

THE AWARE CONSUMER

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THE LAST MILE

India must change its defecating habits

OUT OF THE BOX

Building digital India with apps

IN FOCUS

Be warned before you buy: replicas of branded products available

IDEALISTIC FREEDOM vs PRACTICAL ACCESS?

An insight into the strong arguments on Net Neutrality and the calibrated stance India must take

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VIEWPOINT

BEJON KUMAR MISRA | bejonmisra@consumerconexion.org

A Debate to Bridge the Development Divide

THE DEBATE ON net neutrality in India, unlike developed countries, has become a battle between the haves and the have nots. It is not a discussion on India vs Net Neutrality but Digital India vs Net Neutrality, and here Digital India by implication refers to the around 80 per cent of the Indian population who currently do not have any kind of access to the internet. Here, internet is being viewed as one of the most rapid means of empowerment and economic development in terms of GDP contribution. It is not an individual's access to a million plus websites or freedom to watch porn or even a country's right to regulate applications with incendiary content that is the crux. In this debate, the moot point then is not freedom to surf, but freedom to hook to the information highway – pared or expanded. Our 1.25 billion consumers need internet connectivity; among these it is our 250,000 gram panchayats and the surrounding villages on their periphery that need rural internet connectivity. This will ensure that all Indians down to each village and hamlet in mountains or plains, has access to healthcare, education, market, government services and much else that signals prosperity and development. It will mean not bridging the digital divide but development divide. We take a look at the net neutrality debate in the Indian context in *Research Feature*.

The food debate is not just limited to Maggie noodles and MSG (monosodium glutamate) content in it. While the controversy around the instant noodle

favourite of India continues to rage despite the Bombay High Court order clearing 90 samples of six variants tested by three designated laboratories; results of 13 other samples are still awaited. Meanwhile, the Department of Consumer Affairs has filed a petition that Nestle India had "indulged in unfair trade practices by false labelling of Maggi Noodles in as much as it states 'No added MSG' prominently on packet, despite presence of MSG. A bench of National Consumer Disputes Redressal Commission (NCDRC) has directed that the samples be sent to Central Food Technological Research Institute, Mysore, after verifying the seal and samples, and a report has been sought within four weeks. The Department has sought that "This commission be pleased to direct the opponent company to remove 'No added MSG' from the packets and labels of all the variants of Maggi noodles." Read *My Market* to know *What's on Your Plate*.

Healthcare has remained at the periphery of state's subject despite the huge allocations towards it. Consumers are the ultimate sufferers of this apathy. In *Horizons*, we take a look at what ails healthcare delivery in the country.

We Indians are a curious lot, concerned about personal hygiene but when it comes to public spaces we do not care to add to the already growing garbage heap. We spare little thought for the hapless sanitary workers who have to do the wretched job of cleaning the filth that we carelessly create. One of the aims of Swachh Bharat is to teach us about public cleanliness. It is

trying to reach out public and personal convenience to all those who have till now not known the concept of such orderly services. This is a major task, for it calls for change of lifelong habits, religious, caste and cultural sentiments, especially in *Swachh Bharat Gramin initiative*. Have we factored all these into the programme? Read about it in *The Last Mile*.

The menace of counterfeit product grows as does the craze for branded goods – the policy being if you can't beat them, join them, what if you do it with 'first offs' and 'seconds'. However, this grey market is bad for business and economy. Read about counterfeit FMCG products market in India in *In Focus*. Mobile internet penetration in rural India has meant e-commerce is making rapid inroads in one of the largest consumer markets in the world. In *Afterword* we learn how ingenious startups and e-commerce players are ensuring they carve a slice of this pie. It is a win-win for all.

Form this issue; we are introducing *The Prescription*, a regular column on consumer issues.

In keeping with the festive spirit of the season, a special announcement for our readers – We are becoming a monthly publication and will be available on the stands!



Tough Choice!



"For India to develop, the priority right now is to reach information and knowledge relating health, education, government services, farming and weather to the 80 per cent of the population who need it urgently."

S. Krishnan, IAAS (Retd)
Former Addl. Secretary to the Government of India
Chairman, Healthy You Foundation

IT IS THAT time of the year again, festivity is in the air, yet there is a tinge of sadness for the approaching end of another year. Then again, being human, we are optimistic about the approaching new year past the winter months. Being human, we are a set of contradictions and nowhere else but in a multicultural, multiethnic, pluralistic democracy like India can one witness the play of these contrasting characteristics in stark relief. In every walk of life there are dissenting voices, hence there can never be a majoritarian rule. This is the beauty of our democracy.

It is in this context that the debate around net neutrality in India assumes great significance. In this debate, internet as a service is central to the question of freedom of choice granted to Indian consumers under the charter of consumer rights as also as a citizen of India. Any curbs on the internet infringes on the fundamental rights of the citizen-consumer. Further, the principle of freedom is implicit in internet itself. Why should the government or any other agency have the right to decide which websites, applications or browsers citizens should access? Till now, when we log on to the net, we have the freedom to access any of the 100 million or more domains available through any of the browsers or applications via any of the Internet Service Providers (ISPs) that we may have opted for. So why curtail this freedom?

India has ambitious digital plans. Under the Digital India Programme, the Government of India has set the target to lay up to 1 million miles of fibre optic cables to connect 250,000 gram panchayats by 2019. However, many of the 600,000 villages are spread around 10-15 km from the gram panchayats and will remain unconnected. Herein lies the argument for expanded or pared down access to the internet. Facebook Founder and CEO Mark Zuckerberg's renamed Free Basics offering (earlier internet.org) that promises free internet connectivity with limited web access, has still failed to find favour with advocates of net neutrality. Why should a corporation select sites that the people see? Why couldn't Facebook have offered free mobiles or data plans at subsidized rates if it was so keen to provide access?

Questions notwithstanding, the fact that only 8 million Indians have access to the internet and 80 per cent are without it, does make one pause and think. Agreed, for Zuckerberg the 800 million waiting to hook up to the net in India are a commercial goldmine and would help increase Facebook's 1.5 billion user base worldwide. Fears of privacy and creating two levels of net users, the lower ones with limited access and little privacy and the creamy layer who can pay to enjoy freedom and privacy are also true to an extent. But so is the fact that for India to develop, the priority right now is to reach information and knowledge relating health, education, government services, farming and weather to the 80 per cent of the population who need it urgently.

The choice is yours.

INSIDE

REGULARS

03 | VIEWPOINT
04 | FOREWORD
07 | ROUNDUP
24 | AFTERWORD

THE AWARE CONSUMER QUARTERLY | OCTOBER 2015



RESEARCH FEATURE

12 | Idealistic Freedom vs Practical Access?

The net neutrality debate in India is not a simple for or against internet freedom. Proponents of both the camps have strong arguments and India must take a calibrated decision.

HORIZONS



17 | AILING HEALTHCARE IN NEED, GOVT. REMEDY INDEED

Government of India needs to spruce up public healthcare system to make it accessible to all.

IN FOCUS



20 | BE WARNED BEFORE YOU BUY!

Technological advancement has helped produce replicas of branded products by FMCG companies.

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AFTERWORD

24 | India Posts e-Commerce to Rural Countryside

Indian ingenuity finds ways to overcome logistic challenges in rural e-commerce.



MY MARKET

27 | What's on Your Plate?

Unhygienic practices by food business operators and rampant use of pesticides by farmers have put consumers' lives at stake.



WORKSHOP

30 | Improving Access to Quality Healthcare through Universal Health Coverage (U.H.C.)

Varanasi Initiative 2015
9-11 August 2015



THE LAST MILE

32 | India Must Change its Defecating Habits.

To ensure the success of Swachh Bharat in rural areas, the government must factor in rural sentiments and focus on changing behaviour patterns.

THE PRESCRIPTION



34 | ARE WE NEGOTIATING OUR HEALTH

Relying on dietary supplements? Think twice!

OUT OF THE BOX



36 | BUILDING DIGITAL INDIA WITH APPS

Indian consumers are suddenly being bombarded with a deluge of mobile applications. Is this a boon or a bane?



“It is a national concern. While I appreciate the role of telecom operators in the expansion of mobile network in India, it is equally important for them to reinforce the infrastructure so that people may not have the call drop problems.”



ROUNDUP



Indian Consumer 'Extremely Optimistic' about Future Prospects Confidence highest in Asia-Pacific, says survey

EVEN AS TURMOIL in the global market has upset people worldwide, a recent survey by MasterCard revealed that Indian consumers are optimistic about their future prospects. In fact, India's consumer confidence was the highest among Asia-Pacific countries, according to the MasterCard Index of Consumer Confidence. At a score of 93.1 out of 100, confidence of Indian consumers remains in 'extremely optimistic' territory and it happens to be the only market among the 17 that is above 90 points, the report said. A majority of Indians (91.5) are confident about employment prospects in the country. The survey also saw the number of people who have a positive outlook on the economy grow

by 3.1 points (from 91.4 in second half of 2014 to 94.5 in first half of 2015). The consumers were also hopeful that their regular income may increase, and also that their quality of life may improve by the end of this year. On the other hand, confidence levels were decreasing in a number of Asia Pacific markets, such as Indonesia, Malaysia, Myanmar and Thailand—in the first half of 2015. For this report, a total of 8,718 respondents in the age group of 18–64 years in 17 markets across Asia-Pacific were surveyed from May to June 2015. In India, 850 people from four metropolitan cities of Mumbai, New Delhi, Bengaluru and Chennai were surveyed.

DATA BRIEFING

94.5

points Score of Indians with positive outlook on economy



Counterfeit FMCG Products Pose a Challenge for Make in India Sales of fake consumer goods growing faster than overall market

THE RAMPANT GROWTH of low quality counterfeit goods in India is a challenge for the government at a time when it is promoting Make in India both on domestic and international platforms. According to a recent study by consultancy firm KPMG and industry body FICCI, sales of fake consumer goods are growing faster than the overall consumer products market in India. As per the Sell SMART report, FMCG counterfeit market was around 65 per cent of the total market of counterfeit product (worth Rs 1.05 lakh crore) by 2014-end. Thus FMCG counterfeit market stood at Rs 68,000 crore at the end of 2014. India's aggregate FMCG market at the end of 2014 was valued at Rs 3.2 lakh crore. The findings say that counterfeiting is rampant in rural areas and small towns and cities and adds that those small retailers who are not involved in the wholesale supply chain join the counterfeit market. The report forecasts that the overall FMCG market will grow 11-12 per cent a year for the next four years. In India, 80 per cent of consumers buying counterfeit goods purchase them with the belief they are genuine, the report maintains.

Now, Activate or Deactivate Internet on your Mobiles via SMS

IN A BIG relief to mobile subscribers, Telecom Regulatory Authority of India (TRAI), in August, issued a directive that they will be able to activate or deactivate internet service on their mobile phones by calling or sending an SMS to a new toll free number '1925'. TRAI issued this directive after receiving complaints from customers that mobile operators were keeping the process of deactivation very complex. The telecom operators have been mandated to provide toll free number '1925' from September 1 to activate or deactivate mobile internet service either by making a call on the number and following instruction or by sending a message. To activate internet on their mobiles, customers can send SMS to 1925 by writing START and they can deactivate the service by writing STOP. As per the regulator, telecom operators are required to intimate customers immediately about status of activation and deactivation of their service after receiving message. Also, telecom operators have been asked not to charge subscribers for internet usage beyond subscribed limit without their consent.



QUICK BYTE ON CONSUMERS



Compensation for Delay in Flat Delivery

Real estate firm Unitech has been asked to pay buyers compensation at the rate of 12 per cent per annum for delay in delivery of flats in Sector 70 of Gurgaon. In a landmark ruling, National Consumer Disputes Redressal Commission overruled the builder-buyer agreement and said that any delay beyond the new deadline promised would draw a compensation of 18 per cent per annum.



Food Firms Begin Consumer Engagement Drive Crackdown by regulators could lead to improvement in market: Nomura

HIT BY REGULATORY checks of national food regulator post Maggi noodles row, food companies have begun consumer engagement exercise in a bid to win consumers' confidence for their products. While Nestle India has launched videos with bachelors professing their love for Maggi, ITC, the Kolkata-based food and tobacco major, has created short films on the safety of Sunfeast Yippee noodles. In fact, the recent video on YouTube shows Yippee noodles being made in the sanitised environment of its factory. Dairy product companies too are coming up with ads that emphasise how their products are undergoing regular quality checks. While Gujarat Cooperative Milk Marketing Federation (GCMMF), the maker of Amul brand of dairy products, has been

running mainstream ads, its rival Mother Dairy has come up with a social media ad campaign that shows its consumers on a plant visit. Most of the food companies in India have come under the scanner of Food Safety and Standards

Authority of India (FSSAI), the apex food regulatory authority of the country, post Maggi noodles controversy in June this year. The product samples are randomly being picked up by FSSAI authorities. Feared by it, some companies including HUL and Indo Nissin have voluntarily withdrawn

several products from shelves.

Immediately after Maggi controversy in June, India's food safety regulator had asked its officials across the country to draw samples of various noodles, pastas and macaroni products, including Top

"We see the entire controversy as a stepping stone in the evolution of India's packaged and processed food industry"

Ramen, Foodles and Wai Wai, to check compliance norms. The regulator even asked state food safety authorities to remove and destroy all the illegal food products which have not been assessed as per the product approval procedures. "Various test results on Maggi and some similar products have raised serious health concerns. Thus, it would be advisable to draw regulatory samples for similar products for which approvals have been granted by the FSSAI," said FSSAI's chief executive officer YS Malik in the letter. The FSSAI issued conditional product approvals for the food products and the companies whose products have been listed for testing were Nestle India, ITC, Indo Nissin Food Ltd, GSK Consumer Helathcare, CG Foods India, Ruchi International and AA Nutrition Ltd. The regulator's orders come after the Indian unit of the Swiss multinational Nestle SA recalled its two-minute snack Maggi from the markets after several states banned the instant food brand as tests showed them containing taste enhancer MSG (monosodium glutamate) and lead in excess of the permissible limits. FSSAI has banned all variants of Maggi noodles terming them as "unsafe and hazardous" for human consumption. However, a report by Nomura, a Japanese financial services firm, says that the Maggi controversy is likely to be a stepping stone in the evolution of the country's packaged and processed food industry, which could result in better labelling, packaging and testing norms for the entire sector. "We see the entire controversy as a stepping stone in the evolution of India's packaged and processed food industry," Manish Jain and Anup Sudhendranath of Nomura said in a research note. Maggi is not the first product to be in controversy in India. There was huge uproar against Cadbury brand in October 2003 when worms were found in their chocolates. In 2006, the Centre for Science and Environment (CSE) alleged that Coca Cola and Pepsi were among a dozen soft drinks that contained high levels of pesticides and insecticides.

**“ Let's
Not Fall
Victims
to Fraud
Be Aware ”**

SBI Closes Savings Scheme without Intimating Customers, Fined

A CONSUMER FORUM in Chennai has sentenced the State Bank of India with a fine of Rs 55,000 for unilaterally suspending a savings scheme without informing customers. The forum said the bank neither disclosed the reasons for closing the scheme nor did it intimate the consumer. The SBI had, in 1990, launched Super Savings Scheme, which was a long term investment plan for small investors and depositors. In this Scheme, Rs 100 was to be deposited without any interruption on a monthly basis for 30 years. The scheme was divided in three 10 year phases from January 20, 1990 to January 19, 2020. The deposit amount was to be converted into fixed account at the end of each phase, and the entire amount together with interest, worth five lakh, would be released after 30 years. The complainant, Ramasheshan, deposited Rs 100 for two phases at the K K Nagar branch of SBI. But, when he went to deposit the first instalment of the third phase, the bank refused to accept it and asked him to contact the authorities after two weeks. When he again contacted the bank, the authorities said the scheme was discontinued. Peeved at the bank's decision, Ramasheshan then moved the district consumer disputes redressal forum of South Chennai. The forum directed the bank to allow Ramaseshan to remit the monthly subscription amount for the third phase and follow the provisions of the original scheme. The bank was also asked to pay Rs 50,000 to Ramaseshan as compensation for causing mental agony along with Rs 5,000 as case expenditure.

Mumbai based Consumer Organisation Seeks Action against Nestle Moves National Consumer Disputes Redressal Commission

A MUMBAI-BASED consumer organisation Mumbai Grahak Panchayat has filed a case in the National Consumer Disputes Redressal Commission (NCDRC) seeking action against Nestle

India for damages caused, if any, to the public by adopting "unfair trade practices, false labelling and giving misleading advertisements" over the popular Maggi instant two-minute noodles. The consumer organization, whose move is to support the government's class action suit of Rs 640 crore, was permitted to put across its arguments on September 30, the next date of hearing. While seeking Nestle India's response to the government's Rs 640-crore class action suit last month, the national consumer forum had allowed it to send samples of Maggi noodles to an "accredited laboratory" for tests on lead content and MSG, and had also posted the case for next hearing for September 30.



Online Consumer Ombudsman Service Launched in UK

NOW, CONSUMERS in Britain will avail a new free ombudsman service that will resolve their complaints ranging from problems with retailers to airlines to second hand car, etc. An online complaints handling service, Consumer Ombudsman will have a broad remit to



deal with a range of complaints, with "no problem being too small". Ombudsman Services, which already has been running an ombudsman scheme for the energy and telecom sectors, among others, has initiated this new service in August this year. The Consumer Ombudsman would initiate proceedings against a company, provided the petitioner has given the firm a "reasonable amount of time" of up to eight weeks to resolve the issue. If the case goes against the company, the potential steps taken to put the matter right could include an apology or compensation. Another entity, Retail Ombudsman, which was launched last year, is also free for consumers. It is an independent not-for-profit organisation that specialises in resolving disputes between consumers, retailers and tradesmen in the UK.



Idealistic Freedom

vs

PRACTICAL ACCESS?

FOR MILLIONS OF consumers of the internet in India, the raging debate around net neutrality may not ring a bell. There is also this great barrier of ignorance for many of us when it comes to things a little more evolved and technical. Call drops, unsolicited mobile advertising, frequently tripping WiFi connections, you name it, we take everything in our stride, little knowing that we are within our rights to raise our voice, or as in the case of net neutrality, join the chorus to strengthen the case for or against it. For many of us, any regulations that promise to control applications like Whatsapp or make it paid may not be a welcome idea. From Whatsapp mommy groups keeping track of kids on school trips to old girls group reminiscing about school days; this service has indeed caught the imagination of just every generation. From ordering a pizza using Google Chrome browser or selling on Olx.in using msn or rediff bowser, streaming music on itunes or downloading a video on youtube, we consumers of the internet, have never had restrictions to accessing any of the 100 million domain names that are available for free. Our internet service providers, private ones like Airtel or Reliance, or government owned like BSNL do not discriminate between what content we are accessing or favour one internet company providing it over another (facebook, Google, Whatsapp, Viber, etc), only how much data we use as their customers and bill us accordingly. But all that may most likely change.

Digital India, Net & Neutrality

Net neutrality is a principle according to which **Internet Service Providers (ISPs)** are required to treat all traffic and content on their networks equally. So far that has been the norm in India. Under the Digital India manifesto, the Government of India seeks to extend access to the internet across the length and breadth of the country making it available to 1.25 billion of its citizens. Now, that's a rather tall mandate. Net access is one of the main pillars on which stands the Digital India dream. India can hope for inclusive and equitable development only if all its citizens and regions develop together. Until now, the benefits of internet have accrued largely to urban areas and it has

led to lopsided growth. With internet access, citizens in rural and remote areas will be able to access the benefits of e-governance, hooked as they will be to the information highway.

However, this universal access may come at a price – freedom of the net consumers to access all content. If the version of expanded internet that Facebook founder Mark Zuckerberg is offering to India with his renamed Free

The net neutrality debate in India is not a simple for or against internet freedom. Proponents of both the camps have strong arguments and India must take a calibrated decision.

Basics (earlier internet.org) is accepted, Indians will soon be accessing a pruned version of the net with content from only those providers who have entered into exclusive contract with data providers like Reliance and Facebook. The latter would enable crores of underserved Indians (currently around 80 per cent do not have access to the net) to access the web with its free Basics app. The benefit of such an exclusive arrangement is also that the cost is deflected from the consumer to the content provider.

So where is the snag?

Advocates of net neutrality say that the very DNA of the net, its freedom, is compromised in such an arrangement.

Zero rating plans, like the one floated by Airtel – Airtel Zero Marketing Platform – with Flipkart, which would allow internet companies to grant access to their apps, services or websites free of cost by striking up deals with telecom providers, infringe upon the principles of net neutrality. Notably in the face of public backlash, Flipkart walked out of this arrangement as did Cleartrip and NDTV of theirs with internet.org floated by Facebook.

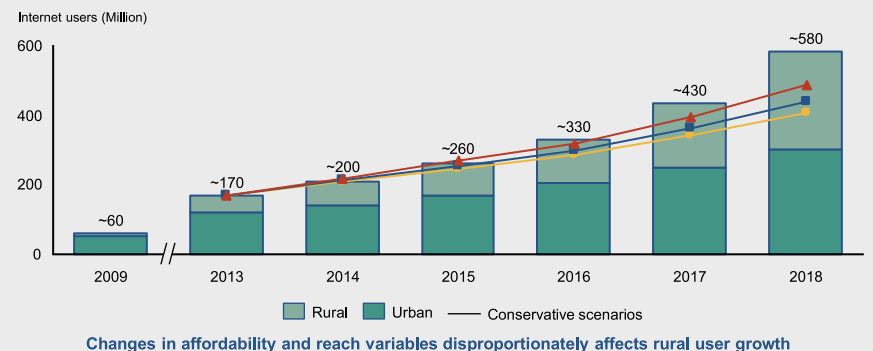
Google, which has been silent on its stand regarding net neutrality debate in India, seems to be working against it if reports are to be believed. Media has been rife with reports on how Google has been pushing the Internet and Mobile Association of India (IAMAI) from taking a stand against Zero Rating. Reportedly, Google in August wrote to IAMAI to remove mention of Zero rating in its submission to the Department of Telecom's report on net neutrality.

What the Law Says

As of now, India does not have a law that mandates net neutrality. The government's concern regarding the net has primarily been on regulating content that it perceives as detrimental to the social fabric of the nation. In accordance with this viewpoint, in March this year, the Telecom Regulatory Authority of India (TRAI) released a draft consultation paper where it sought public opinion on whether the net should be regulated, and secondly, if some internet applications should be restricted. The move, however, was not prompted by concerns for net neutrality but government's perception that some applications could be used indiscriminately for purposes that could be detrimental to a multicultural pluralistic democracy like India.

Apart from the fact that such thoughts could lead the net to becoming a state subject where certain applications could

Exhibit 1 | India Internet Population to Reach Half a Billion by 2018



Source: BCG analysis.

Exhibit 2 | The 2018 Internet Population Will be Older, More Rural, More Gender Balanced, More Mobile, and More Vernacular

	2013	2018
Older	60% under 25	54% over 25
Rural	29% rural	40-50% rural
Gender balances	2.6 men online for every woman online	1.9 men for every woman among 18-24 years olds
Mobile	60-70% of users	70-80% of users
Mobile	45% of users use vernacular content	62% print media market vernacular in 2013 70-90% Indians do not speak English, less than 1% speak as primary language

be discriminated against based on classifications by a bunch of government officials as to what is good or bad for society; it would also harm the principle of net neutrality on discriminatory grounds. Besides, citizens' right to view content as they deem fit would be infringed upon by such sweeping regulatory authority. Such regulation would infringe upon individual's fundamental liberties.

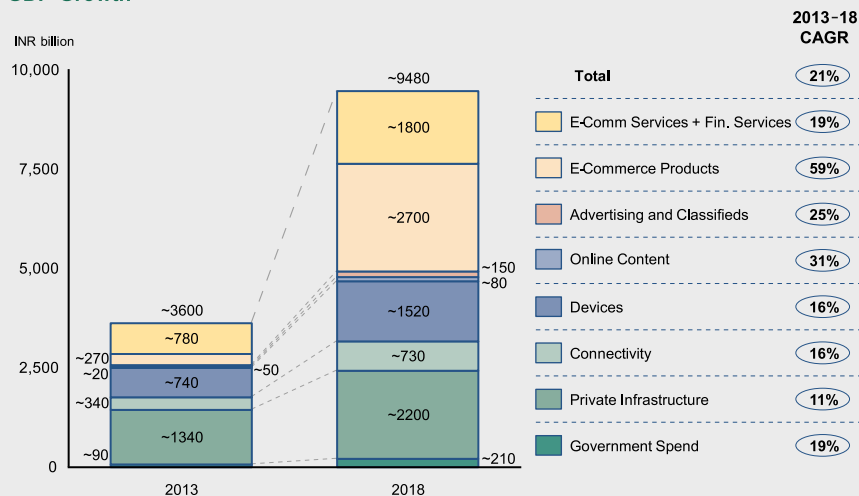
Having said that, an absolute absence of regulation mandating net neutrality has its own pitfalls. It gives internet service providers the power to play favourites and discriminate between applications and even the speed at which different mobile applications are provided to consumers. Platforms like Free Basics and Airtel Zero go a step further in this monopolistic market play – they control the content the consumer can actually access. This goes against the basic tenets of the net – the unfettered freedom to access unlimited knowledge.

Is Limited but Universal Access Justified?

In a country like India, the argument for limited access through packages such as Free Basics hinges on two factors – the need for inclusion and the question of affordability. In the USA, where most people can afford the net, the government came out decisively in favour of net neutrality in 2015. Votaries of limited net but wider access call net neutrality an elitist concept and dismiss it as an idealistic dilemma. They question: Is it more important that India develop with wider net access or should it sacrifice economic development for such narrow concerns? Looking at the benefits of a wider net connected population, one is forced to pause and think.

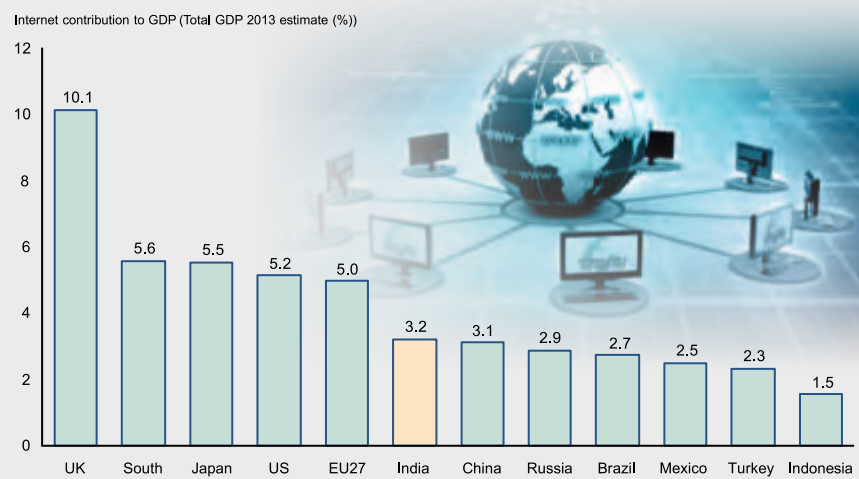
The Government of India plans seamless mobile connectivity for over 42,000 villages by 2018 at Rs 20,000 crore investment and companies such as Airtel, Idea and Reliance will play a role along with state-owned BSNL and MTNL. According to Nilotpal Chakravarty,

Exhibit 3 | Internet Contribution to GDP Set to Grow at 23% Compared to 13% Overall GDP Growth



Sources: GfK, Gartner, FICCI/KPMG, OVUM, IMF, Ernst & Young estimates of share of eComm businesses, BCGanalysis. Note: Assumes overall 12.9% nominal, 6.3% real growth rate (IMF forecast).

Exhibit 4 | India Internet Contribution to GDP Leads Among Major Developing Countries



Source: BCG G20report. Note: Assumes overall 12.9% nominal, 6.3% real growth rate (IMF forecast).

Associate Vice President, IAMAI, “From October 2013, the Mobile Internet user base in India has grown at a rate of 45 per cent year on year, making it the fastest growing mobile economy in the world. However, with a population of 1.3 billion, the internet penetration is at a very low 19 per cent. It is evident that the proportion of mobile Internet users to active internet user across devices has increased over the years and also expected to grow in future. This growth is observed both in urban as well as rural India. As of October 2014, this proportion is 78 per cent in case of urban and 65 cent in case of rural. By June 2015, it is expected to reach 85 cent for urban and remain at 65 cent for rural.”

According to latest report of TRAI,

total number of internet subscribers has increased from by 12.01 per cent from December 2013 to reach 267.39 million in December 2014, with mobile internet users being the dominant segment among internet users. Approximately 35 per cent of internet users in the country currently are from rural India. According to data.gov.in, at the end of December 2014, internet subscribers in rural India were 92.18 million with teledensity of 10.66, while in urban area the number was 175.21 million with teledensity of 45.33. Among the total internet subscribers, wired internet subscribers were 18.86 million (which registered YoY growth of 2.9%) and wireless internet subscribers were 248.53 million (which registered yoy growth 12.77%). Among



What No Net Neutrality Means for Consumers

- Internet service providers (ISPs) would charge extra penny from websites like YouTube, etc., which consume high bandwidth, and this burden would be transferred on to consumers. Also, ISPs may place certain websites in high speed category, facilitating easy access to consumers; which means that low speed websites would not be accessed easily by consumers. Thus, small companies which can't afford to provide access to their websites at subsidised rates are bound suffer in the long run.
- ISPs may also charge extra money for free calls made from Skype, WhatsApp, etc. The money charged from these OTT players, may eventually be pushed on to the consumers.
- May help big telecom players monopolise internet service delivery. They would provide services at prices lower than their competitive partners. After certain years, when consumers become accustomed to their services, they will make the internet services costly and, thus, earn huge money.
- Many service providers would vie to promote their own apps and services and incentivise as much as they can. In this bid, they may even block certain websites or charge heavy amount to deter them on their platform. For instance, if Airtel doesn't like YouTube and wants to push its own video app Wynk, it will provide the latter for free, while charging heavy amount to access YouTube. Reliance already has a Facebook-driven scheme called internet.org, where you can access Bing for free, but you have to pay to access Google; you can also log on to babajob.com for free, while you will be charged for naukri.com.
- Would adversely affect fast-growing startups and small businesses in India as entrepreneurs with small budget would not be able to launch their products online and advertise them or sell them on online platform. The discriminatory approach of ISPs may factor in less job opportunities for youths.
- Freedom of expression may also take a hit as you never know when and where you are blocked. ISPs would be able to block content and speech they don't like. Thus, ensuring transparency would raise a question mark.
- May also hurt innovations in apps and content generation. App developers, especially startups, who cannot afford ISP's data rates at will be pushed to less privileged category, which will lead to its fatality.



wireless internet subscribers, mobile wireless (mobile & dongle) subscribers increased by 12.8 per cent from 219.92 to 248.02 million in December 2014, whereas fixed wireless ((Wifi, Wi-max, point-to-point radio & VSAT) subscribers increased very marginally by 0.73% to 0.46 million at the end of December 2014. From the above data, India's internet picture is clear. It is primarily smartphone penetration that is boosting the internet usage across the country and internet usage on mobile devices has already exceeded PC usage.

When we juxtapose this data with research that says that if 10 per cent of the population has mobile connections in a country where there is no landline connection, it adds 0.5 per cent to GDP growth, the potential for economic growth with wider internet access becomes apparent. According to a Mackinsey & Company report there is a clear connection between maturity of the internet ecosystem and rising living standards. The internet's impact on traditional businesses and its capacity to transform business and economic modernization has also been studied by the report through a global survey of small and medium enterprises (SMEs).

According to reports, internet contribution to GDP in India is forecast to rise from 3.2 per cent or US\$ 60 billion in 2013 to 4.6 per cent (US\$ 160 billion) in 2018. Currently, India Internet Contribution to GDP ranks sixth among major developing and developed countries.

India, China and Brazil have the fastest growing internet ecosystems. India has the third largest internet population in the world after China and the US. It is also home to the one of the fastest growing internet user base in the world estimated around 190 million as of June 2014, which is growing exponentially. In a pointer to the fast growing internet ecosystem in the country, while it took 20 years to reach a base of 100 million users, the second 100 million is forecast to be reached within three years, and the third in less than a year. According to a report by The Boston

Consulting Group (BCG) and IAMAI, titled India@Digital.Bharat, the internet economy will grow to over 4 per cent of GDP by 2020. However, for the internet economy to reach US\$ 200 billion by 2020 and contribute 5 per cent of GDP, India needs to move towards more comprehensive internet access and computer literacy.

It is estimated that the internet user base will grow over 550 million users by 2018 and the numbers in rural areas will touch 210 million by 2018. The BCG and IAMAI report also points to the changing profile of the internet user base as rural, older, gender-equal, mobile, and vernacular, with the rural users, as a percentage of the internet population rising from 29 per cent in 2013 to



between 40 and 50 per cent in 2018. Besides, in a direct benefit to business and enterprise, it will enable 200 million individuals and 8 million SMEs connect and perform transactions online by 2018. Additionally, by 2016, the internet as a sector, will become a major employer, creating around 15-20 lakh job opportunities. Currently, it employs around 4-5 lakh people.

From the above, it is clear that the proponents of limited access like Mr. Zuckerberg do have a case and as he says: "It's not an equal internet if the majority of people can't participate." Participate they must, for the growth of the economy depends on their larger participation. Of course, we know that neither Facebook's offer of connecting two-thirds of the deprived world with cheap internet nor Google's offer to provide 500 railway stations with free

WiFi and Microsoft's to connect 500,000 Indian villages with cheap broadband access are purely philanthropic exercises. India is a big market for these global giants and whatever comes from them in the garb of development aid under Digital India or any other initiative is influenced by their profit motive. But is that enough ground to reject the hand that could help provide succour to millions, and continue in the ignominy of underdevelopment?

Future is a Great Leveller?

There were 1.8 million responses from the public to the consultation paper on net neutrality. The government will now take a structured view on legislation post compilation of all the comments. In July, Department of Telecom (DoT) released its report on net neutrality recommending that it be based on absence on traffic discrimination, enhanced internet access, open internet, reasonable traffic management and prioritization among other things. An important recommendation includes incorporation of a clause in licence condition of telecom service providers that would make it binding on them to adhere to the terms of net neutrality. The recommendations assume significance as the report would be an important basis for legislation.

From the above, it appears a net neutral regime is the way for India to go. However, an assessment of the ground realities – expensive spectrum, inadequate and weak broadband infrastructure and poor power supply point to the need for a short term practical expanded but pared down net access to drive development. In such a scenario, it can be optimistically presumed that as consumer income rises, they will be able to break out of the restrictive barriers by paying for better data plans and access, making packages like Free Basics redundant. On the other hand, sacrificing net neutrality for wider free access may backfire and give rise to some companies becoming predominant and practicing restrictive trade practices and pricing that would affect consumer liberties and basic civil rights.

It's a Hobson's choice and India must find a middle ground?



Ailing Healthcare in Need, Govt. Remedy Indeed

Government of India needs to spruce up public healthcare system to make it accessible to all.



DENGUE OUTBREAK has created havoc in the national capital for past several weeks, with several healthcare experts terming it a worst epidemic since 2010. Every year, with the onset of monsoon, a fear begins gearing up among people about this deadly disease. This year, the disease, which is caused by mosquito bite, has taken a monstrous turn swallowing several lives and has put the Delhi government in a spot. To mention other epidemics in several parts of India: even Kala Azar, a deadly parasitic disease transmitted by the tiny sand fly, has affected thousands of people in 33 of the 38 districts in Bihar, according to a recent report by Medecins Sans Frontieres (MSF), an international non-governmental organisation. The population at risk is nearly 35 million in approximately 11,500 villages spread over 429 provincial blocks of the state, the report added. Japanese Encephalitis, another deadly disease, endemic in

Gorakhpur region of Uttar Pradesh has killed over 207 people since January this year. Children form the biggest victim of this disease, which is prevalent in the region for over six years. These mentioned diseases are not confined to a specific state or a region, but can be found rampant in various parts of the country for several decades. Why have Union and state governments, even after nearly seven decades of Independence, failed in taming these diseases? It is often said that these disease find their births in places where poorest of the poors reside, as the filth surrounding their dwellings are the major source of health hazards. So, why have the governments not focused on making these vulnerables aware of deadly diseases? Why has public health services not been made accessible to these areas?

Factors of Failure

Though health is a State subject, state governments have seldom outlined plans to make their states disease-free. On most of the occasions, Centre devises a framework for health and provides funds to states to implement them. Thus, there seems to be a clear case of lack of commitment on the part of state governments to facilitate health to their people. National Rural Health Mission (NRHM) has been described as one of the largest and most ambitious programmes to revive healthcare worldwide, but has failed to deliver expected results in India. Reason: NRHM funding is from the Centre while the implementation is by the state governments.

Even the budgetary allocation for healthcare by the current Union government was no better than previous governments. The total outlay (2015-16) of ` 33,150 crore against ` 30, 645 crore in the corresponding last fiscal year does not seem sufficient to run various schemes of the government. To our shock, even the health expenditure (as percentage of GDP) of Sri Lanka is better than that of India's (See table). According to a report by Deloitte, India's ratio of 0.7

doctors and nurses per 1,000 people is abysmally low as compared to the WHO average of 2.5 doctors and nurses each per 1,000 population. The report '2015 health care outlook India' cited an acute absence of required number of paramedical and administrative experts across country. The situation is worse in rural areas as medical professionals prefer to work in urban areas, which is a habitat for only 30 per cent of India's population, and many patients in the countryside have been receiving services from unqualified professionals. As per the report, the healthcare industry needs an additional 1.54 million doctors and 2.4 million nurses to match the global average. According to another report (released in 2013) by Central Bureau of Health Intelligence's National Health



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Profile (NHP), only 33 per cent of government doctors are available in the rural areas. In terms of figures, only 29,562 of India's 1,06, 613 government doctors work in villages. As per the data, India has 918,303 doctors in the government and private sector for 1.21 billion people.

Is Insurance Remedy to Healthcare in Rural India?

Besides, the government's ignorance to enhance healthcare budget despite spike in population coupled with growing incidence of age and lifestyle related chronic diseases—resulting from urbanization, sedentary lifestyles, changing diets, rising obesity levels, and widespread availability of tobacco products—is set to add woes to the already riddled India's healthcare system. Even the government's low spending on public health puts burden on patients and their families, as evident by Deloitte report which revealed that India's out-of-pocket (OOP) spending is among the highest in the world. As per WHO, just 33 per cent of India's healthcare spending was from government in 2012. Of the remaining private spending, about 86 per cent was OOP. The government constituted a Group last year, as per a PIB July 2014 report, for preparing a comprehensive background paper to roll out a National Health Assurance Mission (NHAM) to reduce the out-of-pocket spending on healthcare by the common man. The NHAM—linked with the Rashtiya Swasthya Bima Yojana (RSBY)—is supposed to provide a complete set of services, including 50 essential medicines, a package of diagnostic services as well as around 30 alternative medicines such as ayurveda, homeopathy, etc., at government hospitals. However, it is believed that the Mission may be a non-starter, given the government's not-so-impressive healthcare budget allocation worth Rs 33,152 crore in its Union Budget 2015-16. Besides linking healthcare to the private insurance sector with increase in FDI



Health Expenditure, Public (% of GDP)

Country	2010	2011	2012	2013
Bangladesh	1.2	1.2	1.1	1.3
India	1.2	1.1	1.2	1.3
Sri Lanka	1.6	1.4	1.2	1.4
UK	7.9	7.7	7.8	7.6
USA	8.1	8.1	8.0	8.1

Source: World Bank

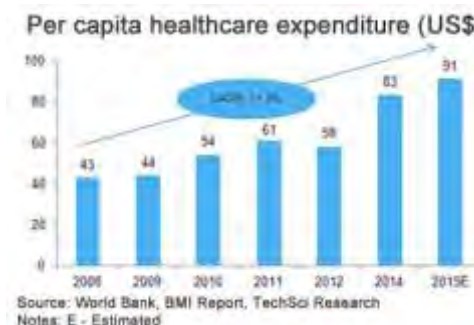
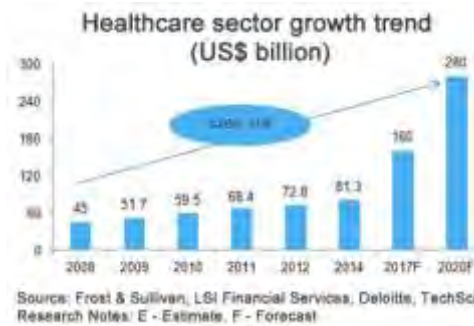
limit in the medical insurance business to 49 per cent, coupled with tax exemptions (from Rs.15,000 to Rs.25,000 on health insurance premium, and from Rs.20,000 to Rs.30,000 in case of senior citizens) allowing more people to expand cover and increasing incentives to buy health insurance, are seen as steps by the government to incentivise the middle class to opt out of the public health system. But this will only widen the gap between the haves and the have-nots. The drawback of the insurance is that it covers only the cost of hospitalisation and not expenditure on care of the patient. According to a report, nearly 70 per cent of the out-of-pocket expenditure of the household is for outpatient care, which will not be covered by insurance. Secondly, a huge part of India's poor rural population can't afford insurance. Even if they manage to get insurance cover, what is the use of it when they can't avail healthcare in their nearby districts or blocks?

Way Forward

Union government, from time to time, have been formulating national

healthcare policies like National Health Policy of 1983, 73rd and 74th Constitutional Amendments of 1992, National Nutrition Policy of 1993, National Health Policy of 2002 and National Health Policy of 2011. However,

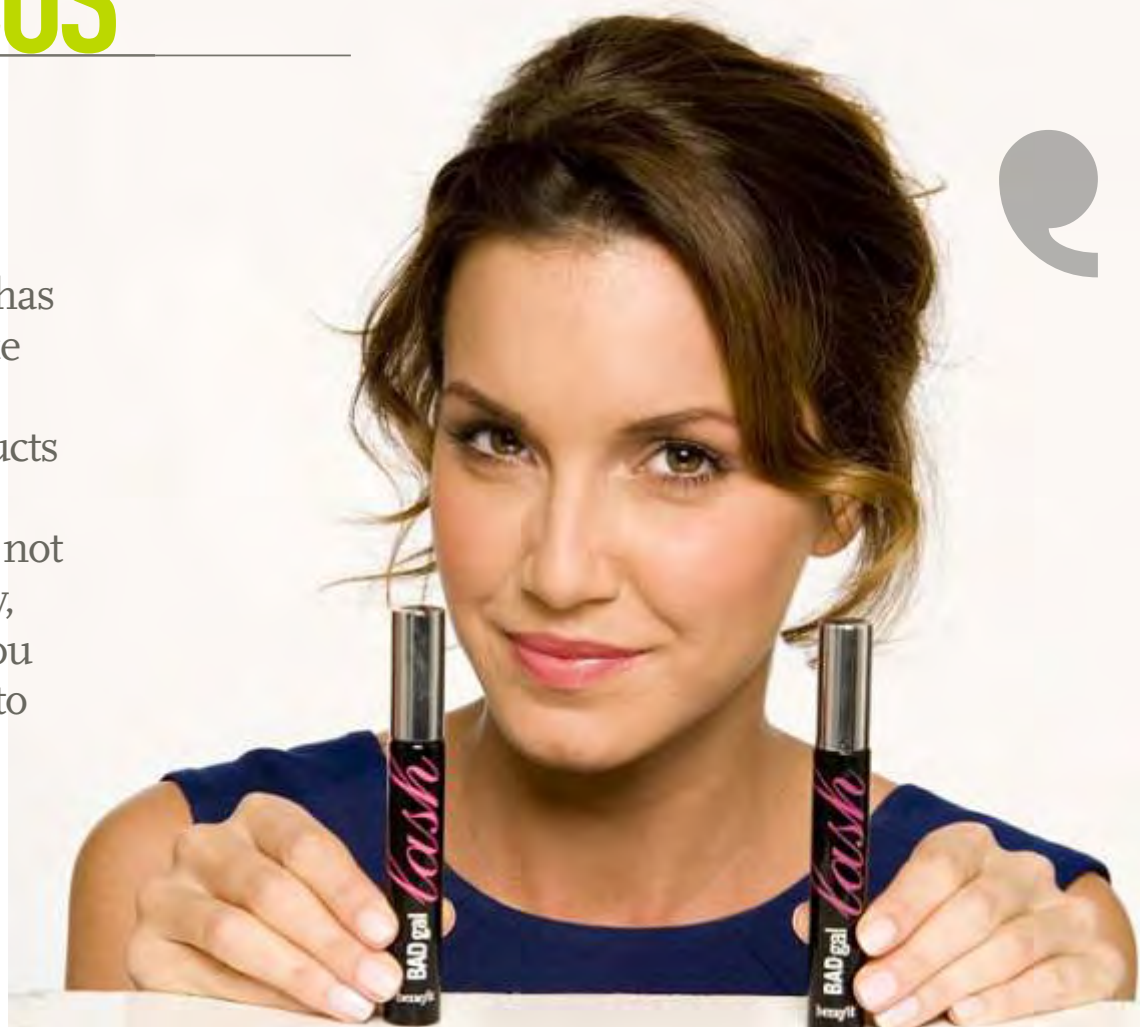
these policies would have much impact if the Union government in association with state government framed these policies and also awarded those states who have performed well in public healthcare areas.



Public-private partnership (PPP) model can also work wonders towards government vision of providing healthcare to all. For example, Himachal Pradesh government's partnership with SRL Diagnostics is set to help latter establish and operate 24 laboratories in state-run hospitals across districts in the state, thereby benefiting rural people in remote areas of the hilly state to avail diagnostic services at affordable cost.

In addition, telemedicine is a fast-emerging sector in India and can bridge the rural-urban divide by facilitating affordable consultation and diagnostic facilities to the poor in remotest areas through internet and telecommunications services. Also, the launch of 4G is expected to drive mobile health (m-health) adoption. It's high time Government of India spruce up public healthcare system. After all, India's wealth lies in the health of their citizens.

Technological advancement has helped produce replicas of branded products by FMCG companies. If not checked wisely, chances are you may fall prey to counterfeit products.



BE WARNED BEFORE YOU BUY!

DELHI HAS ITS Nehru Place, Gaffer Market and Palika Bazaar, Mumbai, Manish Market, Heera Panna and Lamington Road, Hyderabad has Chenoy Trade Center and Hong Kong Bazar, Chennai boasts of Burma Bazaar and Kolkata Chandni Chowk. All these are 'reputed' landmarks for grey goods in India. Customers often jump in happy surprise when a shop owner here sells them an original branded product at half or one-third or even less than the market price. Chances are that the fake that you bought are first offs or first copies or seconds or downright made in China fake. Only the discerning few can actually smell a fake from the real. You can now enjoy the feeling of have lugging around

a Gucci, a Prada, or a Louis Vuitton for the price of a local non branded product!

FMCG Goods are Worst Affected

The veracity of the monstrous size of counterfeit goods in India can be sensed from a report 'Illicit Market: A Threat to Our National Interest' by FICCI-CASCADE (Committee against Smuggling and Counterfeiting Activities Destroying the Nation) released in April 2015. As per the report, the counterfeit market in India accounted for more than `1 trillion in 2014. Technological advancement, especially in print industry, has helped produce replicas of branded products of branded FMCG companies. Thus, FMCG products and alcoholic

beverages have become more vulnerable to the fake goods trade. In 2014, FMCG, alcoholic beverages and tobacco accounted for approximately 65 per cent of the total counterfeit sales in the country, FICCI-KPMG report revealed. The value of counterfeit and smuggled goods in alcohol, consumer packaged goods, personal care products, tobacco, mobiles and mobile components, and computer hardware and software is estimated to have grown from `729 billion in 2012 to `1,054 in 2014, the report added. The loss to manufacturing related sectors has increased by 44.4 per cent in just two years—from `72,969 crore in 2011-12 to `105,381 in 2013-14, as per CASCADE report. However, the

highest growth of fake goods can be witnessed in the alcoholic beverages and mobile phones industries, where losses have increased by 151 per cent and 111 per cent respectively. The impact can also be seen in tax loss to the government. In 2014, the government lost about ` 39,200 crore in tax collections to the counterfeit trade, an increase of 50 per cent from ` 26,100 crore in 2012. Of this, FMCG and alcoholic beverages sectors accounted for a loss of about ` 27,500 crore, or about 70 per cent, the report added. FICCI's anti-counterfeiting committee, CASCADE, revealed that counterfeiting and smuggling activities have been increasing at an annual rate of 15 per cent in the country and would cost government ` 1.6 trillion by 2016.

Deterrent to India's Growth Prospects

Production and trade of counterfeit FMCG products pose serious challenge to India's economy at large, by adversely affecting country's growth and development prospects. The low cost inferior quality products exported to

The government lost about **39,200 crore** in tax collections to the counterfeit trade in 2014, an increase of 50 per cent from **26,100 crore** in 2012.

foreign countries has the capability to undermine the Make in India programme, which endeavours to establish India as a manufacturing hub of quality products. Since 2010, India has been on the US 'Priority Watch List' of countries more exposed to IPR

(intellectual property rights) violations globally, FICCI-KPMG report added. A 'priority foreign country' classification, as per the US Trade Act 1974, is the worst of its kind, and is given to those who deny adequate and effective protection of IPR or fair and equitable market access to US entities relying on IPR protection. As per the Special 301 Report prepared annually by the United States Trade Representative, while the whole of India reported trade of counterfeit goods, metro cities are identified as the most notorious for producing and exporting large volume of fake goods.

Besides, surge in fake goods has the potential to wipe out value creation from legitimate players in the economy, induce corruption, and generate black money and loss of employment to a huge population. This menace has increased manifold with the globalization in trade coupled with technological advancement.

Why the Menace?

According to industry views, the fake goods are more prevalent in rural and semi-urban areas as compared to urban

Laws to Protect Against Counterfeiting in India

- The Indian Penal Code: Section 476
- The Trademarks Act, 1999
- The Copyright Act, 1957
- The Patents Act, 1970
- The Designs Act, 2000
- The Information Technology Act, 2000
- The Information Technology Act, 2000
- Instructions for implementation of Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007.
- Prohibits the import of specified goods intended for sale or use in India, subject to certain conditions and procedures.
- Instructions for implementation of Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007.
- Notification prohibiting export of the goods.
- Amendments in the notification regarding Prohibiting import of counterfeit trademark goods.
- Intellectual Property Rights (Imported Goods) Enforcement Rules, 2007.



Source: Media Reports

Impact of counterfeiting

Counterfeit products have an impact on both producers and consumers; on one hand the producers risk damage to their brand image, and consequently on sales; on the other hand, consumers pay excessively for low quality products that could possibly have health and safety risks. Counterfeit products are a challenge for the government as well. Being a clandestine industry, the manufacture of counterfeit products causes a substantial loss to the

exchequer in terms of lost tax revenue. In addition to and having health and safety risks, spurious counterfeit products also put a strain on the public health system.

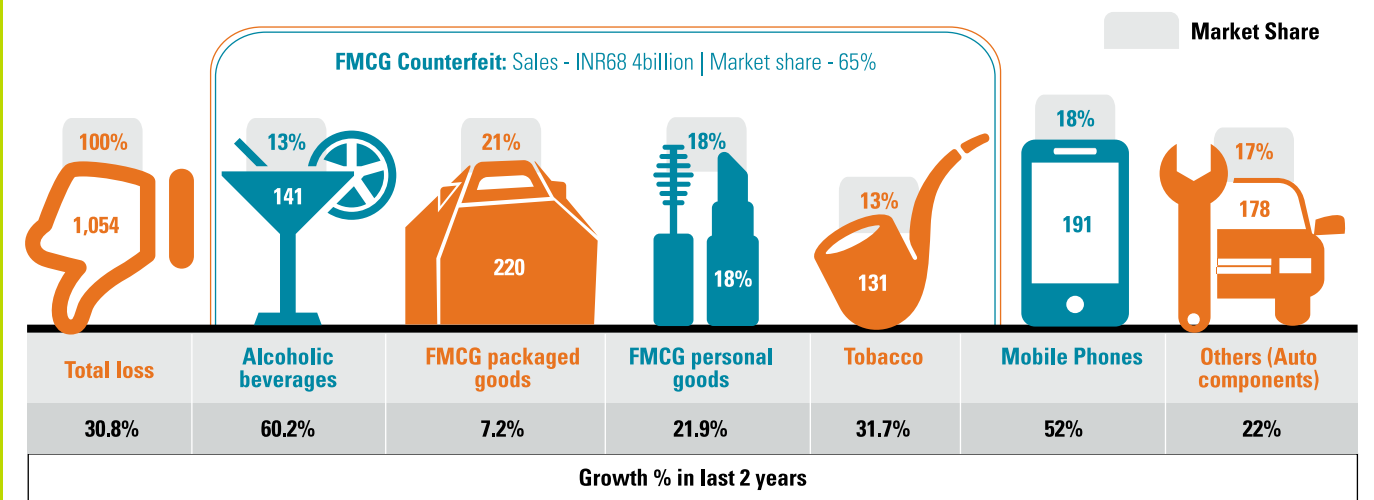
Technological advancement,

Industry – legitimate businesses suffer significant losses in terms of sales, profits and goodwill to counterfeiters every year in India.

especially in the print industry, has helped counterfeiters create replicas of leading FMCG brands, thereby, making the FMCG and alcoholic beverage's sector more vulnerable to the illicit trading of counterfeits in India. In 2014, the overall counterfeit sales of FMCG, alcoholic beverages and tobacco goods constituted 65 per cent of the total counterfeiting sales in the country, accounting for loss of sales of over INR684 billion to the Indian FMCG manufacturing sector.

Counterfeit/fake and pirated market – top seven manufacturing sectors in India

Fake/pirated goods market- 2014 (INR billion)



Source: Illicit Markets – A threat to our national interests, FICCI – CASCADE, April 2015

Counterfeit/Fake and Pirated Market: Top Seven Manufacturing Sectors in India

Fake/Pirated Goods Market-2014

(Rs Billion)

Sectors	Fake Goods Sales	Market Share	Growth in last 2 Years
Alcoholic Beverages	141	13%	60.2%
FMCG Packaged Goods	220	21%	7.2%
FMCG Personal Goods	192	18%	21.9%
Tobacco	131	13%	31.7%
Mobile Phones	191	18%	52%
Others (Auto Components)	178	17%	22%

*Alcoholic Beverages, FMCG Packaged goods, Personal Goods and Tobacco account for 65 per cent of total sale of fake goods worth Rs 684 billion

areas, FICCI-KPMG report added. The illiterate rural consumers who are less aware become easy target for fake consumer products. Besides, there also seems to be a strong link between company's reach to a direct distribution network. In case of FMCG, small retailers, who don't fall in the company's distribution network or are not 'economically viable' to service, are forced to rely on wholesalers for merchandise purchase. With limited capital, these retailers are easily lured by the promise of low risk, high margin counterfeit goods. However, not only these small retailers and hawkers, but rapidly growing e-commerce business is also leading to huge trade in counterfeit goods. Lured by dirt cheap price offer on these websites, the consumers seldom question the authenticity of products, as they are offered by trusted/branded e-commerce companies. Even the disregard for quality product among consumers,

knowingly or unknowingly, can be factored as one of the reasons for rise in fake goods trade.

Need for Stringent Measures

In June 2011, a consignment of about 4,000 counterfeit AKAI television sets was confiscated at a Chinese port, which was scheduled to be shipped to India. The India cell of AKAI raised the alarm and consignment was caught. Thus, imports of fake goods happen largely in liaison with Custom officials or government authorities at ports. It becomes incumbent upon government to increase strict vigilance domestically and also to see that Customs official do not let fake goods entering into the country. FMCG companies, on the other hand, have begun working with law enforcement agencies to conduct raids and seizures as and when required. Emami, according to reports, has established a separate cell headed by an

ex-assistant commissioner of police, who takes on inquiry into information provided by their sales team on places where counterfeit products of its popular brands are made. Once these are identified, the team and local authorities raid these factories. Besides, India has no legislation to deal specifically with counterfeits and piracies, but other statutory, civil, criminal and administrative remedies do provide a robust legal framework to tame the menace; its laws in this regard are among the best in the world. Also, there is an urgent need for the establishment of dedicated enforcement cells, trained in handling IP (Intellectual Property) matters, and fast-track IP courts, to ensure that genuine manufacturers get justice in due time. Above all, there is an urgent need to create awareness and outreach among consumers, which can help curb counterfeiting and smuggling to a large extent.



Points to Ponder

- Around 148 million substandard mobile devices in 2013 were sold in the black-market, as per an estimate by Mobile Manufacturers Forum (MMF)
- 21% of mobile phone sales in India are unauthorized or counterfeited (FICCI)
- More than 10% of IT products in the market are counterfeit and more than 65% of the software in India is pirated
- Loss of revenue to the Indian exchequer by way of taxes is roughly around Rs 1,000 crore annually (FICCI)
- The global value of counterfeit and pirated goods, estimated at US\$650 billion in 2013, is likely to double by 2015 (Business Action to Stop Counterfeiting and Piracy (BASCAP))
- Counterfeiting is costing the global economy more than US\$ 100 billion a year (World Intellectual Property Organisation (WIPO))
- World Customs Organisation (WCO), account for roughly 7 to 9% of global trade of pirated and counterfeit goods.

Source: Media Reports

India Posts e-Commerce to Rural Countryside

Indian ingenuity finds ways to overcome logistic challenges in rural e-commerce.



THE REAL POTENTIAL of e-commerce lies in India's rural villages, say experts. After all, 70 per cent of the country's population resides in the rural India – a big potential market for players big and small. This is also where India's booming internet economy lies. In 2014, the rural population stood at 905 million and accounted for 61 million internet users accounting for 4.4 per cent of the active internet user base of the total 6.7 per cent of rural population. In the Digital India paradigm, the importance of India's rural population cannot be overemphasized.

Multinational FMCG players have long understood the importance of this segment launching targeted products, packages and even commercials to woo the humble rural resident. More recently though, it is the booming e-commerce segment that is eyeing the rural Indian consumer to boost its geographic spread and deepen its foothold. In south India, several efforts have already marked their presence. For instance, Sahaj e-Village, a social enterprise and an associate of Srei group, has tied up with a local e-tailer MVikarsha in Tamil Nadu to deliver goods through Common Services Centres that it operates. Inthree, a startup in

Tamil Nadu, began with selling solar lamps through post offices in 2011 and then scaled it across Tamil Nadu and Karnataka. Buoyed by the success of its solar lamp initiative, it forayed into e-commerce space and launched Boonbox, a demand aggregator for merchants. Under this model, Boonbox aggregates demand for products among rural consumers and places orders with merchants. Now, the company is foraying into Andhra Pradesh.

StoreKing is a Rs 100 crore e-commerce company with a hub and spoke model that delivers exclusively to customers who can only text in Tamil, Telegu, Kannada, Malayalam and Goan. They are rural consumers and may not even have heard of Amazon, Flipkart or even e-commerce. Yet, the company has around than 4,500 kiosks across South India and delivers more than 75,000 orders every month; has received multiple rounds of VC funding amounting to \$6 million and plans to foray into west India now namely Maharashtra, Gujarat, and Madhya Pradesh.

Rural India however still faces challenges when it comes to logistics and supply chain. The lack of an efficient

distribution network prevents penetration of products and services and herein have stepped postal services and courier services to fill the lacunae. The Indian Postal Service has by far largest distribution network in Indian villages. India Post's extensive network has become a bridge for more and more e-commerce players. Flipkart, Myntra, Amazon and Snapdeal have collaborated with India Post to avail the benefits of its large network of pin codes. Amazon India is able to service over 19,000 pin codes through 140,000 post offices across all 35 states and union territories in India. In all, India Post's network covers about 25,000 pin codes, while even large private courier companies reach only about 10,000. According to industry estimates, India Post handles 1.5 lakh e-commerce deliveries a day making it one of the largest delivery partners for the industry. mVikarsha too has signed a MoU with India Post's Tamil Nadu Circle.

The unlikely and unique integration between snail mail and e-commerce is another demonstration of India's own jugaad – an inbuilt response system to any crisis.

Some Facts about Universal Service Obligation (USO) Fund

The Universal Service Obligation (USO) Fund was set up in April 2002 for achieving universal service objectives emphasized in the National Telecom Policy (NTP) 1999. The Indian Telegraph (Amendment) Act 2003 gave statutory status to the USO Fund and laid down that the fund is to be utilized exclusively for meeting the Universal Service Obligation by providing access to basic telegraph services, viz. public telecommunication and information services and household telephones in rural and remote areas, as may be determined by the Central Government from time to time. It also envisaged creation of infrastructure for mobile services in rural and remote areas, broad band connectivity to villages in a phased manner and induction of new technological developments in the telecom sector in rural and remote areas, etc. The resources for meeting the USO Fund were to be raised through a 'Universal Access Levy' (UAL). The implementation of USO related activities was to be carried out by the eligible operators who get a subsidy as per the rules. The fund is administered by the Department of Telecommunications (DoT). The levy received towards USO is first credited to the Consolidated Fund of India and subsequently, the Central Government credits the proceeds to the non-lapsable USO Fund in the Public Account of India from time to time, for being utilized exclusively towards the stated objectives.

The issue of understatement of balances in USO Fund was commented upon in the Report of the Comptroller and Auditor General of India on Accounts of the Union Government for the year 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14. The Public Accounts Committee (PAC) in their Fourteenth Report (Fifteenth Lok Sabha 2009-10) also disapproved the diversion of funds exclusively meant for USO activities to other programmes by the Ministry of Finance. Despite CAG's audit observation on USO Fund during earlier years, it

was noticed that against the total receipts of Rupees 7,537.88 crore towards Universal Access Levy during year 2014-15, DoT transferred only Rupees 2,086.98 crore to the USO Fund in the Public Account, which was in turn fully utilized to meet the expenditure on identified objectives and the closing balance under the USO Fund was shown as nil. This resulted in understatement of the closing balance of the USO Fund by Rupees 5,450.90 crore for the financial year 2014-15. Further, against the total collection of levy of Rupees 66,117.23 crore during 2002-03 to 2014-15, a total sum of Rupees 26,983.47 crore (after taking into account the reimbursement of licence fees and spectrum charges to BSNL amounting to Rupees 6,948.64 crore over the period 2002-03 to 2005-06 for fulfilling rural obligation) was transferred to the fund and fully spent from the fund during these periods. The remaining levy of Rupees 39,133.76 crore was not transferred to the USO Fund. The Public Accounts Committee (PAC) in its recommendations contained in their Fourteenth Report (Fifteenth Lok Sabha 2009-10) had also observed that the Government should not have any problem in crediting the full amount collected as UAL in the USO Fund especially when the proceeds to the fund were meant to be utilised exclusively for meeting Universal Service Obligation. Thus, depiction of 'Nil' balance under USO Fund in the Finance Accounts of the respective years was in contravention of the recommendations of the PAC, which clearly stipulated that full amount collected as UAL should be credited to the USO Fund and also resulting in understatement of closing balance by Rupees 39,133.76 crore in the USO Fund at the close of financial year 2014-15.

This implies that scant regard was paid by DOT, to not only the repeated observations of the CAG for over 5 years from 2009-10 to 2014-15, but also to the recommendations of the Public Accounts Committee!

*(Source Paragraph 2.3.1 of the Report of the CAG of India for the year 2014-15)
Contributed by S. Krishnan, IAAS (Retired)*

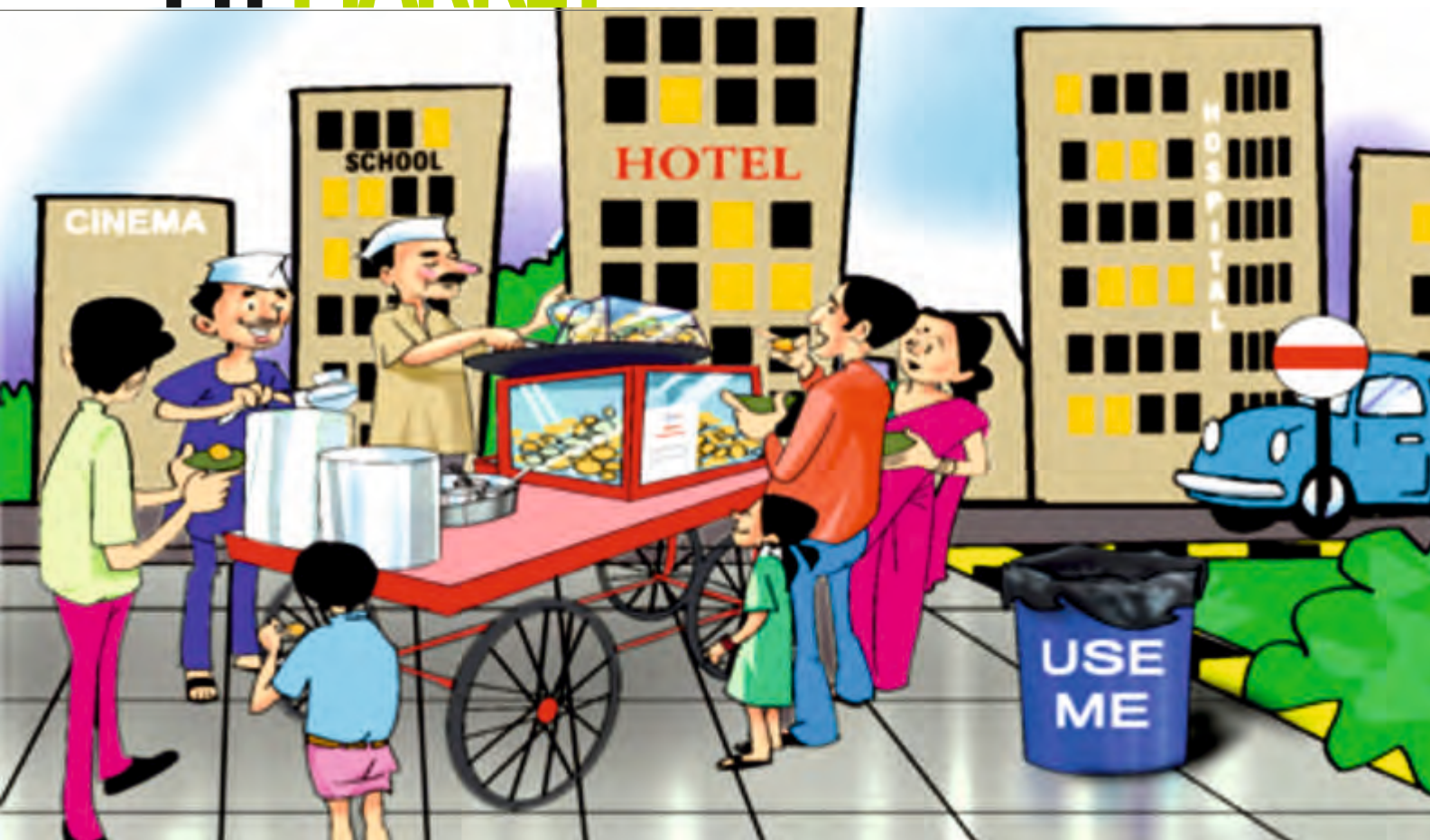
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CLAIM YOUR

**Consumer Rights Now
An Aware**

CONSUMER

is a Protected Consumer”



What's on Your Plate?

Unhygienic practices by food business operators and rampant use of pesticides by farmers have put consumers' lives at stake.

THE RAGING MAGGI controversy in India has stirred up hornet's nest for large food companies nationwide. With Food Safety and Standards Authority of India (FSSAI) tightening the noose, large companies have recalled several of its products for fear of falling foul of the national food regulator. The controversy has called for strict safety provisions to be followed by large food companies countrywide. The government has also asked Maggi noodles manufacturer Nestle to pay `640 crore in damages in a case filed in the national consumer court in Delhi. But what about unhygienic and adulterated foods supplied by street food vendors, food carts and peddlers, unorganized food processing firms and restaurants and hotels. The call

for safer India is impossible without regulating these unorganized food industries.

Veering Food Vendors

India has witnessed a long history of street food peddlers. Delicious foods, be it pani puri, chhole kulche or aloo chaat, among others—sold by roadside peddlers have always been a temptation among people. In an urge to taste these mouthwatering foods, people often willfully choose to ignore unhygienic conditions that are prevailing in and around that food stuff. Besides, there is also an economically less privileged class, which prefers to have its daily meals at food carts or mobile vans for they are cheaper



and affordable. One can find several mobile vans providing lunch meals at cheaper rates in the periphery of industrial corridors in Delhi-NCR and elsewhere in India, where hundreds of people jostle to buy food. On a good day, the owners make a profit of about ₹ 800-1000. These vendors do not wear gloves in their hands and hats while cooking food and also exchange money with the same hand. They cook food in the open space. Each time a cloud of dust flies up on the road, it settles down on the food kept open on the shelf of the roadside food carts, mobile vans, etc. They even keep water in a tub and wash several utensils without getting them washed from another water. Thus, the foods served on the consumers' plates may not be claimed to be hygienic. So, why do these peddlers flout food safety norms? Or, are these small shop owners aware of safety norms? If not, what is NSSAI doing to create awareness among these peddlers even after four years of its inception. As per Government of India, the total number of street vendors in the country is estimated at around one crore. Some studies say street vendors constitute approximately two per cent of the population of a metropolis.

According to KPMG report, Indians consume \$63 billion worth of packaged food each year and the sales of packaged foods are poised to rise rapidly in India, to \$88 billion by 2019. The enabling factors are large youth population, ever-increasing affluent and time-pressed middle class, large-scale migration, et al. In this scenario, how safe are packaged food products made in unorganized sector? Do food business operators (FBOs), like hotels and restaurants, follow norms specified by the national food regulator? The FSSAI lays down procedures from designing the commercial kitchens, layout, usage of equipment, procurements of ingredients, handling and storage, maintaining hygiene of the place and its employees, among others. The FBOs are also required to keep the licencing authority informed in case there is any change in the layout, procedures. The high level of

Why Unhygienic Foods are Unsafe?



The unhygienic practices followed in the preparation, cooking, serving and food storage lead to the contamination of food items. The contamination may result from pathogenic organisms like viruses, bacteria and parasites, and also by excessive levels of food additives, toxins, residues of pesticides used in food production or preservation. Food vendors, unlike restaurants, often lack refrigeration, good storage facilities and efficient stoves. Bacteria is produced in the food when it is cooked in unhygienic condition, but may multiply if not refrigerated and properly stored post cooking. The organisms in food get destroyed when heated thoroughly during cooking. Otherwise, the pathogens present on the food may infect the person who eats it. Bacteria like Coliform, E coli, Salmonella, Shigella, Staphylococcus aureus and Pseudomonas— are found in contaminated food, which are major causes of diseases such as diarrhoea, typhoid, food poisoning, urinary tract infections and pneumonia. These bacteria are found in the faeces of humans and animals and multiply fast if the food is kept in moist, warm conditions. They also contaminate food when carried through flies, exchange of cash with infected hands or through contaminated water. There is also the chance of food getting contaminated if the vegetables are not washed properly or there is faecal contamination during food production or handling.

safety and hygiene outlined in the FSSAI necessitates very high levels of professionalism while delivering food service. But most of these FBOs seldom bother to follow FSSAI norms. The national food regulator, in December 2014, informed Delhi High Court that

rice and other food samples collected from three popular eateries in the national capital have been found to be unsafe. The affidavit filed by the regulator states that the presence of artificial colour makes these dishes unfit for human consumption.

Alarming Pesticide Levels in Food Items

According to the recently released report by the Ministry of Agriculture, there were residues of pesticides present in a significant number of vegetables, fruits, milk and other food items collected from various retail and wholesale outlets across the country. The most shocking part was that the samples collected from organic outlets were also found having residues of pesticides. Residues of unapproved pesticides were found in 12.5 per cent of the 20,618 samples collected countrywide. As per the report, the residues of pesticides were detected in 18.7 per cent of the samples, while residues above MRL (maximum residue limit) were found in 543 samples (2.6 per cent). The use of these contaminated food items may have serious health implications such as cancer, nervous system diseases and reproductive problems in people exposed to pesticides—right from farm to home.

Where are the Lacunas?

When Food Safety and Standards Act was passed in 2006 followed by the creation of FSSAI in 2011, every Indian was elated with the fact that they would be

ensured healthy food in every nook and corner across the country. Why do these food business operators continue to play with human lives? Do they not fear for law? Or, is FSSAI not equipped enough to ensure compliance of food safety norms among FBOs? The regulatory authority has been providing one extension after another to grant licences to those involved in the food industry. To add to woes, FSSAI is being lamented by hotel and restaurant industry for being another addition to the burden of 'license raj'. This demonstrates regulator's not-so-strong hold over the food industry, lack



of manpower and resources and also lack of will on the part of the government to provide it with required strength and resources. The regulator has managed to get only 5.5 lakh food operators on board for licence out of millions in the food industry. The tardy progress in the implementation of food safety procedures indicates that FSSAI is short of expert personnel for respective fields. There are no specific checks on MRLs of pesticides and fertilizers used by farmers, fruits and vegetables exposed to dangers of chemical adulteration due to pesticides. Also, quality checks on milk and milk products are confined only to festive seasons and the authority conducts seldom checks during the rest of the years.

Way Forward

The lack of effective regulation on food safety has serious implications for both the economy as well as individual consumers. Besides downgrading international export competitiveness (last year European Union banned Alphonso mangos on same food safety issue), it also has a bearing on the demand and supply chain, thereby weakening domestic trade capabilities. It is, therefore, becomes incumbent that FSSAI be revamped, its structural and functional aspects are improved and its funds are enhanced for effective implementation of food safety norms among FBOs. Also, there is a need to align our food standards on par with international food standards to mitigate any chance of food adulteration in India. FSSAI have been organising training camps for street vendors through the National Association of Street Vendors of India (NASVI) from time to time. Even, consumer awareness campaign Jago Grahak Jago in association with Department of Consumer Affairs since November 2014 year has failed to reach out to the illiterate street vendors and the consumers alike. It's high time FSSAI charts out regular sensitization programmes to ensure health for every Indian.





Release of 'The AWARE CONSUMER' and PSM India Annual Report

Improving Access to Quality Healthcare through Universal Health Coverage (U.H.C.)

Varanasi Initiative 2015
9-11 August 2015

UHC : WHAT ARE THE ISSUES AND WHAT SHOULD BE DONE

1. Need for affordable insurance

- The terms, conditions and terminology of health insurance policies lack prompt redressal and access.
- IRDA has to ensure improvement in the access of insurance products pertaining to healthcare coverage and health-related risks in an affordable manner.
- More and more individuals are purchasing medical insurance, who are demanding processes, quality and consistency (in treatment and billing systems) from hospitals.

2. Quality and safety of medicines

- In India's health-care system, nearly 70% of overall health spending is incurred by private out-of-pocket expenditure, and 70% of this is spent on medicines. Several studies have revealed that private out-of-pocket expenditure on health pushed 60 million Indians below the poverty line in 2010
- There is an urgent need to protect the patients from unsafe and irrational use of medicines.

- NPPA has to become more pragmatic and active in order to improve accessibility to quality medicines and ensure affordability without compromising on quality and safety.

3. Overburdened system

- Most of the government hospitals are overcrowded and lack resources to meet the growing demand, while access to essential health services in rural areas and smaller towns remains poor.
- While primary healthcare is made available to the citizens across India, for many the closest health care centres are still around 100 kilometres away.

4. Methodology

- Use technology to develop digitised system for profiling patient data and accessing services.
- Create a centre of excellence in a large government university and a point of primary care charitable hospital as nodal centres for situational analysis and creating evidence, respectively.

- The activities for the first 12 months should focus on improving the processes and the systems to increase accessibility to safe and quality healthcare to at least 100,000 citizens identified as below the poverty line (BPL) citizens or as senior citizens (age 60+) and in a phased manner they should be provided with a digitised health card to enable seamless accessibility to preventive and urgent healthcare.
- Identify various healthcare institutions in public and private sectors and make the information available on the website for improving access.
- The data bank should carry full information about the healthcare institutions along with information about their accreditation as per agreed standards and encourage all to seek QCI-NABH to assure safety and quality for the patients.

- In collaboration with the insurance companies, launch new products as per the needs of the citizens to improve access and further strengthen existing government schemes, such as Rashtriya Swasthya Bima Yojana (RSBY) and others.

5. Expected outcomes

- Build a partnership between public and private entities to implement the concept of Universal Health Coverage (UHC) as a pilot.
- Work with government of india and the state government to roll out the universal health coverage (UHC) based on the resources made available for the purpose by the government and private entities under the corporate social responsibility (CSR).
- Maximize utilization of all the existing public and private



▲ Shri Bejon Kumar Misra handing over the first donation cheque to Swami Deveshananda Ji Maharaj



▲ Signing of MOU between IIT-BHU & PSM India

- Launch a centre on haemovigilance under Haemo-Vigilance Programme of India (HVPI) to identify and prevent occurrence and recurrence of transfusion related unwanted events, to increase the safety, efficacy and efficiency of blood transfusion, covering all activities of the transfusion chain from donor to recipient.
- A pharmacovigilance centre initiated on patient safety and accessibility to quality healthcare for conducting research based on ADRS and medication errors
- Establish a Medicine Bank and Jan aushadhi Store for the poor to lower out-of-pocket expenses and indirectly address the quality and affordability issue.
- Design and develop an IT driven tool to monitor and evaluate all government driven schemes on improving accessibility to medicines, diagnostics and treatment to all forms of illness to ensure effectiveness and success.

healthcare facilities by developing and designing an information technology (IT) based software application, which will deliver prompt and appropriate healthcare service irrespective of the economic profile of the citizen.

- Adopt modern technology by engaging with faculty and students to capture the health profile of every citizen and enable accessibility to preventive and curative care as per the need and expectation of the patient & their care givers in an appropriate and affordable manner without any discrimination.
- Poor and elderly patients who can't pay should get free primary healthcare, other population may access secondary and tertiary services through co-payments. Cost to be financed by PPP mode.
- Free services to include 50 essential drugs, 30 diagnostics tests and 30 Ayush drugs.

India Must Change its Defecating Habits

IT WAS GOOD news and at the same time a sad reminder of what goes on in the shadowy ghettos of our glitzy metro life. The timing of the report was also ironic. Just a couple of days after the nation paid homage to the man who fought against untouchability in India – Mahatma Gandhi on October 2. The report was about the government's efforts to ameliorate the lot of 250 daughters of sanitation workers of Delhi by training them to drive cabs. From the poorest of poor families, these girls' parents are the faceless safai karamcharis who keep the streets, toilets and sewers of our swanky cities gleaming. It is another matter altogether that a national movement

against untouchability began in 1925 and after almost seven decades of Independence there are 26 lakh dry latrines in India which are manually scavenged by 1,80,000 people, mostly in Uttar Pradesh, according to 2011 census data.

Without a vision to sustainably clean the toilets, at the last count the around 80 lakh toilets built so far across the country will only push more poor people into this wretched job. There are other issue as well plaguing the mission, but let us first understand what Swachh Bharat Mission is.

The Constitution of India makes it incumbent upon the states to provision

drinking water and sanitation for their populace. The central government has played a critical role in ensuring that the people of India are not denied these basic rights. The Government of India has been especially concerned about provisioning these basic amenities in rural areas, knowing their dependence on the government resources for such necessities. As a result of these efforts, the Census 2001 data revealed an increase of toilets to 22 per cent from 1 per cent in 1981. This was achieved under the Total Sanitation Campaign which was a revamped version of the earlier Central Rural Sanitation Programme launched in 1986. In 2012,

To ensure the success of Swachh Bharat in rural areas, the government must factor in rural sentiments and focus on changing behaviour patterns.



the government launched Nirmal Bharat Abhiyan (NBA) to ensure that vision of a Nirmal Bharat was achieved by 2022.

The Swachh Bharat Abhiyan with its targeted sub missions - Swachh Bharat Mission (Gramin) and Swachh Bharat Mission (Urban) - aims to further accelerate this vision by providing total sanitation facility (including toilets and disposal systems) by 2019 to all citizens. Bringing the mission on the public private partnership platform, the government has given it a new meaning



to government programmes. An enthused public and industry has come forward with ideas and funds for the Swachh Bharat Kosh and under corporate social responsibility agenda of the corporate.

With Prime Minister Narendra Modi himself helming this flagship initiative, one year on, the programme seems to be going strong unlike most other welfare measures announced in the past. However, the lacunae in the noble mission need to be addressed urgently to ensure an open defecation free India by the target date. Constructing toilets would not count as achievements in the final analysis.

Problem No.1: Lack of Usage & Acceptability

An impact assessment survey commissioned by the Union Ministry of Drinking Water and Sanitation and conducted by the National Sample Survey Organisation (NSSO), found that in villagers in UP are not finding the toilets worth visiting and still prefer the fields to answer nature's call. The reason cited

was lack of waste disposal facility. There was also the barrier of years of habit that people were finding hard to change. From feeling suffocated in the tiny cubicles to not being able to answer the call in such surroundings, the reasons though varied pointed to one cause – behavioural. The ministry, which is the nodal agency for rural sanitation has concluded as much, that is, sanitation is a behavioural issue, and the change has to come from within. The ministry while working on this is also working on other

related aspects, for instance, toilets also need water storage nearby to promote the habit of washing hands after usage in order to prevent diseases, toilet usage etiquette for community toilets and disposal of liquid and solid waste.

Problem No.2: Separate Enclosures for Gender

In villages and even in city slums, women folk have to wake up at the crack of dawn, much before the men, to ensure that when they visit the fields, there no prying eyes. Defecating and urinating in public places is a sensitive issue for women in rural India who use cow dung cakes during menstruation. This calls for major awareness and sensitization drive along with separate enclosures for women. There is also a need to urgently address the issue of women's hygienic sanitary needs and their disposal near the toilets.

Problem No.3: Toilets for the Elderly & Disabled

While we are constructing the 12 crore toilets in rural India at an estimated cost

of Rs 1.96 lakh crore, one hopes the needs of the disabled and elderly have been taken into account. Unimaginatively built toilets for disabled ultimately end up as dumping grounds. Squatters or commodes, this could again become an issue in the general sense too. Also, the door must be wide enough for wheelchairs users to maneuver and toilets large enough for them to wheel in.

Problem No.4: One Size Does Not Fit All

India's vast spread and rich diversity also calls for imaginative technological solutions even when designing and deploying toilets. What works in a water rich state may not work in an arid area. Perhaps the solution here could be waterless toilets. There are also e-Toilets that self flush and clean per usage. These can be handy in rural areas where people are not habituated to personal cleanliness.

Problem No.5: India's Caste, Religion & Communal Equations

This is a sensitive issue. Rural India is quite rigid in its taboos and beliefs. Not everyone can step into your kitchen, your home or your private space. Toilets are private spaces. Using an open field gives a kind of unrestrained sense of privacy that using an enclosed tiny cubicle being used by 50 or more will not. Poor or not, people may just balk at the idea of sitting on a pot that someone got off. Also, in fields you do not have to stand in a queue to answer an urgent call. Who wants to wait when the open fields beckon oh so enticingly?

Perhaps, government's enhanced amount for individual toilet - from Rs 10,000 to Rs 12,000 – may finally lead rural India to use toilets.

To conclude, the focus now should be on intensive IEC – a call to action for the citizens of India to change from within and stop defecating in the open.



POOJA
KHAITAN

Relying
on
dietary
supple-
ments?
Think
twice!

Are We Negotiating Our Health?

COUPLE OF MONTHS back, there was huge distress all across India and the world over against one of the most popular 2-minute instant noodles and a simultaneous ban on the product imposed by Food Safety and Standards Authority of India. They stated that the noodle samples tested positive for excessive lead content.

Now, it's time for a well know Ayurvedic Pharma manufacturer, Shree Baidyanath Ayurved Bhawan (P) Ltd. 1 Gupta Lane, Kolkata, India which has fallen under the cleaver of USFDA for exporting Ayurvedic Herbal (dietary supplements) to Butala Emporium Inc, New York containing excessive levels of lead and mercury .

Butala Emporium, Inc of Jackson Heights, New York has voluntarily recalled eleven Ayurvedic (dietary) supplements (list given below) based on test results published by the New York Department of Health and the US Food and Drug Administration (FDA), that the products contain elevated lead and mercury levels which can adversely affect consumers health, particularly infants, toddlers, small children, pregnant women, and those with underlying kidney disorders.

The Ayurvedic supplements from Butala Emporium were distributed in New York through retail stores and sold online in California, Connecticut, Florida, Hawaii, Massachusetts, New Jersey, Ohio, Pennsylvania, Vermont, Washington D.C., and Puerto Rico.

List of the recalled formulations:

- **Baidyanath brand Saptamrit Lauh**--Batch No. SPL-04, Expiry Date 4/2018
- **Baidyanath brand Rajahpravartini Bati**--Batch No. RAJ-15 0 & 126, Expiry Date 1/2019 & 07/2016
- **Baidyanath brand Sarivadi Bati**--Batch No. SRI-09, Expiry Date 04/2018
- **Baidyanath brand Shankh Bati**--Batch No. SHN-02, Expiry Date 08/2018
- **Baidyanath brand Marichyadi Bati**--Batch No. 200, Expiry Date 08/2017
- **Baidyanath brand Agnitundi Bati**--Batch No. 018, Expiry Date 02/2016
- **Baidyanath brand Arogyavardhini Bati**--Batch No. 018, Expiry Date 03/2017
- **Baidyanath brand Sarivadi Bati**--Batch No. SARI-015, Expiry Date 01/2019
- **Baidyanath brand Brahmi Bati**--Batch No. HGB-18, Expiry Date 03/2019, Batch Nos. 244 & 242, Expiry Date 03/2017 (products without Batch No. or Expiry Date are subject to this recall)
- **Baidyanath brand Gaisantak Bati**--Batch No. GAI-09, Expiry Date 08/2018 and Batch No. 141, Expiry Date 10/2017
- **Baidyanath brand Chitrakadi Bati**--Batch No. 193, Expiry Date 02/2018

The 80-count-capsules were packed in white, plastic bottles with green, yellow or orange labeling under the brand name "Baidyanath" made by Shree Baidyanath Ayurved Bhawan (P) Ltd. 1 Gupta Lane, Kolkata, India and top cap sticker with imported by Butala Emporium.

According to USFDA deliberations, this is a matter of great concern as excessive exposure to mercury can cause kidney or gastrointestinal problems with short-term use. Longer term use (a month or longer) can cause neurological problems and potentially be fatal.

Exposure to levels found in these supplements can also cause psychiatric and personality disturbances, ataxia (or loss of coordination), visual loss and hearing loss. Other symptoms of mercury poisoning include loss of coordination, "pins and needles" sensations usually in the hands, feet, and around the mouth, and muscle weakness.

Similarly, exposure to lead, even at low levels, is associated with neurological impairment, and in children, learning disabilities and lower IQ scores. The levels of lead found in these products exceeds the recommended daily lead exposure for children less than 6 years of age and women of childbearing age and can potentially cause serious injury. Symptoms of lead toxicity include abdominal pain, headache, changes in blood pressure, dizziness, kidney and brain damage.

Though till date, causalities or serious Adverse Drug Event has not been reported from the products already in circulation on being sold from retail and online stores, still the matter has raised alarm on the ethical values and credibility of famous Indian Herbal product manufacturer and exporter like Shree Baidyanath . Sri Baidyanath Ayurvedic Bhawan Ltd. (Baidyanath for short) was founded in 1917 in Calcutta, and specializes in Ayurvedic medicines, though it has recently expanded into the FMCG sector with cosmetic and hair care products The company reports having over 700 Ayurvedic products and is one of the key supplier of Ayurvedic medicine worldwide.

Ayurveda is one of the most

Excessive exposure to mercury can cause kidney or gastrointestinal problems with short-term use. Longer term use (a month or longer) can cause neurological problems and potentially be fatal.

primitive and holistic medicine developed in India since thousands of years and globally it has great popularity in form of various herbal formulations and dietary supplements with the basic idea that they possess minimal side effects and have greater therapeutic impact and therefore can be consumed for longer time periods. Such incidents of presence of toxic levels of heavy metals, not only bring in shame for our countries' ancient traditional medicinal practice but also raise concern on the efficacy and safety of herbal / ayurvedic dietary supplements/ formulations. Also it

nurtures query on the various testing methods of manufacturer where raised levels of fatal heavy metal gets ignored , unnoticed and unexamined before products being exported to other countries.

Dietary Supplements are now well-known across the globe for the perception of being safer than allopathic medicines. As it was featured in our last edition of The PRESCRIPTION that "Natural" should not be associated with safe, hence dietary supplements are something to watch out for.

Common motivations for having such formulations are to lose weight, stay healthy, build up immunity or curing sexual problems. The major protections that are in place for prescription and over-the-counter medicines don't apply to dietary supplements. Since supplements can be taken without professional supervision, bought from any sources (online/ retail/ advertised sites) and most of the times by people intent on preventing health problems, therefore such medicines should pass through regulatory check and stringent testing methods before being marketed and sold to consumers.

Therefore, ethical commerce practice is the need of the hour in the Ayurveda Industry. Safety issues should not be compromised in spite of huge challenges in following Global standards.

Finishing on a positive note, PSM-India feels that the current recall and bans should be taken as a wake-up call for pharma manufacturers (Ayurveda-Allopathic) and as well as the Government to accomplish their commitment and role in ensuring safer medicine and better healthcare for all !



Building Digital India with Apps



YOUR MOBILE DASHBOARD has become a crowded place suddenly. To keep you life on the go from faltering at 'anytime, anywhere', you have installed apps that allow you to shop grocery, home essentials, furniture, drycleaner, sanitation worker, bill pay desk, dial a doctor, school fees payment gateway, railway ticket booking and enquiry, flight ticket booking and enquiry, online bookstores, e-commerce portals, movie ticket booking, TV shows, websites, banking, etc, etc, etc. These apps are also your lifeline to social networking sites and keep you updated 24x7. According to research on mobile behavior, consumers spent 85 per cent of their time on smartphone applications but of this 84 per cent was spent on five top apps they had installed from App Store (Forrester

Indian consumers are suddenly being bombarded with a deluge of mobile applications. Is this a boon or a bane?

Research). A Nielsen report meanwhile found that users used 26 to 27 apps in a month. Another Nielsen report stated that in May 2015, the number of smartphone users who use shopping apps in India had jumped to 54 per cent from just 21 per cent from 2014. In comparison, the growth in popularity of

shopping websites was moderate, increasing from 28 per cent to reach 45 per cent.

Apps for India – A Necessity?

In the scenario where Digital India is the next logical step to the country's growth, apps do become necessary to enable equitable. An analysis of the pattern of internet growth in the country throws up interesting insights and brings out the importance of apps. The Internet And Mobile Association of India (IAMAI) in a September 2015 report stated the number of internet users in India had reached 354 million by the end of June 2015 and was projected to reach 500 million by 2017. India had now more internet users than the population of the US and had the second largest internet user base after

China. The internet user base in India had grown 17 per cent in the initial six months of this year, adding 52 million new users, says the report. Initially slow, with the numbers reaching 100 million over 10 years, in the next three years there was a surprising spurt and the numbers doubled to 200 from 100 million internet users.

The growth of mobile internet users has been equally fast. The IAMAI-KPMG report titled India on the Go – Mobile Internet Vision Reports 2017, estimated that the number of mobile internet users grew from 173 million in December 2014 to 213 million users by the end of June 2015. Of this, 128 million mobile internet users were urban population, and the rest 45 million belonged to rural India. It is expected that mobile internet users in India will grow to 314 million by 2017. The report also points out that with urban India reaching saturation point, it will rural India that will drive this growth. The good news is that the rural Indian is displaying an increasingly internet friendly and exploratory mindset. In 2012, 0.4 per cent of the rural population was accessing the internet on their mobile devices. In 2014, the figure stood at 4.4 percent of the active Internet user base of the 6.7 per cent of rural population. The rural population in 2014 stood at 905 million and accounted for 61 million internet users.

Looking at the growth trajectory of both internet and mobile-based internet and the pattern, that is rural versus urban, it is apparent that those looking to connect with India seamlessly will need to do it via the apps. Mobile applications enable marketers to connect with consumers at a click. Consumers too prefer the shortcut route of the app to log in to a website for information or to make a purchase. Connecting through apps allows consumers to multitask from their small handheld device without the bother of having to sit at their desktop. If they need some information urgently, say about the timing of the bus, an app helps while walking down to the bus-stop. If in

danger while standing at the same bus-stop, an app helps alert a woman's helpline or the PCR. While travelling on the bus, an app helps log in to a catch up with the news or order a pair of shoes for the party in the evening...The uses that these apps stored on the home panel of a smartphone can be put too is simply amazing.

Must Have Apps for Consumer-Citizen

From the Advertising Standard Council of India's (ASCI) consumer complaint mobile app, ASCIonline, to Delhi Police's App, there are apps aplenty. Some apps that every consumer must install are as follows:

Swachh Bharat Abhiyaan App: The app takes the onus of the drive literally to the citizen-consumer's doorstep. The user can create a profile and take up the challenge of cleaning his/her environment. This can be done by location and the user can also invite friends to take up similar cleanliness challenges in their respective areas. The app also allows citizens to post images of their cleanliness drive with before and after pictures to bring out the difference post their initiative.

MyGov App: An app that promotes direct citizen engagement in governance matters with a mere click! An extension of the MyGov portal, the citizen

engagement portal, the app allows citizens to join discussions anytime anywhere, log in to share their ideas and feedback. It has been used by the government for valuable crowdsourcing of ideas and resulted in the idea of an app for the PMO Office. The app was released on July 1, 2015, at the beginning of Digital India Week and allows users to post pictures and comments on flagship programmes besides actively seeking suggestions on important issues.

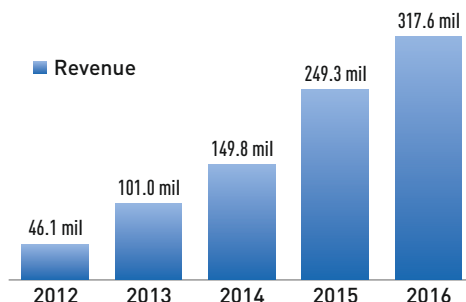
Narendra Modi App: This Android App let's citizens be in direct touch with the prime Minister himself. The PM had tweeted about the app urging citizens to use this free app to access the PM and news related to his office. The app keeps citizens updated about the latest on the MP, his messages to them and his popular talk show Mann ki Baat.

Ministry of External Affairs App: The MEA app is a consumer facing app meant specifically for Indians overseas. It received a huge response given its user-friendly interface and responsiveness. Users can access tenders, notices, read up press releases and follow up on Lok Sabha activities all on the app. The app can be personalized allowing users to take note on it.

Incredible India App: The app for tourists, both foreign and domestic, users can use location based services for information on places to visit, plan their itinerary, know about registered tour operators and service operators, etc. The app provides app advisories against touts and frauds and recommendations on places and plans.

IRCTC App: Say goodbye to the days of long queues, touts, grumbling and even slow website. The Indian Railways app with its one step login for existing users has made booking train tickets easy if not your journey. It sends alerts, saves your passenger details and brings cancellations and refunds all at the tap of your fingers. With one of the largest railway networks in the world, this app is certainly among the most useful as majority of India still travels by train.

Rapid growth of paid app revenue in India thru next year (2016)



Source: <http://www.twinprime.com/>

What do the consumers feel about access to healthy wholesome food Vs Junk Food? Why is it that the consumers are getting attracted towards Junk Food? Is it ADVERTISEMENT and Celebrity Endorsement?



Mannu Arora
Delhi

Frankly speaking, I don't get attracted to junk foods because of advertisements or celebrities endorsing them. It is sheer lack of time that propels me for junk foods. I and my wife both are working. By the time we reach home from office, it is already very late in the night. Being fatigued, we both prefer to have fast foods to satiate our hunger. But we make it a point to eat healthy, balanced foods when on leave or weekends. After all, we are aware of the harmful effects of these junk foods.

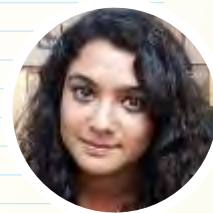
Kamal Kant Ojha
Bihar

You will find ready-to-eat foods at school canteens all across India. This has nothing to do with advertisements, but the lax attitude on part of school and local administration to see that these unhealthy foods are not kept in the school premises. It can be factored as one of the biggest cause of rise in junk food habits among kids and youth. There has been a long standing demand of child rights activists, nutritionists and public health experts to discourage the availability of fast food and other food items containing unhealthy ingredients in and around schools. There is even a PIL filed in the Delhi High Court, demanding a ban on junk food and carbonated drinks in schools and on their sale within a radius of 500 yards. The government has wake up to the demands of these experts and see that India doesn't carry the burden of high levels of malnutrition coupled with growing levels of obesity caused by diets high in sugar, oil and salt.



Anil V.K.
Kochi, Kerala

I believe in the philosophy of 'Health is wealth'. To me, a healthy and wholesome food is the perfect diet to keep ourselves fit both physically and mentally. I always mentor my kids against eating junk/unhealthy foods as a habit. However, on their insistence, I let them eat on weekends. The good thing is that my kids have also begun understanding the risk of eating these unhealthy foods. I advise parents too that they can regulate the consumption habits of their kids. There are some parents who let their children eat junk foods out of their laziness. It's high time these parents overcome their laziness and start feeding healthy foods to their kids to save the latter from falling prey to diseases.



Vartika Rawat
Dehradun

I am of the view that advertisements do make an impact of the mindset of the viewers, resulting in consumers' tilt towards junk foods. The advertisements/celebrity endorsements have maximum influence on kids. While we crave for junk foods, we shouldn't forget that they are harmful to us many ways. The excessive consumption of junk foods can cause obesity and sometimes diabetes in young kids. Hence, it becomes duty on part of parents to advise their children against rampant consumption of junk food items. The love of junk foods, which is currently endemic in urban spheres, has now been finding places in rural and towns too for quite a few years.



Ramesh Kumar
Delhi

While there are high pitch advertisements by companies to attract consumer to their products, efforts are also on to make these products as addictive as possible. This, unfortunately, has side-effect of stimulating metabolism to burn carbohydrates as its primary fuel. As long as our body is in primary carbohydrate-burning mode, we long for these types of foods. In US, excessive consumption of processed foods and snacks has led to spike in obesity and other diseases. The days are not far when we Indians too will come to terms with cases like these. So, I urge our governments at state and central levels to take necessary measures and ensure that these companies conform to the food processing standards as prescribed by the law.

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