

maamulati Degree College

Hassanpur

Exam notes

session -

Subject - Consumer protection

class - BBA - 6th sem.

UNIT - I

- Concept of Consumer
- Types of Consumers
- Need for consumer Protection
- Method of Consumer Protection - legal and voluntary
- Consumer buying motives
- Doctrine of Caveat emptor and Caveat venditor
- Concept of Consumer Sovereignty.

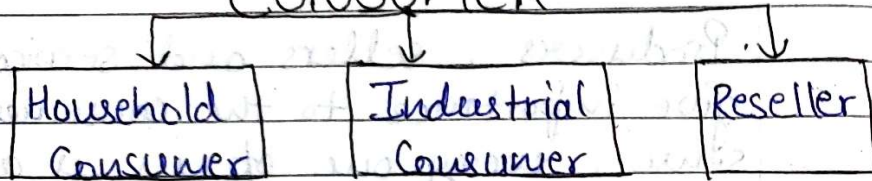
CONCEPT OF CONSUMER

Producers, sellers and service providers give importance to the consumer. In a sense, every one of us is a consumer. It may be individuals, families and institutions. They consume a variety of products and avail a number of services almost everyday. eg:- you buy pen, pencil, notebooks, textbooks and other items for your studies.

In theory all business units consider consumer's satisfaction as their objective. A consumer is said to be the king and the businessmen are supposed to serve and satisfy him. But in reality consumers are cheated, blocked at and exploited in many ways. This exploitation may be accidental and deliberate.

TYPES OF CONSUMER

CONSUMER



1) Household Consumer

The buyers who buy the products and services for the satisfaction of their personal or family needs are called as household consumer. The motive of purchase of for these consumers is non-commercial.

2) Industrial Consumer

These are the buyers who buy the products and services in order to manufacture other products. The quantum of their purchase depends on the demand of the product to be produced. The motive of these buyers is commercial.

3) Resellers

These are the middleman like wholesalers, retailers and agents. They buy the products and services with the motive of reselling at a profit. The motive of these buyers is also commercial.

NEED OF CONSUMER PROTECTION

Consumer Protection Act provides consumer rights to prevent consumers from fraud or specified unfair practices. These rights ensure that consumers can make better choices in the marketplace and get help with complaints.

Unfair trade practices

Unfair trade practices can be defined as any business practice or act that is deceptive, fraudulent or causes injury to a consumer.

These practices can include acts that are deemed unlawful, such as those that violate a consumer protection law.

2) Economic Development

Due to modernization and globalization of the economy, the wants and standard of living of the consumers have multiplied. Hence the need for consumer protection becomes more important.

3) Impact of other countries

The developed countries such as U.S.A, Australia etc. are taking effective and strict measures to protect the interest of the consumers. Hence India has also started taking actions for consumer protection.

4) Consumer Awareness :-

The rapid growth of communication channels, education, media, etc. has made the consumers

aware of their rights regarding health and safety.

5) Consumer Organizations

There are about 500 consumer organizations which are performing functions such as arranging talks, seminars, workshops, conferences, issue journals, collecting data on different products and testing them for the purpose of focusing on the problems of consumers and finding solutions thereof.

6) welfare state :

India being a welfare state has passed several Acts such as MRTP to control and prohibit monopolistic, restrictive and unfair trade practices.

METHOD OF CONSUMER PROTECTION.

- legal and voluntary

* Legal Method

The Indian Constitution has provided different provisions such as right to equality, freedom of trade, etc. but besides these provisions, there are various Acts which protect the consumers from various complaints. These Acts are:-

- 1) Indian Penal Code (1860)
It is the most relevant Act for prevention of food adulteration, fraudulent and misleading description of articles.
- 2) Criminal Procedure Code (1898)
It provides for special powers to the executive magistrate in case of violation of consumer rights.

3. Contract Act (1872)

This Act provides the right to buyers to avoid those agreements which were made without free consent and to claim damages for the loss caused by breach of contract.

4. Sale of Goods Act (1930)

It regulates the sale and protects the interest of buyers. This act also provides certain rights to the buyers for non-delivery of goods. It also has a provision to impose penalty on sellers in case of breach of contract.

5. Agriculture Produce (Grading and Marketing) Act (1937)

This Act provides for quality or grade certification for goods popularly known as AGRIMARK which helps the consumers in differentiating between quality and non-quality goods.

6. Drugs and Cosmetics Act (1940)

It regulates the production, trade, distribution, import and export of

drugs and cosmetics which are of up to the required standard.

7. Industries (Development and Regulation) Act (1951)

It empowers the Government to issue orders relating to equitable distribution, supply, price of goods and to take over the management of undertakings under certain circumstances.

8. Prevention of Food Adulteration Act (1954)

It prohibits storing, manufacturing, selling and distribution of adulterated food as well as mis-branded food. The defaulters are punishable under this Act.

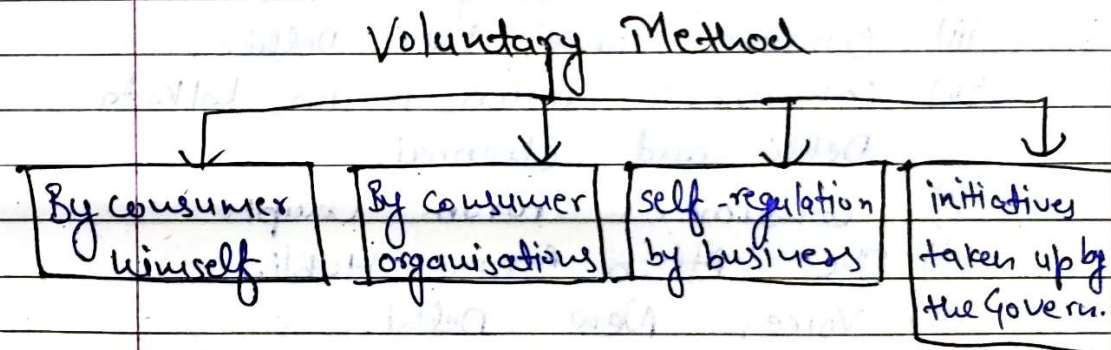
9. Essential Commodities Act (1955)

It empowers the central government to control production, supply and distribution of certain essential commodities and availability at fair prices.

10. Essential Services Maintenance Act (1968)

It prohibits strikes in essential services like post and telegraph, water, electricity and defence establishment, medicals, etc. Default person can be penalized under this Act.

VOLUNTARY METHODS



10) By Consumer Himself

The extent to which consumer determines the level of consumer protection is:

- a) seek-redressal
- b) conscious about their rights
- c) raise the voice in case of exploitation.

2. Consumer Organizations

Many consumer organizations are also playing an important role in protection the consumers interest. Some of the important consumer organizations are as follows:

- i) Consumer's guidance society of India Mumbai.
- ii) Citizen action group, Mumbai.
- iii) Common Cause, New Delhi.
- iv) Consumer's action forum, Kolkata Delhi and Chennai.
- v) Consumer's Forum Odisha.
- vi) The citizen forum Hubli.
- vii) Voice, New Delhi.
- viii) The Atul Bhasiya Grahak Panchayat Mumbai.
- ix) Consumer Association of India.
- x) The Indian Consumer Council.

These consumer organizations perform the following functions:-

10 To Educate Consumers

The first important function of the consumer's organization is to educate them about their rights. They issue many magazines and organize conferences and seminars from time to time.

2. To collect samples of various products and test them

These organisations collect samples of various products, list them and convey the results (quality of product) of their lists to the consumer.

3. To file suit on Behalf of consumers whenever a consumer fails to raise his voice, these consumer's organizations come to his rescue and file a case in the court.

4. To Raise Voice Against Rising Prices whenever there is an unnecessary rise in the prices of certain things, the consumers organizations raise a voice of protest against it.

5. To Prevent Adulteration etc.

The consumer's organizations play a significant role in eliminating the evils of adulteration, hoarding, black-marketing and under-weight selling.

6. To Help educational Institutes

These organizations show the educational institutions the way to prepare courses of study, keeping in view the interests of the consumers.

3. SELF REGULATION BY BUSINESS

Realisation of the business houses regarding their responsibility for serving the interest of consumers can be the most effective method of consumer protection.

The experiences of some business prove the fact that a little attention in serving consumer's interest may give benefits to them. So, business in India have come together at different platforms to adopt a

code of conduct for regulating their activities.

For eg:-

They are coming up with Eco-friendly products.

following are some of the initiatives taken up by businesses for consumer protection.

- establishment of certain associations and boards of different products.
- FICCI has established 'Consumer Business Forum'.
- ASCI was adopted to check unethical advertising. (Advertising standard council of India).
- Various Companies started consumer affair department.
- Various awards & recognition.
- Making arrangement for ensuring proper quality and quantity.

4. INITIATIVES TAKEN UP BY THE GOVERNMENT

- Government can be a good agency for consumer production. It can be taken up various voluntary methods for consumer protection like:

- Publicising the Rights of Consumers.
- Distribution of various brochures.
- Give encouragement through awards.

Government of India has taken various steps in this direction which are visible through following programmes:

- Starting of Lok Adalat for speedy, effective and economical redressal.
- Creation of consumer welfare fund
- Celebrating Consumer Rights Day i.e 15th March
- Taking up publicity programmes.
- Preparing movies and videos to enlighten consumers.
- Starting Upbhokta Jagran
- Publication of Booklets.

CONSUMER BUYING MOTIVES

Definitions :-

An urge, desire, or consideration which induces a person to make purchase decision is called buying Motive.

1. According to J. Stanton
"Motive becomes buying motive when the individual seeks satisfaction through the purchase of something."
2. According to D.J Durian
"Buying motives are influences or considerations which provide the impulse to buy, induce action or determine choice in the purchase of goods and services."

2. BUYING FORCES

The forces that are motivating an individual to buy are broadly classified as:-

- a) Internal forces
- a) External forces

1. Internal Forces

Those forces which generate in the minds of the people. These may be of Physical and Psychological nature. They may be classified as follows :-

1. Rational Motives

2. Irrational Motives

* Rational Motives :-

Include dependability in quality, durability, happiness, efficiency in operations and use, economy etc.

* Irrational Motives

Include pride, ambition, security from dangers, cleanliness etc.

2. External Forces :-

They include nationality, religion, education, occupation, income, status, culture of the society in which the customer moves.

DOCTRINES OF CAVEAT EMPTOR AND CAVEAT VENDITOR

CAVEAT EMPTOR

The Caveat emptor - let the 'buyer beware' doctrine of the law concerning the sale of goods, assumed that the consumer was responsible for protecting himself and would do so by applying his intelligence and experience in negotiating the terms of any purchases.

That principle may have been appropriate for transaction conducted in village markets.

In early times the consumer may have been able to protect himself since the products were less sophisticated and could be inspected before purchase. But now the conditions have changed. Many modern goods are technological mysteries. The consumer knows little or nothing about these highly sophisticated goods. In real life, products are complex and of great variety and consumer and retailers

have imperfect knowledge. The principle of "caveat emptor" thus has ceased to be appropriate as a general rule. The consumer needs protection by law when goods fail to live up to their promises or indeed cause injury.

DOCTRINE OF CAVEAT VENDITOR

The doctrine of caveat venditor is a legal doctrine subject to prohibitions against fraud and in sellers' legal liability or damages of unknown dangers or lurk (defects) in a product etc. It is a Latin phrase meaning "let the seller Beware".

"Let the seller Beware"

Nowadays everybody injured by a defective product can claim for damages whether he is a manufacturer, wholesaler, retailer or a maker of a component. These claims can be based on negligence, strict liability or breach of implied or expressed

warranties of fitness. Therefore sellers need to be cautious. They should be aware of the rules of sales so that no one can cheat him for the innocency. Here, few rules of sales are described which should be kept in mind while dealing with the consumers.

CONCEPT OF CONSUMER SOVEREIGNTY

Consumer sovereignty means consumer is being treated as the king of the market thus whatever is being produced by the manufacturer is according to the requirement of the consumers.

Consumer Sovereignty is an economic concept where the consumer has some controlling power over goods that are produced, and the idea that the consumer is the best judge of their own welfare.

eg :-

The theory of consumer sovereignty implies that the consumer knows what is best for himself for himself and his or her preferences will decide the allocation of scarce resources in the economy ... for eg :- in a free market, consumers have the highest levels of consumer sovereignty.

Unit-II

- Measures for Consumer Protection in India
- Basic provisions of the Consumer Protection Act, 1986
- Consumer Right Organisational set-up- National & state Consumer Protection Council
- District forum
- State Commission & National Commission their functions, power & jurisdiction.
- Grounds of filing complaint
- Procedure of filing a complaint,
- Relief available

Measures For Consumers Protection In India

The Consumer Protection Act 1986. This Act protects the rights of the consumers and makes them aware of their rights as a consumer...

- Indian Contract Act, 1972
- The sales of Good Act, 1930
- The Prevention of food Adulteration Act, 1954
- The Trade Mark Act 1999
- Dangerous Drug Act, 1930
- Drugs & Cosmetics Act, 1940
- The Drug Control Act, 1950
- Hire Purchase Act 1972
- Packaged Commodities Order, 1975
- The Essential Commodities Act, 1955

Nowdays, the consumer's grievances and dissatisfaction grew.

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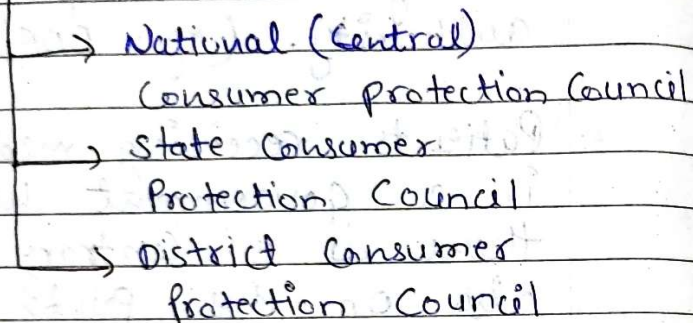
* (1980) Basic Provisions of the Consumer Protection Act
The Consumer Protection Bill, 1986 seeks to provide for better protection of the interests of consumers and for the purpose, to Make provision for the establishment of Consumer Councils and other authorities for the settlement of consumer disputes and for matter connected therewith, (f) right to consumer education.

Under the Act, "Consumer" is defined as a person who "buys any goods" and "hires or avails of any service" for consideration but does not include a person who obtains goods for resale or good or service for any commercial purpose.

In addition, the Act is understood to include the following persons as "consumers".

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- Persons allotted plots or house by a housing and development board authority. (eg. DDA)
 - Patients receiving medical treatment in a government hospital. However there is a contrary judgement also on this point.
 - Patients getting treatment at a private nursing home.
 - Persons selling / purchasing shares to / from a share broker.
 - User of services (like electricity, telephone, telecommunications, etc) from public / private utility bodies or agencies.

CONSUMER PROTECTION COUNCILS



1. The Central (National) Consumer Protection Council (Section 4)

This section provides provision for the establishment of the Central Consumer Protection Council by the Central Government. The Central Government may issue a notification in this regard and may specify the date of establishment of such council in the notification.

a) Composition: The central council shall consist of the following members:

i) The minister incharge of consumer affairs in the central govt who shall be its chairman.

ii) Such members or other official and Non-official members, as may be prescribed.

Rule 3 of the Consumer Protection Rules, 1987 specifies that the Central Council shall consist of the following 15 members.

(i) The minister incharge of consumer affairs in the Central Government as chairman of the Council.

(ii) The minister of state of consumer affairs in the central Government as vice chairman of the Council.

(iii) The minister of food & civil supplies.

(iv) 5 members of Lok Sabha, 3 members of Rajya Sabha.

(v) The secretary of the National Commission for Scheduled Castes and Scheduled Tribes.

(vi) Above 35 representatives of the Consumer Organization concerned with consumer interest.

(vii) Not less than 10 representatives of women.

(viii) up to 20 representatives of the central Government Departments

(ix) up to 20 representatives of farmers, trade & Industries.

(x) up to 15 persons capable of representing consumer interest not specified above.

(b) Objective: The central Council shall work with the objectives to promote and protect the rights of the consumer.

(c) Terms of the council: Terms of the council shall be 3 years. A member may resign by submitting his written resignation to the chairman. The vacancies shall be filled from the same category by the central govt. for the remaining period.

(d) Procedure for meeting of the central Council:- The council shall meet as and when necessary, but at least one meeting of the council shall be held every year. The meetings shall be held at any place or any time.

2. The state Consumer Protection Council (section 7)

This section authorizes the state Government to establish consumer protection council by issuing a notification in this regard and with effect from such date as it may specify in the notification.

(a) Composition: The state Council shall consist of the following members.

(i) The minister in charge of consumer affairs in the state Government as its chairman.

(ii) Such members of other official or non-official members, representing various interests as may be prescribed by the state Govt.

(iii) up to 10 other official or non official members nominated by central Government.

(b) Objectives: The objectives of every state Council shall be to promote and protect the rights of the consumer.

(c) Procedure for Meeting: The state Council shall meet as and when necessary but at least 2 Meetings should be held every year. It shall meet at such time and place as the chairman may think fit.

and observe such procedure which is prescribed by the state govt. for the transaction of its business.

3. The District Consumer Protection Council (Section 8)

This section was interested in 2002 in the Act by making amendment in it. According to this section, the State govt. shall establish District Consumer Protection Council for every district with effect from such date as it is specified in the notification.

(a) Composition:- The District Council shall consist of the following members:

- i) The collector or deputy Commissioner as its chairman
- ii) Such member of other official and non official members representing such interest as may be prescribed by the state govt.

(b) Objectives: The district councils objectives is to promote and protect

the rights of the consumer.

(c) Procedure: The district Council shall be meet as and when necessary but at least 2 meetings should be held every year. It shall meet at such time and place as the Chairman may think fit and observe such procedure which is prescribed by the state Government for the transaction of its business.

1. District Forum

According to Consumer Protection Act, State Govt. can set up one or more district forums in each district.

The main features of District forum are as follows:-

1. There are three members including one Presiding officer, of these, one must be a lady member. They are appointed by the state Govt. The Presiding officer must have the qualification of District judge.
2. District Forum hears disputes involving a sum of upto Rs. 50 lakhs

3. Complaint can be filed by the consumer or by the Consumer Association.
4. Once the complaint is admitted, notice is sent to the other party.
5. On examination, if it is proved that the goods are defective, the district forum can issue one or more of the following directives to the accused party:
 - Defect in the product be removed.
 - Defective product be replaced by new one.
 - Consumer may be given back the value of the product.
 - Consumer may be paid compensation for the loss suffered by him.
6. If neither party is satisfied with the judgement of the District forum, it can file appeal against it with the state Commission within 30 days.

STATE COMMISSION

One state Commission is appointed by the state Commission Government in each state. Its main characteristics are as follows:-

1. It is composed of three members including one presiding officer; of these one must be a lady member and they are appointed by the state Government.
2. The presiding officer must have the qualifications of an honourable Justice of High Court.
3. The state Commission redresses grievances involving a sum exceeding Rs. 50 lakhs and upto Rs. 1 crore.
4. Once the complaint is admitted, notice is issued to the other party. If necessary, goods are not examined, if proved defective, like the district forum, the state Commission can issue one or more directives to the accused party.
5. If either of the parties is not satisfied with the decision of the state Commission, it can file an appeal before the National Commission within 30 days.

National Commission

It is appointed by the Central Govt. Its main characteristics are:-

1. It has five members including the presiding officer. One lady member is a must. They are appointed by the Central Govt. Only that person is eligible to become the presiding officer who possesses the qualifications equivalent to Supreme Court judge.
2. It has the jurisdiction to hear complaints involving a sum exceeding Rs. 1 crore.
3. Once the complaint is admitted, notice is sent to the opposite party.
4. Like the state commission, National Commission can also issue one or more directives to the accused party.
5. If any party is not satisfied with the decision of the National Commission, it can file an appeal with the Supreme Court within 30 days.

Power and Jurisdiction of District Forum

- Jurisdiction :- The district forum can entertain complaints up to the dispute of Rs. 50 lakh only.
- who can make complaints :
1. The consumer to whom product is sold or delivered.
 2. Any recognized consumer association.
 3. One or more consumer.
 4. The central or the state government.

Power :- If the district forum is satisfied that the allegations about services are true or the loss is suffered by complaint due to goods supplied to him, the forum shall issue one or more of the following orders to the opposite party.

1. To remove the defects in goods.
2. To replace the goods with new goods.
3. To return the price to the complaint.
4. To remove the defect in the service.
5. To pay such amount as may be awarded by it as compensation.

* Power & Jurisdiction of the State Commission

Jurisdiction:- The state commission can entertain complaints ranging from 50 lakhs to Rs. 1 crore.

Power:- Same as district forum.

* Power & Jurisdiction of National Commission

Jurisdiction:- The national commission will have jurisdiction to entertain complaints for the value exceeding Rs. 1 crore.

Power:-

1. To issue cease and desist orders.
2. To grant interim injunction.
3. To give directions for defective or unsafe products and replacement of these products or for removal of the deficiency in service.

Procedure For Filing A Complaint

Complaint can be presented in person or by authorized agent to District Forum/ state commission or can be sent by Registered post addressed to District forum/ State Commission. A Complaint should contain the following information

(a) Contents of the Complaint

1. The name, description and address of the Complainant.
2. The name description and address of the opposite party or parties, as the case may be, as far as they can be ascertained.
3. The facts relating to complaint and when and where it arose.
4. Documents, if any, in support of the allegations contained in the Complaint.
5. The relief which the complaint is seeking.
6. Signature of complaint.

(b) The Person Entitled to Complaint

The Complaint may be either presented

UNIT - III

- Consumer protection measures under the monopolies & restrictive trade Practices Act 1969,
- Concept and remedy against unfair trade practices and restrictive trade practices
- Consumer roles & right under the MRTP Act,
- Consumer protection measures under other legislations - Overview of the Bureau of Indian Standards Act, 1986
- The Drugs and Cosmetics Act, 1940

Monopolistic Trade Practices

A monopolistic trade practice means a trade practice, which has, or is likely to have the effects of:

- (i) Maintaining price at an unreasonable level by limiting, reducing or otherwise controlling the product supply or distribution of goods of any description or the supply of any services or in any other manner.
2. Unreasonable prevention or lessening competition in the production supply or distribution of any goods or the supply of any services.
3. Limiting technical development or capital investment to the common detriment or allowing the quality of any good produced, supplied or distributed or any service rendered in India to deteriorate.
4. Increasing unreasonably
 - a) The cost of production of any good or
 - b) Charges for the provision, or maintenance of any services.

Reasons for Monopolistic Trade Practices

- > Unreasonably high price
- > unreasonably high profits
- > limited technical development
- > Prevention or reduction of competition
- > Deterioration in the quality of goods.

(v) Increasing unreasonably

- i) The Price at which goods are or may be sold or resold or charges at which services are provided.
- ii) The profits which are or may be derived by the production supply or distribution of goods or by the provision of any services.

Restrictive Trade Practices (RTP)

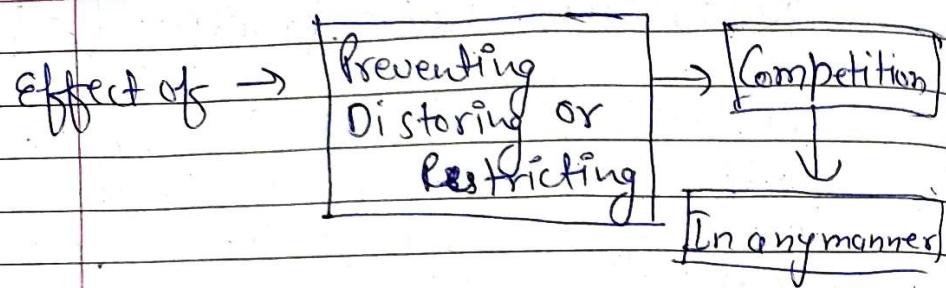
Restrictive Trade Practice is a practice which restricts or reduces competition. Some of the trade practices which restrict or distort competition are:-

- (a) Exclusive dealing contracts
- (b) Re-sale price maintenance
- (c) Tie-up arrangements

Effect of trade practice on competition determines whether it is an RTP or not. In fact, a trade practice will be branded as restrictive trade practice which:-

- (i) obstructs the free play of competitive forces, or
- (ii) Impedes the free flow of
 - (a) Capital resources into the stream of production.
 - (b) The finished goods in the stream of distribution at any point of time before they reach the ultimate consumer.

Restrictive Trade Practice - Section 2(v)
RTP means a trade practice which has or may have the



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 affect the free flow of supplies in the market relating to goods or services in such a manner as to impose on the consumers unjustified costs or restrictions.

UNFAIR TRADE PRACTICE

UTP is a trade practice which for the purpose of promoting the sale, use or supply of any goods or the provision of any services, adopts one or more unfair trade practices.

following are the categories of UTP

- False or misleading representation
If any person or misleading is made regarding the following then it will be treated as unfair trade practice.
 - about the quality of good or services
 - about the guarantee of goods without proper test.
 - about the prices of goods or services
 - about the old goods as new.
- Bargain sale, Bait (lure) and Switch selling
Just to bait the consumers, if reduction in prices is made and once they are attracted, offered another product or price (switch selling)

then it will also be treated as unfair trade practice.

3. Free-gifts and promotional contests
To increase the sale if free-gift scheme is fixed for some product but the price of free-gift is included in the price of main product or if any discount is announced after fixing the prices then it will also fall under the unfair trade practices.

4. Ignoring product safety standards
selling of unstandardised goods which caused some injury may also fall under UTP.

5. Hoarding or deliberate destruction of goods.
To increase the price of the product if there is false creation of scarcity or hoarding or any attempt is made for deliberate destruction of goods then it will come under UTP.

6. Discriminatory Dealing

This is related with price discrimination when wholesalers charge different prices from the retailers on the basis of their purchases made in different quantity i.e. large or small quantity then it also falls under UTP.

7. Collective Bidding

when bidders mutually agree on some plan i.e. not to let the bid price beyond a particular price or let auction go in favor of a particular individual, it will be treated as UTP.

8. Other Points

(i) Price control agreement

(ii) Area restriction

(iii) Resale price maintenance

(iv) Manufacturing process restriction

There is no punishment for indulging in a unfair trade practice (except resale price maintenance) but there is a punishment on violation of cease and desist order of the commission.

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cease and desist order means practice shall be discontinued or not repeated.

CONSUMER'S ROLE AND RIGHTS UNDER UTP

We have mentioned above the background of the enactment of the MRTP Act. The objectives which this Act is meant to achieve have also been discussed. Then, in 1984 certain provisions concerning unfair trade practices were incorporated in the Act. This was done on the basis of the recommendations of the Sachar Committee, to the effect that for the protection of consumers against false or misleading advertisement or other similar UTP it was necessary to amend the Act.

In 1986 the Parliament passed the Consumer Protection Act 1986. Thereafter

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the MRTP Act, 1969 was also amended. The MRTP (Recognition of Consumers Association) Rules, 1987 were framed. The Registered Consumer's Association and Consumers have been given a locus standi to make complaints and be heard as regards restrictive or UTP by which they are aggrieved in terms of the amended provisions of s. 10 (a) (i) and 36 B (a).

Again in 1991 by amending the MRTP Act 1969 Consumers and Registered Consumer's Association have been given the power to make complaints under ss. 27 and 27A of the Act.

Thus any Consumer or Recognised Consumer's Association can make complaint to the Commission for instituting or inquiry under the following provisions:

- i) s. 10(a) MRTP indulged in by any person
- ii) s. 36B(a) UTP practices indulged in by any person.

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iii) S. 27 A (i) (i) working of an Undertaking for possible division of the undertaking.

iv) S. 27 A (i) (ii) working of the interconnected undertakings for possible severance of their interconnection.

The MRTP Act 1969 gained the status of a specific consumer protection legislation with the amendments brought in 1984.

* Consumer Protection measures Under other legislation - overview of the Bureau of Indian Standard Act, 1986, ~~The Drugs and Cosmetics Act 1940~~

Ans) ~~Answer~~

(i) This act may be called the Bureau of Indian Standards Act, 1986.

(ii) It extends to the whole of India.

(iii) It shall come into force on such date as the Central Government may

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by notification in the official Gazette, appoint.

4) In this act, unless the context otherwise requires:-

a) "article" means the Bureau standard established under section 3;

b) "Bureau" means the Bureau means of Indian standards established under section 3;

(c) "Consumer" means a consumer of any article or process;

(d) "Covering" includes any stopper, cork, bottle, vessel, box, crate, cover, capsule, case, frame, wrapper or other container.

(e) "Executive Committee" means the Executive Committee constituted under sub-section (1) of section 4;

(f) "Indian standards means :-

Bureau of Indian standards (BIS) is the national standard Body of India. BIS is responsible for the harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith or incidental thereto.

(g) Indian standards Institution Means

:- The ISI mark is a standards Compliance mark for industrial products in India since 1955... The ISI is an initialism of India Standards Institution, the name of the national standards body until 1 January 1987, when it was renamed to the Bureau of Indian Standards.

(h) "inspecting officer" means an inspecting officer appointed under section 25;

i) "Standard Mark" means the Bureau of India Standards Certification Mark specified by the Bureau to represent a particular Indian standard and also includes any Indian standard Institution Certification Mark specified by the Indian standards Institution.

j) "Trade mark means" the TM symbol (often seen in superscript like this)TM is usually used in connection with an unregistered mark - a term, slogan logo, or other indicator - to provide notice to potential infringers that common law rights in the mark are claimed.

k) an article is said to be marked with a standard Mark if the article itself is marked with a standard Mark or any covering containing or label attached to, such article is so marked.

Powers

1. Establish, Publish and promote in such manner as may be prescribed the Indian Standard, in relation to any article or process.
2. Recognises as an Indian standard in such manner as may be prescribed any standard established by any other institution in India.
3. specify a standard mark to be called the Bureau of Indian Standard Certificate; or mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard.
4. Grant, renew or cancel a licence for the use of the standard mark.
5. Charge fees for the renewal of any licence.

6. Establish, maintain and recognizes laboratories for the purpose of standardization and quality control.
7. Undertake research for the formulation of Indian standards in the interest of consumers and manufacturers.
8. Provide services to manufacturers or consumers of articles or processes on such terms and conditions as may be mutually agreed upon.
9. Appoint agents in India or outside for the inspection, testing and other such purposes.
10. Establish branches, offices or agencies in India or outside. Two Major activities of the bureau are:-
 - (i) standards formation
 - (ii) certification Marking

* The Drugs and Cosmetics Act, 1940

This act provides for regulation of Import, manufacture, sale and standards of drugs and cosmetics. It protects the interest of the consumer in the area of drug and cosmetic industries in India.

* Objective

The main objective of the Act is to ensure that the drugs and cosmetics are of the required standards of quality, purity and strength and are packed in containers giving all necessary information about them and their manufacture.

* Scope

Drugs used in different systems of medicine viz. Allopathy, Ayurvedic, Siddha and Unani are covered under this act. Cosmetics include toilet soaps also.

Main Contents of the Act

1. Establishment of Boards

Chapter II of the Act provides for the establishment of:-

- (i) Drugs Technical Advisory Board.
- (ii) Central Drugs Laboratory.
- (iii) Drugs Consultative Committee

The advisory board and the Consultative Committee are thus statutory bodies under the act. The Board has technical experts and advises the central and state Government on all technical matters arising out of the enforcement of Drug Control. No rule can be made by the central Government without consulting this Board.

The Drugs Consultative Committee has the central & state Drug Control officials as members and its main function is to ensure that the drug control measures are enforced uniformly in all states.

2 Provisions to control of Import of Drugs :-

Chapter III of the Act empower the Central Government to exercise on import of drugs. It may even prohibit the import of certain drugs and cosmetics as enshrined in the section 10.

Thus, no person shall import

- a) Any drug or cosmetic which is not of standard quality.
- b) Any misbranded drug or misbranded or spurious quality.
- c) Any adulterated or spurious drugs.
- d) Any drug or cosmetic for the import of which a license is prescribed.
- e) Any cosmetic containing anything unsafe or harmful ingredients for use.

UNIT - 4

- Recent development in consumer Protection movement in India,
- Role of voluntary consumer organizations
- Product testing
- growing consumer awareness role of the media & govt.
- formation & registration of a voluntary consumer organization
- Business self-regulations
- Advertising standards council of India.

RECENT DEVELOPMENT IN CONSUMER PROTECTION MOVEMENT IN INDIA

The consumer movement is a socio-economic movement that seeks to protect the rights of the consumers in relation to goods purchased and services availed. The government has always accorded higher priority to consumer protection. The Consumer Protection Act, 1986 is a major socio-economic legislation in the country providing a separate three-tier consumer disputes redressal machinery at the National, ~~sate~~ state & District level for simple, speedy and inexpensive redressal of the consumer grievances. In the year 2002, a National Commission in the country to deal with consumer grievances. As on June 30, 2002, a total of 18, 78, 134 cases were filed, of which 15, 27, 259 were disposed of while 3, 50, 875 cases are pending.

Consumer Movement in India is still growing. More than 30% of the people live in below the poverty line and the rural public are not integrated into the main stream of consumerism. They do not have access to the information and infrastructure concerning consumer protection provided by the Government.

Hence, the consumer movement in India is to be developed in a perspective different from the high-class approach of the developed countries. It is to be a social movement where in people from all walks of life have to play their role. Not only that it is to be done in a planned manner and on professional lines. for this some suggestions are given below:

Suggestions :-

1. There should be proper arrangement for speedy redressal of the grievances.

For this, consumer courts should be increased in numbers in each and every area.

2. There should be heavy penalty on licence holder, if they compromise in quality of the product, rather their licence should be cancelled.
3. The food inspector should visit/inspect frequently to control the quality especially in case of life-guard products.
4. Government should frame the policy in such a way that it can check on the trade malpractices, proper billing system and transparency should be introduced so that number of genuine and authorised sellers come in the market.
5. There should be healthy competition in between the producers which ultimately improve the quality of the product.
6. Government should increase the consumer welfare fund to attract the private body for speedy awareness campaign.

ROLE OF VOLUNTARY CONSUMER ORGANISATION (3)

The role of most of the voluntary organizations is almost identical. They are :-

(1) Consumer Guidance

They build up consumer awareness through periodical exhibitions meetings demonstrations and through, radio and such other mass media. They address students, women groups and social organizations.

(2) Consumer Education

They bring out journals to educate consumers. Trained social workers educate the lower income groups through various programmes. The tricks & sharp practice of unscrupulous traders are exposed. Consumers buying power, credit & satisfaction are improved.

(3) Consumer Representation :-

These voluntary societies represent consumers in advisory bodies such as the central council, state council and lobby in parliament & assemblies on behalf of the consumers.

(4) Consumer Protection :-

These voluntary bodies act as the listening board for consumer grievances. They follow the complaints against shopkeepers, leaders & manufacturers. They file public interest litigation in consumer and regular courts.

(5) Consumer Resistance

A strong consumer resistance movement is also being built up on the lines of swadeshi movement. Goods, which are to be boycotted on some ground or other, are being listed and circulated. These voluntary bodies have achieved spectacular results. Hundreds of cases have been won in various consumer court on behalf of the consumer.

Product Testing

The Consumer association collects data on different products and test them. They inform the finding to consumers and businesses. They have tested stores, quality of spices, milk and its products, match-boxes, cells, soaps, detergent powders etc. and inform to the Society, traders / manufacturers.

Growing Consumer awareness - Role of the Media & govt.

- * with the liberalisation of our economy Multinational Corporations have entered India. Some of them may adopt all sorts of unfair trade practices and try to exploit the Indian consumer. So an ALERT CONSUMER IS NEED OF THE HOUR. Consumer Education has become an integral part of formal education. Indira Gandhi National Open University (IGNOU) conducts

Certificate and Diploma course in consumer education through Correspondence education.

Role of Govt.

1. To make the function of consumer courts more meaningful, the government is conducting training programmes for non-judicial members of the forum / commission.
2. A consumer welfare fund has been created. Financial assistance is sanctioned to various consumers organisation for creating consumer awareness.
3. Rural consumer co-operative societies and the public distribution system are being strengthened.
4. The growth of voluntary organisations is encouraged by the govt. to lessen the burden of consumer courts.
5. March 15th of every year is declared as a Consumer Protection Day to educate the public about their rights and responsibilities.

6. A national institute of consumer affairs is being set up.
7. There is an Indian federation of consumer organizations.
8. The Central Govt. is thinking of having a separate ministry for consumer affairs.

ROLE OF MEDIA ON CONSUMER AWARENESS

In spite of various laws for protecting the consumer, there has been no effective deterrent against the production and sale of spurious goods which continue to flood the markets.

This is just because of unawareness of the consumers. The mass media can play a supportive role in awakening the consumers. Mass media can prove a great weapon in spreading consumer education. Newspapers are playing a most supportive role in making the consumers movement a

success. Television programs showing consumer awareness programs on DD which are educational as well as entertaining also. A four two-days workshop on "effective use of media by consumer groups" were organized by the Consumer Education and Research Centre (ERC) in collaboration with the Friedrich Naumann Foundation, West Germany show the role which can be played by the mass media. The consumer organizations must be strong and speak the truth with the help of the mass media.

Thus, media should also play an important role to increase the awareness for general public. They should adopt play-way method and latest technology to spread the awareness among consumers.

* Formation and registration of a Voluntary Consumer organization

Voluntary consumer organisation refer to the organisation formed voluntarily by the consumers to protect their rights and interests.

Functions:-

1. Collecting data on different products. These organisation collects samples of different products from time to time and test them.

In some countries the consumer have organised themselves on a voluntary basis to form consumer groups or councils. They are non-government organisation (NGOs) to protect consumer rights.

BUSINESS SELF REGULATION

self-regulation law

Some advertisements have indecent and bad taste, some ads draw religious analogies in an irrelevant manner. Although state passed restrictive legislation but there is a strong need to adopt self-discipline by the advertisers, media and the ad agencies. Self-regulation is the best regulation, and wards off the draconian censorship of state which may perpetuate itself.

Business and the advertising industry has woken up to the need to draw up codes of conduct which will promote self regulation but this is accepted half-heartedly.

Business self regulation

The Council for fair business practices (CFBP) and advertising standards Council of India

(ASCI) were established to promote Voluntary self-discipline in business. Both the CFBP and the ASCI have yet to win the trust of the Public.

Advertising Standard Council of India (ASCI)

ASCI is a non-profit organization set up by 43 founder members who were involved in advertising in one way or the other.

It was established in 1985. The main objective was to enforce an ethical code in advertising. For the achievement of this purpose, it puts forward a regulatory Code for advertising.

ASCI propose to adjudicate on whether an advertisement is offensive and its decision will be binding on its members. It proposes to deal with the Govt. if there are any disputes.