

# Boot out the MNCs – How dare they do business in India!!

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The Ministry of Consumer Affairs, Government of India, for the first time in the history of this country, has filed a case in the National Consumer Disputes Redressal Commission, New Delhi, in short the National Commission, against Nestle, for adopting Unfair Trade Practices and issuing misleading advertisements, while promoting their popular instant noodles Maggi. Further, the Complainant (Government of India) has also sought a compensation of Rs. 640 crores (Rs. 6.4 billion) from the MNC (Nestle) for the injury inflicted on the consumers.

Times are changing and an economically vibrant India while interested in attracting Foreign Direct Investment for setting up more industries and to enhance employment generation, would like to caution them that unscrupulous business practices would not be tolerated. May be, what other best way to demonstrate this than to make an established MNC (Nestle) pay the price for its indiscretions, through adverse publicity and a sizeable monetary fine. Well done Department of Consumer Affairs!!

The same Consumer Affairs Department, which controls the Legal Metrology Wing, responsible for the administration of Standards of Weights and Measures – Packaged Commodities Rules, put forward all frivolous arguments to wriggle out of the 'Indane' LPG under-weighment case (Consumer Protection Council, Rourkela Vs Indian Oil Corporation Ltd. And Others, Original Petition No. 224/2001). But, in spite of that the Council went ahead and got relief to crores of consumers, across the country, by ensuring that all the 184 LPG bottling Plants were modernised.

Though the Oil major (IOCL), one of the Fortune 500 Companies in the world, sold to the gullible consumers under-weighed LPG refills, estimated at over Rs. 65,000 crores (Rs. 650 billion) over several years, the National Commission, did not levy the minimum penalty of Rs. 3,250 crores (Rs. 32.5 billion), as provided in the Consumer Protection Act, being 5% of the value of the defective products sold in the market and preferred to leave it to the higher judiciary. Thanks to the National Commission, the matter was at least decided in favour of the litigant Council.

***The higher judiciary, ie., the Supreme Court, to which the Council appealed (Civil Appeal No. 10126 of 2010), beat around the bush for 2 years, could finally neither touch the issue of compensation nor adjudicate upon it. This raises the fundamental question whether the Consumer Protection Act is applicable only to Private players and the MNCs?***

Immediately after the Curative Option of the Council was exhausted in July 2014, this author met the Additional Secretary, Consumer Affairs, on 30th July and explained him the whole case and the need for filing the second Curative Petition before the Supreme Court. But till date, a ready to eat food is on the platter, but no takers from the Government.

***Obviously, the government is neither keen to protect the consumers nor promote the consumer movement, but take some action against a popular MNC (Nestle) and score a few brownie points. At least, I cannot infer anything better.***

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