

Unit - IV

Role of Industry Regulators in Consumer Protection



Unit IV : Role of Industry Regulators in Consumer Protection

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Content:

1. Banking: RBI and Banking Ombudsman
2. Insurance: IRDA and Insurance Ombudsman
3. Telecommunication: TRAI
4. Food Products: FSSAI
5. Electricity Supply: Electricity Regulatory Commission,
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Background

What is Regulator?

It is a government authority that is responsible for exercising autonomous dominion over some area of human activity in a regulatory or monitoring capacity.

Regulators are also known as :

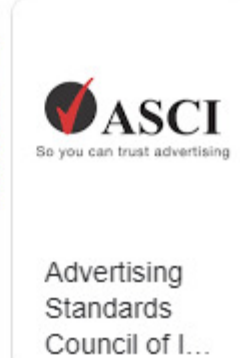
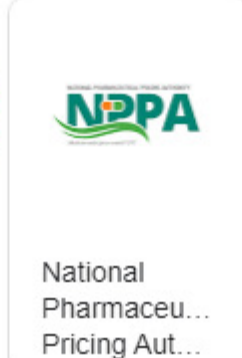
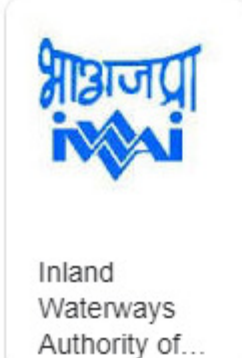
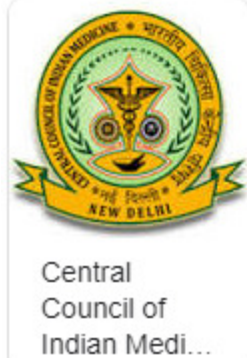
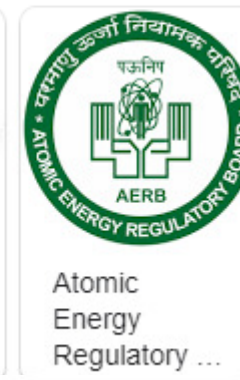
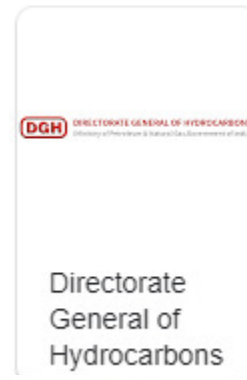
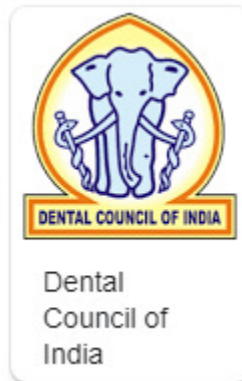
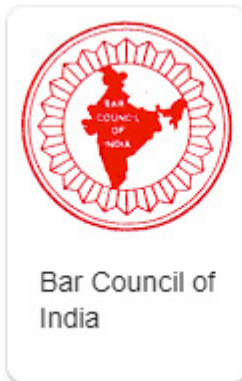
- Regulatory agencies
- Regulatory authorities
- Regulatory bodies

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Regulators in India:

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Background

Regulators in India:



Directorate
General of
Shipping



All India
Council for
Technical E...



Securities a...
Exchange
Board of India



University
Grants
Commission



Veterinary
Council of
India



Coir Board of
India



Food Safety
and
Standards ...



Insurance
Regulatory
and Develo...



Indian
Nursing
Council



National Bank
for Agriculture
and Rural ...



Pharmacy
Council of
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Directorate
General of
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Khadi and
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4.1 Banking: RBI and Banking Ombudsman

Reserve Bank of India (RBI)

The Reserve Bank of India is India's central bank and regulatory body under the jurisdiction of Ministry of Finance, Government of India. It is responsible for the issue and supply of the Indian rupee and the regulation of the Indian banking system.

- The Reserve Bank of India was established on April 1, 1935 in accordance with the provisions of the **Reserve Bank of India Act, 1934**.
- The Central Office of the Reserve Bank was initially established in Kolkata but was permanently moved to Mumbai in 1937. The Central Office is where the Governor sits and where policies are formulated.
- Though originally privately owned, since nationalization in 1949, the Reserve Bank is fully owned by the Government of India.



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4.1 Banking: RBI and Banking Ombudsman

RBI – PREAMBLE

“to regulate the issue of Bank notes and keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage; to have a modern monetary policy framework to meet the challenge of an increasingly complex economy, to maintain price stability while keeping in mind the objective of growth.”



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4.1 Banking: RBI and Banking Ombudsman

What is the Banking Ombudsman (Lok Pal) Scheme?

The Banking Ombudsman Scheme is an expeditious and inexpensive forum for bank customers for resolution of complaints relating to certain services rendered by banks. The Banking Ombudsman Scheme is introduced under Section 35 A of the Banking Regulation Act, 1949 by RBI with **effect from 1995**. Presently the Banking Ombudsman Scheme 2006 (As amended upto July 1, 2017) is in operation.

Who is a Banking Ombudsman?

The Banking Ombudsman is a **senior official appointed by the Reserve Bank of India** to redress **customer complaints against deficiency in certain banking services covered** under the grounds of complaint specified under Clause 8 of the Banking Ombudsman Scheme 2006 (As amended upto July 1, 2017).

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4.1 Banking: RBI and Banking Ombudsman

How many Banking Ombudsmen have been appointed and where are they located?

As on date, twenty Banking Ombudsmen have been appointed with their offices located mostly in state capitals.

Which are the banks covered under the Banking Ombudsman Scheme, 2006?

All Scheduled Commercial Banks, Regional Rural Banks and Scheduled Primary Co-operative Banks are covered under the Scheme.



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4.1 Banking: RBI and Banking Ombudsman

What are the grounds of complaints?

The Banking Ombudsman can receive and consider any complaint relating to the following deficiency in banking services:

- non-payment or inordinate delay in the payment or collection of cheques, drafts, bills etc.;
- non-acceptance, without sufficient cause, of small denomination notes tendered for any purpose, and for charging of commission in respect thereof;
- non-acceptance, without sufficient cause, of coins tendered and for charging of commission in respect thereof;
- non-payment or delay in payment of inward remittances ;
- failure to issue or delay in issue of drafts, pay orders or bankers' cheques;
- non-adherence to prescribed working hours ;
- failure to provide or delay in providing a banking facility (other than loans and advances) promised in writing by a bank or its direct selling agents;

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4.1 Banking: RBI and Banking Ombudsman

Continued.....

- delays, non-credit of proceeds to parties' accounts, non-payment of deposit or non-observance of the Reserve Bank directives, if any, applicable to rate of interest on deposits in any savings, current or other account maintained with a bank ;
- complaints from Non-Resident Indians having accounts in India in relation to their remittances from abroad, deposits and other bank related matters;
- refusal to open deposit accounts without any valid reason for refusal;
- **levying of charges without adequate prior notice to the customer;**
- Non-adherence to the instructions of Reserve Bank on ATM / Debit Card and Prepaid Card operations in India by the bank or its subsidiaries
- Non-adherence by the bank or its subsidiaries to the instructions of Reserve Bank on credit card operations



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4.1 Banking: RBI and Banking Ombudsman

Continued.....

- Non-adherence to the instructions of Reserve Bank with regard to Mobile Banking / Electronic Banking service in India by the bank
- Non-disbursement or delay in disbursement of pension (to the extent the grievance can be attributed to the action on the part of the bank concerned, but not with regard to its employees);
- Refusal to accept or delay in accepting payment towards taxes, as required by Reserve Bank/Government;
- Refusal to issue or delay in issuing, or failure to service or delay in servicing or redemption of Government securities;
- Forced closure of deposit accounts without due notice or without sufficient reason;
- Refusal to close or delay in closing the accounts;



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4.1 Banking: RBI and Banking Ombudsman

Continued.....

- Non-adherence to the fair practices code as adopted by the bank;
- Non-adherence to the provisions of the Code of Bank's Commitments to Customers issued by Banking Codes and Standards Board of India and as adopted by the bank ;
- Non-observance of Reserve Bank guidelines on engagement of recovery agents by banks;
- Non-adherence to Reserve Bank guidelines on para-banking activities like sale of insurance / mutual fund /other third party investment products by banks
- Any other matter relating to the violation of the directives issued by the Reserve Bank in relation to banking or other services.



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4.1 Banking: RBI and Banking Ombudsman

A customer can also lodge a complaint on the following grounds of deficiency in service with respect to loans and advances:

- non-observance of Reserve Bank Directives on interest rates;
- delays in sanction, disbursement or non-observance of prescribed time schedule for disposal of loan applications;
- non-acceptance of application for loans without furnishing valid reasons to the applicant; and
- non-adherence to the provisions of the fair practices code for lenders as adopted by the bank or Code of Bank's Commitment to Customers, as the case may be;
- non-observance of any other direction or instruction of the Reserve Bank as may be specified by the Reserve Bank for this purpose from time to time.
- The Banking Ombudsman may also deal with such other matter as may be specified by the Reserve Bank from time to time.

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4.1 Banking: RBI and Banking Ombudsman

When can one file a complaint?

One can file a complaint before the Banking Ombudsman if the reply is not received from the **bank within a period of one month after the bank concerned** has received one's complaint, or the bank rejects the complaint, or if the complainant is not satisfied with the reply given by the bank.



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4.1 Banking: RBI and Banking Ombudsman

When will one's complaint not be considered by the Ombudsman?

One's complaint will not be considered if:

- One has not approached his bank for redressal of his grievance first.
- One has not made the complaint **within one year from** the date of receipt of the reply of the bank or if no reply is received, and the complaint to Banking Ombudsman is made after the lapse of more than one year and one month from the date of complaint made to the bank.
- The subject matter of the complaint is pending for disposal / has already been dealt with at any other forum like court of law, consumer court etc.
- Frivolous or vexatious complaints.
- The institution complained against is not covered under the scheme.
- The subject matter of the complaint is not pertaining to the grounds of complaint specified under Clause 8 of the Banking Ombudsman Scheme. If the complaint is for the same subject matter that was settled through the office of the Banking Ombudsman in any previous proceedings.



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4.1 Banking: RBI and Banking Ombudsman

What is the procedure for filing the complaint before the Banking Ombudsman?

One can file a complaint with the Banking Ombudsman simply by writing on a plain paper. One can also file it online or by sending an email to the Banking Ombudsman. There is a form along with details of the scheme in our website. However, it is not mandatory to use this format.

Where can one lodge his/her complaint?

One may lodge his/ her complaint at the office of the Banking Ombudsman under whose jurisdiction, the bank branch complained against is situated. For complaints relating to credit cards and other types of services with centralized operations, complaints may be filed before the Banking Ombudsman within whose territorial jurisdiction the billing address of the customer is located.



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4.1 Banking: RBI and Banking Ombudsman

Can a complaint be filed by one's authorized representative?

Yes. The complaint can be filed by one's authorized representative (other than an advocate).

Is there any cost involved in filing complaints with Banking Ombudsman?

No. The Banking Ombudsman does not charge any fee for filing and resolving customers' complaints.

Is there any limit on the amount of compensation as specified in an Award?

The amount, if any, to be paid by the bank to the complainant by way of compensation for any loss suffered by the complainant is limited to the amount arising directly out of the act or omission of **the bank or ₹ 20 lakhs (₹ Two Million), whichever is lower.**



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4.1 Banking: RBI and Banking Ombudsman

Can compensation be claimed for mental agony and harassment?

The Banking Ombudsman may award compensation not exceeding ₹ 1 lakh (₹ One Hundred Thousand) to the complainant for mental agony and harassment. The Banking Ombudsman will take into account the loss of the complainant's time, expenses incurred by the complainant, harassment and mental anguish suffered by the complainant while passing such award.

What details are required in the application?

Name and address of the complainant, the name and address of the branch or office of the bank against which the complaint is made, facts giving rise to the complaint supported by documents, if any, the nature and extent of the loss caused to the complainant, the relief sought from the Banking Ombudsman and a declaration about the compliance with conditions which are required to be complied with by the complainant under Clause 9(3) of the Banking Ombudsman Scheme.



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4.1 Banking: RBI and Banking Ombudsman

What happens after a complaint is received by the Banking Ombudsman?

The Banking Ombudsman endeavours to promote, through conciliation or mediation, a settlement of the complaint by agreement between the complainant and the bank named in the complaint.

If the terms of settlement (offered by the bank) are acceptable to one in full and final settlement of one's complaint, the Banking Ombudsman will pass an order as per the terms of settlement which becomes binding on the bank and the complainant.



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4.1 Banking: RBI and Banking Ombudsman

Can the Banking Ombudsman reject a complaint at any stage?

Yes. The Banking Ombudsman may reject a complaint at any stage if it appears to him that a complaint made to him is:

- not on the grounds of complaint referred to above
- compensation sought from the Banking Ombudsman is beyond ₹ 20 lakh (₹ Two Million).
- requires consideration of elaborate documentary and oral evidence and the proceedings before the Banking Ombudsman are not appropriate for adjudication of such complaint
- the complaint is without any sufficient cause
- the complaint that it is not pursued by the complainant with reasonable diligence
- in the opinion of the Banking Ombudsman there is no loss or damage or inconvenience caused to the complainant.



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4.2 Insurance: IRDA and Insurance Ombudsman

The Insurance Regulatory and Development Authority of India (IRDAI) is a regulatory body under the jurisdiction of Ministry of Finance , Government of India and is tasked with regulating and promoting the insurance and re-insurance industries in India.

It was constituted by the Insurance Regulatory and Development Authority Act, 1999,an Act of Parliament passed by the Government of India.

The agency's headquarters are in Hyderabad, Telangana, where it moved from Delhi in 2001.

IRDAI is a 10-member body including the chairman, five full-time and four part-time members appointed by the government of India.



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4.2 Insurance: IRDA and Insurance Ombudsman

Mission

To protect the interest of and secure fair treatment to policyholders;

- To bring about speedy and orderly growth of the insurance industry (including annuity and superannuation payments), for the benefit of the common man, and to provide long term funds for accelerating growth of the economy;
- To set, promote, monitor and enforce high standards of integrity, financial soundness, fair dealing and competence of those it regulates;
- To ensure speedy settlement of genuine claims, to prevent insurance frauds and other malpractices and put in place effective grievance redressal machinery;
- To promote fairness, transparency and orderly conduct in financial markets dealing with insurance and build a reliable management information system to enforce high standards of financial soundness amongst market players;
- To take action where such standards are inadequate or ineffectively enforced;

25-05-2021, 12:30 p.m. – 14:30 p.m., BAME

25-05-2021, 15:00 p.m. – 17:00 p.m., BAME

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4.2 Insurance: IRDA and Insurance Ombudsman

Ombudsman

The Insurance Ombudsman **scheme** was created by the Government of India for **individual policyholders** to have their complaints settled **out of the courts system** in a **cost-effective, efficient and impartial** way.

There are at present 17 Insurance Ombudsman in different locations and any person who has a grievance against an insurer, may himself or through his legal heirs, nominee or assignee, make a complaint in writing to the Insurance ombudsman within whose territorial jurisdiction the branch or office of the insurer complained against or the residential address or place of residence of the complainant is located.

You can approach the Ombudsman with complaint if:

- You have first approached your **insurance company with the complaint** and
 - They have rejected it
 - Not resolved it **to your satisfaction** or
 - Not responded to **it at all for 30 days**
- Your complaint pertains to any policy you have taken in your capacity as an individual and
- The value of the claim including expenses claimed is not above Rs 30 lakhs.



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4.2 Insurance: IRDA and Insurance Ombudsman

Grounds of Complaint

- a) Delay in settlement of claims, beyond the time specified in the regulations, framed under the IRDAI Act, 1999.
- b) Any partial or total repudiation (denial) of claims by the Life insurer, General insurer or the Health insurer.
- c) Any dispute about **premium paid or payable in terms of insurance policy**
- d) Misrepresentation of policy terms and conditions at any time in the policy document or policy contract.
- e) Legal construction of insurance policies in so far as the dispute relates to claim.
- f) Policy servicing related grievances against **insurers and their agents and intermediaries**.
- g) Issuance of life insurance policy, general insurance policy including health insurance policy which is not in conformity with the proposal form submitted by the proposer.
- h) Non issuance of insurance policy after receipt of premium in life insurance and general insurance including health insurance and
- i) Any other matter resulting from the violation of provisions of the Insurance Act, 1938 or the regulations, circulars, guidelines or instructions issued by the IRDAI from time to time or the terms and conditions of the policy contract, in so far as they relate to issues mentioned at clauses (a) to (f)



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4.2 Insurance: IRDA and Insurance Ombudsman

The settlement process

Recommendation:

- The **Ombudsman (LOKPAL – Official) will act as mediator** and arrive at a fair recommendation based on the facts of the dispute
- If you accept this as a full and final settlement, the Ombudsman will inform the company which should comply with the terms in 15 days

Award:

- If a settlement by recommendation does not work, the Ombudsman will: Pass an award within 3 months of receiving all the requirements from the complainant and which will be binding on the insurance company.

Once the Award is passed:

- The Insurer shall comply with the award within 30 days of the receipt of award and intimate the compliance of the same to the Ombudsman.



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4.3 Telecommunication: TRAI

Telecom Regulatory Authority of India Act, 1997

The Telecom Regulatory Authority of India (TRAI) was, established with effect from 20th February 1997 by an Act of Parliament, called the Telecom Regulatory Authority of India Act, 1997, to regulate **telecom services, including fixation/revision of tariffs for telecom services which were earlier vested in the Central Government.**

Main objectives of TRAI is to provide a fair and transparent policy environment which promotes a level playing field and facilitates fair competition.



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4.3 Telecommunication: TRAI

For consumers

52. I want to subscribe only 10 pay channels. Whether I would be required to pay Network Capacity Fee in addition to price of Pay Channels?

In addition to Network capacity fee, you have to pay charges for pay channel as per MRP declared by the broadcaster. However, Distributors of television channels has freedom to fix the Distributor retail prices of a-la-carte pay (**Pick n Pay**) channels for their customers by offering discount on the MRP of pay channels declared by the broadcasters. The DRP cannot exceed the MRP in any case.

53. Whether the prices shown in the Electronic Programme Guide (EPG) are in rupees per month?

As per the New Regulatory Tariff Order, the maximum retails price of a channel declared by a Broadcaster of pay channel is in the form of “price per month”. Therefore, the price shown by the distributor in the Electronic Programme Guide (EPG) is in rupees per month.

Further, in the Electronic Programme Guide (EPG) the **Free to Air Channel (FTA)** will be shown as “Free”.



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4.3 Telecommunication: TRAI

For consumers

54. What are the provisions for obtaining Cable Service /DTH service?

Procedure for new connection is as under:

Every Distributor of television channels or its linked local cable operator, as the case may be, at the time of providing connection to a consumer, shall inform him about complete details of services, including but not limited to, maximum retail price per month and Distributor retail price per month of a-la-carte channels (**Pick n Pay**) or **bouquets**, network capacity fee per month and the price of **customer premises equipment**, security deposit, rental amount, guarantee/warrantee, maintenance provisions and **ownership of customer premises equipment(CPE)**, as may be applicable.



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4.3 Telecommunication: TRAI

For consumers

(2) Every Distributor of television channels or its linked local cable operator, as the case may be, shall provide broadcasting services related to television to the consumer upon **obtaining duly filled Consumer Application Form as prescribed in Schedule I of the 20 QoS regulations, 2017 and provide a copy of the same to the consumer.**

(3) Every Distributor of television channels or its linked local cable operator, as the case may be, shall, by using the subscriber management system, assign a **unique identification number to every subscriber which shall be communicated to the subscriber through Short Message Service (SMS) to the registered mobile number of the subscriber and other means of communication such as email, b-mail, monthly bill or payment receipt as may be deemed appropriate.**



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4.4 Food Products: FSSAI

FSSAI (Food Safety and Standards Authority of India)

The National Food Authority of India aims to ensure the national food security and to stabilize the supply and the prices of the staple cereals both in the farm and the consumer levels.

The following are the duties and responsibilities of the food authority of India:

1. To regulate and to monitor the **manufacture, processing, distribution, sale and the import of food so as to ensure safe and wholesome food.**
2. The **Food License** Authority may by its regulations specify –
 - the standards and the **guidelines that are in relation to the articles of food and specifying an appropriate system for enforcing the various standards** that are notified under this Act;
 - the limits for the use of food additives, heavy metals, processing aids, mycotoxins, crop contaminants, pesticide residues, residues of veterinary drugs, antibiotics and pharmacologically active substances and irradiation of food;
 - the mechanisms and the guidelines for the accreditation of the certification bodies that are engaged in certification of the food safety management systems for food businesses;



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4.4 Food Products: FSSAI

2. The **Food License** Authority may by its regulations specify –

- the procedure and the enforcement of quality control in relation to any of the article of the food imported into India;
- the procedure and the guidelines for the accreditation of laboratories and notification of the accredited laboratories;
- the method of sampling, analysis and the exchange of information among the enforcement authorities;
- to conduct a survey of enforcement and the administration of this Act in the country;
- the food labeling standards including claims on health, nutrition, special dietary uses and the food category systems for the foods; and
- the manner in which and the procedure that is subject to which the risk analysis, risk assessment, risk communication and the risk management shall be undertaken.

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4.4 Food Products: FSSAI

3. The Food License Authority shall also –

- ❑ To provide scientific advice and also technical support to the Central Government and the State Governments in the matters of framing the policy and the rules in areas which have a direct or indirect bearing on the food safety and nutrition;
- ❑ **To search, collect, collate, analyze and to summarize the relevant scientific and technical data particularly relating to –**
 - The food consumption and the exposure of the individuals to risks related to the consumption of food;
 - The incidence and the prevalence of biological risk;
 - The contaminants in food;
 - The residues of various contaminants;
 - identification of the emerging risks; and
 - the introduction of a rapid alert system;
- ❑ Promote, coordinate and to issue the guidelines for the development of the risk assessment methodologies and to monitor and conduct and forward the messages on the health and the nutritional risks of food to the Central Government, State Governments, and Commissioners of Food Safety;

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4.4 Food Products: FSSAI

3. The Food License Authority shall also –

- ❑ Provide scientific and technical advice and an assistance to the Central Government and the State Governments in implementation of the **crisis management procedures with regard to the food safety and also to draw up a general plan for crisis management and to work in close co-operation** with the crisis unit that is set up by the Central Government in this regard;
- ❑ Establish a system of the network of organizations with the aim to facilitate a scientific co-operation framework by the coordination of the activities, the exchange of information, the development and the implementation of joint projects, the exchange of expertise and the best practices in the fields of the Food Authority's responsibility;
- ❑ Provide *scientific and technical assistance to the Central Government and the State Governments for improving the co-operation with the international organizations*;
- ❑ Take all such steps in order to ensure that the **public, consumers, interested parties and all the levels of panchayats receive rapid, reliable, objective and comprehensive information through appropriate methods and means**;
- ❑ Provide, whether within or outside their area, training programs in food safety and the standards for the persons who are or to intend to become involved in the food businesses, whether as food business operators or employees or



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4.4 Food Products: FSSAI

3. The Food License Authority shall also –

The Food License Authority shall make it public without any undue delay –

- the opinions of the Scientific Committee and the Scientific Panel immediately after its adoption;
- the annual declarations of the interest made by the members of the **Food License Authority**, the Chief Executive Officer, the members of the Advisory Committee and the members of the Scientific Committee and the Scientific Panel, as well as the declarations of interest if any, which is made in relation to the items on the agendas of meetings;
- the results of its scientific studies; and
- the annual report of its activities;



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4.4 Food Products: FSSAI

- The Food Authority of India may also from time to time give any such **directions, on the matters relating to the food safety and the standards, to the Commissioner of Food Safety, who shall be bounded by such directions while exercising his powers under this Act;**
- The Food Authority of India shall also not disclose to the third parties confidential information that it receives for which the confidential treatment has been requested and also has been acceded, except for the information which must be made public if the circumstances so require, in order to protect public health.
- In order to spread the knowledge of safe food in the home, schools, offices, eateries, religious places, and railway stations, the **Food Safety and Standards Authority of India (FSSAI) has released a bunch of new FSSAI initiatives.**



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4.5 Electricity Supply: Electricity Regulatory Commission

An Act to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalisation of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies constitution of Central Electricity Authority, Regulatory Commissions and establishment of Appellate Tribunal and for matters connected therewith or incidental thereto.

- Electricity Act, 2003
In force from June 10, 2003
- Electricity (Amendment) Act, 2003.
In force from January 27, 2004
- Electricity (Amendment) Act, 2007.
In force from June 15, 2007



4.5 Electricity Supply: Electricity Regulatory Commission

Background

Three erstwhile Acts that regulated the electricity sector:

- The Indian Electricity Act, 1910
- The Electricity (Supply) Act, 1948
- The Electricity Regulatory Commissions Act, 1998

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4.5 Electricity Supply: Electricity Regulatory Commission

Consumer Protection

- Consumer to be given connection within stipulated time. (Section 43(1))
- Penalty in the event of failure to give connection (Section 43(3))
- Payment of interest on security deposit. (Section 47(4))
- Regulatory commission to specify Electricity supply code to be followed by licensees. (Section 50)
- No sum due from consumers recoverable after a period of two years unless the same was shown recoverable continuously. (Section 56(2))

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4.5 Electricity Supply: Electricity Regulatory Commission

Redressal forum for redressal of grievances of consumers, to be appointed by every distribution licensee within six months. Ombudsman scheme (Section 42)

■ Standards of performance

■ Licensees required to meet standards of performance specified by Regulatory Commission. Failure to meet standards makes them liable to pay compensation to affected person within ninety days.

• Licensee to furnish to the Commission periodical information on standards of performance (Section 57)

■ District level committee - (a) to coordinate and review extension of electrification in each district; (b) to review quality of power supply and consumer satisfaction, etc. (Section 166 (5))



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4.5 Electricity Supply: Electricity Regulatory Commission

Regulatory Commissions/Appellate Tribunal

- ❑ State Electricity Regulatory Commission to be constituted within six months. (Section 82)
- ❑ Provision for Joint Commission by more than one State/UT. (Section 83)
- ❑ Provision for constitution of Appellate Tribunal consisting of Chairman and three Members. (Section 110, 112)
- ❑ Appellate Tribunal to hear appeals against the orders of CERC/SERC, and also to exercise general supervision and control over the Central/State Commissions. (Section 111)
- ❑ Appeal against the orders of Appellate Tribunal to lie before the Supreme Court. (Section 125)
- ❑ Appellate Tribunal considered necessary to-
 - Reduce litigation and delay in decisions through High Court
 - Provide technical expertise in decision on appeals.

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4.5 Electricity Supply: Electricity Regulatory Commission

Central Electricity Authority

- ❑ CEA to continue as the main technical Advisor of the Govt. of India/ State Government with the responsibility of overall planning. (Section 70)
- ❑ CEA to specify the technical standards for electrical plants and electrical lines. (Section 73)
- ❑ CEA to be technical adviser to CERC as well as SERCs.(Section 73)
- ❑ CEA to specify the safety standards. (Section 53)



4.5 Electricity Supply: Electricity Regulatory Commission

Measures Against Theft of Electricity

- Focus on revenue realisation rather than criminal proceedings. (Sections 126, 135)
- Penalties linked to the connected load and quantum of energy and financial gain involved in theft (Section 135)
- Provisions for compounding of offences. (Section 152)
- Assessment of electricity charges for unauthorised use of electricity by the assessing officer designated by the State Government. (Section 126)
- Theft punishable with imprisonment. (Section 135)
- Punishment provision for abetment of theft (Section 150)
- Special Courts (Sections 153-158)

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4.6 Real Estate Regulatory Authority

Real Estate Regulatory Authority (RERA)

RERA or Real Estate (Regulation and Development) Act, 2016 aims at protecting the home purchasers and also boosts the real estate investments. The bill of this Parliament of India Act was passed on 10 March 2016 by the Upper House (Rajya Sabha). The RERA Act was effective on and from 1 May 2016. During this time, Out of 92 sections, 52 were notified. All the other provisions were effective on and from 1 May 2017. **RERA Full Form: This Act was introduced in 2013.**



4.6 Real Estate Regulatory Authority

Salient Features

RERA was established to enhance accountability and transparency with respect to housing transactions and real estate. Here are the salient features of this Act:

- Establishment of **Real Estate Regulatory Authority in every Indian state**. This authority will monitor as well as adjudicate and arbitrate any disputes with respect to real estate projects in the concerned state.
- Establishment of a **fast-track mechanism for settlement of disputes**. This will be done via an appellate tribunal and dedicated adjudicating officers.
- All real estate projects **must be registered with RERA**. Moreover, the authority will have jurisdiction over such projects. They can also refuse the registration of a particular project if guidelines have not been adhered to.
- A project's **registration can be cancelled if RERA receives any complaints that are found to be true after an inquiry has been made**.
- A property cannot be sold if it is not registered with RERA.

4.6 Real Estate Regulatory Authority

Benefits of RERA - Real Estate Regulatory Authority

- **Interest to be paid in case of default:** Prior to RERA, if the promoter delayed possession of the property, the interest paid to the buyer was much lower than if the buyer delayed payments to the promoter. This has changed with **RERA and both parties have to pay the same amount of interest.**
- **Buyer's rights in case of false promises:** If there is a mismatch in terms of what was promised by the builder and what has been delivered, the **buyer is entitled to a full refund of the amount that was paid as advance. At times, the builder may have to provide interest on the amount as well.**
- **If defect in title:** If at the time of possession, the buyer discovers that there is a defect in the title of the property, the buyer can claim compensation from the promoter. There is no limit to this amount.
- **Right to information:** The buyer has complete right to information about the project. This includes plans related to layout, execution, and completion status.
- **Grievance Redressal:** If the buyer, the promoter, or the agent has any complaints with respect to the project, they **can file a complaint with RERA. If they aren't pleased with RERA's decision, a complaint can also be filed with the Appellate Tribunal.**

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4.6 Real Estate Regulatory Authority

How to File a Complaint

- ❖ Under Section 31 of RERA, complaints can be filed against promoters, buyers, or agents. Here are the steps to follow while filing a complaint are:
- ❖ Find a RERA lawyer and file a complaint under the appropriate jurisdiction.
- ❖ Fill the complaint as per the rules prescribed by the concerned state in which the project is situated.
- ❖ Include the following details:
 - Details of the applicant and the respondent.
 - Address and registration number of the project.
 - A brief statement of the facts as well as the grounds of the claim.
 - If any relief is sought, then details of the relief and interim reliefs (if any).
- ❖ Pay the fee. Keep in mind that this amount differs from state to state. For example, the fee in Maharashtra is Rs.5,000, while it is Rs.1,000 in Karnataka.
- ❖ Alternatively, you can file a complaint online by visiting your state's RERA website.
- ❖ If you aren't satisfied with the decision made by RERA, you can file a complaint with the RERA Appellate Tribunal within 60 days.
- ❖ You can also approach the High Court within 60 days if you aren't satisfied with

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08-06-2021, 12:30 p.m. – 14:30 p.m., BAME

08-06-2021, 17:30 p.m. – 19:30 p.m., BAME

