



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  
(APRIL – JUNE 2017)**

**CENTRE FOR CONSUMER STUDIES  
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## **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 indicating 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.

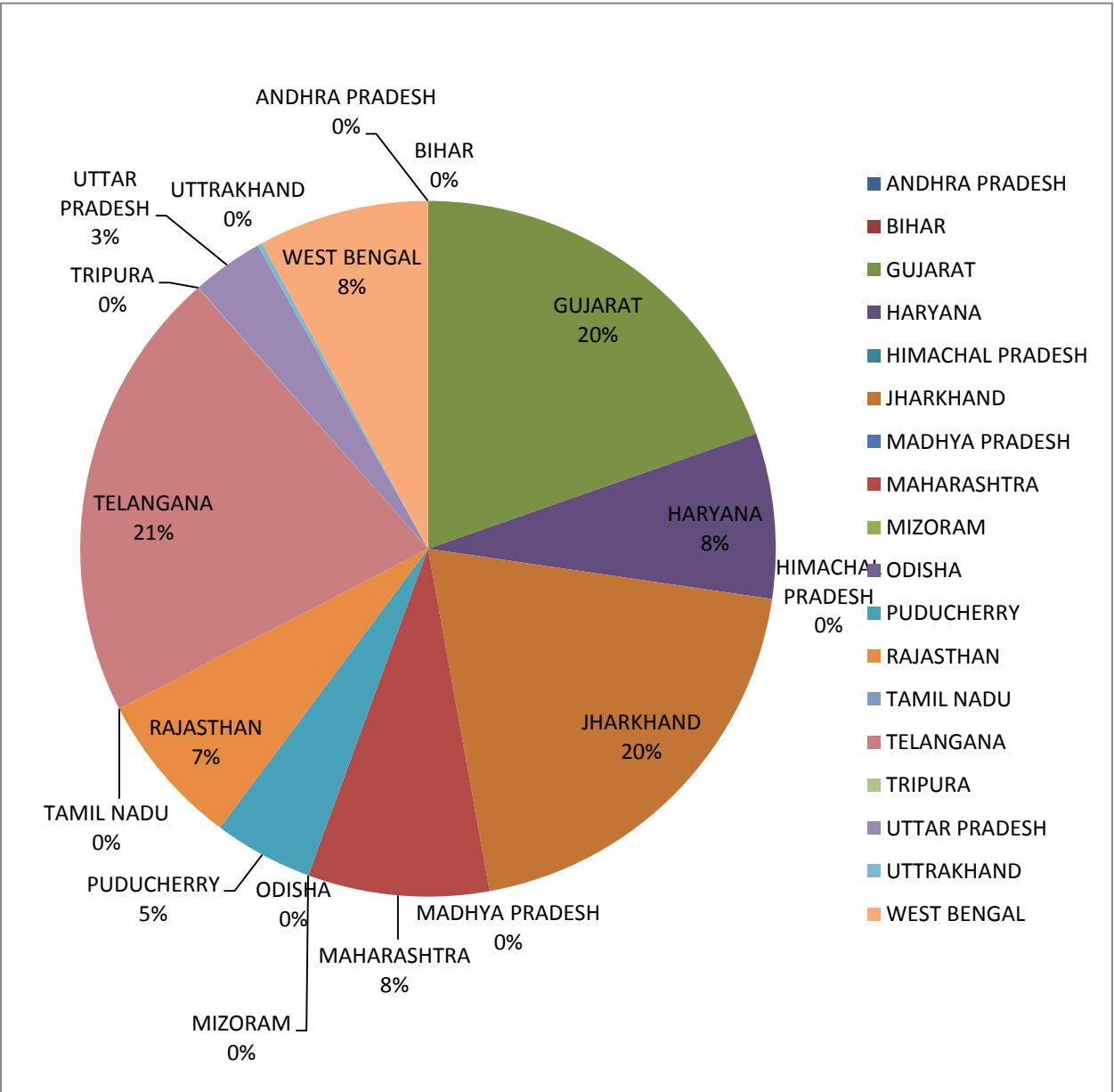
### **Statistical Report on Complaints/Calls received by SCHs:**

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: April – June 2017**

<b>S.No</b>	<b>State Name</b>	<b>April</b>	<b>May</b>	<b>June</b>
1	ANDHRA PRADESH	0	0	0
2	BIHAR	0	0	0
3	GUJARAT	1307	1209	1082
4	HARYANA	230	654	524
5	HIMACHAL PRADESH	0	0	0
6	JHARKHAND	942	1328	1370
7	MADHYA PRADESH	0	0	0
8	MAHARASHTRA	484	489	573
9	MIZORAM	0	0	0
10	ODISHA	0	0	0

11	PUDUCHERRY	218	297	329
12	RAJASTHAN	270	552	498
13	TAMIL NADU	0	0	0
14	TELANGANA	1092	1715	1062
15	TRIPURA	2	0	1
16	UTTAR PRADESH	213	221	177
17	UTTRAKHAND	20	14	7
18	WEST BENGAL	475	475	502

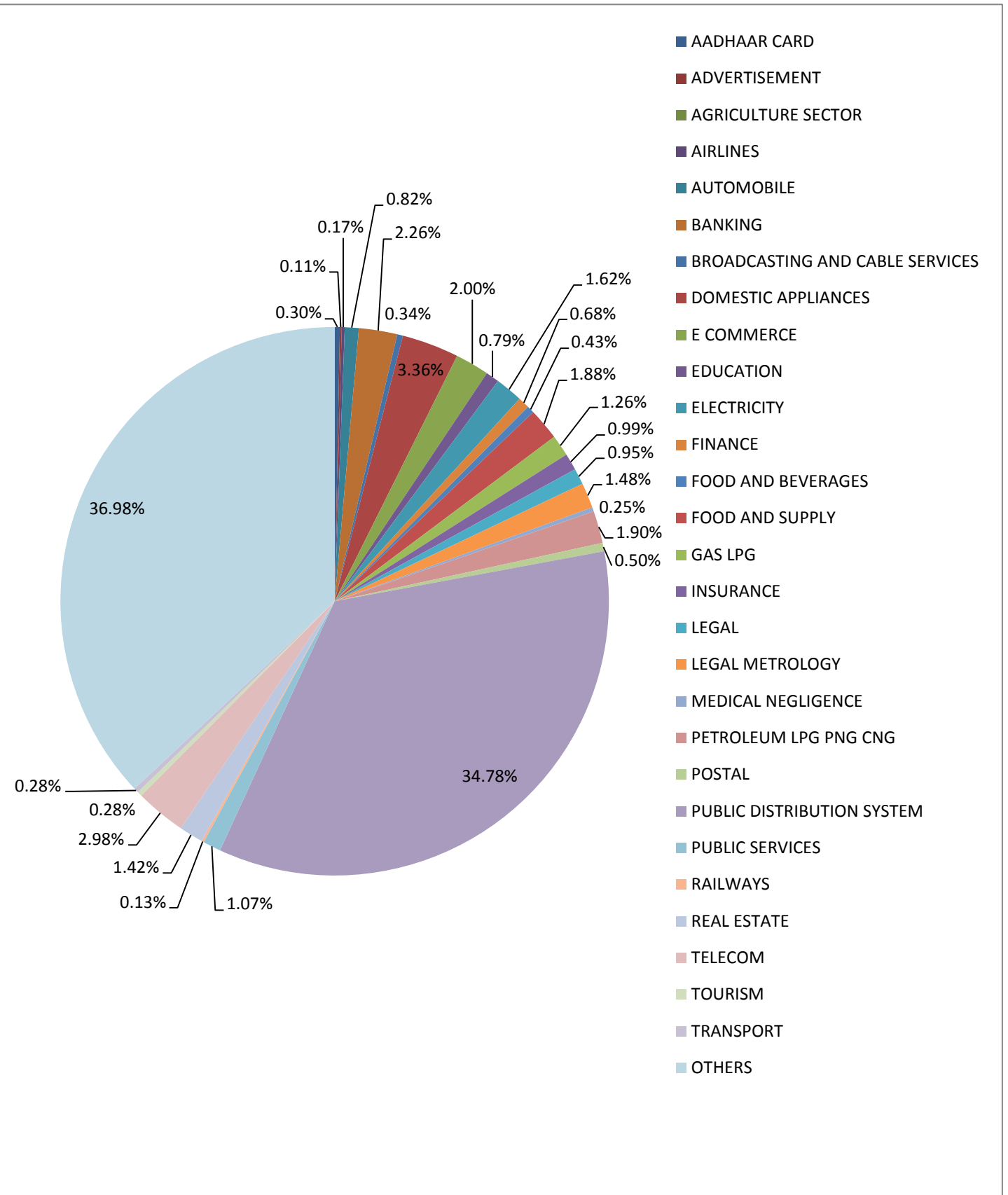


The States of Bihar, Himachal Pradesh, Madhya Pradesh and Uttar Pradesh have been running the helpline intermittently. While M.P. State Consumer Helpline stopped functioning, the State Govt. is now aggressively reviving its functioning. Similarly Govt. of Punjab and Karnataka have not yet networked their 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. Similarly, the consumer helpline at Puducherry is facing problem in its operationalisation due to non-release of grant by the State Govt. since March 2016.

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

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

S. No.	INDUSTRY NAME	APRIL	May	June	Total
1	AADHAAR CARD	21	6	27	54
2	ADVERTISEMENT	10	4	5	19
3	AGRICULTURE SECTOR	83	15	27	
4	AIRLINES	9	13	9	31
5	AUTOMOBILE	49	49	48	146
6	BANKING	146	133	122	401
7	BROADCASTING AND CABLE SERVICES	17	16	27	60
8	DOMESTIC APPLIANCES	215	188	193	596
9	E COMMERCE	95	132	128	355
10	EDUCATION	57	42	41	140
11	ELECTRICITY	123	83	82	288
12	FINANCE	38	53	30	121
13	FOOD AND BEVERAGES	22	34	20	76
14	FOOD AND SUPPLY	69	146	118	333
15	GAS LPG	70	69	84	223
16	INSURANCE	53	67	55	175
17	LEGAL	82	39	47	168
18	LEGAL METROLOGY	68	88	107	263
19	MEDICAL NEGLIGENCE	13	15	16	44
20	PETROLEUM LPG PNG CNG	72	191	74	337
21	POSTAL	31	33	24	88
22	PUBLIC DISTRIBUTION SYSTEM	1515	2348	2309	6172
23	PUBLIC SERVICES	66	58	65	189
24	RAILWAYS	8	11	4	23
25	REAL ESTATE	83	105	64	252
26	TELECOM	167	172	190	529
27	TOURISM	15	17	18	50
28	TRANSPORT	10	23	16	49
29	OTHERS	1975	2579	2008	6562



## **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 April - 30th June 2017**

<b>S.No.</b>	<b>State</b>	<b>No. of Complaint</b>
1	CHANDIGARH	1
2	CHATTISGARH	1
3	GUJARAT	2
4	HARYANA	2
5	JHARKHAND	3
6	KARNATAKA	2
7	KERALA	1
8	MAHARASHTRA	3
9	NCT DELHI	3
10	PUNJAB	1
11	RAJASTHAN	98
12	TAMIL NADU	1
13	TELANGANA	29
14	TRIPURA	1
15	UTTAR PRADESH	2
16	WEST BENGAL	4
	<b>Total</b>	<b>154</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 quarter April-June 2017.

### **1. 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.

### **2. 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 be 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 Jago" advertisement campaign.

## **Other activities**

### **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.Virman, 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 – GST related general queries
2. Act and Regulation–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 –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.