



सत्यमेव जयते  
Government of India



**State Consumer Helpline  
Knowledge Resource Management Portal**  
[Project Supported by Department of Consumer Affairs, Govt. of India]

**OVERVIEW OF ACTIVITIES  
(JANUARY – JUNE 2017)**

**CENTRE FOR CONSUMER STUDIES  
INDIAN INSTITUTE OF PUBLIC ADMINISTRATION**

**I.P. Estate, Ring Road, New Delhi- 110002**

**Email- [schkrmp.iipa@gmail.com](mailto:schkrmp.iipa@gmail.com)**

**Telefax – 011-23705054**

**Website: [www.consumeradvice.in](http://www.consumeradvice.in), [www.consumereducation.in](http://www.consumereducation.in)**

## **Overview of Portal Activities**

### **State Consumer Helpline Knowledge Resource Management Portal (SCHKRMP)**

State Consumer Helpline Knowledge Resource Management Portal (SCHKRMP) is a National Nodal Agency supported by Department of Consumer Affairs. The Knowledge Resource Management Portal coordinates and monitors the activities of State Consumer Helplines, provide solutions and advisory services to these helplines, maintains knowledge database and build capacity of the SCH's personnel. The purpose of monitoring is to ensure that all activities of the project are implemented, the complaints are handled appropriately.

The IT application and knowledge database are hosted on the servers at IIPA. The State Consumer Helplines have been given access to use the IT platform and knowledge database to register the calls/complaints being received by them and provide advice, guidance and information to the callers. The State Governments are mandated to sign the licence agreement with IIPA before getting an access to use the software and knowledge database. The consumer advisors and coordinators are also provided with the soft skills through various training programmes being organized at IIPA in addition to hold support at their site wherever it is desired by the state governments. The access to the IT application is internet based with 8 MBPS internet leased line. User IDs and password also provide secure extension of IT platform hosted on IIPA servers to all the state consumer helplines.

### **State Consumer Helpline**

Department of Consumer Affairs has funded the setting up of consumer helplines in various States. These State Consumer Helplines are financially supported for a period of 5 years thereafter the State Governments are expected to run these helplines on their own. The necessary funds as under the scheme are spent by Department of Consumer Affairs for the State Government to set up the helplines under various models as per the respective policies of the State Governments. While some of the States have gone into subcontracting to involve NGOs/ VCOs and have allowed them function in their own premises. Some of the States have set up the helplines in their own premises and are running the helplines using manpower hired on contract basis directly or through manpower hiring agencies. The functioning of the helplines is the responsibilities of the respective State Government.

The consumer helplines receive calls from the consumers normally through toll free number. The other mode of communications available to the consumers to reach the consumer helplines is through emails, letters, fax and personal visits. The facility is also available to consumers to register their complaints directly on the website hosted at IIPA servers. These complaints are directed to the respective states from where the complaints are originated.

While consumer helplines are working in 26 States, consumer helplines of 18 States are using the common IT platform for registering the calls and using knowledge database. Currently 18 States are now on board with IIPA using centralized IT platform and knowledge database.

### **States on board**

1	Andhra Pradesh	2	Bihar
3	Gujarat	4	Haryana
5	Himachal Pradesh	6	Jharkhand
7	Madhya Pradesh	8	Maharashtra
9	Mizoram	10	Orissa
11	Puducherry	12	Rajasthan
13	Tamil Nadu	14	Telangana
15	Tripura	16	Uttar Pradesh
17	West Bengal	18	Uttarakhand

The total number of States having Licence Agreement with IIPA to share IT Portal stands at 24.

The list of the States who have signed Licence Agreement with IIPA to share the centralized IT Portal is given below:

Sl. No.	State/ UT Name		
1	Andaman & Nicobar	13	Kerala
2	Andhra Pradesh	14	Madhya Pradesh
3	Arunachal Pradesh	15	Manipur
4	Bihar	16	Mizoram
5	Chandigarh (UT)	17	Puducherry
6	Chhattisgarh	18	Punjab
7	Delhi	19	Rajasthan
8	Gujarat	20	Tamil Nadu
9	Haryana	21	Telangana
10	Himachal Pradesh	22	Tripura
11	Jharkhand	23	Uttar Pradesh
12	Karnataka	24	West Bengal

Even though the helplines functioning in the States of Maharashtra and Odisha are duly integrated with IT Portal but these States have not yet signed the licenses agreement formally with IIPA to share IT Portal.

Similarly the States of Andhra Pradesh, Arunachal Pradesh, Andaman & Nicobar, Chhattisgarh, Kerala and Karnataka despite having signed the Licence Agreement with IIPA were not reflecting any data of call registration suggesting that either the helplines are not

functioning in these States or they might be using their own software. An intervention of Department of Consumer Affairs was earlier sought vide letter No. IIPA/SCHKRMP/SCH/2016 dated. 06/09/2016.

The States of Uttarakhand, Assam, Dadra Nagar & Haveli, Daman & Diu, Lakshadweep, Meghalaya, Nagaland and Sikkim are yet to sign Licence Agreement with IIPA to share IT Portal. Department of Consumer Affairs was requested for an intervention vide letter No. IIPA/SCHKRMP/SCH/2015 dated. 18/12/2015 and IIPA/SCHKRMP/SCH/2016 dated. 05/09/2016. The consumer Helpline, Sikkim has been regularly sending reports in hard copy as they are not using the centralized software. The Helpline has been receiving 5 to 6 complaints in a month on an average. While the State of Uttarakhand has not signed the agreement yet, their Web Manager was deputed for 2 days training to IIPA on 24-25 October 2016 for usage of IT Portal. After the training, the helpline has started using IT Portal for registration of consumer calls, advise/assistance and guidance using knowledge data base of IT Portal. The helpline is being provided telephonic support to handle various day to day situations.

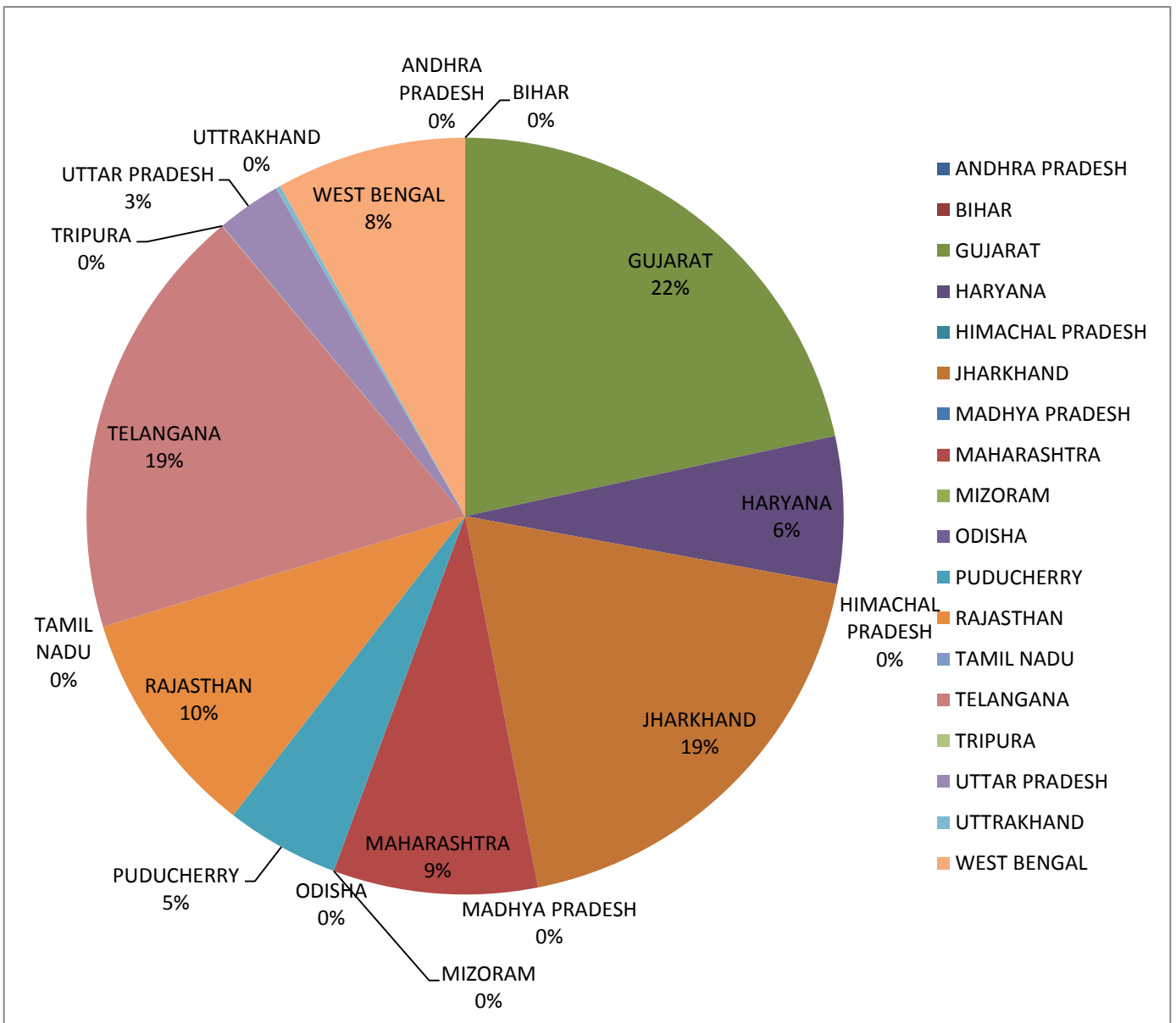
### **Statistical Report on Complaints/Calls received by SCHs:**

The State Consumer Helplines are receiving calls from the consumers through telephone normally on toll free number as well as through other mode of communications like letters, emails, walk-in consumers as well as consumers logging their complaints directly on the website using online complaint registration. The online complaint registration is also used by the consumers in the States which are not yet networked with IT Portal. The statistical data pertaining to the call received/complaint registered during the period is given:

#### **States Wise Calls Report: January – June 2017**

SL. NO.	STATE NAME	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
1	ANDHRA PRADESH	1	0	0	0	0	0
2	BIHAR	0	1	0	0	0	0
3	GUJARAT	1063	1857	1786	1307	1209	1082
4	HARYANA	258	409	343	230	654	524
5	HIMACHAL PRADESH	0	0	0	0	0	0
6	JHARKHAND	891	1628	1158	942	1328	1370
7	MADHYA PRADESH	0	0	0	0	0	0
8	MAHARASHTRA	552	685	576	484	489	573
9	MIZORAM	0	0	0	0	0	0

10	ODISHA	0	0	0	0	0	0
11	PUDUCHERRY	226	363	432	218	297	329
12	RAJASTHAN	678	1070	694	270	552	498
13	TAMIL NADU	0	0	1	0	0	0
14	TELANGANA	866	1220	1207	1092	1715	1062
15	TRIPURA	2	2	0	2	0	1
16	UTTAR PRADESH	201	79	169	213	221	177
17	UTTRAKHAND	6	15	14	20	14	7
18	WEST BENGAL	467	546	660	475	475	502

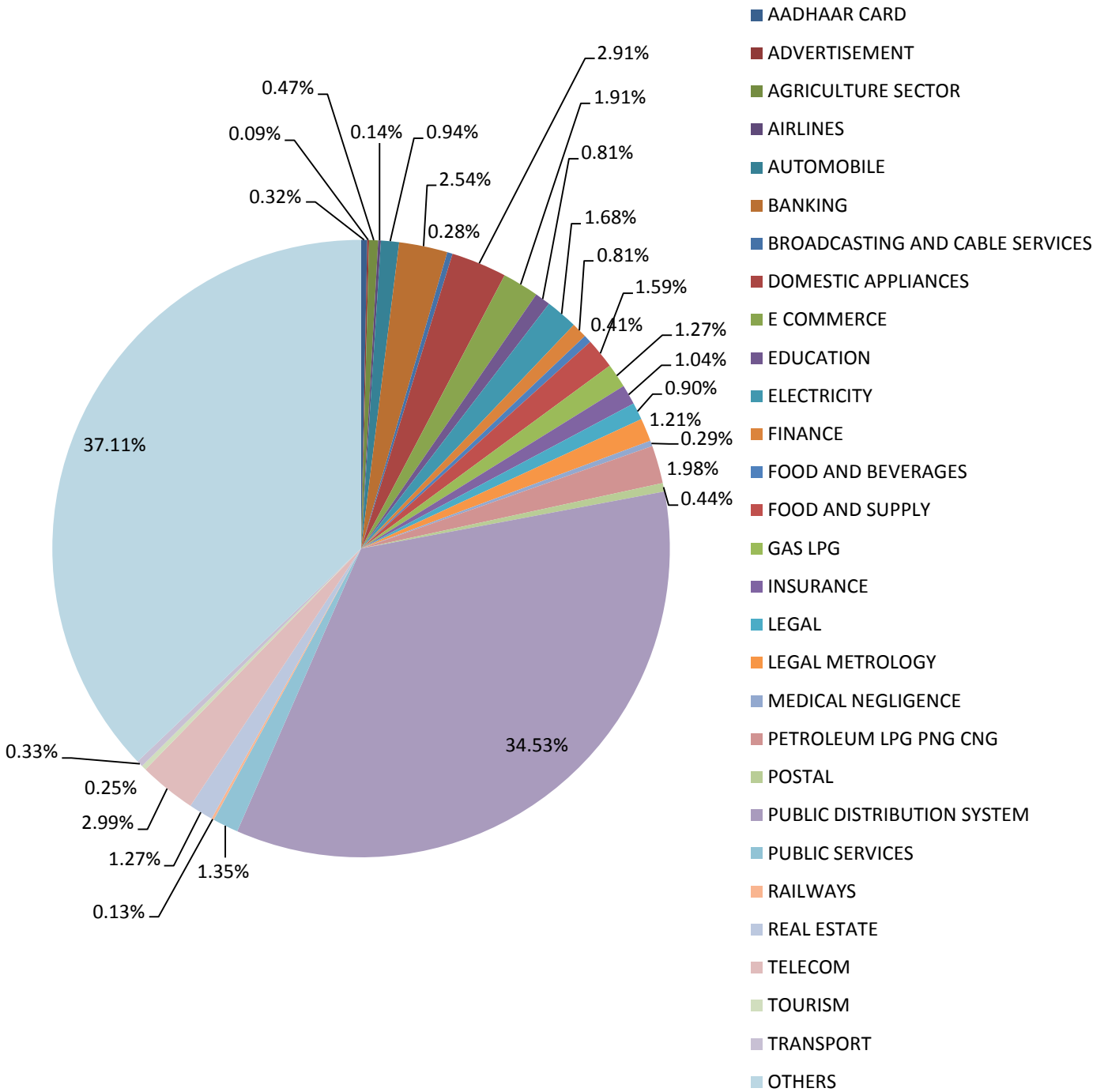


The States of Bihar, Himachal Pradesh, Madhya Pradesh and Uttar Pradesh have been running the helpline intermittently. While M.P. State Consumer Helpline stopped functioning, the State Govt. is now aggressively reviving its functioning. Similarly Govt. of Punjab, Karnataka have not yet networked their helpline with IT Portal despite imparting training to their staff at IIPA and having signed the Licence Agreement to share IT Portal for complaint registration and use of knowledge database.

The sector wise list of calls received during the month of January to June 2017 is given below:

**Sector Wise Calls Received (January – June 2017)**

S. No.	INDUSTRY NAME	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
1	AADHAAR CARD	15	32	19	21	6	27
2	ADVERTISEMENT	3	5	8	10	4	5
3	AGRICULTURE SECTOR	11	17	24	83	15	27
4	AIRLINES	5	12	5	9	13	9
5	AUTOMOBILE	51	65	93	49	49	48
6	BANKING	143	183	226	146	133	122
7	BROADCASTING AND CABLE SERVICES	14	15	18	17	16	27
8	DOMESTIC APPLIANCES	152	145	199	215	188	193
9	E COMMERCE	101	159	102	95	132	128
10	EDUCATION	62	53	51	57	42	41
11	ELECTRICITY	68	168	107	123	83	82
12	FINANCE	41	77	66	38	53	30
13	FOOD AND BEVERAGES	9	38	31	22	34	20
14	FOOD AND SUPPLY	94	86	83	69	146	118
15	GAS LPG	64	91	99	70	69	84
16	INSURANCE	50	86	79	53	67	55
17	LEGAL	51	56	63	82	39	47
18	LEGAL METROLOGY	22	49	120	68	88	107
19	MEDICAL NEGLIGENCE	10	19	37	13	15	16
20	PETROLEUM LPG PNG CNG	52	95	261	72	191	74
21	POSTAL	18	32	29	31	33	24
22	PUBLIC DISTRIBUTION SYSTEM	1894	2761	2149	1515	2348	2309
23	PUBLIC SERVICES	105	112	101	66	58	65
24	RAILWAYS	3	8	14	8	11	4
25	REAL ESTATE	48	77	101	83	105	64
26	TELECOM	124	205	264	167	172	190
27	TOURISM	4	15	25	15	17	18
28	TRANSPORT	9	17	49	10	23	16
29	OTHERS	1842	3016	2526	1975	2579	2008



## **Capacity Building of State Consumer Helplines**

IIPA has been imparting training to the Helpline Staff and Coordinators of State Consumer Helpline. It has imparted training to all the States other than the four States namely Dadra Nagar and Haveli, Jammu & Kashmir, Lakshadweep and Meghalaya who have not attended any of the training programmes despite inviting nominations for training. IIPA has conducted 10 training programmes so far with a total participation of 276 personnel from 32 States/ UTs. In addition to the 10 training programmes conducted so far at IIPA, New Delhi, the Portal has also extended hand- holding support at site to the helplines at Bihar, Chandigarh (UT), Delhi, Haryana, Himachal Pradesh, Punjab, Rajasthan, Uttar Pradesh and Uttarakhand.

The last training programme i.e. 10<sup>th</sup> training programme was conducted at IIPA during 7<sup>th</sup>-9<sup>th</sup> June 2016. A Training Programme was also organized at the Portal during October 24-25, 2016 for the Web Manager/ Advisor recruited by Uttarakhand State Consumer Helpline. The training programme included topic on Consumer Empowerment and role of State Consumer Helpline, overview of consumer sectors like Banking, Insurance, Electricity, Telecom and Domestic Appliances. The participant Smt. Amarin Nakvi was acquainted with first-hand information and also got exposure to the IT Portal software and knowledge database for the effective running of the State Consumer Helpline.

An updated list of the details of the training programmes conducted so far is given at page Nos. 9 & 10.

### **Online Complaints:**

The IT Portal facilitates the consumers to register their complaints online giving them an access on 24x7 basis. A number of consumers have been registering their complaints/queries online at IT Portal. These complaints are directly diverted to the State Consumer Helplines who are using our IT Portal. These State Consumer Helplines take suitable action on such dockets. The complaints for those States which are not using IT Portal are downloaded and are regularly transmitted electronically to respective States to take appropriate steps. While forwarding such complaints electronically, the States are also being requested to join the IT Portal. However, the States who either do not have functioning helpline are yet to be networked with IT Portal are not responding back to IIPA on these online complaints.

The following table provides the number of online complaints registered for these States which are yet to use our IT Portal. However, there is no feedback from these States on the complaints forwarded to them for appropriate action.



**Online Complaint During 1st January - 30th June 2017**

<b>S.No.</b>	<b>State</b>	<b>No. of Complaint</b>
1	ANDHRA PRADESH	1
2	BIHAR	1
3	CHANDIGARH	4
4	CHATTISGARH	1
5	GUJARAT	4
6	HARYANA	4
7	JHARKHAND	5
8	KARNATAKA	2
9	KERALA	1
10	MAHARASHTRA	11
11	NCT DELHI	8
12	PUNJAB	1
13	RAJASTHAN	134
14	TAMIL NADU	2
15	TELANGANA	56
16	TRIPURA	1
17	UTTAR PRADESH	4
18	UTTRAKHAND	1
19	WEST BENGAL	10
	<b>Total</b>	<b>251</b>

**Training Programme for Coordinators & Advisors of State Consumer Helpline**

Sl. No	Name of State	1st Training Programme (Training Schedule on 7-11 Feb, 2011)	2nd Training Programme (Training Schedule on 14-18 March, 2011)	3rd Training Programme (Training Schedule on 01-05, Aug, 2011)	4th Training Programme (Training Schedule on 23-27, April, 2012)	5th Training Programme (Training Schedule on 26-28, Feb, 2013)	6th Training Programme (Training Schedule on 04-06, Sep, 2013)	7th Training Programme (Training Schedule on 03-05, Feb, 2014)	8th Training Programme (Training Schedule on 17-19, Dec, 2014)	9th Training Programme (Training Schedule on 24-26, Aug, 2015)	10th Training Programme (Training Schedule on 7-9, June, 2016)	Hand-Holding Support	Training
1	Andaman Nicobar					✓	✓						2
2	Andhra Pradesh	✓				✓							2
3	Arunachal Pradesh		✓							✓			2
4	Assam				✓								1
5	Bihar	✓	✓								✓	✓	4
6	Chandigarh											✓	1
7	Chattisgarh				✓	✓							2
8	Dadra Nagar Haveli												0
9	Daman & Diu					✓							1
10	Delhi							✓				✓	2
11	Goa					✓							1
12	Gujarat		✓					✓			✓		3
13	Haryana	✓			✓		✓		✓			✓	5
14	Himachal Pradesh			✓	✓			✓	✓			✓	5
15	Jammu &												0

	Kashmir												
16	Jharkhand				✓	✓					✓		3
17	Karnataka		✓		✓	✓		✓		✓	✓		6
18	Kerala								✓				1
19	Lakshadweep												0
20	Madhya Pradesh			✓									1
21	Maharashtra			✓			✓						2
22	Manipur					✓			✓				2
23	Meghalaya												0
24	Mizoram			✓									1
25	Nagaland			✓									1
26	Orissa	✓											1
27	Puducherry				✓		✓		✓				3
28	Punjab		✓			✓		✓				✓	4
29	Rajasthan			✓			✓		✓		✓	✓	5
30	Sikkim	✓	✓					✓					3
31	Tamil Nadu				✓				✓	✓			3
32	Telangana								✓	✓			2
33	Tripura				✓					✓			2
34	Uttar Pradesh	✓				✓		✓				✓	4
35	Uttarakhand								✓			✓	2
36	West Bengal	✓					✓			✓	✓		4
	<b>Total No. of Participants</b>	<b>27</b>	<b>18</b>	<b>20</b>	<b>22</b>	<b>24</b>	<b>22</b>	<b>17</b>	<b>18</b>	<b>15</b>	<b>14</b>	<b>79</b>	<b>276</b>

## **Consumer Advocacy**

The Portal has been raising advocacies pertaining to consumer issues to the respective stakeholders. An updated list of various advocacy issue raised by the Portal was compiled and submitted to Department of Consumer Affairs vide letter No. IIPA/SCHKRMP/ 2017-18 dtd. 05/06/2017. The following issues have been raised during the period January-June 2017.

### **1. Unethical Business Practices by Hotels and Restaurants**

The hotels and restaurants have started charging “service charges” in their bills. These service charges are presumed to be in lieu of “tips” which is normally paid by the diners in the restaurants. The tip is normally paid as optional and is purely on the wish of the diners. The charging of service charges which normally ranges from 5% to 20% is compulsorily charged in the bills. Most of the diners consider such service charges as Government taxes and end up paying again tip despite the service charges being charged by the restaurants. Whereas the tip was based on the quality of services, the service charge is a fixed amount irrespective of whether the services are good or not. An incident was also reported where the restaurants added service charge of 15% in the head “Vat” and charged 28.13% under the head VAT. While the case was referred to Haryana Trade Tax department for necessary audit, the matter titled **Unethical charging of VAT, Service Charge and Service Tax by the Restaurants** was also referred to Department of Consumer Affairs vide letter no. IIPA/SCHKRMP/Rest./2015 dated. 01/06/2015, 02/06/2015 and 23/01/2017.

The restaurant industry is also charging VAT on 100% value of the bill whereas service tax is being charged on 40% of the value of bills. The High Court of Uttarakhand has already adjudicated the matter and passed an order to charge VAT only on 60% of the value of the bill. However such practices of charging VAT on 100% value still continues. Department of Consumer Affairs vide their letter no. 24/9/2014-CPU dated. 15<sup>th</sup> April 2015 invited comments of IIPA on the collection of service charges by Hotels and Restaurants. It was based on the comments sought by Competition Commission of India. The Portal submitted its comments vide letter no. IIPA/SCHKRMP/2015 dated 17/04/2015.

**Action taken by Department of Consumer Affairs:** Department of Consumer Affairs has issued “**Guidelines on Fair Trade practices related to charging of service charge from consumers by Hotels/Restaurants**” vide file No. J-24/9/2014-CPU(pt) dated. 21<sup>st</sup> April 2017. As per guidelines, the Hotels/Restaurants are required to state on the bill presented to the customer that service charge is voluntary and the service charge of the column of the bill may be left blank for the customer to fill up before making payment.

## **2. Violation of Post Office rules in respect of RD accounts causing loss of interest in SB A/c.**

The Project Manager, SCHKRMP took up the issue with Post Master, AGCR Post Office, Senior Supdt. of Post Offices, Chief Post Master General (CPMG) and Department of Consumer Affairs pertaining to few number of his Recurring Deposits(RD) accounts with AGCR Post Office, New Delhi. Three of his accounts are being operated in violation of rules of Department of Posts which has been causing him loss of interest as well as depriving him from the use of the money lying into his account as the Department of Posts is debiting the monthly deposits from saving bank account approximately 15 to 16 days prior to the due date of deposits.

As per scheme of RD accounts, the subsequent monthly deposits after opening of RD accounts are required to be effected on the last working day of the next month if account is opened between 16<sup>th</sup> day and last working day of the next month The Department of Posts scheme of RD accounts clearly mentions .....

**“Subsequent deposit can be made up to 15<sup>th</sup> day of next month if account is opened up to 15<sup>th</sup> of a calendar month and up to last working day of next month if account is opened between 16<sup>th</sup> day and last working day of a calendar month. If subsequent deposit is not made up to the prescribed day, a default fee is charged for each default, default fee @ 5 paisa for every 5 rupee shall be charged. After 4 regular defaults, the account becomes discontinued and can be revived in two months but if the same is not revived within this period, no further deposit can be made.”**

The RD accounts in his case have been opened on 17<sup>th</sup> and 24<sup>th</sup> of the month; the next deposit falls due on the last working day of the next month i.e 30<sup>th</sup>/31<sup>st</sup> or last working day. However the Post Office is debiting the monthly amounts on or before 15<sup>th</sup> of every month for the past 13 months.

However the Department of Posts responded vide its letter no. L-1/1-Misc-171/2016-17 dated at New Delhi-110001 the 29.03.2017 that there is no loss of interest in Savings Bank account of the depositor as in case of Savings Bank Account, the interest shall be allowed for calendar month on the lowest balance at credit of an account between the close of the tenth day and the end of the month. Therefore, it is stated that there is no violation of Post Office rules in respect of RD account under question. While as per rules of Department of Posts, there may not be loss of interest but it deprives the consumer for utilization of money for two weeks every month. The matter is being pursued with Department of Posts as it affects all the consumers who have opened their account between 15<sup>th</sup> and 30<sup>th</sup> of the month.

### **3. Unethical Banking Practices in violation of RBI notification and directives of Ministry of Finance- charging of SMS Alert Fee by Banks**

The banks both in PSUs as well as private sectors are charging for SMS on fixed rates per quarter except UCO Bank. Such charges are ranging from Rs. 15/- to Rs. 25/- per quarter irrespective of whether there has been any transaction done or not. As per regulations of Reserve Bank of India, the consumers are supposed to be charged on actual SMS usage basis. Based on an advocacy paper raised by Portal with Reserve Bank of India and Department of Consumer Affairs, Ministry of Finance issued directives to the banks to follow the regulations of Reserve Bank of India vide letter No. 7/72/2014-BOA dtd. 14<sup>th</sup> August 2014. However, such unethical business practice still continues.

Project Manager, SCHKRMP initiated seeking information under RTI Act 2005 and it was reasonably assessed that State Bank of India alone had generated an amount of more than Rs. 400 crores per annum only on such account. The matter was again referred to Department of Consumer Affairs vide letter No. IIPA/SCHKRMP/Banking SMS/2015 dtd. 19/06/2015 for appropriate intervention in stopping such unethical business practices. The matter was continuously pursued with Department of Consumer Affairs. Department of Consumer Affairs was also being continuously apprised of unfair deductions by banks/merchants on transactions at POS and Merchants sites through use of debit cards/ internet banking/ NEFT etc. These charges on account of transactions are even as high as 3% in some of the cases. The Portal raised the issue again vide letter No. IIPA/SCHKRMP/Debitcard dtd. 09/12/2016 to Department of Consumer Affairs.

**Action taken by Department of Consumer Affairs:** Department of Consumer Affairs has again taken up the issue with Reserve Bank of India on 3<sup>rd</sup> May, 2017 to intervene in the matter to address the same in the interest of consumer seeking issuing of binding directions to the banks i) to refund the excess charges on SMS in identifiable cases or credit to an appropriate fund for ensuring consumer welfare activities and ii) remove the unjustifiable charges on debit card transactions.

### **4. Unfair Trade practices by Fast Food Outlets: Charging of Service tax on food items for home delivery.**

It came into the notice that many fast food restaurants like Domino's Pizza ,KFC, McDonald etc. are adapting to unethical business practices by charging service tax on home delivery of food items. All these restaurants are offering both type of services like dine-in and home delivery. Whereas the rate of service tax as applicable to dine-in is 14% on 40% of food value i.e 5.6% of the invoice amount, no service tax is chargeable for home-delivery orders of food items. However, these restaurants have been charging service tax on home delivery orders. The value of unethical business practices could be imagined from the fact that Domino's Pizza has got a business turnover of more than Rs. 2400 crores per annum. Even if we assume that 50% of the business is from home delivery business, the amount of service tax could be around Rs. 70 crore per year.

As per the Service Tax Act, the service tax is to be charged by the restaurants having air-conditioning and/or serving liquor. In case the items are ordered for home delivery or it is take-away or pick-up, no service tax is chargeable. The service tax was earlier charged even by a famous restaurant namely Haldiram Marketing Pvt. Ltd. The matter was taken up with Haldiram by the Project Manager (SCHKRMP).The restaurant stopped charging service tax on pick up/take away orders. However, the justification of charging service tax on take-away orders by Haldiram was somewhat surprising. The restaurant stated in a verbal discussion that since the take away items are to be packed in a special packaging which is also a cost to them. They could not justify as to how the packaging cost could be compensated by charging service tax. Whereas the packing cost if charged is retainable with the restaurant, the service tax charges goes to the Tax Department.

Recently a case of Domino's Pizza has been noticed wherein the Restaurants charged service tax on the items to be delivered at home. However, the bill was lost before the complaint could have been raised. As part of the analysis of the Portal, a mystery shopping was done on the website of Domino's pizza and the invoice was generated and it was found that the restaurant is charging service tax on home delivery orders. The social media was used to sensitize the issue and to see the reaction of the Domino's Pizza. The response of the Domino's Pizza was looking to be as if they are avoiding the topic to be discussed. The issue was further analyzed w.r.t the other prominent outlets like KFC, McDonalds and Pizza Hut and it has been observed that even these outlets are also adapting to the same practices. In fact some of the outlets are charging the taxes even by combining as VAT + Service Tax. Whereas the VAT is a subject matter of the State Government, Service Tax is the matter of Central Government and hence charging under a combined head is not understandable.

As part of our earlier advocacy on the subject, we could obtain a copy of the document issued by Office of the Deputy Commissioner (Central Excise & Service Tax Division), Chandigarh addressed to Apex Restaurants Pvt. Ltd. Clarifying on the point related to service tax for pick-up/take home or home deliver orders. The document ref. No. C. No. ST-20/STD/Misc./Sevottam/62/12 dated: 13-08-2015 is attached for ready reference. The relevant portion of the said clarification is quoted below:

**".....as to whether Service Tax is payable on food sold by way of Pick-up or Home Deliveries has been sought.**

**It is clarified that in case of the transaction involving Pick -up or the Home Deliveries of the food sold by the Restaurant, the dominant nature of the transaction is that of sale and not service as the food is not served at the Restaurant and further no other element of service which is offered at the Restaurants, be it ambience, live entertainment, if any air conditioning or personalized hospitality is offered. The Service Tax can be levied if there's an**

**element of 'Service' involved which would typically the case where food is served in restaurant.**

**The above transaction is not liable to Service Tax being sale in nature, only if, no amount is charged for such free delivery of food."**

While the service tax is being charged despite not being chargeable, the possibility could not be ruled out on the evasion of such taxes. In fact the clarification as was given by Haldiram was leading towards the possibility of tax evasion.

Department of Consumer Affairs was requested vide letter No. IIPA/SCHKRMP/Restaurant/2017 dtd. 30/06/2017 to take appropriate action including advise to Trade Tax Department/CBDT for auditing of their transactions. Meanwhile, Department of Consumer Affairs may consider advising consumers through "Jago Grahak Jao" advertisement campaign.

## **Other activities**

### **Delegation from Consumer Affairs Agency Government of Japan for a Meeting on Cross-Border Consumer Protection in Asia, Europe and Oceania visited IIPA on 11th January, 2017**

A Delegation from Consumer Affairs Agency of Japan visited IIPA for exchange of information in connection with issues on Cross Border Consumer Protection in Asia, Europe and Oceania on January 11, 2017. The delegation included members from Policy Planning Division Consumer Affairs Agency, National Consumer Affairs Center of Japan (NCAC), Cross Border Consumer Center Japan (CCJ), ODR Room Network INC, Mitsubishi UFJ Research and Consulting Co. Ltd. Project Manager Shri, S.K Virmani presented about the activities being done by State Consumer Helplines, a project supported by Department of Consumer Affairs. He also highlighted some of the advocacies raised recently including E-Commerce and Financial Frauds which require attention of various authorities. The delegation also visited the IT Portal to oversee the functioning of IT Portal and Consumer Helplines.

### **Session on "Telecom & Consumer" in 42nd Advanced Professional Programme in Public Administration (APPPA)**

42<sup>nd</sup> Advanced Professional Programme in Public Administration (APPPA) commenced from 1st July 2016 to 28th April 2017 at the Indian Institute of Public Administration (IIPA). Project Manager Shri S.K Virmani, SCHKRMP took a session on "Telecom & Consumer" on 16th January, 2017. He discussed about frequent occurring problems in Telecom Services and the Service Benchmarks as laid down by Telecom Regulatory Authority on India and consumer complaint redressal. The participants were also acquainted with the grievance handling mechanism in telecom companies as per TRAI regulations. The participants were also shared



with the issues where the gaps need to be filled up for an effective and quality service in Telecom sector.

### **FSSAI Conducted Workshop on Social Marketing of Safe and Nutritious Food – A Way of Life**

Food Safety and Standards Authority of India (FSSAI) organized a one day workshop on Social Marketing of 'Safe and Nutritious Food: A way of Life' on 31<sup>st</sup> January 2017 at Banquet Hall of New Moti Bhag Club. FSSAI worked with corporate to craft specific intervention under the broad theme, 'Corporates for Safe and Nutritious Food'. The Project Manager Shri. S.K Virmani attended this programme and actively participated in the group for need of an effective consumer protection in issues related to Food Safety.

### **“Telecom and Consumers” during 20th Training of Trainers Programme for the Faculty Members of Training Institutions on Consumer Protection and Consumer Welfare by Centre for Consumer Studies, IIPA**

20<sup>th</sup> Training of Trainers Programme for the Faculty Members of Training Institutions on Consumer Protection and Consumer Welfare commenced from 6<sup>th</sup> February 2017 to 10<sup>th</sup> February 2017 at Indian Institute of Public Administration (IIPA). Project Manager, SCHKRMP took session on “Telecom and Consumers” on 8<sup>th</sup> February 2017. He discussed about frequent occurring problems in Telecom Services and the Service Benchmarks as laid down by Telecom Regulatory Authority on India. The participants were also acquainted with the grievance handling mechanism in telecom companies as per TRAI regulations.

### **“Telecom and Consumers” during 94th Orientation Training Programme for the Presidents and Members of the District Consumer Forums by Centre for Consumer Studies, IIPA**

94<sup>th</sup> Orientation Training Programme for the Presidents and Members of the District Consumer Forums commenced from 13<sup>th</sup> February 2017 to 17<sup>th</sup> February 2017 at the Indian Institute of Public Administration (IIPA). Project Manager, SCHKRMP took a session on “Telecom and Consumers” on 16<sup>th</sup> February, 2017. He discussed about frequent occurring problems in Telecom Services and the Service Benchmarks as laid down by Telecom Regulatory Authority on India. The participants were also acquainted with the grievance handling mechanism in telecom companies as per TRAI regulations

### **National Conference on World Consumer Rights Day on 15th March, 2017**

World Consumer Rights Day celebration was held by Department of Consumer Affairs, Govt. of India at the DRDO Bhawan, New Delhi on 15<sup>th</sup> March, 2017. The theme of the conference was “**Consumer Rights in the Digital Age**”. The programme was presided over by Shri Ram Vilas Paswan, Hon'ble Union Minister of Consumer Affairs, Food and Public Distribution, Hon'ble Shri

Ravi Shankar Prasad, Minister of Law & Justice and Electronics and IT, Hon'ble Shri C.R. Chaudhary Minister of State Consumer Affairs, Food & Public Distribution, Hon'ble Smt Rekha Gupta, Member, NCDRC New Delhi graced the occasion and addressed the participants on the theme. Shri Hem Kumar Pande, Secretary, Consumer Affairs, Sri R. Chandrasekhar, President, NASSCOM, Secretaries of various Central Ministries, DG, BIS, Senior Officers, Members of Press and representatives of various Voluntary Consumer Organizations (VCOs). Prof. Suresh Mishra, Dr. Mamta Pathania, Dr. Sapna Chadah, Shri. S. K. Virmani, Shri. G. N. Sreekumaran and staff members from Indian Institute of Public Administration attended the conference.

Welcoming the delegates on the inaugural function, Shri Hem Pande Secretary, Department of Consumer Affairs mentioned about efforts being made in the regulatory framework to enhance consumer protection in e-commerce sector which is expanding rapidly. The Government is coming up with a new Consumer Protection Bill which is in advanced stage of consideration and relevant Rules and Regulations will be notified after its enactment that will adequately address the issues of jurisdiction, scope of liability, executive action against unfair trade practices as well as alternate dispute resolution.

Smt Rekha Gupta Member NCDRC mentioned that world consumer day is an opportunity to promote basic consumer rights. She mentioned that the theme selected for the day is a relevant as the Prime Minister has launched the digital India initiative in July, 2015 with the vision of providing digital connectivity, services, e-governance and digitizing health and education areas.

Hon'ble Minister Sh. Ram Vilas Paswan in his presidential address mentioned that Government is already on the right track in facilitating the consumers to harness the full benefits of digitization and putting in place sufficient safeguards against risks associated with the online world. He commented that this is the age of technology, and educating the consumer and redressing his grievances in the digital world is a challenge. E-commerce companies are increasingly coming under our national consumer helpline convergence programme where consumer grievances are entered online, are being addressed expeditiously. He mentioned that packaged commodities rules are being amended to mandate that e-commerce companies should display the mandatory declarations on their sites if they are offering packaged commodities for sale on online platforms; He suggested that both ministries, the consumer affairs and the Information technology, have to work in tandem to create digital awareness programs and urged the NASSCOM to encourage companies to adhere to a code of ethics where they do not hide in fine print the consumer's agreement to share his private data and make him sign inadvertently. He emphasized that openness of the Internet, the lack of identification and the low level of users' understanding of security; particularly among the first time users is a major area that requires focused efforts.

Hon'ble Union Minister Sri Ravi Shankar Prasad in his speech laid stress on focusing on a digitally empowered society instead of digitally enabled society. He said India is the biggest user of digital technology with just sixty six lakh transactions in 2013 grown into a massive 1.5 crores per day digital transactions in 2016. He said that the focus of the government is digital

governance, and service delivery systems using social media for good governance. He said that all information supporting public cause should be in public domain.

**“Telecom and Consumers” during 95th Orientation Training Programme for the Presidents and Members of the District Consumer Forums by Centre for Consumer Studies, IIPA**

95<sup>th</sup> Orientation Training Programme for the Presidents and Members of the District Consumer Forums commenced from 20<sup>th</sup> March 2017 to 24<sup>th</sup> March 2017 at the Indian Institute of Public Administration (IIPA). Project Manager, SCHKRMP took a session on “Telecom and Consumers” on 21<sup>st</sup> March, 2017. He discussed on issues about frequent occurring problems in Telecom Services and the Service Benchmarks as laid down by Telecom Regulatory Authority on India. The participants were also acquainted with the grievance handling mechanism in telecom companies as per TRAI regulations.

**Visit of Additional Secretary and Financial Advisor, Department of Consumer Affairs**

After taking over Department of Consumer Affairs as Additional Secretary & Financial Advisor, Shri Nikhlesh Jha visited the IT Portal at IIPA on 11th April, 2017 to oversee the functioning of the Portal extending technical and knowledge support to the Consumer Helplines in various States using centralized IT portal. He was given a live demonstration about the functioning of IT Portal using centralized software for call registration and knowledge database to facilitate advise, guidance and information to the consumers contacting State Consumer Helplines

**Session on ‘Telecom and Consumer’ during 11th Training of Trainers Programme for Heads and Members of VCOs/ NGOs in Consumer Protection and Welfare**

Centre for Consumer Studies, IIPA organized 11th Training of Trainers Programme for Heads and Members of VCOs/ NGOs in Consumer Protection and Welfare during April 06-09, 2017. Shri.S.K. Virmani, Project Manager, SCHKRMP took a session on “Telecommunication and Consumer” on 6th April, 2017. He shared knowledge with the participants about frequent occurring problems in Telecom Services and the Service Bench-marks as laid down by Telecom Regulatory Authority of India (TRAI). The participants were also explained of grievance handling mechanism in telecom companies as per TRAI regulations.

**“Telecom and Consumers” during 96th Orientation Training Programme for the Presidents and Members of the District Consumer Forums by Centre for Consumer Studies, IIPA**

96th Orientation Training Programme for the Presidents and Members of the District Consumer Forums commenced from 24th April 2017 to 28th April 2017 at the Indian Institute of Public Administration (IIPA). Project Manager, SCHKRMP took a session on “Telecom and

Consumers” on 27th April 2017. He discussed issues about frequent occurring problems in Telecom Services and the Service Benchmarks as laid down by Telecom Regulatory Authority of India. The participants were also acquainted with the grievance handling mechanism in telecom sector as per Telecom Regulatory Authority of India (TRAI) regulations

**“Telecom and Consumers” during 97th Orientation Training Programme for the Presidents and Members of the District Consumer Forums by Centre for Consumer Studies, IIPA**

97th Orientation Training Programme for the Presidents and Members of the District Consumer Forums commenced from 22nd May 2017 to 26th May 2017 at the Indian Institute of Public Administration (IIPA). Project Manager, SCHKRMP took a session on “Telecom and Consumers” on 25th May 2017. He discussed issues about frequent occurring problems in Telecom Services and the Service Benchmarks as laid down by Telecom Regulatory Authority of India. The participants were also acquainted with the grievance handling mechanism in telecom sector as per Telecom Regulatory Authority of India (TRAI) regulations.

**Knowledge Creation:**

The IT Portal is being continuously updated with uploading of knowledge based database. Some of the recent updates have been on:

1. Sector wise FAQs – Jan Aushadhi, Postal Life Insurance, SEBI Complaint Redressal System, Real Estate Regulation and Development and Pradhan Mantri Jivan Jyoti Bima Yojana, GST related general queries
2. Act and Regulation– Standard of Weight and Measures Act,1976, BIS Act, Legal Metrology Advisory for Readymade Garments and IRDA Act., The Central Goods and Services Tax Act, 2017 ,GST - Composition Rules, GST - Valuation Rules ,GST - Transition Rules ,GST - ITC Rules ,GST- Revised Invoice Rules ,GST - Revised Payment Rules ,GST - Revised Refund Rules ,GST - Revised Registration Rules ,GST- Revised Return Rules, GST Rates on Goods, GST Rates on Services
3. Citations – MRP Judgment , NCDRC Judgment on charging of VAT on discounted MRP ,Punjab SDRC Judgment on charging of VAT on discounted MRP
4. Consumer advisories-Telecom and Railway Ticket Cancellation booked at PRS counter
5. Quarterly Newsletter “Consumer Connect”
6. Monthly “Consumer Bulletin”
7. Contact details of service providers
8. Newspaper Reports on consumer issues.