications, product usage implications etc.,
- Practical, clear, accurate and credible standard information about products and its functionality should be easily available to consumers, so that it can avoid complexity in decision making to the consumers.
- Digital policy should be such that they are easy to understand and manage, especially with respect to issues and apprehensions of consumers participating in the digital world.
- Digital consumer education entails, not only knowing online rights, but also be competent on relevant participative knowledge skills and behaviours to make effective usage of digital devices for actively communicating in a functional digital society.
- The Government has the obligation to make competitive markets, for delivering a digital world which the consumer can trust.
- Establishing rights to probability, adhering to comprehensive specification standards in privacy and data sharing practices must be entrusted.



- In the digital economy, in addition to the abuse of dominant market positioning, new challenges unique to each sector exists and addressing these are indispensable for consumers benefit and overall economic growth.

5. CONSUMER INCLUSION IN FINANCIAL SERVICES

What are financial services and why should be included in consumer protection?

- Financial services are the economic services provided by the finance industry, which encompasses a broad range of businesses that manage money, like banks, RBI, credit card companies, brokerages, mutual funds etc.,
- With the demonetisation and many other schemes like Pradhan Mantri Jan Dhan Yojana financial inclusion is gaining importance and more people are now availing benefits of financial institutions.
- The consumers are empowered when they know their rights and obligations and are able to defend them and consumer awareness creation about the financial sector products is top priority.
- The financial services sector has many complexities exposing the consumer. He is bombarded with every day through e mails with numerous offers which he or she hardly understands.
- India has a consumer protection law since 1986 and various sectoral legislations which provides security and safety to

consumers but the recent increase in financial services and growth of e commerce makes the GOI to think to include financial inclusion also into the ambit of consumer protection.

What are the guidelines issued by United Nations in this regard ?

- Member states should establish or encourage, as appropriate :
- Financial consumer protection regulatory and enforcement policies
- Oversight bodies with the necessary authority and resources to carry out their mission.
- Appropriate controls and insurance mechanisms to protect consumer assets, including deposits.
- Improved financial education strategies that promote financial literacy.
- Fair treatment and proper disclosure, ensuring that financial institutions are also responsible and accountable for the actions of their authorized agents.
- Financial services providers should have a written policy on conflict of interest to help detect potential conflicts of interest.
- When the possibility of a conflict of interest arises between the provider and a third party, that should be disclosed to the consumer to ensure that potential consumer detriment generated by conflict of interest be avoided.
- Responsible business conduct by financial services providers and authorized agents,



including responsible lending and the sale of products that are suitable to consumer's needs and means.

- Appropriate controls to protect consumers' financial data, including from fraud and abuse.
- A regulatory framework that promotes cost efficiency and transparency for remittances, such that consumers are provided with clear information on the price and delivery of the funds to be transferred, exchange rates, all fees and any other costs associated with the money transfers offered, as well as remedies if transfers fail.
- Member States should adopt measures to reinforce and integrate consumer policies concerning financial inclusion, financial education and the protection of consumers in accessing and using financial services.
- Member States may wish to consider relevant international guidelines and standards on financial services and the revisions thereof, and, where appropriate, adapt those guidelines and standards to their economic, social and environmental circumstances so that they can adhere to them, as well as collaborate with other Member States in their implementation across borders.
- Member States may wish to study the High-level Principles on Financial Consumer Protection of the Organization for Economic Cooperation and Development and the Group of 20, as well as the Principles for Innovative Financial

Inclusion of the Group of 20 and the Good Practices for Financial Consumer Protection of the World Bank.

6. THE OLD GIVES WAY TO THE NEW

What is Consumer Protection Act, 1986?

- CP Act of 1986 is a revolutionary law that brought consumer rights to the centre stage.
- This law for the first time spelt out six basic rights of consumers like right to safe goods and services, right to information, right to choice, right to be heard, right to consumer education and right to redress particularly against trade fair practices.
- The law provides consumer protection councils at central, state and district levels to promote and protect these rights.
- The focal point of the law is the three tier adjudicatory system to redress consumer grievances against defective goods, deficient services and unfair and restrictive trade practices.
- In order to facilitate resolution of complaints before the tribunals without advocates, the law provides a panel of judicial and non judicial members to settle disputes through summary procedure based on the principles of natural justice.
- The redressal agencies are vested with the power to give a number of reliefs including removal of deficiencies or defects in services and goods.



- These tribunals opened the floodgates of consumer litigation in the country. And in the last three decades, no sector has been spared.
- Many landmark judgements are delivered by the apex consumer court have fortified the consumer rights encapsulated in the law and strengthened the fledging consumer movement in the country.

Are consumer courts living up to their mandate?

- Even as consumers have celebrated these victories, there have been serious concerns over the working of these agencies, particularly the painfully slow process of justice.
- The inordinate delays in the appointment of members of the adjudication panel by state governments have often brought the working of these tribunals to a halt.
- Incorporation of unnecessary technicalities in the procedures by those sitting in judgement over the cases and frequent adjournments given by them at the behest of lawyers, have made a mockery of the promised " Simple, Quick and Inexpensive redressal.
- The IIPA report in 2014 said that the effectiveness of this tribunals are only marginal and blamed it on inability of consumer courts to deliver justice quickly and in cost effective manner.

What are the lacunae in the CPA, 1986?

- One of the major drawbacks of 1986 law is that absence of a regulatory mechanism to

enforce the rights given under the law and to prevent the violations.

- In other words, the predominant character of the Consumer Protection Act was to resolve consumer disputes after they had arisen and not to prevent and protect them.
- The resolutions passed by the consumer councils are only in the recommendatory in nature and does not have a say of consumer protection and their rights.
- Even though the law describes six rights of consumers, it bestows a mechanism for the enforcement of just one of the rights specified under the law i.e. right to redress of grievances through a system of consumer justice.
- The painfully slow process of adjudication, combined with miserly computation of compensation by the courts, failed to create any fear of these courts in the minds of those who violated the rights of consumers.
- It was passed before the LPG reforms, but in the free market economy, competition promotes improvement in the quality of goods and services and even brings a reduction in tariffs but at the same time it increased the corruption and dishonest and devious marketing which affects the consumers at large.
- The improvements in the digital age also lead to many unfair practices like online frauds, ATM card skimming etc., so these



changes also necessitated the replacement of CPA, 1986.

7. QUALITY ASSURANCE FOR THE CONSUMER

What is the need for Quality assurance?

- India has a large population which creates a large market to every manufacturing and marketing organisation.
- The developing nature of the country and the multi economic strata population make it have for organisation of all types.
- There is a need for consumers to be proactive to protect themselves and for the government to develop measures to protect the consumers.

What institution was made to assure quality of products?

- Over seventy years ago, Indian standards institution was set up under the Societies Registration Act 1860, as the National Standards Body of India.
- With the economy and industry growing leaps and bounds, the Indian Standards Institution was rechristened as the Bureau of Indian Standards, in 1987 through BIS Act 1986.
- BIS has been providing traceability and tangibility benefits to the national economy in a number of ways - providing safe reliable quality goods; minimizing health hazards to consumers; promoting exports and imports substitute; control over proliferation of varieties etc. through standardization, certification and testing.

- Keeping in view, the interest of consumers as well as the industry, BIS is involved in various activities as given below:

- ✓ Standards Formulation
- ✓ Product Certification Scheme
- ✓ Compulsory Registration Scheme
- ✓ Foreign Manufacturers Certification Scheme
- ✓ Hall Marking Scheme
- ✓ Laboratory Services
- ✓ Laboratory Recognition Scheme
- ✓ Sale of Indian Standards
- ✓ Consumer Affairs Activities
- ✓ Promotional Activities
- ✓ Training Services, National & International level
- ✓ Information Services

What are the product conformity schemes operated under BIS?

Product Certification Scheme

- The Product Certification Scheme of BIS aims at providing Third Party Guarantee of quality, safety and reliability of products to the customer.
- Presence of ISI certification mark, known as Standard Mark, on a product is an assurance of conformity to the specifications.
- The conformity is ensured by regular surveillance of the licensee's performance by surprise inspections and testing of samples, drawn both from the market and factory.



- The manufacturer is permitted to self certify the licenced products after ascertaining its conformity to the Standard.
- Through its surveillance operations, the Bureau maintains a close vigil on the quality of certified goods.
- Although, the scheme itself is voluntary in nature, the Government of India, on considerations of public health and safety, security, infrastructure requirements and mass consumption has enforced mandatory certification on various products through Orders issued from time to time under various Acts.
- While BIS continues to grant licences on application, the enforcement of compulsory certification is done by the notified authorities.

Hallmarking

- Hallmarking is the accurate determination and official recording of the proportionate content of precious metal in precious metal articles.
- The principle objectives of the Hallmarking Scheme are to protect the public against adulteration and to obligate manufacturers to maintain legal standards of fineness.
- In India, at present two precious metals namely gold and silver have been brought under the purview of Hallmarking.
- As per this scheme, licence is granted to the jewellers by BIS under Hallmarking Scheme.
- The BIS certified jewellers can get their jewellery hallmarked from any of the BIS

recognized Assaying and Hallmarking Centres.

- The recognition of an Assaying and Hallmarking Centre is done against IS 15820:2009.

Compulsory Registration Scheme

- Ministry of Electronics & Information Technology (MeitY) has notified "Electronics and Information Technology Goods (Requirement for Compulsory Registration) Order, 2012" on 3 Oct 2012 for fifteen categories of electronics items. Another 15 product categories were added by MeitY under this order on 13 Nov 2014.
- As per the Order, no person shall manufacture or store for sale, import, sell or distribute goods which do not conform to the Indian standard specified in the order.
- Manufacturers of these products are required to apply for registration from Bureau of Indian Standards (BIS) after getting their product tested from BIS recognized labs.
- Bureau of Indian Standards (BIS) then registers the manufacturers under its registration scheme who are permitted to declare that their articles conform to the Indian Standard (s).

8. EDUCATING THE RURAL CONSUMER

Why the rural consumer should be educated?

- Rural consumer's income is on the rise, enabling more of them to buy products and services that improve the quality of their lives.

- The monthly per capita spending among the rural consumers increased 17 percent between FY10 to FY12, higher than 12 percent which is for urban consumers.
- Disposable incomes has gone up and fuelled aspirations thus resulting in a change in buying preferences.
- Spending on non food items rose from 40 percent of the total spend in FY 2005 to more than 50 percent in FY 2012.
- There has also been a shift in the awareness levels of the rural consumer and the increased media penetration has played a vital role in rural India's values and attitudes.
- The rural markets, which were earlier ignored by most of the big international market players, are now being seen having great business opportunity.
- Though, the consumers in India have been provided with various safety measures against their exploitation, still the sellers and producers are hoarding and black marketing and essential goods, resorting to economic corruption and frequently cheating the consumers.
- Rural markets are full of substandard goods and duplicity of branded goods is another major problem in rural areas.
- The expansion service sectors like Insurance, banking, electricity etc., without any checks and balances are utilised to exploit the consumers in rural areas by service providers.
- Due to entry of large number of players in the rural market and also due to stiff competition there are large number of misleading advertisements in the print and electronic media resulting in the exploitation of rural consumer.

What is the way forward to educate the rural consumer?

- The media has a greater role and responsibility towards the vulnerable sections of the society including the rural consumer.
- There are no effective sanctions against the misleading advertisements. The GOI has to setup a regulatory mechanism to penalise the media which portrays misleading advertisements.
- The same media should be used to proto the consumer awareness by the GOI and media advertising policy should be formed to regulate the advertisements in media.

Jago Grahak Jago campaign

- The Government carries out a multi-media “Jago Grahak Jago” campaign on Pan-India basis covering both rural and urban areas through print, electronic and outdoor media.
- Grants-in-aid are also released to States/UTs for creating consumer awareness in the respective States/UTs at local level in their regional languages so as to further ensure that the campaign reaches the rural and backward areas of the country.



- This campaign must be effectively utilised to promote the consumer rights and awareness.

Tackling Adulteration

- In 1986, the GOI had amended the Prevention of Food Adulteration Act and authorised every citizen to become a food inspector and participate in the task of food safety.
- But this information is little known to the consumers and this kind of information must be promoted by voluntary organisations, community radio, Television etc.,
- FSSAI also must take measures to contain the food adulteration as many rural consumers unaware of food adulteration may intake and can lead to health hazards.

Creating awareness through IT and internet :

- 'Pradhan Mantri Gramin Digital Saksharta Abhiyan' (PMGDISHA) was launched to make 6 crore rural households digitally literate.
- The outlay for this project is Rs.2,351.38 crore to usher in digital literacy in rural India by March, 2019. This is in line with the announcement made by Finance Minister in the Union Budget 2016-17.
- PMGDISHA is expected to be one of the largest digital literacy programmes in the world. Under the scheme, 25 lakh candidates will be trained in the FY 2016-17; 275 lakh in the FY 2017-18; and 300 lakh in the FY 2018-19.

- To ensure equitable geographical reach, each of the 250,000 Gram Panchayats would be expected to register an average of 200-300 candidates.

- Digitally literate persons would be able to operate computers/digital access devices (like tablets, smart phones, etc.), send and receive emails, browse internet, access Government Services, search for information, undertaking cashless transactions, etc. and hence use IT to actively participate in the process of nation building.

Panchayati Raj institutions

- To reach the level of rural consumers, it is imperative to involve the Panchayati Raj institutions not only in educating consumers but also ensuring that fake and spurious products are not sold in the rural market.
- These institutions can play a meaningful role in consumer welfare and this has been recognized by the policy makers.