

22

**STANDING COMMITTEE ON
FOOD, CONSUMER AFFAIRS
AND PUBLIC DISTRIBUTION
(2007-2008)**

FOURTEENTH LOK SABHA

**MINISTRY OF CONSUMER AFFAIRS,
FOOD AND PUBLIC DISTRIBUTION
(DEPARTMENT OF CONSUMER AFFAIRS)**

[Action Taken by the Government on the recommendations/observations contained in the Nineteenth Report of the Committee on Demands for Grants (2007-2008) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs)]

TWENTY SECOND REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2007 /Agrahayana, 1929 (Saka)

TWENTY SECOND REPORT
STANDING COMMITTEE ON FOOD,
CONSUMER AFFAIRS AND
PUBLIC DISTRIBUTION
(2007-2008)

(FOURTEENTH LOK SABHA)

MINISTRY OF CONSUMER AFFAIRS,
FOOD AND PUBLIC DISTRIBUTION
(DEPARTMENT OF CONSUMER AFFAIRS)

[Action Taken by the Government on the recommendations/observations contained in the Nineteenth Report of the Committee on Demands for Grants (2007-2008) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs)]

Presented to Lok Sabha on 14.3.2008

Laid in Rajya Sabha on 14.3.2008



LOK SABHA SECRETARIAT
NEW DELHI

December, 2007 /Agrahayana, 1929 (Saka)

CONTENTS

PAGES

COMPOSITION OF THE COMMITTEE

INTRODUCTION

Chapter I	Report.....
Chapter II	Recommendations/Observations which have been accepted by the Government.....
Chapter III	Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies.....
Chapter IV	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee
Chapter V	Recommendations/Observations in respect of which final replies of the Government are still awaited.....

APPENDICES

- I. Minutes of the Fifth sitting of the Committee held on 14.12.2007.
- II. Analysis of the Action Taken by the Government of the recommendations contained in the Nineteenth Report of the Committee.
- III. List of BIS recognized Hallmarking Centres for Gold /Silver.

**COMPOSITION OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS
AND PUBLIC DISTRIBUTION – 2007-2008.**

Shri Devendra Prasad Yadav - Chairman

MEMBERS

Lok Sabha

2. Shri Govinda Aroon Ahuja
3. Shri Suresh Angadi
4. Shri Alakesh Das
5. Shri Atma Singh Gill
6. Shri G.V. Harsha Kumar
7. Shri Abdul Mannan Hossain
8. Shri Baliram Kashyap
9. Shri Avinash Rai Khanna
10. Shri Wangyuh W. Konyak
11. Shri Parsuram Majhi
12. Shri Sadashivrao Dadoba Mandlik
13. Shri Harikewal Prasad
14. Shri Ghuran Ram
15. Shri Munshi Ram
16. Shri Francisco Cosme Sardinha
17. Shri Daroga Prasad Saroj
18. Adv. (Smt.) P. Satheedevi
19. Shri Chandra Bhan Singh
20. Shri Ramakant Yadav
21. Vacant

Rajya Sabha

22. Shri T.S. Bajwa
23. Smt. Mohsina Kidwai
24. Shri Ajay Maroo
25. Shri Shantaram Laxman Naik
26. Shri Kanjibhai Patel
27. Shri Rajniti Prasad
28. Shri Nabam Rebia
29. Shri Ram Narayan Sahu
30. Shri Matilal Sarkar
31. Shri Thanga Tamil Selvan

SECRETARIAT

- | | | | |
|----|---------------------------------|---|----------------------|
| 1. | Dr. (Smt.) Paramjit Kaur Sandhu | - | Additional Secretary |
| 2. | Shri P.K.Misra | - | Joint Secretary |
| 3 | Smt. Sudesh Luthra | - | Director |
| 4 | Shri Jagdish Prasad | - | Deputy Secretary -II |

INTRODUCTION

I, the Chairman of the Standing Committee on Food, Consumer Affairs and Public Distribution (2007-08) having been authorized by the Committee to submit the Report on their behalf, present the Twenty-second Report on action taken by the Government on the recommendations contained in the Nineteenth Report of the Committee (Fourteenth Lok Sabha) on Demands for Grants (2007-08) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

2. The Nineteenth Report was presented to Lok Sabha and laid in Rajya Sabha on 27 April, 2007. The Government have furnished replies indicating action taken on the recommendations contained in the Report on 26 July, 2007. The Report was considered and adopted by the Committee at their sitting held on 14 December, 2007.

3. An analysis of the action taken by the Government on recommendations contained in the Report is given in Appendix-II.

NEW DELHI
31 December, 2007
10 Pausa, 1929 (Saka)

DEVENDRA PRASAD YADAV
Chairman
Standing Committee on Food,
Consumer Affairs and Public Distribution

CHAPTER I

REPORT

This Report of the Standing Committee on Food, Consumer Affairs and Public Distribution deals with the action taken by the Government on the recommendations contained in the Nineteenth Report on Demands for Grants (2007-2008) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

1.2 The report was presented to Lok Sabha and laid on the Table of Rajya Sabha on 27 April, 2007. The action taken notes of the Government to all the 29 recommendations contained in the report have been received on 26 July 2007 and categorized as follows:-

- (i) Recommendations/Observations, which have been accepted by the Government:

Serial Nos. – 1, 2, 3, 4, 5, 6, 7, 8, 13, 19, 20, 21, 23, 24, 25, 26, 28 and 29.

(Paragraph Nos. – 3.12, 3.13, 3.14, 3.15, 4.5, 4.15, 4.16, 4.17, 4.37, 5.6, 6.16, 6.17, 7.14, 8.4, 8.5, 8.12, 9.5 and 9.6).

(Chapter –II Total 18)

- (ii) Recommendations/ Observations which the Committee do not desire to pursue in view of the replies received from the Government:

-Nil-

(Chapter –III, Total Nil)

- (iii) Recommendations/ Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Serial Nos. – 10, 11, 12, 14, 15, 16, 17 and 27.

(Paragraph Nos. – 4.24, 4.28, 4.36, 4.43, 4.45, 4.46, 4.54, and 8.13).

(Chapter –IV Total 8)

(iv) Recommendations in respect of which the final replies of the Government are still awaited:

Serial Nos. – 9, 18 and 22.

(Paragraph Nos. – 4.22, 4.55 and 7.13).

(Chapter –V Total 3)

1.3 The Committee desire that final replies in respect of the Observations/ Recommendations for which only interim replies have been received from the Government be furnished to the Committee within three months of the presentation of the Report.

1.4 The Committee will now deal with action taken by the Government on some of those recommendations in the succeeding paragraphs.

(A) Ensuring the role of the Department of Consumer Affairs in the implementation of Schemes meant for Consumer Awareness and adequate allocation for the Scheme

Recommendations (Sl. Nos. 4, 5 and 6- Para Nos. 3.15, 4.5 and 4.15)

1.5 The Committee had recommended as below:

“The Committee note that Planning Commission has been allocating funds directly to the States for some of the Central consumer related schemes without consulting the Department of Consumer Affairs. The Department of Consumer Affairs is neither aware of the particulars of the specific schemes of States/UTs nor about the allocation being made for the schemes by Planning Commission. It is only monitoring a scheme namely Special Scheme on Assistance to State Governments/UTs, a sub-scheme under the Central Plan. The Committee are not happy with the system prevailing in the Planning Commission where the allocations are being made to various States without involvement of the nodal Union Department of Consumer Affairs. Under these circumstances, the Department of Consumer Affairs is helpless to demand action taken reports/utilization certificates or to evaluate the schemes. In the opinion of the Committee, there are possibilities for over lapping of funds. Moreover, there is no monitoring mechanism to ensure that the benefits of the schemes reach to rural, remote and backward areas. The Committee, therefore, recommend that the Department of Consumer Affairs should be provided some sort of role so as to have proper coordination and have an idea of the ground position of consumer awareness in various States.”

Recommendation (Para No. 3.15)

“The Committee note with concern that the Planning Commission has reduced budget allocation for consumer awareness to Rs. 67 crore during 2007-08 as compared to Rs. 69.84 and 69.40 crore allocated each during 2005-06 and 2006-07 which in the opinion of the Committee is inadequate to meet the requirement of the scheme meant for the entire country. The Committee, therefore, recommend that the Department of Consumer Affairs should pursue the matter with Ministry of Finance to give due weightage to the Consumer Awareness related schemes and enhance the funds at RE Stage.”

Recommendation (Para No. 4.5)

“The Committee have persistently been insisting on the issue of providing adequate emphasis on consumer awareness in rural areas in their respective reports. In this regard, the Committee note that various initiatives have been taken by the Department by way of using various mechanisms keeping in view the condition of rural areas. In this regard, consumer awareness is being provided through natakas in local languages, folk forms/songs, Village Haats/Mandis etc. In North-Eastern Region, Song and Drama Division and Field Publicity Units of the Ministry of Information and Broadcasting and Publicity Units of the State Governments are further proposed to be more extensively involved. In addition, Rs. 2 crore have been provided for printing Meghdoot Post Cards containing consumer related information in regional languages and sell the same from Post Offices located in remote rural areas. While noting the initiatives taken by the Department, the Committee feel that the resources provided to the Department are major concern. In view of the reduction in outlay by approximately Rs. 2 crore during the year 2007-08 as compared to previous year, the Department has admitted that the various schemes would be adversely affected. As recommended in earlier paragraph, the Committee emphasize providing adequate outlay so that more emphasis can be provided to consumer awareness in rural areas.”

Recommendation (Para No. 4.15)

1.6 The Ministry in the action taken replies have stated as under:-

“The views of the Standing committee have been conveyed to Planning Commission and to the Ministry of Finance.”

(Reply to Recommendation Para No. 3.16 and 4.5)

“The views of the Standing committee would be kept in mind and Department will continue to emphasize the importance of consumer awareness programmes particularly in the rural areas to the Planning Commission as well as Ministry of Finance.”

(Reply to Recommendation Para No. 4.15)

1.7 Pursuant to the recommendation of the Committee to provide adequate allocation for the schemes meant for consumer awareness, the Department has taken up the issue with Planning Commission and Ministry of Finance and conveyed the concerns of the Committee in this regard. The Committee would like the Department to pursue further with the Planning Commission and Ministry of Finance so that adequate allocation for consumer awareness is provided during the year 2007-08.

As regards the recommendation of the Committee to ensure some sort of the role of the Department of Consumer Affairs in the schemes of consumer awareness for which Planning Commission is directly allocating outlay to the State Governments/Union Territory Administrations, the Committee reiterate their concern. It is difficult to know the impact of the schemes in such a system. Besides it may result in overlapping of funds for some of the projects. The Committee urge the Department to take up the matter at the highest level and inform the Committee accordingly.

(B) Review of the performance of District Fora and State Commissions

Recommendation (Sl. Nos. 10, 11 and 12- Para Nos. 4.24, 4.28 and 4.36)

1.8 The Committee had recommended as below:

“The Committee are concerned to note that despite their repeated recommendations in the previous reports to make non-functional District Fora functional, still there are 22 Non-functional District Fora in the country. Out of these Non-functional District Fora, three each are in the five States, viz, Arunachal Pradesh, Assam, Bihar, Nagaland and Tamil Nadu. Two each in Gujarat and Uttar Pradesh and one each in Chattisgarh, Kerala and Rajasthan. The reasons for non-functionality of the District Fora are stated to be delay in filling of vacancies of President and Members of the District Fora. The Committee, therefore, recommend that all difficulties should be discussed with the various State Governments and all the 22 non-functional District Foras should be made functional in the current financial year.”

Recommendation (Para No. 4.24)

“The Committee are deeply concerned to note that two posts of President and nine posts of Members are vacant in the State Commissions. Similarly, 49 posts of President and 181 posts of Members are vacant in different District Fora. In some of the States, the vacancy position of the Members is worst viz Arunachal Pradesh (16), Bihar (17), Gujarat (13), Madhya Pradesh (17), Rajasthan (31) and Tamil Nadu (21). The Committee have been informed that another reason, which has impeded the disposal of cases in time, is failure to fill the vacancies in the District Fora and State Commissions in time. In this regard, the States/UTs have been advised by the Department to maintain a panel of Presidents/Members to avoid delay in filling the vacant posts. The Committee note with concern that despite instructions, all States are not maintaining a ready panel of President and Members to fill vacancies arising in the District Fora. The Committee feel that this causes hindrance in the smooth disposal of cases. The Committee, therefore, desire that the vacancy position in all the District Fora across the country should be reviewed regularly and all out efforts be made to fill the vacancies at the earliest.”

Recommendation (Para No. 4.28)

“The Committee are not satisfied with the large number of cases pending in the State Commissions as well as District Fora. In some of the States like Andhra Pradesh, Assam, Haryana, Maharashtra and Uttaranchal, a large number of cases are pending with State Commissions of the respective States. Similarly, the position of cases pending with District Fora of Andhra Pradesh, Punjab and Uttaranchal is far from satisfactory. The main reasons for poor disposal of cases in the States as indicated by the Department are (i) appeals and revision petitions; (ii) non-filling of posts of President and Members on time; (iii) non-creation of additional Benches and; (iv) inadequate staff etc. For quick disposal of cases, the Department has requested 15 State Governments to establish 46 additional Benches to handle the work but such Benches have not yet been set up in most of the States. The Committee, therefore, desire that all out efforts should be made to dispose off the cases within prescribed period by setting up additional Benches in the States where pending number of cases is too high. The Committee also desire that a suitable strategy be chalked out in consultation with State Governments to reduce the pending cases to the barest minimum. To achieve this, the Committee recommend that the Government should review periodically the situation in each quarter and issue suitable instructions for the disposal of the cases.”

Recommendation (Para No. 4.36)

- 1.9 The Ministry in the action taken replies have furnished a common reply to the aforesaid recommendations of the Committee which has been reproduced as under:-

“The Central Government has been regularly taking up the matter with the States/UTs even at highest level, requesting them to expedite corrective measures. Besides the performance of all Consumer Fora is also analyzed regularly Statewise through their periodical monthly & quarterly reports and remedial actions are suggested accordingly. However, on receipt of the observations/recommendations of the Standing Committee, the matter has again been taken up with the concerned States/UTs vide Secretary, Consumer Affairs’ letter D.O. No. 5(2)/2007-CPU dated 28.5.2007. The Central Government has been all along making sincere efforts to ensure that all Consumer Fora remain functional all the time.”

(Reply to Recommendation Para No. 4.24, 4.28 and 4.36)

1.10 The Committee in the earlier recommendations had reviewed the performance of District Fora and State Commissions and recommended as under:

- (i) action should be taken to make 22 non-functional District Fora as functional in the current year after taking the desired action in consultation with various State Governments;**
- (ii) vacancy position in District Fora across the country should be reviewed regularly and all out efforts made to fill the vacancies at the earliest; and**
- (iii) the position of pending cases should be reviewed periodically in each quarter and necessary instructions issued for the disposal of cases in various State Commissions and District Fora.**

In response to all the aforesaid recommendations, the Department has written a D.O. letter to all the States/UTs. The Committee feel that merely corresponding with the State Governments/UTs would not serve the purpose. The various problems being faced by the District Fora and State Commissions need to be reviewed in consultation with various State Governments/UTs. The Committee while reiterating their earlier recommendation would like the Department to take all the actions as recommended in the earlier recommendations and inform the Committee about the concrete measures taken in this regard.

(C) Lack of Infrastructure in State Commissions and District Fora

Recommendation (Sl. No. 14- Para No. 4.43)

1.11 The Committee had recommended as below:

“The Committee note that lack of infrastructure is the major issue which need to be addressed to make the State Commissions and District Fora effective. In this regard certain outlay is being provided under the scheme ‘Integrated Project on Consumer Protection’. Besides the Department is pursuing with the State Governments to provide adequate Budgetary support for the consumer protection in respective programmes/ activities in their State Budgets. The Committee recommend that adequate outlay should be provided under the aforesaid scheme so that the maximum help could be provided to the State Commissions and District Fora to address the problem of inadequate infrastructure. Besides the Committee would also like the Department to pursue further with the State Governments to make provision of outlay for consumer protection in their State Budgets.”

1.12 The Ministry has stated as under:-

“Assistance under the scheme of Integrated Project on Consumer Protection is being extended to States/UTs so as to provide a minimum level of facilities at each Consumer forum required for its effective functioning. For release of assistance, benchmarks have been formulated by the Department of Consumer Affairs which provide Rs. 90.lakhs for the State Commission, which includes Rs. 75 lakhs as assistance for Building and Rs. 15 lakhs for various items under non- building assets. Similarly, a provision of Rs. 36 lakhs has been made for extending assistance to District Forum, which includes Rs. 30 lakhs for building and Rs. 6 lakhs for various items under non-building assets. Till date an amount of Rs. 4549:63 lakhs has been released under this scheme (Rs. 4032.13 lakhs during 2006-07 and Rs. 517.50 lakhs during 2007-08) to strengthen the infrastructure of 15 State Commissions, 7 Circuit Benches of State Commissions and 374 District Fora spread over 16 States.”

1.13 The Committee in the earlier recommendations had stressed to provide adequate outlay under the scheme 'Integrated Project on Consumer Protection' meant to help the State Governments in providing adequate infrastructure for State Commissions and District Fora. Instead of taking the concrete measures in this regard, the Department has indicated the detailed mechanism of providing allocation to various State Governments for the purpose, which is already known to the Committee. The Committee are not satisfied with the way the Department has addressed the recommendation. Lack of infrastructure is the perennial problem being faced by various State Commissions and District Fora and need to be addressed urgently so as to ensure effective functioning of these Fora. In view of this, the Committee would like the Department to take up the issue with the Planning Commission/Ministry of Finance.

The Committee in the earlier recommendation had also desired that the Department should pursue with the State Governments to make provision of outlay for consumer protection in their State Budgets. The Department has not addressed to the aforesaid part of the recommendation in the action taken reply. The Committee would like the categorical response of the Government in this regard.

(D) Construction of NCDRC Building

Recommendations (Sl. Nos. 15 and 16- Para Nos. 4.45 & 4.46)

1.14 The Committee had recommended as below:-

“The Committee note that decision has been taken to provide a decent space to National Consumer Dispute Redressal Commission and as such specific allocation is being earmarked since the year 2004-05 Rs. 5 crore were allocated during 2004-05. However the amount could not be utilized and was diverted to revenue head at the Supplementary Grants stage. Subsequently during the year 2006-07, the outlay of Rs. 3.15 crore was earmarked and remained unutilized. Now again during the year 2007-08 Rs. 4.5 crore has been allocated for the construction of Upbhokta Bhawan, a building to accommodate National Consumer Dispute Redressal Commission (NCDRC). The Committee note that in pursuance of the recommendations of the Standing Committee the matter is being taken up by the Department of Consumer Affairs with the Ministry of Urban Development at the highest level.”

Recommendation (Para No. 4.45)

“Ministry of Urban Development too has taken up the matter with Municipal Corporation of Delhi (MCD) for early clearance of construction of the building. Whereas the lay out plan has been approved by Municipal Corporation of Delhi (MCD), the clearance of plans/drawing of the proposed building is still pending with the Municipal Corporation of Delhi (MCD). While noting the aforesaid position, the Committee emphasize to pursue the matter further with the Ministry of Urban Development so that the work on the construction of the Upbhokta Bhawan Building starts during the year 2007-08 and the allocation made is meaningfully utilized.”

Recommendation (Para No. 4.46)

1.15 The Ministry in the action taken replies has furnished a common reply to the aforesaid recommendations of the Committee which has been stated as under:-

“The Department of Consumer Affairs has been taking up the matter regarding early construction of building for NCDRC with the Ministry of Urban Development at the highest level from time to time. It may be added here that after getting the recommendations of the Standing Committee, the matter was again taken up with the Ministry of Urban Development at Secretary level on 28.5.2007 followed by one more letter dated 8.6.2007

for early clearance for construction drawings of the building so that the funds allocated for the purpose in the current financial year are utilized in this financial year itself and the work of construction of the building completed as per schedule. Inviting attention to concern of the Parliamentary Standing Committee, the Ministry of Urban Development has also taken up the matter on 15.6.2007 with Municipal Corporation of Delhi for early clearance of construction drawings of the building. This Department would also continue to follow up with the Ministry of Urban Development in the matter.”

(Reply to Recommendation Para Nos. 4.45 and 4.46)

1.16 The Committee have persistently been recommending for early completion of Upbhokta Bhawan building planned to accommodate National Consumer Dispute Redressal Commission (NCDRC) in the respective reports. In spite of that, the project is being delayed due to non clearances by the Municipal Corporation of Delhi. Even after the passage of more than six months when the Committee reiterated their concern while examining DFG 2007-08, no progress seems to have been made. Substantial allocation for the project is being made since 2004-05 which ultimately remained unutilized due to the procedural clearances. During the year 2007-08, Rs. 4.5 crore have been allocated which may again remain unutilized keeping in view the status of the project report as furnished by the Department.

The Committee deplore the way the allocations are being made without any planning which remain unutilized and are surrendered ultimately. Such a state of affair results in depriving other crucial projects from the resources. The Committee feel that lack of coordination between various agencies is the main reason for delay in various clearances for the project. The Committee would like the Department to discuss the issue with the Ministry of Urban Development and MCD around the table so that various clearances are obtained and the project starts, resulting in meaningful utilization of the allocation.

(E) Consumer Welfare Fund-Non-utilization of funds by NGOs/VCOs

Recommendation (Sl. No. 17- Para No. 4.54)

1.17 The Committee had recommended as below:-

“The Committee note with concern that the Ministry has not been able to utilize the entire fund earmarked under the scheme ‘Consumer Welfare Fund’. Every year a huge amount is provided but only one fourth of the fund is being utilized by the Government. Most of States have not submitted the information regarding framing of guidelines for State Welfare Fund. Further utilization certificates in respect of Rs. 46,26,025 for the funds released to NGOs/VCOs since 1994-95 have not been received. The Committee while examining the Demands for Grants of the previous year (refer para 3.40 of 13 report) had recommended to get the matter examined in consultation with the Central Vigilance Committee (CVC) so as to fix the accountability of such NGOs/VCOs . In pursuance of the aforesaid recommendation of the Committee the Department had sought the advice of CVC and CVC had advised to conduct a preliminary enquiry to assess the violation and misuse of Government fund by NGOs and to lodge a complaint with CBI. As regards the latest position in this regard the Department has taken up the matter with the concerned States and Union Territory Administrations . The name of NGOs have also been put on the website of the Department. The Committee strongly recommend to the Department to pursue further with the State Governments/ Union Territory Administrations and to ensure that the preliminary enquiry is conducted at the earliest against the aforesaid NGOs/VCOs. As recommended earlier by the Committee aforesaid NGOs/VCOs should be black listed so as to debar them from any Government funding.”

1.18 The Ministry in the action taken reply has stated as under:-

“The directions/advice of the parliamentary Standing Committee has been accepted and the matter is being pursued vigorously with the State Governments/Union Territory Administrations to obtain and send the Utilisation Certificates and settlement documents of the defaulting voluntary organizations or take appropriate action against them. Many Utilisation Certificates, other documents have since been received. However, efforts are on to update /settle as many cases as possible in association with the State Governments/Union Territory Administrations.”

1.19 The Committee while examining the Demands for Grants for the year 2005-06 had raised the issue of non-submission of Utilization Certificates amounting to Rs. 46,26,025 allocated out of Consumer Welfare Fund to NGOs/VCOs. The Committee had also recommended to get the matter examined in consultation with Central Vigilance Commission (CVC). Even when CVC had advised to conduct a preliminary enquiry and the Committee have persistently been emphasizing on completion of the preliminary enquiry expeditiously, sufficient action has not been taken by the Department. Almost more that three years have passed since the Utilization Certificates are pending from NGOs/VCOs and more than two years have passed since the Committee had been raising the issue persistently in their reports, the Department is yet to complete the preliminary enquiry in this regard as suggested by CVC.

The Committee deplore the way the enquiry is being delayed. The Committee feel that action taken against the NGOs/VCOs for misappropriation of fund may act as a deterrent for other NGOs/VCOs. In view of this the Committee would like the Department to take the urgent action to complete the preliminary enquiry and lodge the complaint with CBI without any further delay. The Committee may be kept apprised accordingly.

(F) Misuse of ISI Mark.

Recommendations (Sl. Nos. 24 and 25 - Para Nos. 8.4 and 8.5)

1.20 The Committee had recommended as below:

“The Committee note that BIS came into existence on 1 April, 1987 with a broadened scope and more powers taking over the staff, assets, liabilities and functions of ISI. The Committee also note that the BIS Certification Marks Scheme is primarily voluntary in nature. However, keeping in view the health and safety of the consumers, 109 products have been brought under mandatory certification of BIS through various Quality Control Orders/Acts. In this regard, during the period 1 April, 2005 to 29 March, 2007, 446 raids were conducted by BIS to check the misuse of ISI Mark and 407 cases have been taken up for prosecution during the same period which includes the prosecution of defaulters during the raids conducted in previous years. As regards the details of market samples tested by BIS during the year 2006-07, 9748 market samples were tested against which 2160 samples failed.”

Recommendation (Para No. 8.4)

“The Committee further note that in case of failure of samples, action as per BIS guidelines is taken which include notice for taking necessary corrective action under intimation to BIS for verification during its subsequent visit and issuance of ‘Stop Marking’ instructions. In this regard, the Committee would like to be informed about the number of such notices issued for ‘Stop Marking’ instructions. Further, the Committee find that the number of 446 raids conducted all over the country during the two years is too little keeping in view the large size of the country. To ensure the quality of products, stringent measures should be taken by undertaking more raids and taking strict action against the defaulters. The Committee would like the Department to take all the steps and intimate the Committee accordingly.”

Recommendation (Para No. 8.5)

1.21 The Ministry in the action taken replies have stated as under:

“This is only an observation by the Committee. Incidentally, the number of products under mandatory certification has been brought down to 68.”

(Reply to Recommendation Para No. 8.4)

“Consequent upon failure of samples, action as per BIS guidelines is initiated which also includes issuance of ‘Stop Marking’ instructions. In this regard, it is informed that a total of 1316 stop marking instructions were issued during the period 2006-07. These instructions were passed due to failure of samples collected from factory and market; unsatisfactory surveillance inspections, etc.

It may be mentioned that BIS has already taken necessary steps for strengthening the enforcement activity in the year 2006 onwards by appointing two outsourced agencies for 8 major locations at National Capital Region (NCR), Mumbai, Chennai, Kolkata, Hyderabad, Ahmedabad, Bangalore and Jaipur as a pilot project for first time in BIS. These agencies were appointed to help BIS in providing information about the manufacturers who are misusing ISI Mark without obtaining the licence from BIS. Now a decision has already been taken to appoint outside agencies in all the States to assist BIS in gathering information about the offenders. The action for appointment of such agencies is being initiated.

In order to overcome the constraints in carrying out enforcement as well as legal activities against the offenders under the BIS Act, the following actions have also been initiated:

i) As per Section 11(1) of BIS Act, the action can be taken against any person who has used the ISI Mark on the product without obtaining a licence. However this section does not provide any action against the dealers who are storing/selling spuriously ISI Marked products. An amendment to this effect is being proposed to bring confiscation of spurious goods sold by dealers under the ambit of this Section of the BIS Act.

ii) Even when the enforcement actions are completed and the complaint is filed before the Hon’ble Court, long time taken in delivering judgement reduces the deterrent effect of the law. An amendment is also being proposed in Section 33 of the BIS Act for compounding the offence committed by the offender. Along with this an amendment is being proposed for increasing the fine from Rupees Fifty thousand to Five Lakhs with a minimum fine of Rupees Fifty thousand.

(Reply to Recommendation Para No. 8.5)

1.22 The Committee find from the replies furnished by the Department that certain initiatives are being taken for strengthening the enforcement activity. Certain outside agencies are being appointed to assist BIS in gathering information about the offenders who are misusing the ISI mark. Besides, certain amendments to the BIS Act are being proposed to overcome the constraints in carrying out enforcement as well as legal activities against the offenders. While noting the initiatives taken by the Department in this regard, the Committee strongly recommend to expedite the proposed amendments to the BIS Act and bring the legislation to the Parliament expeditiously.

The Committee further note from the reply furnished by the Department that the number of products under mandatory certification has been brought down from 109 as reported while examining Demands for Grants 2007-08 to 68. The Committee presented the Twentieth Report on the subject 'Consumer Movement in the country' to Parliament on 16 August, 2007. While examining the aforesaid subject, the Committee had been informed that as against 9540 product certification, 110 were covered under mandatory certification. Besides, the Committee had been informed that 71 more items were proposed to be covered under mandatory certification. The action taken reply furnished in response to the aforesaid recommendation contradicts the stand taken by the Department during the course of examination of the aforesaid subject. Instead of adding more items under mandatory certification as informed to the Committee, the number of items is actually being reduced. The Committee would like the explanation of the Department in this regard. Further the Committee would like that more and more food products, medicines, infrastructure material should be brought under the category of mandatory certification.

(G) Hallmarking of Gold Jewellery

Recommendation (Sl. No. 27 - Para No. 8.13)

1.23 The Committee had recommended as below:-

“The Committee further note that at present, there are 45 hallmarking centers spreading in 10 States which are not sufficient to cater to all jewellers in the country. The Committee are concerned to note that all these Hallmarking Centres are centralized in the urban cities only and not a single Hallmarking Centre has been set up in rural areas where chances of cheating are more. The Committee, therefore, recommend that BIS should make efforts to provide facility of assaying and hallmarking of gold and silver jewellery in remote and backward areas so that the interest of consumers are protected by way of ensuring value of money.”

1.24 The Ministry in the action taken reply has stated as under:-

“As on 30 April 2007, 47 hallmarking centers spread in 10 States have been recognized by BIS. It may be mentioned that the centres are being mainly set up by private entrepreneurs at locations based on commercial viability (list enclosed at Appendix -III). It may be observed from the list out of 47 centres, except one centre in public sector, set up by MMTC at New Delhi, all others have been set up by private entrepreneurs/ organizations. The role of BIS is the consideration of the application of a centre for recognition as per terms and conditions, after being set up. BIS processes all such applications expeditiously.

Under the 11th Plan, a Government scheme for giving financial incentive to entrepreneurs/organizations for setting up of gold assaying/hallmarking centres is being implemented by BIS. This financial incentive is 15 per cent of the cost of machinery and equipment subject to a maximum of Rs. 15 lakhs per centre. However for North Eastern and special category states, it is 30 per cent of the cost of machinery and equipment subject to a maximum of Rs. 30 lakhs. Under the scheme, potential applicants have been requested to submit expression of interest for setting up of centres at locations other than where centres already exist or are coming up under the scheme. This is expected to help in ensuring the spread of centres to other locations where none exists.”

1.25 Despite the recommendations of the Committee to provide hallmarking and assaying facility of gold and silver jewellery in remote and backward areas of the country to protect the interest of rural consumers, not a single such Centre has been set up in rural areas. Not only that, 47 hallmarking centres setup in 10 States are unevenly distributed. The Committee, therefore, desire that at the time of scrutiny of applications for setting up potential centres, BIS should ensure that remote and backward areas of the country are also covered.

The Committee further note from the reply that the Government is contemplating to bring the hallmarking of gold jewellery under mandatory certification w.e.f. 1 January, 2008. The Committee fail to understand how the Government would ensure the mandatory certification of gold jewellery w.e.f. 1 January, 2008 in the aforesaid scenario of hallmarking centres in the country, particularly in rural areas. The Committee would like the Department to take the desired action to provide at least one hallmarking centre in each district in the country so as to facilitate implementation of mandatory certification by the stipulated time frame.

The Committee further find from the reply that all the centres except one have been set up by private entrepreneurs/organizations. Only one centre has been set up by MMTC at New Delhi. The Department has launched a scheme for giving financial incentive to

entrepreneurs/organizations for setting up gold hallmarking centres during the Eleventh Plan. The financial assistance is 15 per cent of the cost of machinery and equipment subject to a maximum of Rs. 15 lakh per centre in all the States, excepting North Eastern and special category States. In the case of North Eastern and special category States the said incentive is 30 per cent subject to a maximum of Rs. 30 lakh. The Committee note from the position indicated by the Department that not even a single hallmarking Centre could be set up in rural areas. The Committee feel that some more incentives on the lines of North Eastern States and special category States need to be given for rural areas to attract the private sector in setting up the centres. Besides the viability of setting up of hallmarking centres by MMTC may also be explored by the Government. The Committee should be kept informed about the initiatives taken by the Department on the suggested lines.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para 3.12)

2.1 The Committee note that the Planning Commission has recognized consumer protection as a thrust area and has been allocating enhanced outlay during each year since 2005-06 and the outlay which was Rs. 18.25 crore in 2004-05 was raised to Rs. 107.94 crore in 2005-06. The allocation was further increased to Rs. 163 crore in 2006-07 and for the current financial year, it has been raised to Rs. 213 crore. The Committee are however not satisfied with the reduction of outlay by the Ministry of Finance at Revised Estimates Stage. For example, in 2005-06, BE of Rs. 107.94 crore was reduced to Rs. 90 crore at RE Stage. Similarly, in 2006-07, BE was Rs. 163 crore which was cut to Rs. 150 crore at RE Stage. The Committee are of the view that the curtailment of allocation at RE stage has serious impact on the implementation of the schemes/programmes thereby depriving a large number of consumers from the benefits of the schemes/programmes. While recommending for discontinuing the practice of cut at RE Stage under different schemes, the Committee feel that the Department has to ensure meaningful utilization of outlay to convince Planning Commission/Ministry of Finance not to curtail the allocation under the respective scheme/head.

REPLY OF GOVERNMENT

2.2 The curtailment of allocation of Plan Funds in R.E. is on account of the fact that Ministry of Finance fixes the ceiling for R.E. on the basis of actual expenditure up to the month of September of the year. The Department had initiated new schemes for which the budget allocation was made for the first time in the financial year 2006-07. Obtaining of in-principle approvals of the Planning Commission and holding of SFC/EFC and other procedural requirements have delayed incurring of expenditure in the first half of the financial year. The concerned Divisions/agencies have again been impressed upon to incur expenditure on various schemes evenly by preparing MEP for each scheme.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Recommendation (Para 3.13)

2.3 The Committee find that the pace of expenditure incurred by the Department of Consumer Affairs has decreased during 2006-07 as compared to the financial year 2005-06. During 2005-06, the level of utilization of fund was 94.28 per cent which has decreased to 85.51 per cent during 2006-07. The plea of the Ministry that they could not utilize the entire fund due to non-finalization of tenders by DGS&D and non-construction of building of NCDRC are not acceptable to the Committee. In the opinion of the Committee, the Ministry should make sincere efforts to get the clearance of tenders by DGS&D and PWD for construction of NCDRC building. The Committee hope and trust that all the procedural formalities would be completed by the Ministry and sincere efforts made to ensure cent per cent utilization of the outlay earmarked during 2006-07.

REPLY OF GOVERNMENT

2.4 Although provision for the NCDRC Building was made on the assumption that the CPWD (Ministry of Urban Development) would be utilizing the funds during the financial year 2006-07, but the execution of work could not be commenced as the building, being an Integrated Project, required various clearances. The non-completion of the procedural requirements by Ministry of Urban Development resulted in non-utilization of funds during 2006-07.

In regard to purchases through DGS&D it is submitted that the orders for procurement of machinery was placed with DGS&D in August 2006. As the supplying firm was a foreign agency, DGS&D had to make inquiry through appropriate channel about the bonafides of the agency. As such the DGS&D could finalize the tender in later part of the financial year & acceptance was conveyed to the foreign agency on 30th March, 2007. Hence the funds could not be utilized due to delay in the finalization of tenders by DGS&D.

It is, however ensured that every effort will be made to complete the process for procurement of instruments through DGS & D within the same financial year so as to avoid savings/surrender of funds in future.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Recommendation (Para 3.14)

2.5 The Committee note that the Department has been allocated Rs. 213 crore for the financial year 2007-08 which is 31 per cent higher if compared to RE of 2006-07. Out of this, Rs. 29 crore would be utilized for seven new plan schemes during 2007-08. The Committee have been informed that they have signed a MOU with the Planning Commission to merge these schemes but these schemes would be continued separately for their better monitoring. The Committee find that allocation under every scheme is being made under a separate head as reflected in the Outcome Budget. The Committee fail to understand continuing implementing various schemes separately when the Department has signed MOU with the Planning Commission to merge these schemes. The Committee would like the clarification from the Ministry in this regard. The Committee feel that the different schemes having common objectives need to be merged to have some tangible impact. The Committee would like that the schemes having common objectives out of these proposed new seven schemes with the meagre allocation of Rs. 29 crore should be merged. The shortcomings in the implementation of the various schemes can be addressed by restructuring the weak areas/component of a scheme/programme.

REPLY OF GOVERNMENT

2.6 In the MOU signed by the Department with the Planning Commission an amount of Rs.213 crores has been allocated for 2007-08 for eight major Plan Schemes. The Planning Commission had itself given the names of various sub-schemes to be included in these 8 schemes. The Planning Commission had not given the break-up of the amounts to be spent under each sub-scheme and this was done by the Department keeping in view the requirement under the sub-schemes and for effective monitoring of the expenditure during the year. Though the new schemes viz., Consumer Education & Training, HRD/Capacity Building (Rs. 12 crores), State Consumer Helpline (Rs. 5 crores) and National System for Standardisation, Data Base, Assessment and Quality Campaign (Rs. 12 crores) have been allocated meagre amounts they have to be reflected separately because they do not have common objectives. However, wherever possible the recommendation of the Standing Committee to merge schemes having common objectives would be followed.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Recommendation (Para 3.15)

2.7 The Committee note that Planning Commission has been allocating funds directly to the States for some of the Central consumer related schemes without consulting the Department of Consumer Affairs. The Department of Consumer Affairs is neither aware of the particulars of the specific schemes of States/UTs nor about the allocation being made for the schemes by Planning Commission. It is only monitoring a scheme namely Special Scheme on Assistance to State Governments/UTs, a sub-scheme under the Central Plan. The Committee are not happy with the system prevailing in the Planning Commission where the allocations are being made to various States without involvement of the nodal Union Department of Consumer Affairs. Under these circumstances, the Department of Consumer Affairs is helpless to demand action taken reports/utilization certificates or to evaluate the schemes. In the opinion of the Committee, there are possibilities for over lapping of funds. Moreover, there is no monitoring mechanism to ensure that the benefits of the schemes reach to rural, remote and backward areas. The Committee, therefore, recommend that the Department of Consumer Affairs should be provided some sort of role so as to have proper coordination and have an idea of the ground position of consumer awareness in various States.

REPLY OF GOVERNMENT

2.8 The views of the Standing committee have been conveyed to Planning Commission and to the Ministry of Finance.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Comments of the Committee

(Please see paragraph No. 1.7 of Chapter I of the Report)

Recommendation (Para 4.5)

2.9 The Committee note with concern that the Planning Commission has reduced budget allocation for consumer awareness to Rs. 67 crore during 2007-08 as compared to Rs. 69.84 and 69.40 crore allocated each during 2005-06 and 2006-07 which in the opinion of the Committee is inadequate to meet the requirement of the scheme meant for the entire country. The Committee, therefore, recommends that the Department of Consumer Affairs should pursue the matter with Ministry of Finance to give due weightage to the Consumer Awareness related schemes and enhance the funds at RE Stage.

REPLY OF GOVERNMENT

2.10 The views of the Standing committee have been conveyed to Planning Commission and to the Ministry of Finance.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Comments of the Committee

(Please see paragraph No. 1.7 of Chapter I of the Report)

Recommendation (Para 4.15)

2.11 The Committee have persistently been insisting on the issue of providing adequate emphasis on consumer awareness in rural areas in their respective reports. In this regard, the Committee note that various initiatives have been taken by the Department by way of using various mechanisms keeping in view the condition of rural areas. In this regard, consumer awareness is being provided through natakas in local languages, folk forms/songs, Village Haats/Mandis etc. In North-Eastern Region, Song and Drama Division and Field Publicity Units of the Ministry of Information and Broadcasting and Publicity Units of the State Governments are further proposed to be more extensively involved. In addition, Rs. 2 crore have been provided for printing Meghdoot Post Cards containing consumer related information in regional languages and sell the same from Post Offices located in remote rural areas. While noting the initiatives taken by the Department, the Committee feel that the resources provided to the Department are major concern. In view of the reduction in outlay by approximately Rs. 2 crore during the year 2007-08 as compared to previous year, the Department has admitted that the various schemes would be adversely effected. As recommended in earlier paragraph, the Committee emphasize providing adequate outlay so that more emphasis can be provided to consumer awareness in rural areas.

REPLY OF GOVERNMENT

2.12 The views of the Standing committee would be kept in mind and Department will continue to emphasise the importance of Consumer awareness programmes particularly in the rural areas to the Planning Commission as well as Ministry of Finance.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Comments of the Committee

(Please see paragraph No. 1.7 of Chapter I of the Report)

Recommendation (Para 4.16)

2.13 The Committee further note that to know the exact position of initiatives taken by the Department in respect of rural areas, the expenditure made within the outlay provided for consumer awareness should be reflected separately in the Outcome Budget. The Committee, therefore, recommend to comply with the aforesaid recommendation in the next Outcome Budget.

REPLY OF GOVERNMENT

2.14 There is no separate provision under various schemes earmarked for Consumer Awareness in Rural Areas. However recommendations of the Committee have been noted for future compliance & the scheme wise initiatives being taken in the rural areas will be projected in the next Outcome Budget.

(Ministry of Consumer Affairs, Food & Public Distribution)

Department of Consumer Affairs

O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Recommendation (Para 4.17)

2.15 The Committee have analyzed the working of the State Commission and District Fora in the subsequent chapter of the report and find that in many States/UTs almost Nil applications were filed up during the last three years. The Committee feel that such a state of affairs is due to the lack of awareness amongst the persons with regard to their right as citizens particularly in the rural and backward areas of the country. The Department should take all the necessary steps to increase awareness in the said areas.

REPLY OF GOVERNMENT

2.16 With regard to the observations of the Parliamentary Standing Committee in this para, it is submitted that the number of cases filed & disposed of during last 3 years could not be submitted to Parliamentary Standing Committee as the details were not available with National Commission at that time in respect of State Commissions of Andaman & Nicobar Island, Jammu & Kashmir, Sikkim and Manipur as well as District Fora of Andaman & Nicobar Islands, Assam, Jammu & Kashmir, Manipur and Mizoram. Therefore, it will be incorrect to conclude that no cases have been filed in all such Fora during the last three years. The figures relating to cases filed & disposed off in State Commissions of

A&N Islands, Jammu & Kashmir, Sikkim and Manipur which have since been furnished by National Commission are as under:-

State	2004		2005		2006	
	Filed	Disposed	Filed	Disposed	Filed	Disposed
A & N Islands	2	1	9	1	5	10
Jammu & Kashmir	195	266	202	43	162	34
Manipur*	0	0	0	0	1	0
Mizoram	4	0	11	28	6	19
Sikkim	1	2	0	0	3	1

The figures relating to cases filed & disposed off in District Fora of A&N Islands, Assam, Jammu & Kashmir, Manipur and Mizoram have also been now furnished by National Commission and are as under:-

State	2004		2005		2006	
	Filed	Disposed	Filed	Disposed	Filed	Disposed
A & N Islands	44	24	50	50	55	46
Assam	512	323	647	255	620	151
Jammu & Kashmir	813	2496	743	1006	1046	872
Manipur*	0	0	0	0	12	23
Mizoram	147	78	40	58	28	28
Sikkim	3	1	3	0	6	5

* : Manipur State Commission and District Fora did not function during the year 2003, 2004, 2005 and upto 26th of September, 2006 due to non appointment of the Presidents and Members of the State Commission, Manipur and District Fora.

In so far as the number of cases filed in Andhra Pradesh State Commission during last 3 years is concerned, the same is not in single digit & as per the figures furnished by National Commission, the same are as under:-

State	2004		2005		2006	
	Filed	Disposed	Filed	Disposed	Filed	Disposed
Andhra Pradesh	1728	1022	2176	995	1785	464

In so far as creating consumer awareness particularly in rural & backward areas of the country is concerned, the important steps that have been undertaken by the Department of Consumer Affairs are as under:-

- (1) Around 1900 cultural programmes organized through the Song and Drama Division of the Ministry of Information and Broadcasting;
- (2) Activities undertaken by the State Governments through Panchayats to educate consumer related messages/information at grass root level;

- (3) Telecast of Video/ audio spots from Doordarshan/All India Radio/ regional channels in local languages;
- (4) Distribution of publicity material in the form of folders/posters/ booklets on relevant consumer issues by the State Governments in the rural areas;
- (5) Dissemination of information through Meghdoot Post Cards in association with the Department of Post; and
- (6) Organizing of specific campaign through musical events as well print/electronic media in North Eastern region.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Recommendation (Para 4.37)

2.17 The Committee further note with concern that in many States/UTs, the number of cases filed in State Commissions and District Fora is almost Nil. For example, in Andaman and Nicobar Islands, Jammu and Kashmir, Sikkim and Manipur, not even a single case was filed in respective State Commissions during the last three years. In addition, the number of cases filed in other six States/UTs viz. Andhra Pradesh, Dadar and Nagar Haveli, Daman and Diu, Lakshadweep, Meghalaya, Mizoram and Nagaland, are in single digit. Similarly, as regards the position of District Fora in many States viz. Andaman and Nicobar Islands, Assam, Jammu and Kashmir, Manipur and Mizoram, the number of cases filed are zero during the last three years. The Committee conclude from the aforesaid information that the State and District Fora are not working properly in various States particularly in the North-Eastern Region, Lakshadweep and hilly States of Jammu and Kashmir. The Committee feel that non filing of almost Nil cases in the State Commissions and District Fora in the aforesaid States is due to lack of awareness amongst consumer about their rights particularly in rural areas. The Committee recommend to the Department to take all the action to know the specific reasons of almost non-functional State Commissions and District Fora in the aforesaid States/UTs and the Committee be apprised of the position. As recommended earlier all the necessary action should be taken to create awareness in consumers particularly in rural and backward areas of the country.

REPLY OF GOVERNMENT

2.18 With regard to the observations of the Parliamentary Standing Committee in this para, it is submitted that the number of cases filed & disposed of during last 3 years could not be submitted to Parliamentary Standing Committee. As the details were not available with National Commission at that time in respect of State Commissions of Andaman & Nicobar Island, Jammu & Kashmir, Sikkim and Manipur as well as District Fora of Andaman & Nicobar Islands, Assam,

Jammu & Kashmir, Manipur and Mizoram. Therefore, it will be incorrect to conclude that no cases have been filed in all such Fora during the last three years. The figures relating to cases filed & disposed off in State Commissions of A&N Islands, Jammu & Kashmir, Sikkim and Manipur which have since been furnished by National Commission are as under:-

State	2004		2005		2006	
	Filed	Disposed	Filed	Disposed	Filed	Disposed
A & N Islands	2	1	9	1	5	10
Jammu & Kashmir	195	266	202	43	162	34
Manipur*	0	0	0	0	1	0
Mizoram	4	0	11	28	6	19
Sikkim	1	2	0	0	3	1

The figures relating to cases filed & disposed off in District Fora of A&N Islands, Assam, Jammu & Kashmir, Manipur and Mizoram have also been now furnished by National Commission and are as under:-

State	2004		2005		2006	
	Filed	Disposed	Filed	Disposed	Filed	Disposed
A & N Islands	44	24	50	50	55	46
Assam	512	323	647	255	620	151
Jammu & Kashmir	813	2496	743	1006	1046	872
Manipur*	0	0	0	0	12	23
Mizoram	147	78	40	58	28	28
Sikkim	3	1	3	0	6	5

* : Manipur State Commission and District Fora did not function during the year 2003, 2004, 2005 and upto 26th of September, 2006 due to non appointment of the Presidents and Members of the State Commission, Manipur and District Fora.

In so far as the number of cases filed in Andhra Pradesh State Commission during last 3 years is concerned, the same is not in single digit & as per the figures furnished by National Commission, the same are as under:-

State	2004		2005		2006	
	Filed	Disposed	Filed	Disposed	Filed	Disposed
Andhra Pradesh	1728	1022	2176	995	1785	464

In so far as creating consumer awareness particularly in rural & backward areas of the country is concerned, the important steps that have been undertaken by the Department of Consumer Affairs are as under:-

- (1) Around 1900 cultural programmes organized through the Song and Drama Division of the Ministry of Information and Broadcasting;
- (2) Activities undertaken by the State Governments through Panchayats to educate consumer related messages/information at grass root level;
- (3) Telecast of Video/ audio spots from Doordarshan/All India Radio/ regional channels in local languages;
- (4) Distribution of publicity material in the form of folders/posters/ booklets on relevant consumer issues by the State Governments in the rural areas;
- (5) Dissemination of information through Meghdoot Post Cards in association with the Department of Post; and
- (6) Organizing of specific campaign through musical events as well print/electronic media in North Eastern region.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Recommendation (Para 5.6)

2.19 The Committee note that Rs. 5 crore was earmarked during 2006-07 for making payment of salary to skeleton staff and terminal benefits to the outgoing employees of the Super Bazaar. Out of this, Rs. 2.25 crore has been utilized and the balance amount of Rs. 2.75 crore has been surrendered as the employees have refused to take this money as they were expecting the revival of Super Bazaar by an order of Supreme Court. Now, the Supreme Court after consulting the Central Registrar of Cooperative Societies have decided to accept the proposal of M/s Indian Potash Limited and Indian Labour Cooperative Societies with the condition to match the bid of Reliance Industry Ltd for Rs. 288 crore. The Committee desire that the guidelines framed by Hon'ble Supreme Court for revival of Super Bazaar should be strongly adhered to. It should be ensured that there is financial accountability on the part of future management and employees of Super Bazaar, the services of the employees who are not getting terminal benefits should be regularized from the date of closing of the Super Bazaar. Besides, the Government should strengthen its monitoring mechanism over the functioning of the Super Bazaar so that the consumers may get the essential commodities at reasonable prices.

REPLY OF GOVERNMENT

2.20 The Liquidator, Super Bazaar has reported that the amount of Rs. 5 crores allocated in the Budget for the year 2007-08 will be utilized for payment of salary to skeleton staff and terminal benefits to the outgoing employees subject to the final outcome of the pending Special Leave Petition in the Supreme Court relating to revival of the Super Bazar. On 12.7.2007, the Supreme Court observed that consortium of M/s Indian Potash Limited and Indian Labour Cooperative society has fallen, and therefore it has become necessary to invite fresh bids. The Supreme Court further directed that Official Liquidator/Central Registrar of Cooperative Societies shall now take steps to invite fresh bids within four weeks from 12.07.2007. The Committee appointed by Supreme Court is at liberty to submit a report to this Court, if so advised, with regard to the new bids which are invited.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Recommendation (Para 6.16)

2.21 The Committee find that Price Monitoring Cell (PMC) set up for monitoring the availability of essential commodities has not been able to check the rise in prices and due to that, during last one year, the prices of wheat, pulses and edible oils have risen manifold. In order to control the prices of foodgrains, the Government have issued a new Control Order on 29 August, 2006 to authorize the State Governments to fix the stock limit in case of wheat and pulses and empower them to initiate action against the hoarding of these commodities. The Order was initially applicable for six months. However, the validity of the order has now been extended for a further period of six months from 1 March, 2007.

The Department has further informed that as per the Standing Order, all the State Governments/UT Administrations have to submit monthly reports to the Department of Consumer Affairs indicating the action taken under the provisions of Essential Commodities Act, 1995 as also Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980. The State Governments and UT Administrations are not regularly furnishing the monthly reports inspite of reminders being sent to them from time to time. Inspite of taking all the efforts, some State Governments viz. Bihar, Jharkhand, Rajasthan, Tripura, Daman and Diu are not at all sending any Action Taken Reports. The Committee take serious note of the State Governments not furnishing the monthly reports. The Committee would like that the Department should take the issue at the highest level in various State Governments and take the desired initiatives in this regard. The Committee should also be kept apprised.

REPLY OF GOVERNMENT

2.22 The Price Monitoring Cell (PMC) in the Department of Consumer Affairs is entrusted, *inter-alia*, with the task of monitoring of the prices and availability position of 14 essential commodities in the country. PMC is not mandated to control the prices. However, the monitoring of prices on a daily basis and the notes prepared by PMC for review of prices at various levels of the Government has resulted in taking various measures for checking the rise in prices.

The rise in prices in respect of wheat, pulses and edible oils during the year 2006-07 and 2007-08 was owing to inadequate supplies relative to demand and hardening of international prices of these commodities.

The serious concern of the august Committee has been conveyed to the Chief Secretaries of all States/UTs by the Secretary, Deptt. of Consumer Affairs vide his d.o. No.10(3)/2007-ECR&E dated 14th June, 2007 (copy at Annexure). The State Governments/UTs have been requested to ensure that the monthly action taken reports are sent to the Deptt. of Consumer Affairs invariably by 10th of the following month.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Recommendation (Para 6.17)

2.23 The Committee note that Essential Commodities Act, 1955 and Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980 empowers the State Governments/UTs to take action against the unscrupulous persons indulging in hoarding and black marketing of essential commodities. During 2006, 1,35,025 raids were conducted all over the country. 5,421 persons were arrested, 3,244 persons were prosecuted and 498 persons were convicted. The Committee are not happy with the low conviction rate which comes to just 10 per cent of the persons arrested and about 6 per cent of the persons prosecuted. The status Reports under these Acts are not reported by nine States which indicates the poor monitoring of the schemes by the Central Government. Besides, only four States namely, Gujarat, Tamil Nadu, Orissa and Maharashtra have made detentions under the Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980. The Committee view the situation seriously and recommend that the Government should persuade with the States/UTs to strengthen their enforcement machinery. They also desire that the other States should be directed to make detention orders under these Acts.

REPLY OF GOVERNMENT

2.24 The unhappiness expressed by the august Committee on (a) non reporting of action taken under the Essential Commodities Act, 1955 by the 9 States; (b) low conviction rate vis-à-vis the persons arrested and prosecuted under the said Act; and (c) no action of detention being taken by the majority of the State Governments/UTs under the Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980, has been conveyed to the Chief Secretaries of all the States/UTs through the same d.o. of Secretary (CA) referred to in reply to para 6.16 (Sl.No. 20). All the States/UTs have been requested to strengthen their enforcement machinery to prevent malpractices in essential commodities and take necessary action against the unscrupulous persons indulging in hoarding and blackmarketing of essential commodities under the provision of the Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Recommendation (Para 7.14)

2.25 The Committee note that the Government has appointed a Committee under the Chairmanship of Prof. Abhijit Sen to go into various aspects of forward trading in essential commodities that impact the consumers. All the concerns expressed by the Standing Committee in the Seventeenth Report should be brought into the knowledge of Prof. Abhijit Sen Committee. The Committee should be kept apprised about the follow up action in this regard.

REPLY OF GOVERNMENT

2.26 The contents of the Seventeenth Report of the Standing Committee have been brought to the notice of the Prof. Abhijet Sen Committee. The Report of the Committee is awaited.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Recommendation (Para 8.4)

2.27 The Committee note that BIS came into existence on 1 April, 1987 with a broadened scope and more powers taking over the staff, assets, liabilities and functions of ISI. The Committee also note that the BIS Certification Marks Scheme is primarily voluntary in nature. However, keeping in view the health and

safety of the consumers, 109 products have been brought under mandatory certification of BIS through various Quality Control Orders/Acts. In this regard, during the period 1 April, 2005 to 29 March, 2007, 446 raids were conducted by BIS to check the misuse of ISI Mark and 407 cases have been taken up for prosecution during the same period which includes the prosecution of defaulters during the raids conducted in previous years. As regards the details of market samples tested by BIS during the year 2006-07, 9748 market samples were tested against which 2160 samples failed.

REPLY OF GOVERNMENT

2.28 This is only an observation by the Committee. Incidentally, the number of products under mandatory certification has been brought down to 68.

(Ministry of Consumer Affairs, Food & Public Distribution)

Department of Consumer Affairs

O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Comments of the Committee

(Please see paragraph No. 1.22 of Chapter I of the Report)

Recommendation (Para 8.5)

2.29 The Committee further note that in case of failure of samples, action as per BIS guidelines are taken which include notice for taking necessary corrective action under intimation to BIS for verification during its subsequent visit and issuance of 'Stop Marking' instructions. In this regard, the Committee would like to be informed about the number of such notices issued for 'Stop Marking' instructions. Further, the Committee find that the number of 446 raids conducted all over the country during the two years is too little keeping in view the large size of the country. To ensure the quality of products, stringent measures should be taken by undertaking more raids and taking strict action against the defaulters. The Committee would like the Department to take all the steps and intimate the Committee accordingly.

REPLY OF GOVERNMENT

2.30 Consequent upon failure of samples, action as per BIS guidelines are initiated which also include issuance of 'Stop Marking' instructions. In this regard, it is informed that a total of 1316 stop marking instructions were issued during the period 2006-07. These instructions were passed due to failure of samples collected from factory and market; unsatisfactory surveillance inspections, etc.

It may be mentioned that BIS has already taken necessary steps for strengthening the enforcement activity in the year 2006 onwards by appointing two outsourced agencies for 8 major locations at National Capital Region (NCR), Mumbai, Chennai, Kolkata, Hyderabad, Ahmedabad, Bangalore and Jaipur as a pilot project for first time in BIS. These agencies were appointed to help BIS in providing information about the manufacturers who are misusing ISI Mark without obtaining the licence from BIS. Now a decision has already been taken to appoint outside agencies in all the States to assist BIS in gathering information about the offenders. The action for appointment of such agencies is being initiated.

In order to overcome the constraints in carrying out enforcement as well as legal activities against the offenders under the BIS Act, the following actions have also been initiated:-

- i) As per Section 11(1) of BIS Act, the action can be taken against any person who has used the ISI Mark on the product without obtaining a licence. However this section does not provide any action against the dealers who are storing/selling spuriously ISI Marked products. An amendment to this effect is being proposed to bring confiscation of spurious goods sold by dealers under the ambit of this Section of the BIS Act.
- ii) Even when the enforcement actions are completed and the complaint is filed before the Hon'ble Court, long time taken in delivering judgement reduces the deterrent effect of the law. An amendment is also being proposed in Section 33 of the BIS Act for compounding the offence committed by the offender. Along with this an amendment is being proposed for increasing the fine from Rupees Fifty thousand to Five Lacs with a minimum fine of Rupees Fifty thousand.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Comments of the Committee

(Please see paragraph No. 1.22 of Chapter I of the Report)

Recommendation (Para 8.12)

2.31 The Committee note that the Hallmarking Scheme which is on a voluntary basis was launched by BIS in April 2000 and later revised in January, 2006. A BIS Certificate Jeweller gets his jewellery assayed and hallmarked by any BIS recognized Assaying and Hallmarking Centre. The Committee have been

informed that BIS has conducted 156 jewellers awareness programmes during the last three years covering 18 States. Till now, 3437 jewellers have opted for gold and 241 jewellers for silver have opted for hallmarking scheme. The Committee further note that the Government is contemplating to bring the hallmarking of gold jewellery under mandatory certification w.e.f. 1 January, 2008. The Committee feel that simultaneous with making the hallmarking of gold jewellery mandatory, the BIS should arrange more awareness programmes to educate the people about the benefits of Gold/Silver Hallmarking. The Committee also recommend that a suitable provision should be made in the BIS Act for making the hallmarking mandatory.

REPLY OF GOVERNMENT

2.32 As on 30 April 2007, 3646 jewellers for gold and 255 jewellers for silver have opted for Hallmarking scheme. BIS has planned to conduct 58 jeweler awareness programmes during 2007-08 through its Regional/Branch offices all across the country.

An amendment to BIS Act, 1986 has also been proposed to address hallmarking scheme. Further, Draft, Bureau of Indian Standards (Hallmarking of Precious Metal Articles) Regulations, 2007 under the BIS Act have also been formulated after taking comments/ views of various stakeholders and are under process in BIS.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Recommendation (Para 9.5)

2.33 The Committee note that an outlay of Rs. 25.00 crore has been provided for NTH during the year 2007-08 as compared to the allocation of Rs. 6.50 crore during previous year. Thus, the allocation for NTH has been increased almost three and a half times. The Committee also find that National Test House is a premier scientific institution of the country and has played a pivotal role in the development of indigenous industries and serves as a vital link between industrial research and manufacture of finished products under rigid quality control. As regards the priorities during Eleventh Plan, IIM, Kolkata has been entrusted a study on viability of NTH in the coming year and submitted its preliminary report. As per the findings of the preliminary report, the revenues to be generated by NTH from its various activities are expected to rise from Rs. 5.28 crore in 2006-07 to Rs. 11.50 crore in 2010-11. The preliminary report has also suggested that NTH will be generating increasingly high revenue from 50 per cent to 80 per cent of its non-plan expenditure from 2006-07 to 2010-11 in

order to make it self-sufficient to fully meet its non-plan expenditure during Eleventh Plan Period.

REPLY OF GOVERNMENT

2.34 The funds worth Rs. 25.00 crore, allocated to NTH by the Department during 2007-08, will be utilized under the following heads:

Land and Building : 20.19 crore, Machinery & Equipment: 3.16 crore.
Inf & Technology: 0.45 crore, Recurring: 1.20 crore.

Funds worth Rs. 20.19 crore under the head “Land & Building” will be mostly utilized for new construction, running and maintenance of various civil and electrical installations in different laboratories in NTH regions. The schemes will include i) Completion of the Acoustics Lab. at NTH(ER), Kolkata, ii) extension of NTH(NWR), Jaipur building vertically by one more floor, iii) Construction of New Lab. Building at NTH(NER), Guwahati after demolishing the existing premises of semi-permanent sheds, iv) Construction of Phase-II Building at NTH(WR), Mumbai, v) Construction of Phase-II Building at NTH(SR), Chennai, vi) Construction of additional covered space for creation of Centre of Excellence in NTH(NR), Ghaziabad, vii) Establishment of full-fledged Test and Calibration Training Centre at NTH(ER), Alipore, Kolkata, and viii) establishment of two Satellite Centres at Ranchi, Jharkhand and Jullandhar, Punjab. As advised by Head Quarter, NTH, the different regions of NTH are in the process of liaisoning with respective CPWD authorities for getting the schematic drawings of the proposed construction works approved by Head Quarters.

The process for utilizing an amount of Rs. 3.16 crore under the head “Machinery & Equipment” is going on for procurement of high-value equipments in order to create new facilities and augmenting the existing facilities of the laboratories in all the regional centres. The funds worth Rs. 0.45 Crore would be spent on Management Information System (MIS) Network initially at NTH(SR), Chennai to facilitate faster, transparent and customer-friendly services of NTH. The amount of Rs. 1.20 crore would be utilized for plan support expenditure, expected to be incurred for development of scientific and technological activities of NTH, which will cover the participation of scientists in national and international seminars, presentation of papers, training, workshops, interaction with BIS and other reputed scientific, technological and academic institutions and other infrastructure development as well as the development of Human Resources for updating the knowledge of the scientists to cope up with the trends of modernization with other similar establishments during the said Plan period.

During 2006-07, NTH has generated revenue worth Rs. 5.27 crore, thereby achieving 98.81% of the target, fixed by IIM Kolkata and the ratio of

revenue to Non-Plan expenditure has become 44.74%. IIM Kolkata has submitted the Final Report on the main study on “Relevance and role of NTH in the perspective of changed scenario” on 27th March, 2007. The Report relating to fixing of productivity norms of NTH scientists is likely to be received from IIM, Kolkata in October, 2007.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Recommendation (Para 9.6)

2.35 The Committee further note that besides commercial activities, NTH is discharging its services in certain non-commercial activities. In addition to this, NTH performs certain activities as a part of social welfare service by undertaking sensitive tests in quality of portable water, spices, alcohol, spirits submitted by Government Agencies. Keeping in view the aforesaid information provided by the Department with regard to the working of NTH, the Committee strongly recommend to provide all the help by way of budgetary assistance to National Test House so that this premier scientific institution can perform its manifold activities efficiently. The detailed findings of the study being made by IIM, Kolkata may also be submitted for information of the Committee when the study is completed. Besides, the efforts to be made to make NTH self-sufficient and on the track of profit making institution should further be continued.

REPLY OF GOVERNMENT

2.36 The Final report on the Main Study of NTH on “Relevance and role of NTH in the perspective of changed scenario” has been received. NTH, besides the existing role in testing and calibration services, is taking efforts to expand its activities as reference institution in the areas of operation in national interest. NTH is in the process of undertaking test on Packaged Drinking Water (PDW) by utilizing the newly installed Gas Chromatography with Mass Spectrophotometer (GCMS) at Kolkata and subsequently at its Regional branch Laboratories at Ghaziabad and Jaipur. The final report along with the Productivity Norms of the scientists of NTH, is likely to be submitted by IIM Kolkata in October, 2007. The efforts will be made to follow the road map for attaining the self-sufficiency of NTH from the period 2006-07 to 2010-11, as resolved in the 11th Executive Committee (EC) Meeting of NTH. As already indicated in reply to paragraph 9.5, NTH has achieved 98.81% of the target during 2006-07. NTH will gradually drift from routine testing and calibration services to high value services, as recommended by I.I.M., Kolkata, viz, “Creation of Centres of Excellence”,

“Software Product Testing”, “Inspection Services” etc., during the self-sufficiency period and it is expected that it would be able to generate Rs. 11.50 crore at the end of 2010-11.

The Study of NTH by IIM, Kolkata consists of two parts: (i) Main Study and (ii) Study on Productivity Norms of NTH Scientists. IIM, Kolkata in its Main Study Report has drawn the following conclusions about the viability of NTH with reference to Non Plan expenditure:-

- (i) The non-commercial activities undertaken by NTH scientists do not constitute more than 10% of their time.
- (ii) NTH is a scientific organization with leading role not only in testing and evaluation services but it also serves as a reference institution in its areas of operation in national interest.
- (iii) NTH has proposed to earn upto 56% of Non Plan expenditures till the year 2010-11. But there is scope for further improvement.
- (iv) NTH will not be able to earn revenues to pay for all the Non Plan expenditures till the end of the current 5 year plan period and be self sufficient.
- (v) NTH will have to set increasingly higher revenue targets so that it becomes fully self sufficient on Non-Plan expenditures during the 12th Five year plan period. Therefore, to enable NTH to achieve self-sufficiency on Non-Plan expenditure, the following year-wise revenue targets are suggested during the 11th Five Year Plan (2006-07 to 2011-12):-

Year	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Target as % of Non Plan Expenditures	50%	65%	70%	75%	80%

IIM, Kolkata has made a number of significant and relevant observations / suggestions for streamlining the functioning of NTH as also for making it customer oriented and boosting its market image as a testing organization with the ultimate goal of achieving complete self sufficiency in respect of Non Plan expenditure during XII Plan period. The broad findings of IIM, Kolkata in its Main Study Report on NTH are annexed.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

NIL

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

Recommendation (Para 4.24)

4.3 The Committee are concerned to note that despite their repeated recommendations in the previous reports to make non-functional District Fora functional, still there are 22 Non-functional District Fora in the country. Out of these Non-functional District Fora, three each are in the five States, viz, Arunachal Pradesh, Assam, Bihar, Nagaland and Tamil Nadu. Two each in Gujarat and Uttar Pradesh and one each in Chattisgarh, Kerala and Rajasthan. The reasons for non-functionality of the District Fora are stated to be delay in filling of vacancies of President and Members of the District Fora. The Committee, therefore, recommend that all difficulties should be discussed with the various State Governments and all the 22 non-functional District Foras should be made functional in the current financial year.

REPLY OF GOVERNMENT

4.4 The Central Government has been regularly taking up the matter with the States/UTs even at highest level, requesting them to expedite corrective measures. Besides, the performance of all Consumer Fora are also analyzed regularly Statewise through their periodical monthly & quarterly reports and remedial actions are suggested accordingly. However, on receipt of the observations/recommendations of the Standing Committee, the matter has again been taken up with the concerned states/UTs vide Secretary, Consumer Affairs' letter D.O. No. 5(2)/2007-CPU dated 28.5.2007. The Central Government has been all along making sincere efforts to ensure that all Consumer Fora remain functional all the time.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Comments of the Committee

(Please see paragraph No. 1.10 of Chapter I of the Report)

Recommendation (Para 4.28)

4.5 The Committee are deeply concerned to note that two posts of President and nine posts of Members are vacant in the State Commissions. Similarly, 49

posts of President and 181 posts of Members are vacant in different District Fora. In some of the States, the vacancy position of the Members is worst viz Arunachal Pradesh (16), Bihar (17), Gujarat (13), Madhya Pradesh (17), Rajasthan (31) and Tamil Nadu (21). The Committee have been informed that another reason, which has impeded the disposal of cases in time, is failure to fill the vacancies in the District Fora and State Commissions in time. In this regard, the States/UTs have been advised by the Department to maintain a panel of Presidents/Members to avoid delay in filling the vacant posts. The Committee note with concern that despite instructions, all States are not maintaining a ready panel of President and Members to fill vacancies arising in the District Fora. The Committee feel that this causes hindrance in the smooth disposal of cases. The Committee, therefore, desire that the vacancy position in all the District Fora across the country should be reviewed regularly and all out efforts be made to fill the vacancies at the earliest.

REPLY OF GOVERNMENT

4.6 The Central Government has been regularly taking up the matter with the states/UTs even at highest level, requesting them to expedite corrective measures. Besides, the performance of all Consumer Fora are also analyzed regularly Statewise through their periodical monthly & quarterly reports and remedial actions are suggested accordingly. However, on receipt of these observations/recommendations of the Standing Committee, the matter has again been taken up with the concerned states/UTs alongwith other ones vide Secretary, Consumer Affairs letter D.O. No. 5(2)/2007-CPU dated 28.5.2007. The Central Government has been all along making sincere efforts to ensure that all vacancies of Presidents/Members in Consumer Fora are filled up at the earliest.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Comments of the Committee

(Please see paragraph No. 1.10 of Chapter I of the Report)

Recommendation (Para 4.36)

4.7 The Committee are not satisfied with the large number of cases pending in the State Commissions as well as District Fora. In some of the States like Andhra Pradesh, Assam, Haryana, Maharashtra and Uttaranchal, a large number of cases are pending with State Commissions of the respective States. Similarly, the position of cases pending with District Fora of Andhra Pradesh, Punjab and Uttaranchal is far from satisfactory. The main reasons for poor disposal of cases in the States as indicated by the Department are (i) appeals and revision

petitions; (ii) non-filling of posts of President and Members on time; (iii) non-creation of additional Benches and; (iv) inadequate staff etc. For quick disposal of cases, the Department has requested 15 State Governments to establish 46 additional Benches to handle the work but such Benches have not yet been set up in most of the States. The Committee, therefore, desire that all out efforts should be made to dispose of the cases within prescribed period by setting up additional Benches in the States where pending number of cases are too high. The Committee also desire that a suitable strategy be chalked out in consultation with State Governments to reduce the pending cases to the barest minimum. To achieve this, the Committee recommend that the Government should review periodically the situation in each quarter and issue suitable instructions for the disposal of the cases.

REPLY OF GOVERNMENT

4.8 The Central Government has been regularly taking up the matter with the states/UT even at highest level, requesting them to expedite corrective measures. Besides, the performance of all Consumer Fora are also analyzed regularly statewise through their periodical monthly & quarterly reports and remedial actions are suggested accordingly. However, on receipt of the observations/recommendations of the Standing Committee, the matter has again been taken up with the concerned states/UTs vide Secretary, Consumer Affairs letter D.O. No. 5(2)/2007-CPU dated 28.5.2007. The Central Government has been all along making sincere efforts to ensure that the cases filed are disposed off within the prescribed time.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Comments of the Committee

(Please see paragraph No. 1.10 of Chapter I of the Report)

Recommendation (Para 4.43)

4.9 The Committee note that lack of infrastructure is the major issue which need to be addressed to make the State Commissions and District Fora effective. In this regard certain outlay is being provided under the scheme 'Integrated Project on Consumer Protection'. Besides the Department is pursuing with the State Governments to provide adequate Budgetary support for the consumer protection in respective programmes/ activities in their State Budgets. The Committee recommend that adequate outlay should be provided under the aforesaid scheme so that the maximum help could be provided to the State Commissions and District Fora to address the problem of inadequate

infrastructure. Besides the Committee would also like the Department to pursue further with the State Governments to make provision of outlay for consumer protection in their State Budgets.

REPLY OF GOVERNMENT

4.10 Assistance under the scheme of Integrated Project on Consumer Protection is being extended to States/UTs so as to provide a minimum level of facilities at each Consumer forum required for its effective functioning. For release of assistance, benchmarks have been formulated by the Department of Consumer Affairs which provide Rs. 90.00 lacs for the State Commission, which includes Rs. 75.0 lacs as assistance for Building and Rs. 15.00 lacs for various items under non- building assets. Similarly, a provision of Rs. 36.00 lacs has been made for extending assistance to District Forum, which includes Rs. 30.00 lacs for building and Rs. 6.00 lacs for various items under non-building assets. Till date an amount of Rs. 4549.63 lacs has been released under this scheme (Rs. 4032.13 lacs during 2006-07 & Rs. 517.50 lacs during 2007-08) to strengthen the infrastructure of 15 State Commissions, 7 Circuit Benches of State Commissions and 374 District Fora spread over 16 States.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Comments of the Committee

(Please see paragraph No. 1.13 of Chapter I of the Report)

Recommendation (Para 4.45)

4.11 The Committee note that decision has been taken to provide a decent space to National Consumer Dispute Redressal Commission and as such specific allocation is being earmarked since the year 2004-05 Rs. 5 crore were allocated during 2004-05. However the amount could not be utilized and was diverted to revenue head at the Supplementary Grants stage. Subsequently during the year 2006-07 the outlay of Rs. 3.15 crore was earmarked and remained unutilized. Now again during the year 2007-08 Rs. 4.5 crore has been allocated for the construction of Upbhokta Bhawan, a building to accommodate National Consumer Dispute Redressal Commission (NCDRC). The Committee note that in pursuance of the recommendations of the Standing Committee the matter is being taken up by the Department of Consumer Affairs with the Ministry of Urban Development at the highest level.

REPLY OF GOVERNMENT

4.12 The Department of Consumer Affairs has been taking up the matter regarding early construction of building for NCDRC with the Ministry of Urban Development at the highest level from time to time. It may be added here that after getting the recommendations of the Standing Committee, the matter was again taken up with the Ministry of Urban Development at Secretary level on 28.5.2007 followed by one more letter dated 8.6.2007 for early clearance for construction drawings of the building so that the funds allocated for the purpose in the current financial year are utilized in this financial year itself and the work of construction of the building completed as per schedule. Inviting attention to concern of the Parliamentary Standing Committee, the Ministry of Urban Development has also taken up the matter on 15.6.2007 with Municipal Corporation of Delhi for early clearance of construction drawings of the building. This Department would also continue to follow up with the Ministry of Urban Development in the matter.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Comments of the Committee

(Please see paragraph No. 1.16 of Chapter I of the Report)

Recommendation (Para 4.46)

4.13 Ministry of Urban Development too has taken up the matter with Municipal Corporation of Delhi (MCD) for early clearance of construction of the building. Whereas the lay out plan has been approved by Municipal Corporation of Delhi (MCD), the clearance of plans/drawing of the proposed building is still pending with the Municipal Corporation of Delhi (MCD). While noting the aforesaid position, the Committee emphasize to pursue the matter further with the Ministry of Urban Development so that the work on the construction of the Upbhokta Bhawan Building starts during the year 2007-08 and the allocation made is meaningfully utilized.

REPLY OF GOVERNMENT

4.14 The Department of Consumer Affairs has been taking up the matter regarding early construction of building for NCDRC with the Ministry of Urban Development at the highest level from time to time. It may be added here that after getting the recommendations of the Standing Committee, the matter was

again taken up with the Ministry of Urban Development at Secretary level on 28.5.2007 followed by one more letter dated 8.6.2007 for early clearance for construction drawings of the building so that the funds allocated for the purpose in the current financial year are utilized in this financial year itself and the work of construction of the building completed as per schedule. Inviting attention to concern of the Parliamentary Standing committee, the Ministry of Urban Development has also taken up the matter on 15.6.2007 with Municipal Corporation of Delhi for early clearance of construction drawings of the building. This Department would also continue to follow up with the Ministry of Urban Development in the matter.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Comments of the Committee

(Please see paragraph No. 1.16 of Chapter I of the Report)

Recommendation (Para 4.54)

4.15 The Committee note with concern that the Ministry has not been able to utilize the entire fund earmarked under the scheme 'Consumer Welfare Fund'. Every year a huge amount is provided but only one fourth of the fund is being utilized by the Government. Most of States have not submitted the information regarding framing of guidelines for State Welfare Fund. Further utilization certificates in respect of Rs. 46,26,025 for the funds released to NGOs/VCOs since 1994-95 have not been received. The Committee while examining the Demands for Grants of the previous year (refer para 3.40 of 13 report) had recommended to get the matter examined in consultation with the Central Vigilance Committee (CVC) so as to fix the accountability of such NGOs/VCOs. In pursuance of the aforesaid recommendation of the Committee the Department had sought the advice of CVC and CVC had advised to conduct a preliminary enquiry to assess the violation and misuse of Government fund by NGOs and to lodge a complaint with CBI. As regards the latest position in this regard the Department has taken up the matter with the concerned States and Union Territory Administrations. The name of NGOs have also been put on the website of the Department. The Committee strongly recommend to the Department to pursue further with the State Governments/ Union Territory Administrations and to ensure that the preliminary enquiry is conducted at the earliest against the aforesaid NGOs/VCOs. As recommended earlier by the Committee aforesaid NGOs/VCOs should be black listed so as to debar them from any Government funding.

REPLY OF GOVERNMENT

4.16 The directions/advice of the parliamentary Standing Committee has been accepted and the matter is being pursued vigorously with the State Govts./UT Administrations to obtain and send the UCs and settlement documents of the defaulting voluntary organizations or take appropriate action against them. Many UCs, other documents have since been received. However, efforts are on to update /settle as many cases as possible in association with the State Govts/UT Administrations.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Comments of the Committee

(Please see paragraph No. 1.19 of Chapter I of the Report)

Recommendation (Para 8.13)

4.19 The Committee further note that at present, there are 45 hallmarking centers spreading in 10 States which are not sufficient to cater to all jewellers in the country. The Committee are concerned to note that all these Hallmarking Centres are centralized in the urban cities only and not a single Hallmarking Centre has been set up in rural areas where chances of cheating are more. The Committee, therefore, recommend that BIS should make efforts to provide facility of assaying and hallmarking of gold and silver jewellery in remote and backward areas so that the interest of consumers are protected by way of ensuring value of money.

REPLY OF GOVERNMENT

4.20 As on 30 April 2007, 47 hallmarking centers spread in 10 States have been recognized by BIS. It may be mentioned that the centres are being mainly set up by private entrepreneurs at locations based on commercial viability (list enclosed). It may be observed from the list out of 47 centres, except one centre in public sector, set up by MMTC at New Delhi, all others have been set up by private entrepreneurs/ organizations. The role of BIS is the consideration of the application of a centre for recognition as per terms and conditions, after being set up. BIS processes all such applications expeditiously.

Under the 11th Plan, a Govt. scheme for giving financial incentive to entrepreneurs/organizations for setting up of gold assaying/hallmarking centres is

being implemented by BIS. This financial incentive is 15% of the cost of machinery and equipment subject to a maximum of Rs. 15 lakhs per centre. However for North Eastern and special category states, it is 30% of the cost of machinery and equipment subject to a maximum of Rs. 30 lakhs. Under the scheme, potential applicants have been requested to submit expression of interest for setting up of centres at locations other than where centres already exist or are coming up under the scheme. This is expected to help in ensuring the spread of centres to other locations where none exists.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Comments of the Committee

(Please see paragraph No. 1.25 of Chapter I of the Report)

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE STILL AWAITED

Recommendation (Para 4.22)

5.1 The Committee appreciate that the Department is working on the issue of having Circuit Benches or Circuit hearing Mechanism by the District Fora for speedier disposal of cases pending with respective District Fora. In this regard, an amendment to the Consumer Protection Act is being worked out. The Committee also note that the system of Circuit Benches at National Commission Level has worked well. In the system of Circuit Benches or Circuit hearing, District Forums may go to the Tehsil or Block Headquarters in case there are a large number of cases. The Committee would like that an early decision in this regard should be taken so as to have some sort of mechanism for redressal of grievances of consumers at Tehsil or Block Level.

REPLY OF GOVERNMENT

5.2 The Observations of the committee have been noted and would be taken into consideration suitably while finalizing the proposals for amendment to the Consumer Protection Act, 1986.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Recommendation (Para 4.55)

5.3 The Committee note that the Consumer Welfare Fund was set up by amending the Central Excise & Salt Act. The main objectives of the fund are to provide financial assistance to VCOs, NGOs, State Government etc. for promoting and protecting the welfare of consumers, to generate consumer awareness and strengthening consumer movement in the country particularly in rural areas. The ratio of seed money was also increased from 10:90 to 50:50 (Centre/State) with a view to set up such funds in the States and UTs at the earliest. The special category States were to be provided the assistance in the ratio of 90:10. The Committee note that 19 States have set up the State Welfare Fund and the remaining States are yet to initiate any action for setting up of State Welfare Fund. The Committee desire that the defaulting States may be

impressed upon to set up such State Welfare Fund at the earliest and the Committee be apprised thereof.

REPLY OF GOVERNMENT

5.4 The directions/advice of the parliamentary Standing Committee have been noted and accepted. All defaulting State Govts. /UT Administrations are being reminded periodically to furnish the requisite documents such as opening of a separate account for the State CWF and furnishing its details alongwith proof of deposit of the state share of the seed money as also a copy of the notified guidelines of the State CWF to facilitate release of the Centre's Share of the seed money, In view of the inadequate response from the defaulting States/UT, the matter is now being taken up directly with the Principal Secretary/Secretary Food, Civil Supplies and Consumer Affairs Department in the States/UTs to avail of the benefit within a specific time frame.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

Recommendation (Para 7.13)

5.5 The Standing Committee had examined the Forward Contracts (Regulation) Amendment Bill, 2006 and presented the Seventeenth report to Parliament on 19th December, 2006. The Committee after detailed deliberations had strongly recommended that agricultural commodities especially foodgrains including coarse grains, pulses and sugar need not be permitted to be traded in the commodity market including forward/future trade derivatives and options. Pursuant to the recommendation of the Committee, forward trading of wheat and rice was banned w.e.f. 27 February, 2007. Hon'ble Finance Minister in his Speech on Budget (2007-08) has announced the aforesaid decision of the Government pursuant to the recommendation of the Standing Committee. Earlier also, the forward trading of Tur and Urad was banned on 2nd February, 2007. The Committee feel that the aforesaid decisions speaks volumes of the fact that the concept of future /forward trading in essential commodities needs to be reviewed by the Government. The objectives of the forward trading are to help the farmers by Price Discovery and Price Risk Management. However, small farmers who have very less agricultural land are not able to take the benefit of forward trading as they do not have the capacity to hold their stocks over a long period of time. They have to sell their produce to meet the daily requirements. Besides these farmers are not technically equipped to trade in the complicated commodity exchanges. The revelation of NSSO Survey according to which nearly 71 per cent of the country's farmers had not even heard of the Minimum Support Price (MSP) and 81 per cent were effectively unaware of how to use the MSP further substantiates the aforesaid observation in this regard. The Committee fail to understand how the farmers who are not aware of the Minimum Support Price

even can avail the benefit of future marketing by trading in highly sophisticated commodity exchanges. In view of this scenario, there is an urgent need to ban forward trading in the remaining essential commodities as recommended by the Committee.

REPLY OF GOVERNMENT

5.6 It is true that it is difficult for small farmers to directly participate in the commodity futures markets. Even in the developed countries, the direct participation of the farmers in such markets is insignificant. However, the farmers can derive benefits of futures markets by using price signals emanating from the Commodity Exchanges in their acreage and marketing decisions. The farmers can thus derive benefits from the price discovery function of the futures markets.

In the context of discussion regarding whether and to what extent futures trading has contributed to price rise in agricultural commodities in recent times, the Government has set up an Expert Committee on 2.3.2007 under the Chairmanship of Professor Abhijit Sen, Member, Planning Commission to study, inter alia, the extent of impact, if any, of futures trading on wholesale and retail prices of agricultural commodities. A decision on forward trading in agricultural commodities would be taken after the Report of the Committee is examined by the Government.

(Ministry of Consumer Affairs, Food & Public Distribution)
Department of Consumer Affairs
O.M.No. G-11027/8/2007-P&C Dated 26th July, 2007

NEW DELHI
31 December, 2007
10 Pausa, 1929 (Saka)

DEVENDRA PRASAD YADAV
Chairman
Standing Committee on Food,
Consumer Affairs and Public Distribution

APPENDIX II

(Vide Introduction of the Report)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE NINETEENTH REPORT OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (FOURTEENTH LOK SABHA)

(i)	Total Number of Recommendations	29
(ii)	Recommendations/observations which have been accepted by the Government: Recommendation Nos. 1, 2, 3, 4, 5, 6, 7, 8, 13, 19, 20, 21, 23, 24, 25, 26, 28 and 29	
	Total	18
	Percentage	62
(iii)	Recommendations/observations which the Committee do not desire to pursue in view of the replies received from the Government: Recommendation Nos. –Nil-	
	Total	0
	Percentage	0
(iv)	Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration: Recommendation Nos. 10, 11, 12, 14, 15, 16, 17 and 18	
	Total	8
	Percentage	28
(v)	Recommendations/observations in respect of which the replies of the Government are still awaited. Recommendation No. 9, 18 and 22	
	Total	3
	Percentage	10