

**STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS
AND PUBLIC DISTRIBUTION
(2011-12)**

FIFTEENTH LOK SABHA

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

**DEMANDS FOR GRANTS
(2012-13)**

EIGHTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

May, 2012/ --Vaisakha, 1934 (Saka)

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(DEPARTMENT OF CONSUMER AFFAIRS)**

**DEMANDS FOR GRANTS
(2012-13)**

Presented to Lok Sabha on 03.05.2012

Laid in Rajya Sabha on 03.05.2012.



**LOK SABHA SECRETARIAT
NEW DELHI**

May, 2012/ --Vaisakha, 1934 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION – 2011-12.

Shri Vilas Muttemwar - Chairman

MEMBERS

Lok Sabha

2. Shri Jaywant Gangaram Awale**
3. Shri Tarachand Bhagora
4. Shri Shivraj Bhaiya
5. Shri Arvind Kumar Chaudhary
6. Shri Sanjay Dhotre
7. Dr. Ram Chandra Dome
8. Shri Abdul Mannan Hossain
9. Shri Prataprao Ganpatrao Jadhav**
10. Shri Lal Chand Kataria
11. Shri Marotrao Sainuji Kowase
12. Shri Gobinda Chandra Naskar
13. Shri Prabodh Panda
14. Shri Sohan Potai
15. Shri Purnmasi Ram
16. Shri Ramkishun
17. Shri Chandulal Sahu (Chandu Bhaiya)
18. Dr. Naramalli Sivaprasad*
19. Shri E.G. Sugavanam\$
20. Smt. Usha Verma**
21. Vacant

Rajya Sabha

22. Smt. T. Ratna Bai
23. Dr. M.S. Gill
24. Shri P. Kannan
25. Shri Lalhming Liana
26. Shri Sanjay Raut
27. Dr. T.N. Seema
28. Shri Veer Singh
29. Vacant #
30. Vacant#
31. Vacant#

* Nominated w.e.f. 25.11.2011

** Nominated w.e.f. 03.01.2012

\$ Nominated w.e.f. 12.04.2012

Vice Shri Kanjibhai Patel, Shri Rajniti Prasad and Shri Kaptan Singh Solanki retired from Rajya Sabha
02.04.2012.

w.e.f.

Lok Sabha Secretariat

- | | | |
|----------------------|---|-----------------|
| 1. Shri P.K. Misra | - | Joint Secretary |
| 2. Smt. Veena Sharma | - | Director |
| 3. Shri Khakhai Zou | - | Under Secretary |

INTRODUCTION

I, the Chairman of the Standing Committee on Food, Consumer Affairs and Public Distribution (2011-12), having been authorized by the Committee to submit the Report on their behalf present this Eighteenth Report on Demands for Grants (2012-13) relating to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

2. The Committee examined/scrutinized the detailed Demands for Grants (2012-13) of the Ministry, which were laid on the Table of the House on 27th March, 2012. The Committee took evidence of the representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) on 12th April 2012.

3. The Committee wish to express their thanks to the Officers of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) for placing before them detailed written notes on the subject and for furnishing the information to the Committee, desired in connection with examination of the subject.

4. The Report was considered and adopted by the Committee at their sitting held on 02.05.2012.

5. For facility of reference and convenience, the Observations/ Recommendations of the Committee have been printed in thick type in the body of the Report.

NEW DELHI
02 May, 2012
12 Vaisakha, 1934 (Saka)

VILAS MUTTEMWAR,
Chairman,
Standing Committee on Food,
Consumer Affairs and Public Distribution.

CHAPTER I

INTRODUCTORY

The Department of Consumer Affairs (DCA) was constituted as a separate Department in June 1997 under the Ministry of Consumer Affairs, Food & Public Distribution to act as a nodal Department to focus exclusively on protecting the rights of consumers including redressal of consumer grievances as well as to promote standards of goods and services, standards in weight and measures, regulation of packaged commodities, etc. The Department has been entrusted with the following work:-

1. Internal Trade.
2. Control of Future Trading: The Forward Contracts (Regulation) Act, 1952 (74 of 1952).
3. The Essential Commodities Act, 1955 (10 of 1955) (Supply, Price and Distribution of Essential Commodities not dealt with specifically by any other Department).
4. Prevention of the BlackMarketing and Maintenance of Supplies of Essential Commodities Act, 1980 (7 of 1980).
5. Regulation of Packaged Commodities.
6. Training in Legal Metrology.
7. The Emblems and Names (Prevention of Improper Use) Act, 1952.
8. The Standards of Weights and Measures Act, 1976 and Standards of Weights and Measures (Enforcement) Act, 1985.
9. Bureau of Indian Standards Act, 1986.
10. Laying down specifications, standards and codes and ensuring quality control of bio-fuels for end uses.
11. Forward Markets Commission.
12. Consumer Cooperatives.
13. Consumer Protection Act, 1986.
14. Monitoring of prices and availability of essential commodities.
15. National Test House.

1.2 In carrying out its mandate, the Department is assisted by the following organizations:

- (A) Bureau of Indian Standards (BIS).
- (B) National Test House (NTH).
- (C) National Consumer Disputes Redressal Commission (NCDRC).
- (D) National Cooperative Consumer's Federation (NCCF).
- (E) Forward Markets Commission (FMC).
- (F) Indian Institute of Legal Metrology (IILM).
- (G) Regional Reference Standards Laboratories (RRSLs).

1.3 Developmental initiatives undertaken by the Department during the year 2011-12 include implementation of the Price Dissemination Project, conducting awareness programmes and interactive meetings to interact with various categories of stakeholders, conducting training programmes and commissioning studies on various areas of relevance to the commodity futures market.

1.4 The Department has undertaken new schemes/projects/programmes during the year 2012-13 namely Strengthening of Price Monitoring Cell, Strengthening of Regional Reference Standards Laboratories (RRSLs) and Indian Institute of Legal Metrology (IILM), Consumer Counseling and Mediation, Strengthening of Standardisation at National as well as International Level, Registration of Self declaration of conformity Scheme and awareness through Publicity about BIS certified products.

1.5 The Minister of Consumer Affairs, Food and Public Distribution laid on the Table of the Lok Sabha, the Detailed Demands for Grants (2012-2013) relating to the Department of Consumer Affairs on 27th March, 2012. The Detailed Demands for Grants for the Department of Consumer Affairs shows a budgetary provision of Rs. 602.29 crore. This includes Rs.241.00 crore for plan activities and Rs. 361.29 crore for non-plan programmes and schemes.

1.6 The Committee have examined the various issues related to implementation of different schemes/programmes of the Department in the context of Demands for Grants (2012-13); the detailed analysis alongwith the observations/recommendations has been given in the succeeding Chapters of the report.

CHAPTER II

General Performance of the Department

Allocation of funds for Plan and Non-Plan Schemes during XI plan period:

The Department of Consumer Affairs has furnished the following statement showing BE, RE & Actual Expenditure (for Plan and Non-Plan schemes) incurred during the XI Plan Period (2007-2012) and BE for 2012-13:-

(Rs. in crore)

Year	Budget Estimates			Revised Estimates			Actual Expenditure		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
2007-08	213.00	36.64	249.64	150.00	38.68	188.68	105.83	28.11	133.94
2008-09	209.00	38.95	247.95	160.00	245.00	405.00	142.33	184.42	326.75
2009-10	209.00	258.00	467.00	164.00	253.66	417.66	146.23	220.66	366.89
2010-11	220.00	255.20	475.20	198.00	504.94	702.94	187.92	500.29	688.21
2011-12	225.00	355.56	580.56	185.00	306.31	491.31	177.97#	304.63	482.60
2012-13	241.00	361.29	602.29	-	-	-	-	-	-

#Provisional Expenditure which includes Rs. 57.60 Crore authorized in favour of other Ministries/Departments.

2.2 From the above statement, it is observed that in case of Plan Schemes BE was reduced at RE stage every year and Actual Expenditure was less than RE whereas in case of Non- Plan Schemes, RE was raised sharply during the years 2008-09, 2010-11 and Actual Expenditure remained lower than RE throughout the Plan Period.

2.3 The BE, RE, Actual Expenditure, Percentage Utilization and Unspent Balance (for Plan Scheme) in respect of Department of Consumer Affairs (Scheme-wise) from the year 2007-08 to 2011-12 showing the trends in expenditure are given below:-

(Rs. in Crore)

S. No.	Name of the scheme/project/ programme	2007-08					2008-09					2009-2010				
		BE	RE	Actual Expr.	Percentage/ Utilization	Unspent Balance	BE	RE	Actual Expr.	Percentage/ Utilization	Unspent Balance	BE	RE	Actual Expr.	Percentage/ Utilization	Unspent Balance
	PLAN SCHEMES															
1	National Consumer Disputes Redressal Commission	4.50	0.01				11.00	10.00				9.90	9.90			
	NER	0.50	0.00				2.00	0.00					0.00			
		5.00	0.01	0.00	0.00	0.01	13.00	10.00	10.00	100.00	0.00	9.90	9.90	9.80	98.99	0.10
2	Consumer Awareness (Publicity)	58.50	52.20				67.50	80.50				69.90	70.00			
	NER	8.50	5.80				7.50	10.50				8.00	8.00			
		67.00	58.00	44.34	76.45	13.66	75.00	91.00	80.50	88.46	10.50	77.90	78.00	70.60	90.51	7.40
3	Consumer Protection, HRD/Capacity Building, Consumer Helpline	55.80	36.76				38.71	17.45				29.78	15.12			
	NER	6.20	3.80				3.53	1.83				4.16	2.55			
		62.00	40.56	42.02	103.60	0.00	42.24	19.28	16.69	86.57	2.59	33.94	17.67	17.47	98.87	0.20
4	Weights and Measures Establishment of Laboratories	16.20	19.71				16.20	21.60				34.20	30.20			
	NER	1.80	2.29				1.80	1.80				3.80	3.30			
		18.00	22.00	10.12	46.00	11.88	18.00	23.40	21.18	90.51	2.22	38.00	33.50	26.89	80.27	6.61
5	National Test House	22.50	8.15				12.60	10.22				13.50	12.95			
	NER	2.50	0.12				1.40	1.40				1.50	1.50			
		25.00	8.27	5.39	65.18	2.88	14.00	11.62	9.99	85.97	1.63	15.00	14.45	13.47	93.22	0.98
6	Bureau of Indian Standards (Standardisation & Quality Control)	10.80	9.14				18.69	0.63				13.72	0.60			
	NER	1.20	1.02				2.07	0.07				1.54	0.07			
		12.00	10.16	0.50	4.92	9.66	20.76	0.70	0.66	94.29	0.04	15.26	0.67	0.40	59.70	0.27
7	Forward Markets Commission	19.50	9.75				20.70	3.60				16.20	8.10			
	NER	0.50	0.25				2.30	0.40				1.80	0.90			
		20.00	10.00	2.46	24.60	7.54	23.00	4.00	3.31	82.75	0.69	18.00	9.00	6.79	75.44	2.21
8	Setting up of Gold Hallmarking Assaying Centres in India.	3.60	0.90				2.70	0.00				0.90	0.73			
	NER	0.40	0.10				0.30	0.00				0.10	0.08			
		4.00	1.00	1.00	100.00		3.00	0.00	0.00	0.00	0.00	1.00	0.81	0.81	100.00	0.00
	Total	213.00	150.00	105.83	70.55	44.17	209.00	160.00	142.33	88.96	17.67	209.00	164.00	146.23	89.16	17.77

S. No.	Name of the scheme/project/programme	2010-2011					2011-2012				
		BE	RE	Actual Expr.	Percentage/Utilization	Unspent Balance	BE	RE	Provisional Expr.	Percentage/Utilization	Unspent Balance
	PLAN SCHEMES										
1	National Consumer Disputes Redressal Commission	3.44	2.39			2.39	0.00	2.39		0.00	2.39
	NER										
		3.44	2.39	0.00	0.00	2.39	0.00	2.39	2.39	100.00	
2	Consumer Awareness (Publicity)	75.47	72.47				78.41	78.41			
	NER	8.55	8.20				8.82	8.82			
		84.02	80.67	80.27	99.50	0.40	87.23	87.23	85.65	98.19	1.58
3	Consumer Protection, HRD/Capacity Building, Consumer Helpline	28.90	21.85				32.42	13.90			
	NER	3.42	2.89				3.27	2.39			
		32.32	24.74	21.83	88.24	2.91	35.69	16.29	13.67	83.92	2.62
4	Weights and Measures Establishment of Laboratories	56.25	54.75				58.00	43.56			
	NER	6.25	6.25				6.44	5.22			
		62.50	61.00	59.45	97.46	1.55	64.44	48.78	47.29	96.95	1.49
5	National Test House	15.45	15.45				19.00	15.98			
	NER	1.72	1.72				2.22	2.02			
		17.17	17.17	15.67	91.26	1.50	21.22	18.00	17.61	97.83	0.39
6	Bureau of Indian Standards (Standardisation & Quality Control)	2.07	0.90				1.58	1.48			
	NER	0.23	0.15				0.18	0.17			
		2.30	1.05	1.00	95.24	0.05	1.76	1.65	1.65	100.00	0.00
7	Forward Markets Commission	15.75	9.68				12.50	9.00			
	NER	1.75	0.85				1.50	1.00			
		17.50	10.53	9.17	87.08	1.36	14.00	10.00	9.07	90.70	0.93
8	Setting up of Gold Hallmarking Assaying Centres in India.	0.67	0.42				0.59	0.59			
	NER	0.08	0.03				0.07	0.07			
		0.75	0.45	0.53	117.78	-0.08	0.66	0.66	0.64	96.97	0.02
	Total	220.00	198.00	187.92	94.91	10.08	225.00	185.00	#177.97	96.20	7.03

It has been observed from the above statement that:-

- (i) Percentage utilization in case of Plan Scheme 'National Consumer Disputes Redressal Commission' was Nil during the year 2007-08 and 2010-11.
- (ii) In the Scheme 'Consumer Protection, HRD/Capacity Building, Consumer Helpline', percentage utilization declined eventually from 103.60% (2007-08) to 83.92%(2011-12).

(iii) Unlike other Schemes, RE of the Scheme 'Weight and Measures Establishment of Laboratories' was less than BE from 2009-10 onwards. Moreover, BE has further been reduced from Rs.64.44 crore to Rs.58.00 crore during the years 2011-12 and 2012-13 respectively showing negative variation in the allocation made for the scheme.

(iv) In the Scheme 'Setting up of Gold Hallmarking Assaying Centres in India' percentage utilization declined sharply from 117.78 % in the year 2010-11 to 96.97 % in the year 2011-12.

2.4 The following statement shows the BE, RE, AE, Percentage Utilization of funds and Unspent Balance during the XI Plan period in respect of Non-Plan Schemes:

Sl. No.	Name of the scheme/project/programme	2007-08					2008-09					2009-2010				
		BE	RE	Actual Expr.	Percentage/Utilization	Unspent Balance	BE	RE	Actual Expr.	Percentage/Utilization	Unspent Balance	BE	RE	Actual Expr.	Percentage/Utilization	Unspent Balance
	NON-PLAN															
1	Secretariat Economic Services	9.08	8.75	7.76	88.69	0.99	10.27	11.28	10.83	96.01	0.45	13.44	15.17	14.45	95.25	0.72
2	National Test House	12.89	13.72	12.27	89.43	1.45	15.03	19.65	18.03	91.76	1.62	26.24	22.96	23.35	101.70	-0.39
3	Consumer Cooperatives and Subsidies	1.00	2.00	0.00	0.00	2.00	1.05	200.01	143.90	71.95	56.11	200.05	200.00	168.02	84.01	31.98
4	Consumer Protection	2.61	3.01	2.69	89.37	0.32	3.45	4.49	4.28	95.32	0.21	5.85	6.16	5.89	95.62	0.27
5	Regulation of Weights & Measures	2.33	2.25	2.01	89.33	0.24	2.37	3.06	2.88	94.12	0.18	3.83	3.90	3.70	94.87	0.20
6	International Cooperation	0.08	0.08	0.07	87.50	0.01	0.08	0.08	0.09	112.50	-0.01	0.10	0.10	0.09	90.00	0.01
7	Regulation of Markets	3.65	3.87	2.83	73.13	1.04	4.70	4.43	4.06	91.65	0.37	6.49	5.37	5.16	96.09	0.21
8	Projects under Consumer Welfare Fund	20.60	15.67	8.58	54.75	7.09	16.08	8.65	5.00	57.80	3.65	13.90	11.20	10.86	96.96	0.34
9	Loans to Super Bazar	5.00	5.00	0.48	9.60	4.52	2.00	2.00	0.35	17.50	1.65	2.00	0.00	0.00	0.00	0.00
	Total Gross	57.24	54.35	36.69	67.51	17.66	55.03	253.65	189.42	74.68	64.23	271.90	264.86	231.52	87.41	33.34
10	Deduct Refund	20.60	15.67	8.58	54.75	7.09	16.08	8.65	5.00	57.80	3.65	13.90	11.20	10.86	96.96	0.34
	Net	36.64	38.68	28.11	72.67	10.57	38.95	245.00	184.42	75.27	60.58	258.00	253.66	220.66	86.99	33.00

S. No	Name of the scheme/project/ programme	2010-2011					2011-2012				
		BE	RE	Actual Expr.	Percentage/ Utilization	Unspent Balance	BE	RE	Provisional Expr. Upto 31st March 2012	Percentage/ Utilization	Unspent Balance
	NON-PLAN										
1	Secretariat Economic Services	16.21	16.19	14.35	88.63	1.84	16.42	15.27	14.87	97.38	0.40
2	National Test House	21.67	22.24	21.72	97.66	0.52	22.26	23.84	23.48	98.49	0.36
3	Consumer Cooperatives and Subsidies	200.00	450.00	450.00	100.00	0.00	300.00	250.00	250.00	100.00	0.00
4	Consumer Protection	6.39	6.34	5.89	92.90	0.45	6.57	6.97	6.72	96.41	0.25
5	Regulation of Weights & Measures	4.24	4.06	3.50	86.21	0.56	4.02	4.26	3.90	91.55	0.36
6	International Cooperation	0.10	0.10	0.08	80.00	0.02	0.10	0.10	0.19	190.00	-0.09
7	Regulation of Markets	6.59	6.01	4.75	79.03	1.26	6.19	5.87	5.47	93.19	0.40
8	Projects under Consumer Welfare Fund	13.80	16.78	13.66	81.41	3.12	19.80	31.30	26.27	83.93	5.03
9	Loans to Super Bazar	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total Gross	269.00	521.72	513.95	98.51	7.77	375.36	337.61	330.90	98.01	6.71
10	Deduct Refund	13.80	16.78	13.66	81.41	3.12	19.80	31.30	26.27	83.93	5.03
	Net	255.20	504.94	500.29	99.08	4.65	355.56	306.31	304.63	99.45	1.68

It may be noted from the above statements that:-

- (i) Percentage utilization for the Scheme 'Regulation of Weights and Measures' during 2010-11 and 2011-12 was 86.21% and 91.55% respectively.
- (ii) Similarly percentage utilisation for the Scheme 'Regulation of Markets' was not upto the expectation and remained considerably low during the last 2 years i.e. 79.03% and 93.19% for the year 2010-11 and 2011-12 respectively.
- (iii) Percentage utilisation for Scheme 'Projects under Consumer Welfare Fund' also remained low during the last 2 years i.e. 81.41% & 83.93% for the year 2010-11 and 2011-12 respectively.
- (iv) RE for Non Plan Schemes was raised sharply against BE during the years 2008-09 and 2010-11 i.e. from Rs. 38.95 crore to Rs.245.00 crore in 2008-09 and from Rs. 255.20 crore to Rs. 504.94 crore in 2010-11.

2.5 As far as the Non-Plan Schemes are concerned, the Committee observe that the Budget Estimates for the year 2011-12 were Rs.355.56 crore. RE was reduced to Rs. 306.31 crore to which the provisional expenditure upto 31.03.2012 is Rs.304.63 crore. When asked about the performance of Non-Plan Schemes, the Secretary of the Department stated during evidence as under:

"Basically the Non Plan is for giving subsidy for the pulse scheme. What has happened is that all the claims, which we have received, more or less have been settled. But, the PSUs have to give their claims in time. Even now the STCs' one claim is still pending because they have not given the detail yet and though the scheme has closed last year. When their claims are received, they go to the Finance Ministry for scrutiny. If there are any shortcomings, an explanation is called for from the PSU concerned. So, the expenditure, which we have not been able to spend, is basically because either proposals are not received from the PSUs in time or if they were received, they were not having all the details."

2.6 In reply to a query, the Department has furnished the quarter-wise amount of expenditure incurred on each of the Plan and Non-Plan Schemes during the year 2011-12 which is given at Annexure. It is observed from the statement that there is a trend of uneven quarterly expenditure during the entire XI Plan period wherein the bulk of expenditure incurred is during the last two quarters. When asked about the reasons for uneven expenditure in the Schemes /Projects /Programmes of the Department, the Committee were informed that the speed and pattern of expenditure depends on submission of proposal by States/UTs/ NGOs etc financial concurrence and submission of earlier utilization certificates. It also depends on assessment report of independent evaluation agencies. Certain execution agencies like CPWD, DGS&D etc take their own time since they have to follow long tender processes. The concentration is usually towards end of the year. As to the concern of the Committee whether it affects the smooth functioning of the Department, the Department stated that it affects functioning. However, some of the reasons are procedural and beyond the control of the department. Operationalizing a new scheme in the First Quarter of any five year plan is difficult as process of approval of schemes takes some time.

2.7 Explaining the reasons for uneven expenditure, the Secretary of the Department stated during the evidence as below:

"...It is a fact that a total of BE Rs.225 crore was made for the Plan schemes of the Department. It is also a fact that we were not able to do the quarterly expenditure, which should have been around 25 per cent in each quarter. At the Revised Estimates stage, the Plan provision was reduced to Rs.185 crore. Of course, up to January the actual expenditure was Rs.149 crore but by the year end we have been able to spend about 96 per cent of the Revised Estimates.

Basically, the problem is that one major scheme on which the Department is spending money is publicity purpose. We are either dependent on the State Governments or on other agencies of the Central Government for all the other schemes. For example, if we have to procure some machinery and equipment for our National Test House or for Legal Metrology Department, which later on is given to the State Governments, we have to depend on the Director-General of Supplies and Disposal.

Similarly, for any construction purpose we have to depend on the Central Public Works Department where we have been experiencing problem. Even after 15th of March, they have surrendered money. This happened last year. They surrendered Rs.2.39 crore which was earmarked for furnishing of National Commission building. Again the same thing happened and they surrendered money in case of some of the laboratory buildings of our Regional Reference Standard Laboratory..."

2.8 He further informed that:

"Sir, we have been holding meetings with the Central Public Works Department. We have been emphasizing the State Governments by calling meetings and by writing to them that their proposals should come early. Many times when the proposals come, they do not have the full facts. We have been telling them to send us the full facts. We do not have to make any back references. We have been trying these things. But, despite our best efforts, we have to concede that the expenditure has been uneven. We will try to improve it in coming years."

2.9 The Committee observed that some of the States/ UTs have not furnished Utilization Certificates against allocated funds. When enquired as to why some States/UTs have not furnished Utilization Certificates against the funds sanctioned during the XI Plan period and the steps taken by the Department in this regard, the Department stated that State Governments have been found lacking in sending Utilization Certificates in following schemes:

- **Strengthening of Consumer Fora:** It involves activities like acquisition of land, construction of Consumer Court buildings etc. which sometime takes time to complete. The Department has been trying to expedite utilization certificates through repeated meetings, reminders, video conferences and personal persuasion.
- **Construction of Laboratories:** The Grant in Aid was issued to States/ UTs for the establishment of Laboratories, which needs the allotment of Land by the State/UT Governments and then construction of Laboratories Buildings, which is a time consuming process and that's why some of the States/ UTs could not furnish Utilization Certificates against the funds sanctioned during the XI Plan period. The Department has issued letters to the concerned States/ UTs for submitting the said Utilization Certificates.

2.10 The Committee were informed that the Department has undertaken 'New Service/New instrument of Service' for which provisions have been made in the Budget Estimate during 2012-13. When the Committee asked the details of the objectives and targets of the aforesaid services, the Department gave the Scheme wise details as under:

1. Strengthening Standardization at National Level

It is seen that participation from different stakeholders in the standards setting process needs to be enhanced to ensure that standards stay abreast with the current status of technology. There is, therefore, a need to sensitize the stakeholders on the importance of their participation in the standards setting process. A new plan scheme with total 12th Plan outlay of Rs. 4 Cr is proposed with following components.

- Training Programmes for BIS Technical Committee members.
- R&D projects for establishment/revision of Indian Standards
- Intensifying participation of BIS Technical Committee Members in BIS Technical Committee Meetings

2. Strengthening Standardization at International Level

At the international level, developing countries have not been able to make a great impact on the development of standards. They have been standards adopters / implementers rather than standards developers. One of the biggest constraints often cited in this respect is the lack of adequate resources (technical, human and financial) to participate at such international Fora. It is essential that BIS takes up issues of concern to Indian industry and India's consumers vigorously at various international fora. It is, therefore, very important that India take the lead in the formulation of international standards. A new plan scheme with total 12th Plan outlay of Rs. 10.5 Cr is proposed with following components:

- Intensifying participation of BIS Technical Committee Members in international standardization by attending meetings, workshops, etc
- Organizing ISO/IEC and other international/ regional/ multilateral/ bilateral Meetings/Seminars / Workshops/ Trainings in India
- Visits to different countries by Officials & Experts for lobbying in favour of India's view point at International Standardization Fora
- Participation of officials & experts in International/ Regional/ Bilateral Seminars/ Workshops/ Conferences/ Training Programmes

3. Registration or Self declaration of Conformity Scheme.

As of now, a licence is granted to a manufacturer only after it has been ascertained that he has the necessary infrastructure to produce and test the product and the product is found conforming to the specified requirements. Under Registration or Self declaration of Conformity Scheme, a manufacturer may himself test the products or contract testing to a third party, evaluate the results so obtained and when all requirements are met, issue a formal self declaration that his product is in conformance to the Specified Requirements of a standard.

At present there is no provision for charging any fee by BIS from manufactures for grant/renewal of registration. In order to financially support BIS for efficiently carrying out process of registration, a new plan scheme with total 12th Plan outlay of Rs. 8.5 Cr is proposed which has following components.

- Software and Hardware for online Registration and its operation.
- Training of BIS Officers.
- Engagement of outsourced manpower at different BIS locations.
- Necessary office Infrastructure in BIS.

4. Creating awareness about advantages of BIS Certified products and about new standards through Publicity

BIS Conformity Assessment Schemes, which include certification, hallmarking and registration go a long way in ensuring that a consumer gets quality product. It is necessary to create awareness amongst consumers and manufacturers alike about the advantages of BIS Certified products. Additionally, there is a need for creating awareness about the new standards being developed nationally and internationally and how these standards would affect the product quality, consumer safety or even trade. A new plan scheme is proposed in the 12th Plan with total outlay of Rs. 210 Cr.

5. Strengthening of Price Monitoring Cell

One of the new Schemes proposed is 'Strengthening of the Price Monitoring Cell', for which the allocation proposed is Rs. 3.00 crore for the year 2012-13. At present, the Department is facing a number of challenges in the collection and reporting of daily prices, both retail and wholesale. These data form the basis for Agenda notes to be considered by the high level committees such as COS, CCP, and EGOM for arriving at appropriate policy decisions in the context of price rise. Hence, the price data has to be made sufficiently authentic, representative and robust. To facilitate this, the number of centres reporting prices across the country is proposed to be increased from 49 at present to about 100 during the XII Plan period. During each year of the Plan period, 10 new centres are proposed to be included. Also, after consultation with States and concerned Central Ministries, additional items are proposed to be included for price monitoring.

As part of this proposal, it is planned to strengthen the PMC at the Centre, the reporting units in the States as well as investing in NIC at the Central level by purchasing required hardware and software.

The details in this regard are furnished as below:

A. Strengthening of Price Monitoring Cell at the Centre

1. Organising training programmes to facilitate capacity building of existing manpower in PMC.
2. Subscribing to the web services of Professional Organisations engaged in the field. This is required to undertake research work related to availability and trend of prices of essential commodities.
3. Hiring professionals (Domain experts) from the open market that may include Agricultural Economists, Statisticians and Econometricians for a more detailed analysis.
4. Engaging private organisations for conducting research studies and surveys.

B. Strengthening of Price Monitoring Cell in States

1. By getting trained manpower employed in the collection and tabulation of data at the State level. A suitable Data Entry Operator(DEO) can be selected by the State Governments dedicated to price collection and monitoring that could be supported by the Centre.
2. By organizing regular workshops at the regional and national level to get the feedback from field workers and discuss the practical problems being faced in the collection and reporting of prices.
3. By providing IT infrastructure such as computers, printers and UPS etc. in respect of new centres to be taken up and upgradation in respect of hardware already given.
4. By increasing the sample size in order to obtain representative sets of price data. With a designated DEO at each centre, States could be encouraged to progressively increase the number of centres from 49 (existing) to 100 by the end of XII Plan. This will enhance the robustness of the data.

6. Strengthening of RRSs and IILMs

During 2012-13 the objective of the Department is to start the work of establishment of two new Regional Reference Standard Laboratories (RRSL), one at Nagpur and another at Varansi (as per availability of the land). The establishment of these two new RRSs will cater the services to the industry of the area and State Governments for the development and technological advancement in the field of Legal Metrology. The instruments will also be supplied to these laboratories for the verification and other related work. Under the scheme the Legal Metrology officers of the Govt. of India will be trained at National and International organizations of repute.

7. Consumer Counselling and Mediation

This is a new scheme integrating State Consumer Helpline(SCH), Consumer Advisory Centers (CAC) and Mediation Advisory Centers (MAC) into one coordinated system called "Consumer Advisory Network" (CAN). The main objective of the new scheme is to provide for a permanent, efficient and speedy mechanism that will cater to consumers with the information, counselling and mediation thus paving way for a structured and enduring ADR system. It also aims to resolve maximum number of disputes out of court. It develops coordination and knowledge management between centre, states and districts and also create a central data base of consumer complaints as a part of monitoring system in the country. Development of resource centers at State level will be networked with national resource centre of IIPA. Rs. 8.40 crores has been proposed for 2012-13 out of the total outlay of Rs.162.96 cr for the 12th plan period. Consumer Advice Centers(CACs) will be preferably located at market places, which will be run by Voluntary Organizations/NGOs etc in each district. Mediation Advice Centers(MACs) will be set up at District and State level, annexed with Consumer Fora. These MACs will look after the cases referred by SCH,CACs and the cases arising from Consumer fora and also to deal all mediation cases.

The existing scheme of State Consumer Helpline will be integrated into the new scheme. Each State/UT interested in setting up consumer Advice Network will be considered on the basis of its undertaking to support and maintain these centers

and to provide additional resources as required as well as to nominate a State Nodal Agency to coordinate the activities at state level and to be the point of contact for the National Nodal Agency (IIPA). While SCH should be established in all states, CACs and MACs will be increased gradually with the objective to reach all 640 districts after 5 years. While SCH and CAC will need their own premises, MAC can be based in the premises of the consumer forums. Case handling and knowledge management will be managed through one integrated IT-system. This IT system will also have appropriate linkage to CONFONET thus providing access to case law data base.

2.11 The Committee were further informed that the schemes are of continuous nature and will be implemented throughout the plan period. The department proposes to implement schemes mentioned at Sl. No. 1 to 4 of part (a) above through Bureau of Indian standards (BIS). Other schemes are to be implemented by the department directly. The construction of laboratories and procurement of machinery will be done through designated agencies.

2.12 The Committee note that in case of Plan Schemes BE was reduced at RE stage in every year of the XI Plan period. Actual Expenditure also remained less than RE throughout the XI Plan Period. During 2010-11, as against BE of Rs. 220 crore, RE was reduced to Rs. 198 crore and the actual expenditure was 187.92 crore. Similarly, during 2011-12, BE of Rs. 225 crore was reduced to Rs. 185 crore at RE stage and the expenditure was Rs. 177.97 crore (which also included Rs.57.60 crore authorized in favour of other Ministries/Departments). On the Non-Plan side also, the Committee find that Actual Expenditure remained comparatively lower than BE during the initial three years of the XI Plan Period. The Committee feel that revising the estimates at RE stage and not utilizing even the revised allocated funds shows lack of proper planning on the part of the Department. The Committee, therefore, recommend that the Department should make advance planning to make realistic projections so as to avoid fluctuations in allocations at RE stage and ensure that the allocated funds earmarked for different schemes are fully utilised during the year.

2.13 The Committee further note with concern that percentage utilization in case of Plan Scheme for National Consumer Disputes Redressal Commission was Nil during the year 2007-08 and 2010-11. Similarly, in other Schemes like Consumer Protection, HRD/ Capacity building, Consumer Helpline, percentage utilization declined sharply from 103.60% (in 2007-08) to 83.92% (in 2011-12) and for Setting up of Gold Hallmarking Assaying Centres in India it declined from 117.78% (in 2010-11) to 96.97% (in 2011-12). The Committee are not convinced with the argument of the Department that the State Government or other agencies of the Central Government are responsible for the implementation of some schemes who sometime delay the submission of proposals/utilisation certificates and certain execution agencies like CPWD and DGS&D etc. take their time since they have to follow long tender processes. Further, on the Non- Plan side also, percentage utilization for the Scheme 'Regulation of Weight and Measures', 'Regulation of Markets' and 'Projects under Consumer Welfare Fund' are not upto the expectations. Having examined trends in expenditure of the Department in XI Plan period, the Committee wonder how the Department is going to implement its new Schemes in the XII Plan Period under the same scenario. As some of the Schemes are continuous in nature, the Committee desire that the Department should take pre-emptive steps to complete procedural formalities and foresee the problems which had occurred in previous Plan Period so that proper methodology is adopted while implementing the ongoing schemes alongwith the new schemes. The Committee, therefore, recommend the Department to impress upon the State Governments and other agencies of the Central Government to extend full co-operation in the implementation of the Schemes. The Department may also review their methodology of implementation of the Schemes at the beginning of the XII Plan period so that the Schemes do not suffer the same problems as faced in XI Plan period.

2.14 The Committee are disturbed to note that there has been uneven trend in Quarterly Expenditure of the Department during the entire XI Plan Period which is attributed by the Department to procedural delays, submission of incomplete proposals by States/UTs/NGOs, non submission of Utilization Certificates, receipt of assessment report of independent evaluation agencies etc. The arguments of the Department do not seem to be convincing to the Committee. The Committee are of the view that incurring huge expenditure towards the fag end of the year merely to avoid surrendering of funds should be avoided as it does not help in smooth implementation of the Schemes. The Committee are also concerned to note that the State Governments are not furnishing Utilization Certificates in time in case of Schemes like Strengthening of Consumer Fora, Construction of Laboratories, etc. The Committee, therefore, recommend that the Department should make concerted efforts to ensure that the quarterly expenditure is incurred evenly as far as possible and avoid incurring bulk expenditure at the fag end of the financial year. The Department should also regularly monitor the implementation of the schemes by the States/UTs and also persuade them for timely submission of Utilization Certificates so that allocation of funds can be made to them in time.

CHAPTER III

CONSUMER PROTECTION

The Department have informed the Committee that protecting and promoting the welfare of consumers is one of the major concerns of Government. Policies have been designed and legislations enacted to protect the interest of the consumers and grant them the rights of choice, safety, information and redressal. A separate Department of Consumer Affairs had been created in the Central Government in the year 1997 to act as the nodal Department to focus exclusively on protecting the rights of consumers including redressal of consumer grievances as well as to promote standards of goods and services, standards in weights & measures, regulation of packaged commodities, maintenance of essential commodities, etc.

A. The Consumer Protection Act, 1986

3.2 One of the most important milestones in the area of consumer protection/consumer movement in the country has been the enactment of the Consumer Protection Act, 1986. This Act has been necessitated because the well organized sectors of manufacturers, traders and service providers with the knowledge of market and manipulative skills often attempt to exploit the consumers, in spite of the existence of various provisions of different laws for protecting their interests. Moreover, the increase in population has resulted in enormous pendency and delay in disposal of cases in the civil courts. Consumers, therefore, cannot be asked to wait endlessly to settle even small claims. Hence, the Consumer Protection Act, 1986 was enacted to better protect the interests of consumers. It is one of the most progressive and comprehensive piece of legislation and is an umbrella legislation covering all goods and services. The Act provides for a separate three-tier quasi-judicial consumer dispute redressal machinery at the national, state and district levels.

3.3 This Act has set in motion a revolution in the field of consumers' rights. The Act is intended to provide simple, speedy and inexpensive redressal to the consumers' grievances. It also provides relief of a specific nature and awards compensation, wherever appropriate, to the consumer. The Salient Features of the Act are as under:

- The Act provides for establishing a three-tier consumer dispute redressal machinery at the national, state and district levels.
- It applies to all goods and services.
- It covers all sectors, whether private, public or any person.
- The Act provides for relief of a specific nature and also for compensation to the consumer as appropriate. It is also punitive and preventive in nature.
- The Act also provides for setting up of Consumer Protection Councils at the Central, State and District levels, which are advisory bodies to promote and protect the rights of the consumers.
- The provisions of the Act are in addition to and not in derogation of the provisions of any other law for the time being in force.

3.4 The Consumer Protection Act has been amended thrice during the years 1991, 1993 and in 2002. The Department also stated that further amendments to the Consumer Protection Act, 1986 are presently under consideration. These amendments are aimed at:

- (a) Widening the scope and amplifying the provisions of the Act,
- (b) Facilitating quicker disposal of complaints and
- (c) Rationalising the qualifications and procedure of selection of President and Members of the Consumer Fora

3.5 When the Committee enquired whether Consumer movement in the country can be made vibrant with the existing provisions in the Consumer Protection Act, 1986, the Department stated that the Consumer Protection Act, 1986 was amended earlier in the year 1991, 1993 and in 2002 to make the Act more purposeful. As a pro-active measure as suggested by the Central Consumer Protection Council in its 23rd meeting held in July 2003, a Working Group was set up in January, 2004 in order to examine the provisions of the Act and to consider relevant amendments to make the Act more meaningful, vibrant, dynamic and functional and to help the redressal agencies in rendering quick justice by strengthening the provisions of the Act more appropriately after taking into account the various practical difficulties experienced/ encountered in implementation of the Act. The Consumer Protection (Amendment) Bill, 2011 was approved by Cabinet and the Bill was introduced in the Lok Sabha on 16.12.2011, which has been further referred to Department related Parliamentary Standing Committee for further examination. In the Consumer

Protection (Amendment) Bill, 2011 various new provisions for online filing of applications, empowering District Fora, simplifying selection process, strengthening of penalty provisions etc. have been proposed with an overall objective to make the Consumer Protection Act more vibrant and very purposeful for the benefit of consumer.

B. Scheme for improving the functioning of Consumer Fora

3.6 The following schemes/programmes/projects are being implemented by Consumer Protection Unit for improving the functioning of Consumer Fora:

(a) Computerization and Computer Networking of Consumer Fora in the country (CONFONET) – The project was launched during the 10th Plan period in March, 2005 at a cost of Rs. 48.64 crore. The project is being implemented by the National Informatics Centre (NIC) on a turnkey basis. The CONFONET project has been extended to 11th Plan with a total outlay of Rs. 25.69 crore. In the extended period of project, stress is being laid upon continued HR support by means of Technical Support Personnel (TSP) and training for eventual adoption of the system by the Consumer Fora themselves. As on January, 2012, out of 638 locations being covered, the CONFONET is operational in 342 Consumer Fora. 268 Consumer Fora are uploading cause lists while 186 Consumer Fora are uploading judgments.

(b) Construction of Building of the National Commission- A new office building for National Commission is being constructed at INA, New Delhi, which is part of an Integrated Building Complex at INA, New Delhi. For this purpose, an amount of Rs.19.91 crore was released to Central Public Works Department (CPWD). The construction of building has been completed and they have started functioning in the new premises w.e.f.17.8.2011.

(c) Strengthening the infrastructure of new NCDRC Building – A scheme for strengthening the infrastructure of the new NCDRC building, being constructed by CPWD, was implemented during 2010-11. The objective of the scheme was to provide necessary infrastructural facilities in the new building for effective functioning of NCDRC, in a consumer friendly environment. An allocation of Rs. 3.44 crore was made for this scheme in BE 2010-11 which was reduced to Rs. 2.39 crore at RE

stage. Since the amount could not be utilized during 2010-11, the authorization was cancelled. The amount was made available in 2011-12 during Supplementary Demands for Grants stage. The entire amount of Rs. 2.39 crore has been released to CPWD.

(d) Scheme of 'Strengthening Consumer Fora'- The Central Government has been extending financial assistance to States/UTs for strengthening the infrastructure of Consumer Fora so that minimum level of facilities are made available at each Consumer Forum, which are required for their effective functioning. The scheme, 'Strengthening Consumer Fora (SCF)' has been formulated for implementation with an overall outlay of Rs. 54.50 crore during the last 4 years of the XIth Plan viz. 2008-09 to 2011-12. Infrastructural Facilities being provided under the scheme, include construction of new building of the Consumer Fora, carrying out addition/alteration/renovation of existing buildings and grant for acquiring non-building assets such as furniture, office equipment etc. Under the scheme of 'Strengthening Consumer Fora', an amount of Rs. 6.52 crore has been released to eligible States upto 31.01.2012 during 2011-12.

(e) Consumer Protection Cell – This is an ongoing scheme. The scheme aims to enable the Consumer Protection Cell to render secretarial assistance to the Department in administering the Consumer Protection Act, and other related activities, including holding of meetings of the Central Consumer Protection Council (CCPC). The last CCPC meeting was held on 31.01.2012 under Chairmanship of Hon'ble Minister.

C. Strengthening of Consumer Fora

3.7 The Consumer Protection Act seeks to better protect the rights of consumers by establishing an “Alternate Justice Delivery System” to render quick and inexpensive redressal to the consumers. A three-tier quasi judicial redressal machinery at the National, State and District level has been set up to provide simple, inexpensive and time bound redressal of consumer grievances against defective goods, deficient services, restrictive/unfair trade practices etc. adopted by any trader or person through summary trials. Filing of a simple complaint on plain paper with the details of the case with supporting documents seeking relief/compensation is enough and not obligatory to engage a lawyer.

3.8 At present, a National Commission in New Delhi, 35 State Commissions and 629 District Fora at the State and district level respectively have been established in the country. The responsibility for setting up of the National Consumer Disputes Redressal Commission (NCDRC) rests with the Central Government. Accordingly, the NCDRC was set up in 1988. The President of National Commission has been empowered to constitute Benches with one or more Members. The responsibility for setting up of the State Commissions and District Fora and to ensure their effective functioning lies with the State Governments/UT Administrations. The State Commissions have been set up in the State capitals. The President of State Commission has also been empowered to constitute Benches with one or more Members. The District Fora are to be set up in each District.

3.9 The Ministry further stated that under section 24B of the Consumer Protection Act, 1986, National Commission have administrative control over all the State Commissions in the following matters, namely:

- (i) calling for periodical returns regarding the institution, disposal pendency of cases;
- (ii) issuance of instructions regarding adoption of uniform procedure in the hearing of matters, prior service of copies of documents produced by one party to the opposite parties, furnishing of English translation of judgments written in any language, speedy grant of copies of documents;

- (iii) generally overseeing the functioning of the State Commissions or the District Fora to ensure that the objects and purposes of the Act are best served without, in any way, interfering with their quasi-judicial freedom.

3.10 Under the scheme of 'Strengthening Consumer Fora' Budgetary allocation was Rs. 100.62 crore during XI Plan period, which was reduced to Rs. 65.79 crore at RE stage. However, actual expenditure incurred was Rs. 71.09 crore (upto 31.03.2012). The Committee was informed that financial assistance has been released by the Central Government to 23 States during 11th Plan period (2007-08 to 2011-12). When asked whether they have utilized the allocated funds the Department stated that some of the States, to whom financial assistance was provided under the scheme of 'SCF', have utilized the allocated funds and some states are in process of implementing the scheme and they have been reminded to expedite the Utilisation Certificates.

3.11 When asked as to how many States/UTs have been allocated funds for completion of the scheme, the Department stated that during 2011-12, an amount of Rs. 6.77 crores has been released, against an outlay of Rs. 19 crore, under the Scheme to 6 States, namely Kerala, Punjab, Sikkim, Nagaland, Tamil Nadu and West Bengal. When asked to state the reasons for low expenditure the Department stated that expenditure is low because lesser numbers of States than anticipated, submitted proposals for financial assistance under the scheme and even out of proposals received, many were incomplete and did not fulfill the pre-requisite conditions for consideration. When asked whether the Department have given clear guidelines of the scheme and devise any proforma to be filled in by the States/UTs, the Committee were informed that the Department has recently revised the guidelines and norms (infrastructural benchmarks) to make the scheme more effective and letter for the same has been issued to the Secretaries in-charge of Consumer Affairs in all States/UTs. As to the time frame given to the States/UTs to resubmit their proposal in case of rejection due to incomplete proposal, the Committee were informed that no such time frame has been fixed. The shortcomings in the incomplete proposals are pointed out to the concerned State Governments who are advised to rectify the same and re-submit the proposal.

3.12 The position regarding cases filed, cases disposed off and cases pending in the National Commission, State Commissions and District Fora as provided by the Department as on 30.01.2012 is as under:

Sl. No.	Name of Agency	Cases filed since inception	Cases disposed of since inception	Cases Pending	% of total Disposal
1.	National Commission	72863	63370	9493	86.97
2.	State Commissions	560961	464243	96718	82.76
3.	District For a	3093931	2845823	248108	91.98
	Total	3727755	3373436	354319	90.50

3.13 When the Committee enquired why the number of Consumer Complaints disposed off in National Commission have declined during the last few years, the Department informed that this decline is due to some existing vacancies in the post of Member, NCDRC, which are in the process of being filled up.

3.14 When asked about the disposal of number of cases by National Commission during the last three years, the Secretary of the Department stated during evidence that

"As per the figures given by the National Commission there were 34516 cases filed, out of which 36486 cases were disposed off during 2009. However, among them some of the cases were pending from the previous year. At present there are 7500 cases pending with the National Commission".

When asked about the duration since when the cases were pending with the National Commission, the Committee were informed during the evidence that

"Some of the cases were pending since the year 2000. However, all the cases in National Commission are not original in nature as some of the cases are of First Appeal against the decision of State Commission and some of Second Appeal against the decision of District Forum".

3.15 The Department have furnished the following statement showing the details of no. of cases Filed / Disposed off / Pending in the National Commission and State Commission:

(Update on 30.01.2012)

Sl. No.	Name of State	Cases filed since inception	Cases disposed of since inception	Cases pending	% of Disposal	As on
	National Commission	72863	63370	9493	86.97	31.12.2011
1.	Andhra Pradesh	27409	24957	2452	91.05	30.11.2011
2.	A&N Islands	42	38	4	90.48	31.01.2008
3.	Arunachal Pradesh	58	54	4	93.10	30.09.2011
4.	Assam	2419	1554	865	64.24	30.09.2011
5.	Bihar	14386	10326	4060	71.78	31.05.2011
6.	Chandigarh	11628	11437	191	98.36	31.12.2011
7.	Chhattisgarh	7629	7239	390	94.89	31.12.2011
8.	Daman & Diu and D N H	25	20	5	80.00	31.03.2011
9.	Delhi	32585	31390	1195	96.33	31.10.2011
10.	Goa	2235	2099	136	93.91	31.12.2011
11.	Gujarat	37781	33402	4379	88.41	31.12.2011
12.	Haryana	41111	36083	5028	87.77	30.11.2011
13.	Himachal Pradesh	7437	6589	848	88.60	30.11.2011
14.	Jammu & Kashmir	7230	6434	796	88.99	31.05.2011
15.	Jharkhand	4874	4065	809	83.40	30.09.2011
16.	Karnataka	41921	37217	4704	88.78	31.12.2011
17.	Kerala	24365	23430	835	96.16	31.12.2011

18.	Lakshdweep	17	16	1	94.12	31.12.2011
19.	Madhya Pradesh	39096	34553	4543	88.38	31.12.2011
20.	Maharashtra	54170	36527	17643	67.43	30.06.2011
21.	Manipur	139	96	43	69.06	30.09.2008
22.	Meghalaya	253	175	78	69.17	31.03.2011
23.	Mizoram	183	171	12	93.44	30.04.2011
24.	Nagaland	94	64	30	68.09	31.12.2006
25.	Odisha	20691	14604	6087	70.58	31.10.2011
26.	Puducherry	916	883	33	96.40	30.11.2011
27.	Punjab	27477	21092	6385	76.76	30.11.2011
28.	Rajasthan	48383	44799	3584	92.59	30.11.2011
29.	Sikkim	37	36	1	97.30	31.12.2010
30.	Tamil Nadu	23339	21286	2053	91.20	31.12.2011
31.	Tripura	1344	1301	43	96.80	30.11.2011
32.	Uttar Pradesh	62757	34950	27807	55.69	31.10.2011
33.	Uttarakhand	4425	3624	801	81.90	31.12.2011
34.	West Bengal	14505	13732	773	94.67	31.12.2010
Total		560961	464243	96718	82.76	

3.16 The Committee observed that there is poor disposal of cases in some of the States/UTs namely Assam, Maharashtra, Manipur, Meghalaya, Nagaland ,Orissa and Uttar Pradesh where percentage of disposal are 64.24,67.43, 69.06, 69.17, 68.09, 70.58 and 55.69 respectively. When asked about the reasons the Department stated that due to some vacancies in some District Fora/State Commissions in the States of Assam, Maharashtra, Manipur, Meghalaya, Nagaland, Orissa and Uttar Pradesh, there is no fast improvement in disposal of cases.

3.17 As to the steps taken regarding strengthening the infrastructure of Consumer Fora for the speedy disposal of grievances of the Consumers, the Department stated as under:

- (i) Financial assistance is being provided by the Central Government to the States/UTs for strengthening of infrastructure of District Fora and State Commissions (Building as well as Non-Building Assets) under the scheme "Strengthening Consumer Fora" presently. Under this scheme, the norms for providing financial assistance have been revised upwards from the previous scheme of 'Integrated Project on Consumer Protection'.
- (ii) The computerization and networking of all the Consumer Fora across the country is also being undertaken through NIC, under the scheme "CONFONET".
- (iii) Some of the State Commissions and District Fora are adopting the process of holding Lok Adalats for speedy disposal of the cases. The National Commission has also started holding Lok Adalat.
- (iv) The National Commission holds Circuit Bench sittings as per the provisions of Section 22C of the Consumer Protection Act, 1986. So far, the National Commission has held Circuit Bench sittings at Hyderabad, Bangalore, Chennai, Pune, Kolkata, Ernakulam Ahmedabad and lastly at Bhopal.
- (v) In addition to the existing five Benches of the National Commission, the Central Government has recently sanctioned one additional bench for the National commission for a period of five years for disposing off backlog of pending cases.

3.18 The Committee enquired about the position regarding the vacancy of Presidents/Members in the National Commission, State Commissions and District Forums. In reply, the Department furnished the following data to the Committee:

Sl. No.	State	State Commission		District Forum		As on 19.3.2012
		President	Member	President	Member	
	National Commission	0	4			31.12.2011
1.	Andhra Pradesh	0	1	9	15	31.01.2012
2.	A&N Islands	0	0	0	0	31.03.2006

3.	Arunachal Pradesh	0	0	0	14	31.12.2011
4.	Assam	0	0	0	6	31.08.2011
5.	Bihar	0	1	1	6	31.05.2011
6.	Chandigarh	0	0	0	0	31.01.2012
7.	Chhattisgarh	0	0	0	11	31.12.2011
8.	Daman & Diu and D N H	0	0	0	2	31.03.2011
9.	Delhi	0	1	0	1	31.12.2011
10.	Goa	0	0	1	2	29.02.2012
11.	Gujarat	0	0	2	20	31.01.2012
12.	Haryana	0	1	6	23	31.01.2012
13.	Himachal Pradesh	0	0	0	2	31.01.2012
14.	Jammu & Kashmir	0	0	0	0	31.12.2011
15.	Jharkhand	0	1	5	14	30.09.2011
16.	Karnataka	0	1	3	7	31.01.2012
17.	Kerala	0	0	0	1	31.12.2010
18.	Lakshadweep	0	1	0	1	31.01.2012
19.	Madhya Pradesh	0	1	2	28	31.01.2012
20.	Maharashtra	0	3	8	23	30.06.2011
21.	Manipur	0	0	0	1	31.12.2008
22.	Meghalaya	1	0	0	1	30.11.2011
23.	Mizoram	0	0	0	0	08.03.2010
24.	Nagaland	0	0	0	0	31.12.2008
25.	Orissa	0	0	1	7	31.12.2011
26.	Puducherry	0	0	0	0	31.12.2011
27.	Punjab	0	3	1	4	31.01.2012
28.	Rajasthan	0	3	2	7	30.11.2011
29.	Sikkim	0	0	0	1	31.12.2011

30.	Tamil Nadu	0	0	1	41	31.01.2012
31.	Tripura	0	0	0	0	31.01.2012
32.	Uttar Pradesh	1	2	2	2	31.01.2012
33.	Uttarakhand	0	0	0	7	31.01.2012
34.	West Bengal	0	2	2	2	31.12.2010
Total		2	21	46	249	

From the above information it may be seen that the vacancy position of the State Commissions and District Fora has not improved much from the last year as 2 posts of President and 21 Members in the State Commissions and 46 Presidents and 249 Members in a District Fora respectively are lying vacant as on 19.03.2012.

3.19 When asked to state the steps taken by the Department to fill up the vacancies in the District Fora/State Commission along with details of number of vacancies during the current year, the Department stated that while State Governments are responsible for filling up of vacant posts in the State Commission and District Fora, the Central Governments has been continuously pursuing with State Government to take advance action for filling up expected vacancies of President and Members and maintain a panel of candidates for filling up future vacant posts to avoid any delay in appointments. In the Consumer Protection (Amendment) Bill 2011 which has been introduced in the Lok Sabha on 16.12.2011, provision is being made to reduce delay in the appointment of President/Members in the District forum and Members in the State/National commission, wherein the State or Central Government, as the case may be, if it is not in agreement with the recommendations of the Selection committee, shall convey their decision within two months of receipt of the panel so that the Selection committee can reconsider their recommendations. Provision has also been proposed in the Amendment Bill for empowering State Governments to club together adjacent Fora wherever required, so that functioning of Consumer Fora is not affected due to any vacancies. Thus the selection process has been simplified to avoid any delay in filling up of the vacant posts. In this regard Hon'ble MoS (I/C)CAF&PD has also written a DO letter to the Chief Ministers/Administrators of all States/UTs requesting them to take timely action for filling up the vacancies in State Commission and District Fora at the earliest. Details of expected

vacancies in State Commissions and District Fora during the current year are maintained by the concerned State Governments who are responsible for filling up these vacancies.

3.20 The Committee note that implementation of scheme for strengthening of consumer fora is sometimes delayed due to non-allotment of land by States/UTs. When asked about the details of such States/UTs who have not been allotted land for the scheme the Department stated that these details are not available with this Department. In the last annual review meeting held on 14.03.2012, representatives from some states/UTs informed that there are some procedural delay in getting land allotted for construction of consumer fora in their states/UTs. The state secretaries of States/UTs were requested to look into this aspect and ensure that land is allotted for the said purpose without any delay, so that they can apply for the grant for construction of building.

3.21 The Committee enquired whether the Department has identified the reasons and taken any step to resolve the issue, the department stated that provision of free of cost land or bearing the cost of the land by the State Government is a pre-requisite for availing of financial assistance for construction of a new building for a Consumer Forum. However, some States are unable to provide land exclusively for Consumer Fora probably due to non-availability or high land costs. To resolve this problem this department has provided that as an exception, State/UT can purchase ready-made buildings/floors/flats at locations where land is not easily available.

3.22 When the Committee enquired what improvement have taken place in the Scheme Strengthening of Consumer Fora, the Secretary during the evidence informed

"We have set norms for providing financial sanction as to how much square meter of land is required for setting up State Commission, depending upon the number of Benches, so that fund is made available to them at the rate defined provided that the State should make land available for the purpose".

3.23 The Committee were informed that in order to expedite the implementation of the Scheme for 'Strengthening of Consumer Fora in States/UTs, the Department has been reminding all the Secretaries- in-charge of Consumer Affairs of all States/UTs to send their proposals. All State Secretaries and Presidents of State Commissions have been requested to expedite their proposals seeking grants in the recent annual review meeting

held on 14.03.2012 held at New Delhi. During the last plan period, SCF Committee, after visiting some Consumer Fora, as a suo moto action, sanctioned grants to Govt. of Mizoram for infrastructure development and creating non-building assets. Similar exercise will be undertaken continuously to identify needs and requirements of Consumer Fora and sanction grants during the current plan period.

3.24 The Committee were informed by the representative of the Department of Consumer Affairs during the evidence that they have recently conducted a meeting with the Hon'ble Minister and the Chairman of National Commission to discuss over the effective functioning of Consumer Fora. He stated that they came across few problems faced by the State Commissions and District Fora which was majorly lack of sufficient staff as majority of the Staff came on deputation and leaves abruptly due to disciplinary action taken against them. This affects the functioning of Consumer Fora.

3.25 The Committee note that the project Computerization and Computer Networking of Consumer Fora (CONFONET) was launched during the X Plan period in March, 2005 at a cost of Rs. 48.64 crore. The project had been extended to XI Plan with a total outlay of Rs. 25.69 crore to be implemented by the National Informatics Centre (NIC) on a turnkey basis. The Committee are unhappy to note that as on January, 2012, out of 638 locations being covered, the CONFONET is operational in only 342 Consumer Fora. It is also stated that only 268 Consumer Fora are uploading cause lists while only 186 Consumer Fora are uploading judgements. In the opinion of the Committee, it is high time that the project is implemented fully which was launched way back in the year 2005. The Committee, therefore, recommend that the Department should impress upon the National Informatics Centre (NIC), the Project implementing agency, to expedite implementation of the project and ensure that the project is made operational in all the 638 Consumer Fora.

3.26 The Committee note that under the Scheme 'Strengthening of Consumer Fora' BE was Rs. 100.62 crore during XI Plan period, which was reduced to Rs. 65.79 crore at RE stage. However, actual expenditure incurred was Rs. 71.09 crore (upto 31.03.2012) and the financial assistance has been released by the Central Government to 23 States only during the entire XI Plan period. The Committee further note that during 2011-12, against an outlay of Rs. 19.00 crore, an amount of Rs. 6.77 crore was released to only 6 States namely Kerala, Punjab, Sikkim, Nagaland, Tamil Nadu and West Bengal. The Committee are not convinced with the reasons cited by the Department for incurring less expenditure that lesser number of States could submit proposals for financial assistance out of which many proposals were incomplete and not fulfilled the prerequisite conditions for consideration. The Committee are concerned to note that the Department has not set any timeframe for States/UTs to resubmit their proposal in case of rejection due to incomplete proposals. All this goes to prove that the Department is not serious to implement the scheme which is vital for the effective functioning of Consumer Fora. The Committee, therefore, recommend that the Department should prescribe very clear Guidelines to be followed and proformas to be used by the States/UTs while submitting the proposals under the Scheme so that the chances of rejecting or returning the proposal for re-submission due to incompleteness is minimized. The Department should also encourage the States/UTs to avail the financial assistance and set up the Consumer Forums in their respective States/UTs so that the interests of the Consumers are better protected.

3.27 The Committee are concerned to note that out of 72863 consumer complaints filed since inception in National Commission, 63370 have so far been disposed off and 9493 cases are pending. The reasons cited by the Department for this are existence of vacancies in the post of Member, NCDRC. The Committee further note that there is poor disposal of cases in some of the States/UTs namely Assam, Maharashtra, Manipur, Meghalaya, Nagaland, Orissa and Uttar Pradesh where percentage of disposal are 64.24, 67.43, 69.06, 69.17, 68.09 and 55.69 respectively the reasons again being the vacancies in these State Commissions/District Fora. Further the Committee were shocked to note that, in case of National Commission, some of the cases were pending since the year 2000. Though all the cases were not original in nature as some of them were transferred cases of 1st Appeal and 2nd Appeal from State Commissions and District Forum respectively, the Committee feel that if this is the condition of National Commission, the condition of State Commissions and District Fora would have been even worst. Further, the data maintained by the Consumer Fora are not giving realistic picture of the status of actual disposal of cases and duration of the cases pending with them (year wise). The Committee are more concerned about the consumers who have been awaiting disposal of their cases since long time and apprehend that due to long pendency they might loose their faith in the system created for their own welfare. The Committee, therefore, recommend that the Department should devise a uniform system to maintain data by the National Commission/State Commissions/District Forum in such a manner that it reflects the status of the cases filed, disposed off and the period of their pendency. The cases should be further categorized as original, cases of First appeal and Second Appeal so that the data would give the actual status of cases in the Consumer Fora. The Committee further desire that steps should be taken for early disposal of pending cases and priority should be given in disposal of old cases.

3.28 The Committee are disappointed to note that despite its recommendation in previous Reports to fill up the vacant posts of President and Members in National Commission/State Commissions/District Fora for their effective functioning, the position has not improved much from the last year. 4 posts of Members in National Commission are lying vacant and 2 posts of President and 21 Members in the State Commission and 46 posts of President and 249 Members in the District Fora respectively are also vacant. The Committee, therefore, recommend that the Department should take immediate action to fill up the posts of Members in the National Commission and also impress upon the State Governments/UT Administrators to fill up the vacant posts of President and Members in State Commissions/District Fora at the earliest to ensure their smooth functioning, which consequently will lead to quick disposal of long pending cases in the Consumer Fora.

3.29 The Committee are unhappy to note that implementation of the scheme 'Strengthening of Consumer Fora' is sometimes delayed due to non-allotment of land by States/UTs, procedural delays etc. and is not effectively functioning due to non-grant of financial assistance to States/UTs and also affected by lack of effective staff. The Committee are surprised to find that the Department does not maintain any details of States/UTs who have not been allotted land for the scheme. However, the Committee came to know that during the last plan period the SCF Committee had sanctioned grants to Government of Mizoram for infrastructure development and creating non-building assets as a suo-motto action. The Committee recommend that the Department should take sincere steps to avoid procedural delays in sanctioning financial assistance to States/UTs and also maintain details of the States/UTs who have not been allotted land under the Scheme. The Committee also hope that for the effective functioning of the Scheme the Department would exercise their authority of sanctioning grants to States/UTs on suo-motto basis as was done in the case of Mizoram during the last plan period.

(D) Consumer Welfare Fund

3.30 Consumer Welfare Fund was created in 1992 with the objective of providing financial assistance to promote and protect the welfare of the consumer, create consumer awareness and strengthen consumer movement in the country, particularly in rural areas. The Department of Consumer Affairs operates the Fund, setup by the Department of Revenue under the Central Excise and Salt Act, 1944.

3.31 The Consumer Welfare Fund Rules were framed and notified in the Gazette of India in 1992. Under these Rules, any agency/organization engaged in consumer welfare activities for a period of three years and registered under the Companies Act, 1956 or any other law for the time being in force, village/mandal/samiti-level cooperatives of consumers, industries State Governments etc. are eligible for seeking financial assistance from the Fund. An Inter-Ministerial Standing Committee has been constituted under the Rules to make recommendations for proper utilization of the money credited to the Consumer Welfare Fund for the welfare of the consumers.

3.32 The following statement indicates the details of BE, RE and Actual Expenditure during last five years under Consumer Welfare Fund (Non-Plan Scheme):

(Rs. in crores)

Year	BE	RE	Actual Expenditure
2007-08	20.60	20.60	08.73
2008-09	16.08	08.65	04.91
2009-10	13.90	11.19	10.94
2010-11	13.80	13.80	13.65
2011-12	19.80	31.30	26.27
Total	84.18	85.54	64.50

It may be observed that, for the last five year, BE was Rs. 84.18 crore which was raised to Rs. 85.54 crore at RE stage. However, the Actual Expenditure remained low throughout every year of the XI plan period which sharply declined to Rs. 64.50 crore.

3.33 The Department stated that the following projects are being administered from Consumer Welfare Fund:

- (a) Setting up of consumer product testing laboratories
- (b) Setting up of Consumer Clubs in School/Colleges
- (c) Schemes on promoting involvement of Research Institutions/Universities/Colleges etc.
- (d) Creation of Chair/Centres of excellence in Institutions/Universities
- (e) Involvement of Trade/Industries
- (f) Information, Education and Communication programmes for Consumer Awareness.
- (g) Setting up of Complaint handling/Counselling/guidance mechanism:
 - (i) National Consumer Helpline
 - (ii) Consumer Online Resource & Empowerment (CORE) Centre project
 - (iii) Project for setting up of Mediation Advisory Centre under PPP model
 - (iv) Project for setting up and running the State Consumer Helpline Knowledge Resource Management Portal for coordination and monitoring of the Central Plan Scheme of State Consumer Helpline
- (h) Training Programmes
- (i) Assistance to States/UTs

3.34 The Committee were informed that so far 21 States/UTs have set up Consumer Welfare Fund in their States. As regard the remaining State/UTs no response has been received so far. The main reluctant appears to be the small quantum of grant being given under this scheme. In view of the above reasons explained the seed money scheme has been upgraded and now a new scheme of corpus fund of Rs.10 crores has been floated in 2010. In order to further strengthen the Consumer Welfare Funds, it has been decided that States/UTs which are willing to establish a Corpus Fund of Rs.10 crores will be supported by the Department of Consumer Affairs by contributing 75% of that amount as central share from the Central Consumer Welfare Fund.

3.35 When asked as to how many States/UTs have so far set up the State Corpus Fund, the Department stated that 3 States have been funded to set up the State Corpus Fund in their respective State.

3.36 The Committee were informed that "Seed Money" is provided to the States/UTs in the ratio of 50:50. In case of 13 special category States the ratio has been enhanced to 90:10 for setting up of their Consumer Welfare Fund. When asked the status, the Department furnished the details of only 7 States which have been sanctioned funds for creating their own Consumer Welfare Fund for Seed Money as given below:

S. No.	State	Amount released (Rs.)	Date of sanction
1.	Uttaranchal	12,00,000	29.03.2006
2.	Sikkim	9,00,000	13.06.2007
3.	Mizoram	27,00,000	29.03.2006
4.	Arunachal Pradesh	27,00,000	28.03.2006
5.	J&K	27,00,000	13.07.2005
6.	Tripura	9,00,000	31.03.2005 (Rs. 5 lakh) 10.07.2005 (Rs. 4 lakh)
7.	Himachal Pradesh	27,00,000	09.09.2009

The proposal from remaining special category States is still awaited.

3.37 Another project Consumer Online Resource & Empowerment (CORE) is an initiative taken by the Ministry towards web based consumer awareness & protection programme aimed at identification of consumer problems and their redressal through institutional approach and utilizing the vibrant information technology method is another project sanctioned under the scheme. The project is being executed through Consumer Coordination Council. The main objectives of the CORE Project are to develop National Information gathering mechanisms on consumer related issues, disseminate information on important consumer issues, to provide information and analysis of consumer related Laws and Judgments and to provide online support and pursue consumer complaints. The project was sanctioned on 15.3.2005 with a total budgetary outlay of Rs.3.50 crores spread over a period of five years and the project has now been extended up to 31.12.2012 within the same budgetary allocation.

3.38 The Department also undertake another project under the Consumer Welfare Fund to set up Consumer Clubs in Schools /Colleges. This scheme was launched in 2002, according to which a consumer club can be set up in each Middle/High/Higher secondary School/College affiliated to a Government recognized Board/University. A grant of Rs.10,000/- per consumer club is admissible under this scheme. This scheme has been decentralized and transferred to the State Govts./UTs with effect from 1.04.2004. Proposals can be submitted under the scheme to the Nodal Officer in the Food, PD & Consumer Affairs Department of the respective States/UTs by eligible organizations/VCOs. Funds are transferred to the Nodal officer in the State on receipt of the list of schools from the State. So far, 7,249 consumer clubs have been sanctioned in 23 States. Remaining States have been asked for setting up consumer clubs, expeditiously. An amount of Rs.201.80 lakhs in 2007-08, Rs.115 lakhs in 2008-09 and Rs.55 lakhs in 2009-10 have been sanctioned to the States/UTs.

3.39 The Committee note that States are not much interested in implementation of scheme related to setting up of Consumer Club inspite of the Department's persistent request. When asked whether the Department has found out the main objections or reasons for disinterest shown by some States/UTs in implementing the Consumer Club Scheme, the Department stated that the States who have not taken interest in implementing the Consumer Clubs Scheme have been reminded at the senior level. The matter regarding setting up of consumer clubs was discussed with the representative of states to expedite their proposal in the recently concluded Central Consumer Protection Council Meeting (CCPC) held on 31st January, 2012 at New Delhi. The main reason for disinterest appears to be States preoccupation with PDS issues and lesser concern for consumer issues.

3.40 The Committee find that during XI Plan Period Actual Expenditure (on the Non-Plan side) in Consumer Welfare Fund remained low throughout the Plan period. The Committee further note that so far only 21 States/UTs have set up Consumer Welfare Fund in their States. The Committee are not in agreement with the views expressed by the Department that small quantum of grant appears to be the reason for not setting up Consumer Welfare Funds by the remaining States/UTs. The Committee are dismayed to note that though in case of 13 special category States, the ratio of 'Seed money' has been enhanced to 90:10, the Department has furnished the details of only 7 States which have been sanctioned funds for creating their own Consumer Welfare Fund. As far as the Scheme for setting up of consumer clubs in Schools and Colleges is concerned, the Committee note that so far 7,249 consumer clubs have been sanctioned funds in 23 States. The Committee are surprised to find from the submission of the Ministry that the remaining States are not interested to implement the Scheme as the main reluctance of the States is due to their pre-occupation with PDS issues and lesser concern for consumer issues. The Committee not convinced with the view of the Department and desired the Department to find out the actual reasons for the reluctance shown by the remaining States/UTs for not implementing the Schemes under Consumer Welfare Fund. The Committee, therefore, recommend that the Department should impress upon the State Governments/UT Administrations not only to set up Consumer Welfare Fund and Consumer Clubs in remaining States/UTs, but also to encourage them to avail the benefits of the other Schemes under Consumer Welfare Fund so as to promote and protect the welfare of the consumer.

(E) National Consumer Helpline

3.41 The National Consumer Helpline (NCH) is a land mark project set up in collaboration with the University of Delhi at a cost of Rs.3.13 Crores. The Helpline was formally launched on 15th March 2005, on World Consumer Rights Day. Consumers from anywhere in the country can dial the toll-free number 1800-11-4000 and seek advice in all areas of consumer interest and sort out their grievance. Delhi University has been granted an amount of Rs.378 lakh for second phase of the National Consumer Helpline.

3.42 State Consumer Helpline Scheme has been approved/sanctioned from Consumer Welfare Fund under Plan Scheme started in 2005. It was set up on similar lines as National Consumer Help Line which will be a partnership effort between State and active VCOs of the States. These help lines will extend service in the regional language of State concerned and in Hindi and English. Eventually these State Help lines will be networked with National Consumer Helpline so as to make use of the data base and experience already available. So far 25 States/UTs have been sanctioned funds to set up Consumer Help lines. It has been decided to continue the scheme during the 12th Plan period.

3.43 The following statement indicates the details of BE, RE and Actual Expenditure under the scheme of State Consumer Helpline during last 5 years:

(Rs. in crores)

Year	BE	RE	Actual Expenditure
2007-08	5.00	2.50	1.33
2008-09	7.00	2.00	2.17
2009-10	5.00	2.50	1.57
2010-11	1.50	1.50	1.36
2011-12	2.00	1.00	0.94

From the given statement, the Committee note that the RE was reduced against the BE every year and the actual expenditure remained low throughout the plan period except during the year 2008-09.

3.44 When the Committee asked to give details of average complaints received as well as resolved by the National Consumer Helpline, the Department informed that National

Consumer Helpline (NCH) is receiving an average of 10,000 complaints per year and out of the total complaint received 35% resolved. When asked the reasons for poor performance of National Consumer Helpline wherein only 35% of the complaints are resolved annually the Department stated that the primary reason is reluctance of private companies to take speedy action. NCH does not have judicial powers to penalise. As to the steps taken by the Department in this regard, the Department stated that it will take few cases for class action suits.

3.45 The Committee were informed that an independent agency has been entrusted to evaluate the performance of the National Consumer helpline project that was setup in collaboration with University of Delhi at the cost of Rs.3.13 crores. When asked whether the Department has taken any steps to strengthen the National Consumer Helpline on the lines of findings of evaluation study conducted by an independent agency, the Department stated that the performance of National Consumer Helpline was evaluated through GFK Mode. The major recommendations made in the evaluation study is in favour of continuing the NCH Project. Based on the recommendation of evaluation report and keeping in view to protect the interest of the Consumer, the second phase of the project started commencing from March, 2010 for a period of 3 years at a cost of Rs.378 lakh. The following are some of the important steps taken by the Department in the second phase of the project for strengthening NCH;

- Appropriate new software to be developed in association with NIC for facilitating and implementation of operation of State Helpline and its networking with NCH.
- Monitoring of the complaints received for appropriate advocacy recommendations.
- Continue Liaison with CORE and FACC for integration of activities relating to complain resolution.
- Continuation of submission of complaints relating to companies under convergence platform.
- Provide regular counseling of consumers in Hindi and English from 9.30 AM to 5.30 PM on six days a week excluding designated holidays regarding their complaints.
- Development of a consumer friendly website portal in English for giving information to consumers

- Regular training of its counselors and updating their knowledge of different sector.
- To render all technical and other consultancy services to set up State Consumer Helpline.
- An MoU has been entered between Department and University of Delhi on the second phase of the project. Under the MoU provisions an Executive Committee was created to monitor the project in every six months for reviewing the project activities and also for making suggestion for future activities.

3.46 The Committee note that National Consumer Helpline (NCH) Scheme is a continuous scheme which was formally launched on March 2005 in collaboration with University of Delhi. About 10,000 complaints were received in the National Consumer Helpline annually out of which 35% are resolved. The Committee also note that the NCH do not have judicial powers to penalize. However, in order to strengthen the NCH, the performance of NCH was evaluated through GFK mode whose major recommendations were in favour of continuing the NCH Project. Accordingly the Department has started second phase of the Scheme commencing from March,2010 for a period of 3 years at a cost of Rs. 378 lakh. A number of important steps such as developing new software in association with NIC, monitoring the complaints received, providing regular counseling in English and Hindi, development of consumer friendly website portal etc, are being taken by the Department in the second phase of strengthening the NCH. The Committee hope that the Department would implement the second phase of strengthening of NCH Scheme as per the finding of the evaluation agency i.e. GFK Mode and recommend that all the States/UTs should also be sanctioned funds for setting up their respective State Consumer Helplines so that the consumer from any part of the country could avail of the Consumer Helplines services.

(F) Programmes for Consumer Awareness

3.47 The success of the consumer movement in any country mainly depends upon the level of consumer awareness generated in the country, with the aim to educate the consumers about their rights and responsibilities. Wherever the literacy rate is high and social awareness is greater, the consumers cannot be easily exploited. Due to the vastness of its geographical boundaries, multiplicity of languages, multi-ethnic cultural differences, even within India itself, the level of consumer awareness/consumer movement varies from State to State depending upon the level of literacy and the social awareness of the people. Given the current level of socio-economic scenario in the country and the infancy of the consumer movement, there is a strong need to spread awareness amongst the consumers by educating them about their rights and responsibilities through sustained and widespread publicity programmes, so as to strengthen the consumer movement.

3.48 The Department of Consumer Affairs being the nodal Department in the field of consumer protection has been given the mandate to strengthen the consumer movement in the country by generating awareness amongst the consumers on the one hand and simultaneously providing for a grievance redressal machinery, by means of the Consumer Protection Act, 1986 on the other. The need for empowerment of consumers as a class cannot be over emphasized and is already well recognized all over the world. The Department of Consumer Affairs has been continuing a countrywide multi-media awareness campaign since 2005, whereby various issues related to consumer rights and responsibilities are highlighted. **“Jago Grahak Jago”** has today become a household name. As a natural corollary, joint publicity campaigns are being carried on with all Government Departments/ Organizations having mass consumer base by means of TV, radio, newspapers, railways, outdoor advertising etc. Every citizen is a consumer irrespective of his or her status in the society. Hence, protection of consumer interests and welfare has become a critical function of good governance. Consumer awareness and protection has been recognized as a major thrust area for the Government of India consequent to a decision taken in the 50th National Development Council meeting held on 21.12.2002. Though the consumer movement is slowly gaining ground in our country, it is still in its infancy as the success of consumer movement mainly depends upon the level of

consumer awareness about their rights and responsibilities. Within India, the level of consumer awareness varies from State to State depending upon the level of literacy and the social awareness of the people. Educating more than 110 crore people of various categories of population particularly those in rural areas where consumers are more susceptible to exploitation, on various subject matters on consumer interests which are being dealt by different Ministries/Department, is a gigantic task that can only be undertaken as a sustained national programme with adequate funds made available for the purpose.

3.49 A scheme for Consumer Awareness in the XI Plan had been approved by the Government for Rs. 409 crore. Under this scheme the “Jago Grahak Jago” campaign has been undertaken as a multi media campaign covering several government Departments.

3.50 The following statement indicates the details of BE, RE and Actual Expenditure incurred for the programme for Consumer Awareness during the last five years:

(Rs. in crore)				
Sl. No	Year	BE	RE	Actual Expenditure
1.	2007-08	67.00	58.00	44.34
2.	2008-09	75.00	91.00	80.50
3.	2009-10	77.90	78.00	70.60
4.	2010-11	84.02	80.67	80.27
5.	2011-12	87.23	87.23	85.65(Provisional Expenditure)

3.51 When asked what new initiatives taken by the Government for creating Consumer Awareness especially in remote, backward and rural areas, the Department stated that the Government is in the process of developing a Consumer Awareness Index to ascertain the level of awareness amongst Indian consumers. Also, the menace of Misleading Advertisements, to which Consumers are increasingly susceptible, especially in the rural areas, is being looked at for a holistic and enforceable approach. This year messages were also displayed in 500 village post offices in NE. Another major initiative has been through display of messages through hoardings in Kashmir Valley, including the areas of Ladakh. In addition the medium of Post Office passbooks has been used in a major way to target

areas in M.P., Jharkhand, Odisha, Chattisgarh, Gujarat, Bihar, Karnataka, U.P., Uttarakhand, Bihar etc. to reach all segments.

3.52 The Committee are happy to note that the Department is in the process of developing Consumer Awareness Index to ascertain the level of awareness amongst the consumers. The Committee feel that spreading consumer awareness is directly proportional to the effectiveness of Consumer Movement in the country. The Committee hope that this initiative on the part of Department would bring the Consumer Movement in the Country at the international level. The Committee, however, are constrained to note that Actual Expenditure under the Scheme Programme for Consumer Awareness has been constantly less than the RE during the entire XI Plan Period. The Committee, therefore, desire that the entire funds allocated for spreading consumer awareness in the country be fully utilized so as to successfully develop the Consumer Awareness Index on real terms and recommend the Department to take pro-active steps to educate the consumers about their rights and responsibilities so that they do not get carried away by misleading advertisements.

CHAPTER – IV.

WEIGHTS AND MEASURES.

During the Eleventh Five Year Plan, two schemes were implemented under Weights and Measures viz (i) Strengthening of Regional Reference Standards Laboratory [RRSL] and Indian Institute of Legal Metrology [IILM], Ranchi; and (ii) Strengthening Weights and Measures Infrastructure of State/UTs.

(i) Strengthening Regional Reference Standards Laboratories (RRSLs) and Indian Institute of Legal Metrology [IILM], Ranchi: The objective of the scheme is to strengthen Regional Reference Standards Laboratories (RRSLs) by complementing the existing facility in mass, volume and length measurement. The total outlay of the scheme is Rs 23.1 Crore. The scheme aims at providing new testing facilities in Force, Torque and Flow Measurement for better consumer protection. Mass Comparators has been provided to all Regional Reference Standards Laboratory (RRSL) and Indian Institute of Legal Metrology (IILM), Ranchi, Mass flow measurement facilities has been installed at RRSL, Ahmedabad and Bhubaneswar. Electrical testing equipment like EFT, ESD, Voltage dip simulators, G-TEM equipments has been supplied to RRSLs and these are put in use. Renovation work of IILM, Ranchi is in progress to make it as a Centre of Excellence.

(ii) Strengthening Weights and Measures Infrastructure of States/UTs: In the case of Strengthening Weights and Measures Infrastructure of States/UTs, the objective is to augment State's Legal Metrology Department infrastructure in holistic way namely construction of laboratory building, supply of equipments and their capacity building of enforcement officials for effective implementation of weights and measures laws. The Scheme aims at better implementation of weights and measures laws, thus ensuring better consumer protection. During 2007-10 a pilot scheme was implemented where in, 41 units of mobile kits for testing weighbridges and 59 sets of Secondary Standards balances had been supplied to various States/UTs.

4.2 A new scheme has been approved in October, 2009 at a outlay of Rs 143.286 Crore. The objective is to augment State's Legal Metrology Department infrastructure in

holistic way namely construction of Laboratory building, supply of equipments and the capacity building of enforcement officials for effective implementation of weights and measures laws. 200 Metrological officers of States/UTs have been trained at NPL, NIST and FCRI.

4.3 The BE, RE and Actual Expenditure under Weights and Measures during the last three years and the BE of 2012-13 are as under:

(Rs. in crores)

Sl. No.	Name of the scheme/project/programme	2009-2010			2010-2011			2011-2012			2012-13
		BE	RE	AE	BE	RE	AE	BE	RE	Pro.Ex	BE
	NON-PLAN										
1.	Regulation of Weights & Measures	0.67	0.66	0.43	0.73	0.51	0.43	0.47	0.59	0.52	4.62
2.	Regional Reference Standards Laboratory	1.65	1.76	0.80	1.95	2.09	1.80	2.11	2.24	2.12	2.42
3.	Indian Institute of Legal Metrology	1.51	1.48	1.27	1.56	1.46	1.27	1.35	1.44	1.26	1.55

It is observed from the above statement that the BE for 2012-13 has been increased substantially as compared to the previous three years.

4.4 When asked about the detailed status of year wise Grant-in-Aid given to States/ UTs for the Scheme "Strengthening Weights and Measures infrastructure of States & UTs" during the last three years, the Committee was furnished the following data:

Sr. No.	States/UTs.	Expenditure Rs. in Crore (2009-10)		Expenditure Rs. in Crore (2010-11)		Expenditure Rs. in Crore (2011-12)	
		Grant-in-aid	Equipment*	Grant-in-aid	Equipment*	Grant-in-aid	Equipment*
1	Andhra Pradesh	2.24	0.2234	0.06	1.9595	0.06	0.375
2	Arunachal Pradesh	1.25	0.1244	2.00	0.254	0.78	0.8594
3	Assam	1.25	0.1498	0.06	1.6795	0.06	0.2398
4	Bihar	00	0.198	2.06	1.795	0.06	0.318
5	Chhatisgarh	1.25	0.1244	00	0.254	00	0.075
6	Goa	0.50	0.0508	0.03	0.7315	0.03	0.03
7	Gujarat	2.25	0.2234	0.06	1.9595	0.09	1.2356

8	Haryana	00	0.1244	00	0.254	1.00	0.315
9	Himachal Pradesh	00	0.1244	1.25	0.254	00	0.4394
10	J&K	1.50	0.1498	0.06	1.6795	0.09	0.75
11	Jharkhand	00	0.1244	00	0.254	1.28	0.8594
12	Karnataka	2.00	0.2234	0.06	1.9595	0.06	0.135
13	Kerala	00	0.198	2.89	1.795	0.06	0.318
14	M.P.	2.00	0.198	0.06	1.794	0.06	0.318
15	Maharashtra	00	1.2234	2.25	0.6995	3.31	1.8606
16	Manipur	0.50	0.0508	0.16	0.1015	00	0.03
17	Meghalaya	0.50	0.0508	1.03	0.7315	0.28	0.03
18	Mizoram	1.25	0.1244	00	0.254	00	0.075
19	Nagaland	1.25	0.1244	0.03	0.884	0.85	0.075
20	Orissa	1.75	0.198	0.06	1.794	0.06	0.302
21	Punjab	00	0.01244	00	0.254	1.25	0.2594
22	Rajasthan	00	0.1498	0.06	1.6795	1.56	0.2398
23	Sikkim	00	0.0254	0.28	0.6935	0.03	0.03
24	Tamil Nadu	00	0.2234	0.06	1.9595	1.06	0.4784
25	Tripura	00	0.1244	2.31	0.254	00	0.075
26	U.P.	00	0.2234	1.73	1.9595	5.77	0.3584
27	Uttarakhand	00	0.1244	0.03	0.884	0.53	0.1994
28	West Bengal	1.75	0.2234	00	0.6995	00	0.3584
29	Andaman Nicobar	00	0.0254	0.25	0.0635	00	0.01
30	Chandigarh	00	0.0254	00	0.0635	00	0.01
31	Dadra & Nagar Haveli	00	0.00254	00	0.0635	00	0.01
32	Daman & Diu	00	0.0254	00	0.0635	00	0.01
33	Lakshadweep	00	0.0254	00	0.0635	00	0.01
34	Delhi	0.06	0.1498	0.06	1.6795	0.06	0.09

35	Puducherry	00	0.0508	00	0.1015	00	0.03
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*The expenditure shown in the equipment side for the States/ UTs is an approximate value, as the equipments were supplied centrally through DGS&D and Govt. of India mint by Govt. of India.

From the above statement it is seen that no expenditure on account of Grant-in-aid has been made (during 2011-12) in respect of States like, Chhattisgarh, Haryana, Himachal Pradesh, Jharkhand, Mizoram, Punjab and West Bengal as well as UTs such as Chandigarh, Dadra and Nagar Haveli, Daman & Diu, Lakshadweep and Puducherry.

4.5 Asked about the main activities undertaken in each of the two schemes viz. Strengthening of Regional Reference Standards and Indian Institute of Legal Metrology, Ranchi, the Department stated that the Regional Reference Standards Laboratories are situated at Faridabad, Ahmedabad, Bangalore, Bhubneswar and Guwahati. These Laboratories are involved in verification of Secondary Standards Weights, Capacity measures & Length measures of the State/UTs Government. During XIth Five year plan these laboratories were equipped by following equipments to make laboratories for calibration of the weights and measures at international levels:

- To improve the Weights & Measure Infrastructure of the RRSLs by giving high precision mass comparators, Reference Standards Weights, establishment of Flow meter testing, Force testing, Torque testing and Electro-magnetic test facilities so that the measurement capability of RRSLs becomes of international level.
- For the Indian Institute of Legal Metrology, Ranchi, Renovation of the building & hostels has been undertaken. The benefit is of providing better training infrastructure and better hostel facilities for the Legal Metrology Officers of State/UTs to make it a centre of excellence.

The Legal Metrology Officers of the RRSLs & IILM have been trained at the NPL, New Delhi & FCRI, Palakkad.

4.6 In reply to a query regarding the present status of the scheme for strengthening Strengthening Regional Reference Standards Laboratories (RRSLs) and Indian Institute of Legal Metrology [IILM], Ranchi, the Department stated as under:

- High precision mass comparators, Reference Standards Weights, establishment of Force testing, Torque testing and Electro-magnetic test facilities have been supplied and installed to all RRSLs through DGS&D & Govt of India mint.

- New testing facilities for flow meter are developed with the help of FCRI, Palakkad at RRSL, Ahmedabad & Bhubaneswar and at RRSL Bangalore & Faridabad the construction work by CPWD is in final stage.
- At IILM, Ranchi the renovation work of two hostels, Residential building, Office building, internal road, Boundary walls has been completed and other works are in progress.

4.7 Regarding under-utilization of funds, the Secretary stated that during evidence as below:

".....if we have to procure some machinery and equipment for our National Test House or for Legal Metrology Department, which later on is given to the State Governments, we have to depend on the Director-General of Supplies and Disposal. Similarly, for any construction purpose we have to depend on the Central Public Works Department where we have been experiencing problem. Even after 15th of March, they have surrendered money. They surrendered Rs. 2.39 crore which was earmarked for furnishing of National Commission building.they surrendered money in case of some of the laboratory buildings of our Regional Reference Standard Laboratory".

NATIONAL TEST HOUSE

4.8 Regarding National Test House, the Committee are informed that an amount of Rs.74.84 crore was allowed under the Plan Head in the 11th Five Year Plan Period (2007-08 to 2011-12) for implementation of twelve (12 nos) projects. All the projects were duly vetted and examined by National Physical Laboratory (NPL), New Delhi and recommended by Expenditure Finance Committee (EFC).

4.9 The objectives of the National Test House are as under:-

- 1) To strengthen NTH six regional laboratories situated at Kolkata, Mumbai, Chennai, Ghaziabad, Jaipur and Guwahati by creation of new test and calibration facilities and augmentation the scope of existing test and calibration facilities in the field of test, quality evaluation of industrial and consumer products and calibration of machinery and devices through procurement of new Machinery & Equipments.
- 2) To create Center of Excellences in the field test, quality evaluation for some specific and high demand industrial and consumer products.
- 3) To strive for increasing revenue earning substantially in order to attain self-sufficiency in respect of non-Plan expenditure.

- 4) Infrastructure development in order to create more Laboratory space for accommodating new and augmented test and calibration facilities in coming years in three NTH regions namely Chennai, Guwahati and Ghaziabad
- 5) Establishing a full fledged Training Center in the existing space at NTH, Alipore Complex, Kolkata for providing Training on Test, Quality Evaluation & Calibration Methodologies to Industrial professionals and Students from Engineering Colleges in order to create a pool of Test Technologists for quality evaluation of industrial and consumer products across the country.
- 6) Introduction of web based computer network management in three more regions namely Chennai, Ghaziabad & Mumbai similar to that of Kolkata created during the 11th Plan. This facility is meant for rapid delivery of NTH services to the customers and clients and also to provide on-line facilities to the customers to go through the status of their samples deposited at NTH.

4.10 The Committee observe that a Pilot Scheme was implemented during 2007-10 for strengthening of Weights and Measures Infrastructure of States/UTs wherein for better implementation of weight and measures laws to ensure better consumer protection, 41 Units of Mobile Kits for testing Weighbridges and 59 Sets of Secondary Standards Balances had been supplied to various States/UTs. Further, a new scheme with an outlay of Rs. 143.286 crore also has been approved in October 2009 to augment State's Legal Metrology Department infrastructure in holistic way. Under the scheme, 200 Metrological Officials of States/UTs have been trained at National Physical Laboratory (NPL), New Delhi, National Institute of Science and Technology (NIST), Orissa and Fluid Control Research Institute (FCRI), Kerala. The Committee hope that the performance and effecitveness of the 41 Mobile Kits for testing weighbridges and 59 sets of Secondary Standards balances supplied to various States/UTs under the pilot scheme might have been evaluated for replication in other parts of the country. While assuming that those 200 Metrological Officers of States/UTs who have been given training at various Institutes are being deployed at vantage positions, the Committee recommend that more Metrological Officers of the States/UTs should be given further training so as to build sufficient human resources reserve to be employed for strict implementation of the Weights and Measures Laws for the benefit of ignorant or illiterate mass consumers throughout the country. The Committee further recommend that the renovation work of IILM, Ranchi be expedited and completed without further delay so that the Institute becomes functional as a Centre of Excellence.

4.11 The Committee note that the BE, RE and AE have always been less than Rs. 1 crore continuously during the years 2009-10, 2010-11 & 2011-12 under the scheme "Regulation of Weights and Measures". However, the Department has been allocated BE of Rs. 4.62 crore for the year 2012-13 under the scheme. The Committee find that during the years 2010-11 and 2011-12, Grant-in-Aid had not been given to some States viz., Chhattisgarh, Haryana, Himachal Pradesh, Jharkhand, Mizoram, Punjab and West Bengal as well as UTs such as Chandigarh, Dadra & Nagar Haveli, Daman & Diu, Lakshweep and Puducherry for the scheme "Strengthening Weights and Measures infrastructure of States/UTs". The Committee would like to be apprised of the reasons therefore and also desire that Grant-in-aid be provided to the remaining States/UTs also for strengthening their Weights and Measures infrastructure for better protection of consumer interests. The Committee further note that the Department has been making efforts to give High Precision Mass Comparators, Reference Standards Weights, Flow Meter Testing, Force Testing, Torque Testing and Electro-magnetic Test Facilities to the RRSLs for better consumer protection. Considering that sufficient Budgetary Allocation has been made during the year 2012-13, the Committee desire that the Department should make all out efforts to make full utilization of the allocated funds and ensure that the Calibration of the Weights and Measures of the RRSLs are improved at international standards.

CHAPTER - V

PRICE MONITORING OF ESSENTIAL COMMODITIES.

The Price Monitoring Cell (PMC) of Department of Consumer Affairs has been monitoring retail and wholesale prices of essential commodities based on the information furnished by the State Food and Civil Supplies Department. During the year 2009-10, the prices of 17 essential commodities ,viz., rice, wheat, gram dal, arhar dal, moong dal, urad dal, masoor dal, tea, sugar, salt, potato, onion, vanaspati, groundnut oil, mustard oil, milk and atta were monitored by this Department. The retail prices on daily basis and wholesale prices on weekly basis were collected from 27 and 37 centres respectively across the country.

5.2 During 2010-11, the number of essential commodities monitored by this Department was increased from 17 to 21 with the addition of 4 essential commodities namely gur, soya oil, palm oil and sunflower oil respectively. During the year 2011-12 tomato has been included bringing the total number of essential commodities to 22. Further, the number of reporting centres were increased to 49 and wholesale prices on lines similar to the retail prices were also collected/monitored on a daily basis. Information on retail and wholesale prices are presently collected on daily basis from 49 centers of the country. The retail and wholesale prices of essential commodities are updated on a daily basis and are available in the web site of the Department of Consumer Affairs and can be accessed at (<http://fcamin.nic.in>).

5.3 In general, the Price Monitoring Cell studies the domestic market and international trends of major commodities from various sources and this information is incorporated in the Notes prepared for the High Level Meetings such as Committee of Secretaries (COS) and Cabinet Committee on Prices (CCP) held regularly to enable the Committees to arrive at considered policy decisions. The decisions taken in these meetings are implemented by the Ministry/Department concerned which are charged with the responsibility of the subject matter of the decision and Department of Consumer Affairs monitors the same.

5.4 Government has been taking effective steps to bridge the gap between demand and supply of essential commodities and contain inflation. Due to these Government measures,

over the last one year, there has not been any sharp increase in the prices of essential commodities. The retail prices of wheat, atta, pulses such as tur dal, urad dal, moong dal, masoor dal, sugar, vanaspati, salt and onion had witnessed steady to declining trends over the last one year in Delhi.

5.5 The details of retail prices of essential commodities in Delhi as on 14.03.2012 along with their variation over a period of one year is indicated in the Table below:

Commodity	(Rs.per kg)		Variation
	Prices as on 14/03/2012	Prices as on 14/03/2011	
Rice	24	23	1
Wheat	16	16	0
Atta (Wheat)	17	17	0
Gram Dal	49	39	10
Tur/Arhar Dal	70	73	-3
Urad Dal	67	73	-6
Moong Dal	69	72	-3
Masoor Dal	50	54	-4
Sugar	33	33	0
Milk @(Litre)	29	25	4
Groundnut Oil	136	128	8
Mustard Oil	93	78	15
Vanaspati	77	77	0
Soyaoil	88	79	9
Sunflower	101	93	8
PalmOil	NR	NR	NR
Gur	35	30	5
Tea Loose	165	150	15

Salt Pack I	14	14	0
Potato	10	9	1
Onion	15	15	0
Source: State Civil Supplies Department			

5.6 When asked about the role of Price Monitoring Cell (PMC) and the number of PMC proposed to be located in the country, the Ministry stated that as per the mandate given to the Department of Consumer Affairs, the Price Monitoring Cell is entrusted with inter-alia the task of monitoring of prices of select essential commodities and other matters related to price scenario. This monitoring is done in respect of both retail and wholesale prices on a daily basis and mandi prices on a weekly basis. The cell monitors the prices of 22 essential commodities namely rice, wheat, atta, gram, tur/arhar, moong, urad, masoor, tea, milk, sugar, gur, vanaspati, mustard oil, groundnut oil, soya oil, sunflower oil, palm oil, potato, onion, tomato and salt. These prices are collected in respect of 49 centres spread all over the country through the Civil Supplies Department of States/UT Governments. The PMC is also responsible for reporting these prices daily on the website and also forward them by mail to the concerned Departments/Ministries. The Cell analyses the collected data and prepares regular notes on the review of prices of essential commodities for the consideration of the COS, CCP, EGoM etc. The decisions and policy interventions suggested are then implemented by the concerned Departments/Ministries and follow-up action monitored by the PMC.

5.7 In the 12th Plan it is proposed to both improve the representativeness of the sample and also enhance the robustness of the data. To improve the representativeness, it is felt that we need to collect prices of milk, fish and eggs which have been showing not only a rising trend but also due to its weight in the index, contributing to an increase in the inflation rates. However given the different types of fish, it is not clear whether prices of this item can be collected and monitored. In addition to the existing 49 centres, it is proposed to add about 10 centres annually bringing the number of reporting centres to 100 by the end of the XII Plan . Priority will be given to unrepresented areas in the first instance. Thereafter centres will be added as required on a region-wise basis.

5.8 In response to a query in what ways the Department strengthens the Price monitoring Cell in the States, the Ministry stated as follows:-

1. Most of the States have been provided with Computers/funds to purchase computers for the Price Monitoring Cell (PMC)/concerned Section/ Department of the State Governments. This was done to strengthen the IT infrastructure in these offices to ensure timely reporting of the data.
2. Instruction manuals on Collection and Reporting of Prices issued to all the reporting centres. Any revision/amendment in these manuals is also brought to the notice of the States/UTs.
3. During the National Workshop on Prices held in July 2010, hands on training were given to the participants from the State Governments for On-line entry of data in the NIC Software developed for Price Reporting.
4. Officials of the PMC in Department of Consumer Affairs visited the states to interact with the State Officials and to check the methodology suggested and practices for price collection. The latest visit was in November 2011 to closely interact with the Departments of State Governments engaged in this task of reporting prices.
5. A Regional Workshop on Price Reporting was held in Guwahati in November 2011, in which representatives of all the North Eastern States participated. This workshop reviewed the price reporting mechanism of the NE Region and ways to improve it.
6. Feedback from reporting centres are taken from time to time to address the difficulties centres may be facing in the collection and reporting of data.

5.9 Regarding the difficulties face by the Department while collecting data and reporting of prices and the steps taken in this regard, the Department stated that at present the State Governments send the daily report of retail prices of essential commodities of their centre either through online entry, fax or email. At present, only 28 centres out of 49 centres namely, Delhi, Chandigarh, Shimla, Mandi, Amritsar, Lucknow, Kanpur, Varanasi, Agra, Raipur, Ahmedabad, Rajkot, Bhopal, Indore, Mumbai, Nagpur, Hyderabad, Vijaywada, Bangaluru, Dharwad, Thiruvananthapuram, Ernakulum, Chennai, Dindigul, Thiruchirapally, Bhubaneshwar, Cuttack and Sambalpur enter online entry of retail and wholesale prices. About 14 centers send the price data by fax and 5 centers by e-mail. The present challenges before the Department in the collection and reporting of prices include inter-alia:

- Lack of uniform mechanism for transmission of data
- Methodology of collection not necessarily the same across the reporting centres
- Authentication and validation of the data by the State Govt.
- Absence of a nodal officer in some States making it difficult for the PMC to seek information or prices reported where necessary.
- Improve efficiency of data collection and reporting.
- Inadequate studies to explain trends in prices of certain commodities like Chana etc.
- Research to understand the nature of demand for specific commodities, changes/shifts in demand and their impact on prices

5.10 A number of steps have been taken to improve data collection and monitoring in the States. The Department had asked all States to nominate a Nodal Officer with whom the Department could interact for information/clarification etc. Some States have appointed Nodal Officers and intimated the same. Centres have been added for instance in the States of Tamil Nadu (Dindigul), UP (Agra and Benares), Orissa (Cuttack for retail prices), MP (Indore for retail prices), Maharashtra (Nagpur for retail prices) etc. as the existing centres were inadequate in view of the size of the State. Centres reporting data irregularly like Bhagalpur in Bihar and Kota in Rajasthan have been reminded at the level of the Chief Secretaries of the States to report regularly. Chief Secretaries of some States have also been addressed to transmit data in time so that the daily report can be generated and hosted on the site by evening daily. Letters have also been addressed to States to improve their reporting of prices.

5.11 In respect of studies on demand and surveys to understand shift in consumption of products particularly pulses etc., PMC proposes to assign studies to technical organisations involved in such work and also hire professionals for giving support to the existing staff to undertake commodity analysis. The National Informatics Centre is also proposed to be strengthened by upgrading the server and system software and also engage the services of solution architect and developers to prepare data warehousing and facilitate more insightful presentation of data and its application.

5.12 In reply to a query, the Committee was informed that the mechanism followed by the Coordination Committee to monitor the price dissemination project is to hold regular meetings to review the progress made under the Project. During these meetings, problems, if any, faced by the implementing agencies are discussed and resolved so as to ensure timely achievement of the targets set up under the project. Because of this regular

monitoring the Commission has been able to install 1438 price ticker boards in 28 States/UTs till 31st March, 2012 under Price Dissemination Project.

5.13 When enquired whether any training programme/workshops has been conducted for the officers of PMC, the Committee has been informed that Price Monitoring Cell in the DCA organised the '1st National Workshop on Prices' in July 2010. This workshop was attended by the officials of the Price Reporting Cells of States/UTs. The main aim of this workshop was to have an interface between the officials of the State and the officers/staff of PMC to discuss the technicalities of price collection and reporting. A training session for online reporting of prices was organised during this workshop. Instruction manuals were distributed and these manuals are being updated on a regular basis.

5.14 PMC subscribes to the services of agencies such as Newswire18 and Agriwatch for getting latest inputs on national/international scenario of various commodities. Staff of PMC have also been trained on accessing data and reports from these websites. In-house training was provided to the PMC officials for better modes of presentation and other possible applications of data through MS Excel. Internal meetings to discuss the technicalities of price data and its manner of analysis by PMC officials/staff are also held.

5.15 During the month of November 2011, teams of PMC were sent to some states to review the existing methodology and practices of price collection in the reporting centres with a view to effect improvements that are necessary to make the data robust.

5.16 Asked when the last training programme/workshops was conducted for the officials of Price Monitoring Cell, the Department stated that the last National Workshop on Prices was held on 6.7.2010 in which training was provided to the officials of the State Price Monitoring Cells and the Officers of PMC regarding the online entry of price data by the NIC of Department of Consumer Affairs. Training was also imparted to the officers and staff of the PMC to access the Newswire price data which are useful in observing trends in the prices of commodities facilitating their detailed analysis. In 2011-12, the officials of the

State Price Monitoring Cells/Units were given a refresher training for online entry of price data in the centres of Bhatinda, Ludhiana, Amritsar, Shimla, Mandi and Guwahati.

5.17 In reply to another query about training for on-line entry of data in the NIC software developed for price reporting, the Department stated that the representatives from 20 State Governments, namely, Gujarat, Himachal Pradesh, Jammu and Kashmir, Tamil Nadu, West Bengal, Andhra Pradesh, Delhi, Maharashtra, Nagaland, Orissa, Punjab, Rajasthan, Karnataka, Madhya Pradesh, Bihar, Tripura, Mizoram, Uttar Pradesh, Haryana, Arunachal Pradesh had participated in the training for on-line entry of data in the NIC software developed for price reporting during the National Workshop on Prices held on 6.7.2010. For those states, which did not participate in the training, a user manual containing screenshots of various steps for data entry and report generation was prepared and sent to keep them on board.

5.18 The Committee note that the Department of Consumer Affairs monitors the prices of essential commodities through the Price Monitoring Cell (PMC). Earlier the retail prices were being monitored on daily basis from 27 collection centres and the wholesale prices are monitored on weekly basis from 37 collection centres across the country. The numbers of reporting centres both for retail as well as wholesale prices monitoring on daily basis have been increased to 49 centres during 2011-12. The number of essential commodities monitored was increased from 17 items to 22 items with the addition of 4 items and 1 item of essential commodities during the year 2010-11 and 2011-12 respectively. The PMC studies the domestic market and international trends of major commodities from various sources for consideration at the High Level Meetings such as Committee of Secretaries (COS) and Cabinet Committee on Prices (CCP) held regularly. Despite all these steps and efforts made by the Department, the Committee find that the prices of some of the essential commodities such as Gram Dal, Mustard Oil, Sunflower Oil, Tea etc. continue to grow as is evident from the table showing details of variation in retail prices of essential commodities in Delhi over a period of one year as on 14.03.2012. The Committee are of the view that increase in the number of collection centres and better analysis of the information so collected will go a long way in controlling the prices of essential commodities. The Committee, therefore, recommend that the Department should make efforts to set up more reporting centres across the country to improve data collection and also strengthen their monitoring mechanism so as to stabilize the prices of essential commodities.

5.19 The Committee note that out of 49 Centres, only 28 Centres enter online the entry of retail and wholesale prices. About 14 Centres send the price data by Fax and 5 Centres by E-mail. To overcome the challenges of uniformity in transmission data mechanism and methodology for collection of data from States, the Department is conducting training programmes/ workshops including online reporting of prices for the officers of PMC and Price Reporting Cells of States/UTs from time to time. The PMC subscribes the services of agencies such as Newswire 18 and Agriwatch for getting latest inputs on national/international scenario of various commodities. The staff of PMC has also been trained on accessing data and reports from these websites. Representatives from 20 State Governments have also been provided training for on-line entry of data in the NIC software developed for price reporting. While appreciating the Department for taking all such steps, the Committee desire that more training programmes for the officials of PMC and Price Reporting Cells of the States/UTs as well as workshops at National/State levels need to be organized/conducted frequently. The Committee further recommend that the existing methodology and practices of price collection in the Reporting Centres of States/UTs be reviewed at regular intervals with a view to effect improvements.

CHAPTER - VI

BUREAU OF INDIAN STANDARDS (BIS)

The Bureau of Indian Standards, the National Standards Body of India became functional as a statutory body under the Bureau of Indian Standards Act, 1986 with effect from 1 April 1987 taking over staff, assets and liabilities of Indian Standards Institution established in 1947 which is successfully promoting and nurturing the standardization movement in the country. BIS is formulating need-based Indian Standards in line with the national priorities as a time bound programme and has decided to harmonize national standards with international standards in order to facilitate adoption of international standards by all segments of business and industry, wherever feasible. BIS derives its income mainly from certification, training activities and sale of Indian Standards. The Certification Scheme is basically voluntary in nature but for a number of items affecting health and safety of the consumer and those of mass consumption, it has been made mandatory by the Government through various statutory measures. Besides this, BIS is operating number of certification schemes which encompasses Quality Management (IS/ISO9001); Environmental Management (IS/ISO 14001); Occupational Health and Safety Management (ISO 18001),etc.

6.2 BIS with its Headquarters at new Delhi has a network of five regional offices, 33 branch offices, 5 inspection offices and 8 laboratories which act as effective link between BIS, government, industry and consumers. Bureau has made a steady progress in various fields of its key activities, namely Standards formulation, product and system certification schemes.

6.3 In reply to a query regarding the basic parameters of setting and specifying Indian Standards of products by BIS, the Committee was informed that the basic parameters of setting and specifying Indian standards are as under:

1 Proposal for Standard

Any Ministry of the Central Government, State Governments, Union Territory Administrations, consumer organizations, industrial units, industry-associations, professional bodies, members of the Bureau and members of its technical

committees may submit proposals to the Bureau for establishing a standard by making such request in writing.

2. Establishing the need for the Standard

The work of formulation of standard on any specific subject is undertaken when the Division Council concerned is satisfied as a result of its own deliberations or on investigation and consultation with concerned interests that the necessity for standardization has been established. The members of the division council include concerned officers of the Bureau and representatives of various interests such as consumers, regulatory and other Government bodies, industry, scientists, technologists and testing organizations. When request for establishing a standard for any specific subject has not been accepted after its due consideration, the proposer is informed of the decision.

3. Assignment of task to Technical committee

When the subject has been investigated and the need established, the Division Council concerned assigns the task of formulating the standard to an appropriate Sectional Committee or appoints a new Sectional Committee for the purpose. The members of the Sectional Committee include concerned officers of the Bureau and representatives of various interests such as consumers, regulatory and other Government bodies, industry, scientists, technologists and testing organizations and may also include consultants.

4. Circulation of draft standard for eliciting comments

A draft standard prepared and duly approved by the Sectional Committee is issued in draft form and widely circulated for a period of not less than one month amongst the various interests concerned for critical review and suggestions for improvement. The wide circulation may be waived if so decided by the Sectional Committee where the matter is urgent or non-controversial.

5. Finalization of draft standard

The appropriate Technical Committee thereafter finalizes the draft standard giving due consideration to the comments that may be received. The draft standard

after it has been approved by the Sectional Committee or its Chairman is then submitted to the Chairman of the Division Council concerned for adoption on its behalf.

6.4 With regard to Consumer Education & Training, (HRD)/Capacity Building by BIS, the Ministry are taking steps to achieve the following objectives:

- (i) To involve consumer of all sections and educate them on their rights in order to spread the consumer movement further.
- (ii) To disseminate the know how about use of the Standard and to promote quality culture in the country.
- (iii) To impart training to consumers in areas which affect their health and safety.
- (iv) To impart training to service providers of Central and State/UT governments and public sector undertakings to improve their services which will in turn improve consumer satisfaction.
- (v) Promotion of Conformity Assessment mechanism and their deliverables

The Scheme is proposed to be implemented through the Indian Institute of Public Administration (IIPA) and National Institute of Training on Standardization (NITS), a unit of BIS. The overall responsibility for implementation of the Scheme is with BIS.

GOLD HALLMARKING SCHEME

6.5 In a written note furnished to the Committee, the Ministry stated that:-

1. The Scheme on Hallmarking of Gold Jewellery was launched by BIS in April 2000 to provide third party assurance to consumers on the purity of gold jewellery or its fineness. Under the scheme a jeweler has to obtain Hallmark licence from BIS to get his jewellery hallmarked. Hallmarking Centres where the purity of jewellery is assessed are recognized by BIS after ensuring that the Centres have required infrastructure for Assaying and Hallmarking of gold jewellery in addition to security and safety of the same.

2. The Scheme for setting up of Gold Hallmarking & Assaying Centres with central assistance was introduced with a view to provide incentive to entrepreneurs for creation of adequate infrastructure facilities in different parts of the country, particularly in remote and backward areas, in view of Government's intention to bring gold jewellery under compulsory certification in a phased manner. Under the scheme, financial incentive of 15% of the cost of machinery and equipment required for setting up of the Centres, subject to a maximum of Rs.15 lakhs (30% of cost of machinery and equipment subject to maximum of Rs.30 lakhs in North-Eastern Region and special category states of Himachal Pradesh, Jammu & Kashmir and Uttarakhand) is extended. Subject to availability of applicants, priority is given for setting up of the Centres in locations where such Centres do not exist. Assistance under the Scheme is released directly to the beneficiaries and not through States/UT Governments.

3. In order to speed up the work of setting up of more A&H Centres throughout the country in view of Govt.'s commitment to introduce mandatory hallmarking of gold jewellery articles, the following modifications in the existing Scheme have been made recently:

(a) Rate of financial assistance under the Scheme has been increased as under:

Area	Existing Rate	Revised rate	
		Private	PSU
Normal	15%	30%	50%
NE/Special category states/Rural Areas	30%	50%	75%

4. It was proposed to bring hallmarking of gold jewellery under mandatory certification w.e.f 1st January, 2008 in a phased manner – in the four metro cities of Delhi, Mumbai, Kolkata and Chennai in the first phase and in the rest of the country later, based on the experience gained in the four metros. The Scheme however could not be introduced so far for want of an enabling legislative framework for its implementation under the Bureau of Indian Standards Act. Cabinet in its meeting held on 4th January, 2012 has approved the proposal for amendment of Bureau of Indian Standards, Act, 1986 and introduction of the BIS (Amendment) Bill, 2011 in Parliament. Further action in the matter is being taken in consultation with Ministry of Law & Justice.

5. As on 29th February, 2012, a total of 9352 Jewellers have been certified by BIS for hallmarked gold jewellery and 558 jewellers for hallmarked silver jewellery/artifacts. 181 Assaying and Hallmarking Centres have been recognized by BIS for certifying gold jewellery articles. The quantity of Gold jewellery hallmarked has grown to over 1244 lakh articles (upto 31st January, 2012)..

6.6 In reply to a query regarding number of hallmarking centres set up in the States/UTs, the Department stated that at present 186 Hallmarking Centres in the country recognized by the Government, out of which 147 Hallmarking Centres are set up without Central Assistance and only 39 Hallmarking Centres are set up with Central Assistance.

6.7 When asked the reasons for not setting up hallmarking/assaying centers in rest of the States/UTs, the Department stated that BIS has no control on the locations where Assaying & Hallmarking Centres are set up. Setting up of A&H Centres is a market driven activity, where promoters are private entrepreneurs, and they choose the location of their business considering the demand for hallmarking.

6.8 The Committee pointed out that the BIS Act is being amended to bring Hallmarking of Gold Jewellery under mandatory certification and enquired as to what are the major amendments proposed in the BIS Act, the Ministry stated that the major Amendments proposed to BIS Act, 1986 in relation to Mandatory Hallmarking is as follows:

(i) A new section 14 A is proposed to be introduced in the Act to facilitate compulsory hallmarking of gold jewellery which reads as follows:

' Where the central government, after consulting the Bureau, is of the opinion that it is necessary or expedient in the Public interest so to do, it may, by order publish in the official gazette, make it compulsory for such jewellers of such precious metal articles in such geographical areas and having such minimum turnover as may be specified by regulations to use Hallmark under a licence and that such articles shall conform to the Indian Standard'.

(ii) The Cabinet in its meeting held on 4th January, 2012 has approved the proposal of this Department to amend the Bureau of Indian Standards Act, 1986 and to introduce the BIS (Amendment) Bill, 2011 in Parliament. Further action for introduction of the BIS (Amendment) Bill in Parliament is being taken up in consultation with the Ministry of Law & Justice and the Bill in this regard is likely to be introduced in Parliament during the ongoing Budget Session-2012.

6.9 In reply to query, the Committee have been further informed that the salient features of the amendment bill are as under:

- At present, because of the reference to “Scheduled Industry” – as per the Industries (Development and Regulation) Act, 1951” in Section 14 of the Act, mandatory certification cannot be done for many products / processes like helmets, toys, etc. It is proposed to delete this reference so that the Government can make mandatory standards for any product/process.
- Introduction of a Registration Scheme, (Self Declaration Of Conformity) is being explicitly provided for in the Act as an alternative mechanism to the compulsory certification regime. This Registration scheme will provide simpler alternative to certification under Section 14 of the Act.
- Hallmarking of precious metal articles is presently being done as a voluntary scheme. The Act is being amended to enable it to be made mandatory in phases.
- The BIS is being authorized to recognize, with the prior approval of the Central Government, the mark of any international body or institution in relation to any article or process at par with the standard mark for such article or process. This will enable better trade agreements with countries. It will also enable India to implement international conventions like the Vienna Convention which requires member countries to recognize the international mark.
- The punishment for violation of the BIS Act is being enhanced from six months to one year imprisonment and the maximum fine is proposed to be increased from Rs.50,000 to Rs. 5 lakhs and with a minimum of Rs. 2 lakhs (at present there is no minimum fine.).
- Provision is also being made to allow BIS to compound offences since it is seen that in many cases which are filed before the Courts, there are considerable delays and lack of a quick punishment weakens the efforts of BIS to implement the provisions of the Act.

6.10 Asked about the level of consumer awareness regarding the benefits of hallmarking of jewellery, the representative of the BIS stated during evidence as below:-

".....In the year 2010, 481 TV slots were telecast in 30 leading channels of the country including the regional channels. In the last financial year, 2011-12, 475 slots were telecast. From 1st April to 16th April, they were telecast in 30 leading channels. Apart from that, we celebrated five Awareness Weeks on Hallmarking in different regions of the country..."

Regarding the amount of financial assistance given by the Centre for setting up Hallmarking Centres, the representative stated as below:

"A special category has also been created, that is, Public Sector Undertakings. If they set up a centre in a normal area, we give 50 per cent straightaway to the PSUs, but if they set up a centre in North-East, the special category States, it is 75 percent of the cost. Now, one PSU is setting up one such centre in Assam. After the enhancement of the subsidy in Government Schemes, we received 42 applications, out of which 14 application have already been granted recognition".

6.11 As regards Human Resource Development/ Capacity Building in Educational Institutions is concerned, the Ministry stated that the main objectives of the Scheme is to promote a responsible and responsive consumer movement in the country in line with the best practices in the developed countries and to alert the consumers and make them aware of the quality of products and services they are looking for. It is proposed to provide adequate trained manpower in the field of Standardization through introduction of appropriate curriculum on standards and standardization process in the curriculum of selected Universities/technical institutions of repute in different parts of the country. To start with, efforts are being made to frame curriculum on standardization in five Sectors i.e. Agriculture, Civil Engineering, Mechanical Engineering, Information Technology and Home Science. Once the curriculum is finalized in consultation with the selected universities/technical institutions and the experts nominated by the AICTE, UGC, etc, it will be introduced in the identified universities and technical institutions.

6.12 The Scheme was approved on 27th March, 2008 with an outlay of Rs.7.00 crores. 21 Institutions/Universities have been short-listed for introduction of the curriculum. Evolution of curriculum is in progress in consultation with the identified Universities/Institutes.

6.13 The Committee note that 181 Assaying and Hallmarking Centres have been recognized by BIS for certifying gold jewellery articles. As on 29th February, 2012, a total of 9352 Jewellers have been certified by BIS for hallmarked gold jewellery and 558 jewellers for hallmarked silver jewellery/artifacts. The Committee are surprised to note that in another reply to a query, the Department has stated that there are 186 Assaying and Hallmarking Centres in the country recognized by the Government. Out of these, only 39 Hallmarking Centres are set up with the Central Assistance and the larger numbers of 147 Hallmarking Centres are set up without any Central Assistance. It is clearly evident from this fact that either the present quantum of financial assistance given by the Central Government for setting up Hallmarking Centres is insufficient to attract the prospective entrepreneurs or the formalities for availing the same is too complex, if not both. It is also stated that after enhancement of the subsidy in Government Scheme, the Department have received 42 applications, out of which 14 applications have been granted recognition by the Department. The Committee hope that the Department would consider the remaining applications also for granting recognition at the earliest and facilitate the one PSU who has proposed to set up a Hallmarking Centre in Assam. The Committee further recommends that the Department should review the formalities of the Government Scheme to make it as simple as possible and also to suitably increase the amount of financial assistance given under the Hallmarking Scheme so as to attract entrepreneurs to come forward and set up Hallmarking Centres not only in Metropolitan Cities but also in hilly and remote rural areas throughout the country.

6.14 The Committee note that to bring Hallmarking of Gold Jewellery mandatory in the country, the Cabinet has approved the proposal for amendment of the BIS Act on 4th January, 2012. It is stated that the salient features of the proposed amendment of the Act include, among others, empowering the Government to make mandatory standards for any product/process, making hallmarking of precious metal articles mandatory in phases from the present voluntary scheme, enable India to implement international conventions like the Vienna Convention which requires member countries to recognize the international mark, increase punishment from Rs. 50,000 to Rs. 5 lakh and with a minimum of Rs. 2 lakh (at present there is no minimum fine), to allow BIS to compound offences etc. The Committee are of the view that all these proposal are necessary to make Hallmarking of Gold Jewellery mandatory in the country with a view to ensure better protection of the interest of consumers. The Committee are aware that the purity and quality of Gold Jewellery is not always commensurate with the value of money paid by the customers, as the gold jewellery are not hallmarked by BIS authorized hallmarking Centres. The Committee are of the view that displaying the rate of gold applicable for the day (whether the previous working day's closing or opening rate/the current market rate on the day of buying) which the jewellery shops should charge from the buyers as well as hallmarking rates being charged per ornament by BIS would go a long way in protecting the interests of the consumers. The Committee, therefore, recommend that the Department should issue instructions to all the jewellery shops in the country to mandatorily display the gold rate as well as the rates being charge per ornament by the BIS for hallmarking the gold jewellery so that the consumers are made aware of the price of gold to be paid by them. This will encourage people to buy more and more BIS hallmarked jewellery. The Committee further desire that the Department should expedite completion of the formalities and introduce the Bill to amend the BIS Act in Parliament during the current Budget Session.

6.15 The Committee note that the Bureau of Indian Standards (BIS) is making efforts to build Human Resource Development/Capacity Building in Education Institutions to promote a responsible and responsive consumer movement in the country in line with the best practices in the developed countries. In this regard, efforts are being made to frame curriculum on standardization in five Sectors i.e. Agriculture, Civil Engineering, Mechanical Engineering, Information Technology and Home Science. It is stated that once the curriculum is finalized in consultation with the selected universities/technical institutions and the experts nominated by the AICTE, UGC, etc, it will be introduced in the identified 21 institution/universities and technical institutions. The Committee are surprised to learn that evolution of curriculum is still in progress in consultation with the identified Universities/Institutes though the scheme was approved way back on 27th March, 2008 with an outlay of Rs 7.00 crores. The Committee, therefore, strongly recommend that the Department should look into the matter and expedite finalization of the scheme on top priority for being implemented from the next academic session.

CHAPTER - VII

HOARDING AND BLACK-MARKETING OF ESSENTIAL COMMODITIES.

Hoarding and Black-marketing of Essential Commodities being one of the reasons for rise in prices of Essential Commodities, the Committee wanted to know the infrastructure available at National, State and District level for preventing the traders from hoarding and black-marketing of essential commodities. In response, the Department stated that the enforcement of the Essential Commodities Act, 1955 lies with the State Governments/ Union Territories. The State Governments/UT Administrations have been delegated powers to take necessary action under the provisions of both “The Essential Commodities Act, 1955” and “The Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980”, to prevent hoarding and blackmarketing of essential commodities. The State Governments/UT Administrations have been repeatedly requested to strictly enforce both the Acts and also monitor enforcement of these Acts.

7.2 There is a standing order issued to all the State Governments and UT Administrations to submit monthly reports to the Central Government (Department of Consumer Affairs) indicating the action taken under the provisions of the Essential Commodities Act, 1955 as also the Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980. The defaulting State Governments/UT Administrations are reminded periodically.

7.3 In accordance with the provision under Sub Section 4 of the Section 3 of the Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980, every detention order has to be reported by the State Government concerned to the Central Government, together with ground on which the order has been made and such other particulars as, in the opinion of the State Govt., have a bearing on the necessity for the detention order, within 7 days from the date of approval given by the State Govt. to such detention order. Based on these provisions, the State Governments which are passing detention order, are reporting the facts together with the grounds of detention as well as other connected particulars to the Central Govt. (Deptt. of Consumer Affairs) within the stipulated period of 7 days.

7.4 Asked to state how the Central and State Governments coordinate in dealing with matters relating to hoarding and black-marketing of essential commodities, the Ministry stated, inter-alia, that because of the regular interaction of the Central Government with the State Governments, the State Governments had taken necessary measures under both “Essential Commodities Act, 1955” and the “Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980” to prevent unethical trade practices like hoarding and black-marketing of essential commodities. As per reports received from the State Governments/UT Administrations, the details of the raids conducted, value of goods confiscated and persons booked for violation of rules under the Essential Commodities Act, 1955, during the year 2009, 2010 and 2011 are as under:

YEAR	No. of raids	No. of Persons arrested	No. of Persons prosecuted	No. of Persons convicted	Value of goods confiscated (Rs. in Lakhs)
2009	209413	9012	5131	127	18805.29
2010	204783	10906	4539	161	10500.741
2011	180785	4498	4486	30	7164.8068

7.5 The details of detention orders issued under the said Act and reported to the Central Government by the State Governments year-wise and state-wise during 2009, 2010 and 2011 are given as under:

Name of the State	2009	2010	2011
Gujarat	31	79	67
Tamil Nadu	112	120	198
Orissa	02	02	-
Maharashtra	02	02	05
Andhra Pradesh	-	01	-
Chhattisgarh	-	01	-
Total	147	205	270

7.6 Asked about the steps taken by the Government to check hoarding and black-marketing of Essential Commodities, the Department stated that, in order to check hoarding and black-marketing of essential commodities the Government of India has taken the following steps:-

1. It is felt that the State Govts have a major role in checking prices of essential commodities by curbing malpractices, profiteering and hoarding through a set of administrative and regulatory measures. Hon'ble Minister advised all CMs vide his letters dated 23.09.2009 and 21.12.2009 to curb malpractices, to check prices of essential commodities, put in place (and strengthen) an appropriate mechanism for regular and intensive monitoring of prices to detect short term fluctuations and take prompt corrective action to maintain adequate supplies at affordable prices for consumers through direct market intervention. Besides he urged States to provide subsidized supply of pulses through PDS and popularize yellow peas dal through awareness campaigns and strictly enforce the Essential Commodities Act 1955 and Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act 1980 and take stringent action against hoarders/blackmarketeers.

2. Four Video Conferences have been held with Food Secretaries of all States/UTs from 06.11.2009 onwards urging them to take action against unscrupulous elements to curb malpractices.

3. A Conference of CMs was held on 06.02.2010, which was presided over by the Prime Minister to consider measures to insulate the poor and vulnerable from adverse price movements. As a follow up, a Core Group of some CMs and concerned Central Ministers met under the Chairmanship of Hon'ble Prime Minister on 08.04.2010 and recommended inter alia setting up of a Working Group on Consumer Affairs (under the Chairmanship of CM Gujarat with CMs of Andhra Pradesh, Tamil Nadu and Maharashtra as its Members) to suggest strategies plan of action for reducing the gap between farmgate and retail prices and recommend measures for amendment and better implementation of the Essential Commodities Act, 1955. These include the improvement of distributional efficiency, reducing intermediation costs, promoting State intervention for retailing essential commodities at reasonable prices and enforcement of Statutory provisions with a view to meeting both short and long term goals. The Working Group on Consumer Affairs has submitted its report to Hon'ble Prime Minister on 02.03.2011.

4. In January, 2011 Video Conferences were held by Cabinet Secretary/Secretary with Chief Secretaries of all States/UTs reiterating the need for enforcement of the provisions of EC Act and PBM Act to curb malpractices and provide adequate supplies of essential commodities at affordable prices and if required use State intervention and facilitate alternate arrangements for augmenting supplies of essential commodities.

5. Hon'ble Minister(I/C), (Consumer Affairs, Food & Public Distribution) has also written to Chief Ministers of all States/UTs on this issue vide letter dated 04.02.2011.

6. Hon'ble Minister (I/C), (CAF&PD) has convened a meeting of the Ministers of Food/PD/ Consumer Affairs of South Zone on 03.02.2011 at Thiruvananthapuram (Kerala), for North Zone (on 07.02.2011 at New Delhi), East Zone (on 14.02.2011 at Kolkatta) and West Zone (on 17.02.2011 at Mumbai) inter-alia, to control rise in prices and ensure adequate availability of essential commodities at affordable prices for consumers.

7. To enable the State Governments/UT Administrations to take effective action for undertaking de-hoarding operations under the Essential Commodities Act, 1955, it was decided to enable State Governments to impose stockholding limits by keeping in abeyance some provisions of the Central Order dated 15.02.2002 in respect of pulses, edible oils, edible oilseeds, rice and paddy. At present stock limits are permitted for pulses, edible oils and edible oilseeds for a period upto 30.09.2012 and in respect of rice and paddy upto 30.11.2012 for the 7 States/UTs i.e. Andhra Pradesh, NCT of Delhi, Manipur, Maharashtra, Tamil Nadu, Jharkhand and Andaman & Nicobar Islands who had sent their request specifically opting for continuation of stock limits in respect of Paddy and Rice.

7.7 Asked about the implementation of Prevention of Black Marketing and the Maintenance of Supply of Essential Commodities in the country, the Secretary, Consumer Affairs stated during evidence as below:-

"...If a person is indulging in activities of obstructing regular supply of essential commodities, he can be preventively detained. As has been very rightly mentioned in the comments received from the Committee, only three or four States are using that. We have been writing to them. At my own level I have written to the Chief Secretaries many a time. Our Minister has written to the Ministers concerned, saying that this is a provision of the Act and it should be used whenever there is a person who is indulging in either black marketing or obstructing the supplies of essential commodities...

In case of Essential Commodities Act, most of the States have been following it. At present, stock restriction is available only for pulses, edible oils and oilseeds and for seven States as far as rice and paddy is concerned. For other essential commodities we do not have any requirement for stock limit"

7.8 The Committee wanted to know whether there is any proposal to amend the Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980 keeping in view the fact that some of the State Governments were of the opinion that the Act was draconian and hence not using it or using it sparingly. In response, the Ministry stated that the Department of Consumer Affairs does not have any proposal to bring in any amendment to the PBMMSEC Act, 1980 at this stage as it is felt that the available provisions are adequate, if properly implemented, to achieve the desired objectives.

7.9 The Committee note that the State Governments/UT Administrations have been delegated the powers to prevent hoarding and black-marketing of essential commodities under the provisions of the Essential Commodities Act, 1955 and the Prevention of Black-marketing and Maintenance of Essential Commodities Act, 1980. The Committee are surprised to note that despite the standing orders issued by the Government to all States Governments/UT Administration to submit monthly reports indicating action taken under the provisions of both the Acts. within 7 days of the date approval of detention orders by the State Governments, only 6 States viz. Gujarat, Tamil Nadu, Orissa, Maharashtra, Andhra Pradesh and Chhattisgarh have furnished the information regarding detention orders issued by them during the years 2009, 2010 and 2011 and the remaining States/UTs have not furnished any such information. The Committee are neither apprised of the reasons why the remaining States/UTs have not furnished the requisite information nor any action taken against the defaulting States/UTs. The Committee, therefore, strongly recommend that the Department of Consumer Affairs should monitor the enforcement of these Acts by the State Governments/UT Administration even more stringently and also make every effort to convince and persuade the remaining States/UTs to strictly enforce the two Acts and also to furnish the requisite information regularly.

7.10 The Committee note that the number of raids conducted, numbers of persons arrested, prosecuted and convicted as well as the value of goods confiscated during the years 2009, 2010 and 2011 are very negligible given the large population and size of the country. The Committee observe that the number of Persons convicted was only 127 against 5131 persons prosecuted in the year 2009, 161 against 4539 persons prosecuted during the year 2010 and only 30 against 4486 persons prosecuted in the year 2011 which only reflects the non-serious approach by the State Governments/UT Administrations with regard to proper enforcement of the provisions of Essential Commodities Act, 1955 and the Prevention of Black-marketing and Maintenance of Essential Commodities Act, 1980. The Committee are not satisfied with the performance of the States/UTs. The Committee, therefore, recommend that the Department of Consumer Affairs should impress upon all the State Governments/UT Administrations to enforce the provisions of these two Acts more vigorously and also conduct raids more frequently in order to not only curb malpractices, profiteering and hoarding but also to check and prevent rise in prices of essential commodities due to artificial scarcity of goods created by traders through hoarding and black-marketing of essential commodities.

7.11 The Committee note that in order to check hoarding and black-marketing of essential commodities, the Government has taken several steps such as writing letters by Hon'ble Union Minister to all Chief Ministers of States/UTs, Meeting of Hon'ble Union Minister with Ministers of Food/PD/Consumer Affairs of States/UTs, Conference of Chief Ministers, Video Conference by Cabinet Secretary/Secretary with Chief Secretaries/Food Secretaries of all States/UTs, imposing of stock holding limits in respect of certain essential commodities. While appreciating all these steps taken by the Government, the Committee, however, cannot but point out that much more needs to be done in order to check hoarding and black-marketing of essential commodities by the States/UTs as there are reports of rampant malpractices and corruption in different parts of the country. The Committee, therefore, recommend that the Department should take up the matter with all such State Governments/UT Administrations to identify their problems in implementation of the provisions of the PBMMSEC Act and convince them to properly enforce the EC Act and PBMMSEC Act in order to curb malpractices, corruption, profiteering and hoarding of essential commodities by the traders.

CHAPTER - VIII

FORWARD MARKETS COMMISSION.

Forward Markets Commission is a statutory body set up under Forward Contracts (Regulation) Act, 1952. The Commission functions under the administrative control of the Ministry of Consumer Affairs, Food & Public Distribution, Department of Consumer Affairs, Government of India.

The Commission has the following functions:-

- (i) to advise the Central Government in respect of recognition or withdrawal of recognition of any association and other matters arising out of the administration of the Act;
- (ii) to keep forward markets under observation and take appropriate action in relation to them;
- (iii) to collect and publish information regarding trading conditions in respect of goods to which any of the provisions of the Act is made applicable including information regarding supply, demand and prices and to submit to Central Government periodical reports on the operation of this Act and on the working of the forward markets relating to such goods;
- (iv) to make recommendations to improve the organisation and working of forward markets;
- (v) to undertake inspection of the accounts of recognised associations and/or any members thereof;
- (vi) to perform other duties prescribed by the Central Government.

8.2 The Commission thus is a statutory authority entrusted with regulatory functions under the Act. The Commission consists of a Chairman and two members. It has its headquarters at Mumbai and a Regional Office at Kolkata. Forward Markets Commission has 5 Divisions to carry out various tasks. Each Division is headed by a Director, assisted by Deputy Directors, Assistant Directors, Economic Officers and Junior Research Assistants. These Divisions are:

- i) Markets, Trading and Development (Market Division)
- ii) Market Intelligence, Monitoring & Surveillance (M & S Division)

- iii) Awareness, Training and Intermediary Registration and IT (IR Division)
- iv) Investigation, Vigilance and Legal Affairs Division (Legal Affairs Division)
- v) Commission Secretariat including HR, Administration and Finance, Grievances (Administration Division)

8.3 The Ministry stated that in a free market economy, futures trading perform two important economic functions, viz., price discovery and price risk management. Such trading in commodities is useful to all sectors of the economy. The forward prices give advance signals of an imbalance between demand and supply. This helps the government and the private sector to make plans and arrangements in a shortage situation for timely imports, instead of having to rush in for such imports in a crisis-like situation when the prices are already high. This ensures availability of adequate supplies and averts spurt in prices. Similarly, in a situation of a bumper crop, the early price signals emitted by futures market help the importers to defer or stagger their imports and exporters to plan exports, which protect the producers against unremunerative prices. At the same time, it enables the importers to hedge their position against commitments made for import and exporters to hedge their export commitments. As a result, the export competitiveness of the country improves.

8.4 Futures trading can be organised in those commodities / markets which display some special features. The concerned commodity should satisfy certain criteria as listed below:

- a) the commodity should be homogenous in nature, i.e., the concerned commodity should be capable of being classified into well identifiable varieties and the price of each variety should have some parity with the price of the other varieties;
- b) the commodity must be capable of being standardized into identifiable grades;
- c) supply and demand for the commodity should be large and there should be a large number of suppliers as well as consumers;
- d) the commodity should flow naturally to the market without restraints either of government or of private agencies;

- e) there should be some degree of uncertainty either regarding the supply or the consumption or regarding both supply and consumption,
- f) the commodity should be capable of storage over a reasonable period of time of, say, a few months or more.

8.5 It is stated that the Government/Commission has taken the following Major Initiatives:-

- (i) Prohibition on futures trading lifted in all the commodities on 1st April 2003.
- (ii) Five multi-Commodity electronic Exchanges, i.e., National Multi Commodity Exchange, Ahmedabad (10.1.2003), Multi Commodity Exchange, Mumbai (26.9.2003), National Commodity and Derivative Exchange, Mumbai (20.11.2003), Indian Commodity Exchange, Mumbai (9.10.2009) and ACE Derivatives & Commodity Exchange Limited (ACE) as a Nationwide Multi Commodity Exchange were granted recognition as 'National' Exchanges. These Exchanges can offer futures contracts in all the commodities subject to the approval of the Commission. Besides these, there are 16 other regional Exchanges recognized for futures trading in specific commodities.
- (iii) After a ban of more than four decades, futures trading in gold and silver for the first time commenced at National Multi Commodity Exchange, Ahmedabad on 3.10.2003. Multi Commodity Exchange, Mumbai and National Commodity and Derivative Exchange, Mumbai also launched futures trading in gold and silver on 10.11.2003 and 15.12.2003 respectively.
- (iv) Improvement of Regulatory Framework and Re-structuring of Forward Markets Commission.

8.6 The F.C(R) Act enacted in 1952 did not meet the regulatory needs of a modern electronic market. Hence, the regulatory framework needed to be overhauled to bring it on par with those of similar regulators like SEBI, etc. and also to restructure and strengthen the Forward Markets Commission to meet the regulatory challenges. Hence, the FC (R) Act Amendment Bill 2010 was presented to the Parliament on 6th December, 2010. The Bill was referred to the Parliamentary standing Committee on Food, Consumer Affairs and Public Distribution. The Hon'ble Parliamentary Standing Committee has submitted its report along with its recommendations on each clause proposed in the FCRA Bill to the Government.

8.7 The Ministry has stated that the FMC has taken the following Regulatory Initiatives during the year 2011-12:-

- (i) To ensure more effective inspection of members of the Exchanges on regular basis and in a comprehensive manner covering all aspects of regulatory regime, FMC has brought out a Guidance Manual for Audit of Members of Commodity Futures Exchanges. The Guidance Manual would not only improve the quality of Audit inspection of the members of the Commodity Exchanges and improve compliance of the regulatory regime, but would also be helpful to the professionals as well as to the members of the Exchanges.
- (ii) In order to enhance the market integrity and to prevent market manipulations, the Commission has prescribed revised penalty structure for Client Code Modification vide circular dated 28th September, 2011 and for executing trade without uploading the Unique Client Code (UCC) details on the Exchange platform vide circular dated 4th October, 2011.
- (iii) Common KYC format has been finalized by the Commission which will be implemented from 1st April 2012, thus ensuring that Clients would not need to go through multiple KYC forms to trade in more than one commodity Exchange.
- (iv) To increase the extent of hedgers' participation in the commodity futures market, FMC granted short hedge exemptions for soyabean/ oil futures to various stakeholders.
- (v) Guidelines related to Investor Protection Fund were issued to the National Exchanges on 28th September, 2011 for safeguarding the interest of the investors. This Fund would, inter alia, compensate retail clients who have been affected by members' default.
- (vi) In order to provide safeguards for the funds of clients lying with members trading on spot as well as futures exchanges and for effective risk management, the Commission issued directives for segregation of client accounts including separate capital adequacy, net worth requirements, separate ledgers and contract notes for trades conducted on spot and futures Exchanges.
- (vii) The Commission issued a circular dated 19th April 2011 wherein instructions were issued to regarding delivery of contract notes and monthly statement of transactions to the clients. The procedure for issuing 'Electronic Contract Note' (ECN) was also mentioned in case any client needs or prefers ECN. This measure has improved client protection by providing timely information regarding their trades and accounts.

- (viii) The Commission issued Guidelines on Pre-funded Instruments (Pay Orders and Demand Drafts)/Electronic Fund Transfer on 27th September, 2011 to curb the irregularities associated with mis-use of such instruments.
- (ix) As the Designated Agency of the Government of India, the Forward Markets Commission finalized the data reporting formats for the Spot Exchanges to be reported on Weekly, Fortnightly and Quarterly basis to the Commission.
- (x) To fill the regulatory vacuum inter-alia in respect of governance of Spot Exchanges, customer protection and risk management and settlement systems followed by the Spot Exchanges, including the capital adequacy etc. the Forward Markets Commission prepared a draft of the Commodity Spot Exchange (Regulation) Act and forwarded to the Ministry for consideration, for regulation of these markets.

8.8 The Committee have been informed that creation of awareness among the farmers and related bodies and organizations including the ones which could be potential hedgers / aggregators about the economic functions and benefits of the commodity futures market has been one of the major activities undertaken by the Commission. Apart from emphasizing the utility of the markets, the programmes educate the participants about how to participate in the market, the precautions to be taken in this regard and the use of information generated by the market in their decision making process. The Commission has so far conducted 2131 awareness programmes out of which 1284 programmes were conducted especially for creating awareness about the benefits of the commodity futures market among the farmers. In 2011-12, 432 awareness programme were organized till January 2012, out of which, 181 were exclusively for farmers. The programmes were conducted in different locations all over the country. These awareness programmes were attended by more than 10000 participants ranging from farmers, traders and members of Commodity exchanges to bankers, staff and students of Universities, Government functionaries, warehouse professionals, etc. These awareness programmes have resulted in creating awareness among the various constituents about commodity futures trading and the benefits thereof.

8.9 When the Committee enquired about the sanctioned vis-à-vis effective strength of the Officers and Staff for the FMC in each category of posts/service, the Committee have been furnished with the following table showing data regarding Staff position in the FMC:-

Sanctioned strength vis-à-vis effective strength of the officer and staff for the FMC are in each category of posts/service & the percentage of					
Group of Post	Sanctioned Strength	Effective Strength	SC*	ST*	OBC*
Group A	51	27	4 (15%)	0	2(07%)
Group B	18	15	1(07%)	0	3(20%)
Group B Non-Gazetted	1	0	0	0	0
Group C	47	26	6(23%)	0	2(08%)
Group D	15	9	2(22%)	2(22%)	1(11%)
Total	132	77	13(17%)	2(03%)	8(10%)

8.10 Asked whether FMC is able to manage effective functioning of the Commission with the existing staff, the Department replied that during the last 3 years the volume of trade has increased exponentially and the participation of intermediaries has also increased manifold. Though there are vacancies in some of the posts of officers and staff, the Commission is discharging its functions with limited manpower.

8.11 In reply to another query about steps taken/proposed to be taken by the Department to fill up the vacant posts in all categories, the Department stated that 39 Group A Posts (Directors/Deputy Directors/Assistant Directors) were created in December, 2004. Since then, FMC has advertised and circulated the vacancies five times in 7 years during the year 2005, 2006-07, 2008, 2009 and 2011. However, it faces lot of difficulties to fill up the vacancies to these posts. It has not been able to fill up these posts due to a lukewarm response for the posts in general and non-availability of suitable candidates fulfilling the requirements for various disciplines of the posts of Director/DS/DD.

8.12 The last recruitment initiative was in 2011 where 14 officers were selected (2 Directors, 8 Deputy Directors and 4 Assistant Directors). Of these 14 selected officers, 5 were already working with FMC and they were selected for deputation to the higher posts. Out of the remaining 9 officers selected, three Deputy Directors and one Assistant Director have joined. Subsequently, one Director selected for appointment has also joined. FMC will continue the process to fill up the vacant posts in all categories.

8.13 In reply to a query regarding corruption or malpractice in the functioning of the various national/regional commodity exchanges, the Department stated that the FMC received a complaint of irregularities in December, 2010 in National Multi Commodity Exchange, Ahmedabad which has been investigated and certain malpractices of the anchor promoter of NMCE were detected for which appropriate directions were given to the Board of Exchange for taking further steps as per law. The promoter challenged its order in the Hon'ble High Court of Gujarat at Ahmedabad, which set aside the order of FMC on 09.02.2012 and FMC filed an SLP in the apex court challenging the order of the Gujarat High Court. The Apex Court has stayed the order of the High Court of Gujarat and restored FMC's Order on 22.03.2012 and the case was ordered to be posted after six weeks. Complaints have been received regarding trading irregularities and market manipulations. Such cases are enquired into by FMC under the provisions of Forward Contracts (Regulation) Act, 1952 and appropriate action taken thereon.

8.14 In reply to another query whether or not cases of corruption or malpractice should be handed over to CBI for proper investigation, the Department replied that on receipt of complaints, FMC conducts its own enquiries under Section 8 of Forward Contracts (Regulation) Act, 1952. In one such case, Department of Consumer Affairs has sought a report from the FMC. On receipt of the relevant facts from FMC and other relevant information, appropriate action would be taken.

8.15 The Committee note that in a free market economy, futures trading perform two important economic functions, viz., price discovery and price risk management. Keeping in view its importance to all sectors of the economy, the Department of Consumer Affairs/FMC has taken major initiatives during the last decade such as lifting of futures trading in all commodities, recognition of National/Regional Commodities Exchanges, commencement of futures trading in gold and silver after a ban of more than four decades, improvement of regulatory framework and restructuring of Forward Markets Commission etc. The Forward Markets Commission has also taken several regulatory initiatives during the year 2011-12 including issue of Guidance Manual for Audit of Members of Commodity Futures Exchanges, finalizing a common Know Your Client (KYC) format, issue of Guidelines related to Investor Protection Fund, etc. The Committee hope that all such initiatives taken by the Department/Commission are done in larger public interest and are complementary to their suggestions as contained in the report on the Forward Contracts (Regulation) Amendment Bill, 2010 that was presented to the Parliament on 6th December, 2011.

8.16 The Committee note that the Forward Markets Commission has an effective strength of 77 Officers/Staff against the sanctioned strength of 132 Officers/Staff. The Committee find that besides there being a large number of vacancies, the SC/OBCs communities are also not adequately represented in Group A,B&C categories and the STs are not represented at all in these categories of employees. The Committee note that despite the advertisements given several times during the last 7 years, the posts of Director/Deputy Secretary/Deputy Director could not be filled up due to non availability of suitable candidates. The Committee are of the view that existence of such a large number of vacancies in a small organization like the FMC would hamper its functioning. The Committee, therefore, strongly urge the Department/FMC to make further sincere efforts to fill up all the vacancies in all categories of posts. The Department/FMC should also try and recruit Officers/Staff belonging to SC/ST/OBC to the extent reservations are made for them as per rules.

8.17 The Committee are surprised to note that despite the Regulatory Mechanism in FMC in place, there are reported cases of trading irregularities and market manipulations. The Committee further note that a complaint received by the FMC in December, 2010 relating to irregularities in National Multi Commodity Exchange, Ahmedabad has been investigated and certain malpractices of the anchor promoter of NMCE were detected for which appropriate directions were given to the Board of Exchange for taking further steps as per law. The Hon'ble High Court of Gujarat, Ahmedabad set aside the order of FMC on 09.02.2012 on the petition by the promoter. Subsequently, the Apex Court stayed the order of the High Court of Gujarat and restored FMC's Order on 22.03.2012 on an SLP filed by FMC. It is further stated that such cases are enquired into by FMC under the provisions of Forward Contracts (Regulation) Act, 1952 and appropriate action taken thereon. The Committee are of the view that those powerful traders indulged in malpractices have no fear of the authority conferred on FMC under the Forward Contracts (Regulation) Act, 1952 nor are they bothered about the fine that can be imposed on them. The Committee, therefore, recommend that the Department/FMC should seriously consider that cases of malpractice noticed in the National/Regional Commodity Exchanges should be handed over to the CBI for proper and thorough investigation so that the offenders, however wealthy and powerful they may be, are brought to justice.

NEW DELHI
02 May, 2012
12 Vaisakha, 1934 (Saka)

VILAS MUTTEMWAR,
Chairman,
Standing Committee on Food,
Consumer Affairs and Public Distribution.

**STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS
AND PUBLIC DISTRIBUTION (2011-12)**

**MINUTES OF THE ELEVENTH SITTING OF THE STANDING COMMITTEE ON
FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2011-12) HELD ON
THURSDAY, THE 12th APRIL, 2012**

The Committee sat from 1500 hrs. to 1640 hrs. in Committee Room No. G-074, Parliament Library Building, New Delhi.

PRESENT

Shri Vilas Muttemwar - Chairman

MEMBERS

LOK SABHA

2. Shri Tarachand Bhagora
3. Shri Sanjay Dhotre
4. Shri Lal Chand Kataria
5. Shri Marotrao Sainuji Kowase
6. Shri Gobinda Chandra Naskar
7. Shri Prabodh Panda
8. Shri Purnmasi Ram
9. Shri Ramkishun
10. Smt. Usha Verma

RAJYA SABHA

11. Shri Lalhming Liana
12. Shri Sanjay Raut
13. Shri Veer Singh

SECRETARIAT

1. Smt. Veena Sharma - Director
2. Shri Khakhai Zou - Under Secretary

Representatives of the Ministry of Consumer Affairs, Food and Public Distribution
(Department of Consumer Affairs)

1.	Shri Rajiv Aggarwal	-	Secretary (CA)
2.	Shri Pankaj Agrawala	-	Additional Secretary
3.	Shri T. S. Randhawa	-	AS & FA
4.	Shri Alinda Chandra	-	DG, BIS
5.	Shri B. R. Meena	-	DG, NTH
6.	Shri Ramesh Abhishek	-	Chairman, FMC
7.	Smt. Gangamurthy	-	Principal Advisor
8.	Shri K. G. Radhakrishnan	-	Economic Advisor
9.	Shri Manoj Parida	-	Joint Secretary (CA)
10.	Shri Chandy Andrews	-	CCA
11.	Shri P. K. Gambhir	-	Scientist
12.	Shri R. K. Trehan	-	Scientist, BIS
13.	Shri D. K. Nayyar	-	Scientist, BIS
14.	Shri A. K. Sharma	-	Scientist, BIS
15.	Shri Anil Kumar	-	Scientist, BIS
16.	Shri Brij Mohan	-	Director

1. At the outset, Hon'ble Chairman welcomed the members to the sitting. Thereafter, the Secretary and other officials of the Department of Consumer Affairs were invited to the sitting of the Committee. After welcoming them, the Hon'ble Chairman apprised them of the provisions of Direction 55(1) of the Directions by the Speaker. The Committee, then, took evidence of the representatives of the Department of Consumer Affairs in connection with the examination of Demand for Grants for the year 2012-13. Hon'ble Chairman, in his welcome speech, raised various important issues such as failure of the Department to make realistic projection of funds at initial stage, uneven trend of quarterly expenditure of funds in the 11th five year plan, lack of uniform mechanism and absence of nodal officer in some states which creates problems in collecting data and reporting of prices, the ever rising prices of the essential commodities, especially the prices of sugar, pulses, and edible oils, despite the steps taken to curtail the same, role of the Price Dissemination Project in bringing down these rising prices, non implementation of

the provisions of Prevention of Black marketing and Maintenance of Supplies of Essential Commodities Act, 1980 by some States, etc.

2. Thereafter, the Secretary, Department of Consumer Affairs introduced his colleagues to the Committee and addressed to the concerns raised by the Hon'ble Chairman in his opening remarks. The issues raised by Hon'ble Chairman were further supplemented by the members of the Committee.

3. The following are some of the important points that emerged during the deliberations of the Committee:-

- (i) Need for effective implementation of the Essential Commodities Act in all the states in order to curtail the rising prices;
- (ii) Need for strengthening and computerization of Consumer Fora at the earliest;
- (iii) The grave effects of black marketing on price rise and steps taken to curb the same;
- (iv) Need to fill up the vacant posts in the National Commission, State Commissions and District Forums and the efforts made by the Ministry in this direction;
- (v) Need for requisite amendments to the provisions of the Prevention of Black Marketing and Maintenance of Essential Supplies Act, 1980 to ensure its implementation by all the States;
- (vi) Need to expand the activities of the Gold Hallmarking Scheme under the BIS and making it mandatory;
- (vii) Need to curb the deplorable effects of speculation and manipulations by the brokers in the Forward Market Commissions;
- (viii) Need to handover the cases of corruption/fraud reported from the National/Regional Commodity Exchanges to the CBI for proper investigation; and
- (ix) Need to empower the Department to take *suo motto* action for better protection of consumers, etc.

4. The representatives of the Department responded to the queries raised by the Chairman and the members on the aforesaid issues.
5. The Hon'ble Chairman then thanked the Secretary and other representatives of the Department of Consumer Affairs for their free and frank discussion.
6. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

**STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS
AND PUBLIC DISTRIBUTION (2011-12)**

**MINUTES OF THE TWELFTH SITTING OF THE STANDING COMMITTEE ON
FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2011-12) HELD ON
WEDNESDAY, THE 2ND MAY, 2012**

The Committee sat from 1500 hrs. to 1530 hrs. in Main Committee Room,
Parliament House Annexe, New Delhi.

PRESENT

Shri Vilas Muttemwar - Chairman

MEMBERS

LOK SABHA

2. Shri Jaywant Gangaram Awale
3. Shri Shivraj Bhaiya
4. Shri Arvind Kumar Chaudhary
5. Dr. Ram Chandra Dome
6. Shri Lal Chand Kataria
7. Shri Marotrao Sainuji Kowase
8. Shri Gobinda Chandra Naskar
9. Shri Prabodh Panda
10. Shri Chandulal Sahu
11. Shri E.G. Sugavanam

RAJYA SABHA

12. Shri Lalhming Liana
13. Shri Sanjay Raut

SECRETARIAT

1. Shri P. K. Misra - Joint Secretary
2. Smt. Veena Sharma - Director
3. Shri Khakhai Zou - Under Secretary

2. At the outset, Hon'ble Chairman welcomed the Members to the sitting of the Committee convened for consideration and adoption of the draft Reports on Demands for Grants (2012-13) of the Ministry of Consumer Affairs, Food and Public Distribution pertaining to the (i) Department of Food and Public Distribution, and (ii) Department of Consumer Affairs. In his opening remarks Hon'ble Chairman highlighted the important recommendations contained in both the draft Reports.

3. The Committee then took up for consideration the draft Report pertaining to the Department of Food and Public Distribution and Department of Consumer Affairs. After due deliberation, the Committee unanimously adopted the draft Report pertaining to the Department of Food & Public Distribution with minor changes and draft Report pertaining to Department of Consumer Affairs without any amendments/modifications.

4. The Committee then authorized the Chairman to finalize the aforesaid Reports and present the same to Parliament in the current Session of Parliament.

5. The Committee also decided to undertake a study visit to some States during the last week of May, 2012.

The Committee then adjourned.

CONSUMER AFFAIRS
Provisional SCHEME WISE EXPENDITURE FIGURE (PLAN) Upto March 2011

Sl. No.	Description	Major Head	B.E.	R.E.	Expenditure for the 1st Quarter	Expenditure for the 2nd Quarter	Expenditure for the 3rd Quarter	Expenditure for the Month of January 2011	Expenditure for the Month of February 2011	Expenditure for the Month of March 2011	Amount Authorised upto March 2011	(In Crores of)	
												Total Exp. including Amount authorised upto March 2011	% of Exp w.r.t to R.E
1	2	3	4	4A	5	6	7	8	9	10	11	12	13
1	Consumer awareness												
	Publicity											0.00	0.00
		2552	8.55	8.20	0.00	0.00						0.00	0.00
		3456	69.97	69.97	9.38	3.94	8.32	1.93	0.01	5.59	48.00	78.17	111.72
		3601	5.00	2.00	0.46	0.60	0.08			1.29		2.43	121.50
		3602	0.50	0.50	0.00	0.00	0.00					0.00	0.00
	Total		84.02	80.67	9.84	4.54	8.40	1.93	0.01	7.88	48.00	80.60	99.51
2	Integrated Project for consumer Protection												
	(a) Confront	2552	1.00	1.00	0.00	0.00	0.00					0.00	0.00
	(2552.00.105.01.99.13)	3456	8.00	8.00	0.00	5.45	2.44		1.00			8.89	98.78
	(3456.00.001.02.99.13)		9.00	9.00	0.00	5.45	2.44	0.00	1.00	0.00	0.00	8.89	98.78
	Total		9.00	9.00	0.00	5.45	2.44	0.00	1.00	0.00	0.00	8.89	98.78
	(b) Integrated Budget on Consumer Protection cell	2552	1.77	1.77	0.00	0.00	0.00					0.00	0.00
	(3456.00.001.02.03.20/28/90)	3456	0.40	0.40	0.00	0.00	0.00					0.00	0.00
	(3601.03.361.01.0031/35)	3601	13.14	10.94	0.57	0.00	7.25			2.76		10.58	96.71
		3602	0.00	0.00	0.00	0.00	0.00					0.00	0.00
	Total		15.31	13.11	0.57	0.00	7.25	0.00	0.00	2.76	0.00	10.58	90.70
	(c) National Consumer Protection Authority (safety Commission)	3456											
	(3456.00.001.05.)		0.01	0.01		0.00	0.00					0.00	0.00
	(d) State Consumer Helpline	3601	1.25	1.25	0.00	0.00	0.39	0.06		0.47	0.25	1.17	93.60
		3602	0.25	0.25	0.00	0.00	0.00			0.44		0.44	175.00
	Total		1.50	1.50	0.00	0.00	0.39	0.06	0.00	0.91	0.25	1.61	107.33
	(e) Construction of NCDRC Building	5475	3.44	2.39	0.00	0.00	0.00				0.00	0.00	0.00
		4552			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total		3.44	2.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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CONSUMER AFFAIRS
Provisional SCHEME WISE EXPENDITURE FIGURE (PLAN) Upto March 2011

Sl. No.	Description	Major Head	B.E.	R.E.	Expenditure for the 1st Quarter	Expenditure for the 2nd Quarter	Expenditure for the 3rd Quarter	Expenditure for the Month of January 2011	Expenditure for the Month of February 2011	Expenditure for the Month of March 2011	Amount Authorised upto March 2011	(In Crores of)	
												Total Exp. including Amount authorised upto March 2011	% of Exp w.r.t to R.E
1	2	3	4	4A	5	6	7	8	9	10	11	12	13
1	Consumer awareness												
	Publicity											0.00	0.00
		2552	8.55	8.20	0.00	0.00						0.00	0.00
		3456	69.97	69.97	9.38	3.94	8.32	1.93	0.01	5.59	48.00	78.17	111.72
		3601	5.00	2.00	0.46	0.60	0.08			1.29		2.43	121.50
		3602	0.50	0.50	0.00	0.00	0.00					0.00	0.00
	Total		84.02	80.67	9.84	4.54	8.40	1.93	0.01	7.88	48.00	80.60	99.51
2	Integrated Project for consumer Protection												
	(a) Confront	2552	1.00	1.00	0.00	0.00	0.00					0.00	0.00
	(2552.00.105.01.99.13)												
	(3456.00.001.02.99.13)	3456	8.00	8.00	0.00	5.45	2.44		1.00			8.89	98.78
	Total		9.00	9.00	0.00	5.45	2.44	0.00	1.00	0.00	0.00	8.89	98.78
	(b) Integrated Budget on Consumer Protection cell	2552	1.77	1.77	0.00	0.00	0.00					0.00	0.00
	(3456.00.001.02.03.20/28/90)	3456	0.40	0.40	0.00	0.00	0.00					0.00	0.00
	(3601.03.361.01.0031/35)	3601	13.14	10.94	0.57	0.00	7.25			2.76		10.58	96.71
		3602	0.00	0.00	0.00	0.00	0.00					0.00	0.00
	Total		15.31	13.11	0.57	0.00	7.25	0.00	0.00	2.76	0.00	10.58	90.70
	(c) National Consumer Protection Authority (safety Commission)	3456											
	(3456.00.001.05.)		0.01	0.01		0.00	0.00					0.00	0.00
	(d) State Consumer Helpline	3601	1.25	1.25	0.00	0.00	0.39	0.06		0.47	0.25	1.17	93.60
		3602	0.25	0.25	0.00	0.00	0.00			0.44		0.44	175.00
	Total		1.50	1.50	0.00	0.00	0.39	0.06	0.00	0.91	0.25	1.61	107.33
	(e) Construction of NCDRC Building	5475	3.44	2.39	0.00	0.00	0.00				0.00	0.00	0.00
		4552			0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
	Total		3.44	2.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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Description	B.E.	R.E.	Expenditure for the 1st Quarter	Expenditure for the 2nd Quarter	Expenditure for the 3rd Quarter	Expenditure For the month of January 2011	Expenditure for the Month of February 2011	Expenditure for the Month of Mar 11	Amount Authorised upto March 2011	Total Expenditure including Amount authorised upto March 2011	% age of Expenditure w.r.t. R.E.
1	2	2	3	4	5	6	7	8	9	10	11
REVENUE SECTION											
Major Head 2408											
Subsidy for meeting losses on import of Pulses by PSUs	350.00	450.00	3.45	105.65	47.00	12.46	90.89	190.54	0.00	449.99	100.00
Total 2408	350.00	450.00	3.45	105.65	47.00	12.46	90.89	190.54	0.00	449.99	100.00
Major Head 3425											
Sample Testing Centre	21.67	22.24	6.48	5.35	5.88	1.71	1.69	0.62		21.73	97.71
Total M.H. 3425	21.67	22.24	6.48	5.35	5.88	1.71	1.69	0.62	0.00	21.73	97.71
Major Head 3461											
Deptt. of Consumer Affairs	16.21	16.18	4.54	3.31	3.67	1.06	1.10	0.54	0.19	14.41	89.06
Total M.H. 3461	16.21	16.18	4.54	3.31	3.67	1.06	1.10	0.54	0.19	14.41	89.06
Major Head 3466											
Consumer Protection Cell	0.66	0.71	0.19	0.12	0.12	0.03	0.04	0.00		0.50	70.42
Consumer Dispute Redressal Commission	5.73	5.64	1.37	1.33	1.47	0.42	0.44	0.36	0.02	5.41	95.92
Project under C.W.F	10.30	13.28	0.20	2.41	3.39	0.02	0.39	3.72		10.13	76.28
Total M.H. 3466	16.69	19.63	1.76	3.86	4.98	0.47	0.87	4.08	0.02	16.04	81.71
Major Head 3475											
Weight & Measure unit	0.73	0.51	0.10	0.12	0.13	0.04	0.04	0.00		0.43	84.31
R.R.S.L	1.95	2.09	0.51	0.45	0.45	0.12	0.12	0.07	0.12	1.84	88.04
I.I.L.M	1.56	1.46	0.31	0.28	0.30	0.09	0.16	0.03	0.06	1.23	84.25
F.M.C.	6.59	6.01	1.39	1.14	1.25	0.39	0.48	0.11		4.76	79.20
International Co-operation	0.10	0.10	0.00	0.08	0.00	0.00	0.00	0.00		0.08	80.00
Total M.H. 3475	10.93	10.17	2.31	2.07	2.13	0.64	0.80	0.21	0.18	8.34	82.01
Major Head 3601											
Consumer welfare Programme	3.00	3.00	0.00	0.10	0.00	0.00	0.00	3.39		3.49	116.33
Major Head 3602											
Consumer welfare Programme	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.05		0.05	10.00
TOTAL REVENUE SECTION	419.00	521.72	18.54	120.34	63.66	16.34	95.35	199.43	0.39	514.05	98.53
CAPITAL SECTION											
Major Head 7476											
Loans to Super Bazar	0.00	0.00	0.00	0.00	0.00				0.00	0.00	0.00
Total M.H. 7476	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GRANT TOTAL	419.00	521.72	18.54	120.34	63.66	16.34	95.35	199.43	0.39	514.05	98.53

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CONSUMER AFFAIRS Provisional SCHEME WISE EXPENDITURE FIGURE (PLAN) Upto March 2012												
											(in Crores of `)	
S.No	Description	Major Head	R.E.	Expenditure for the 1st Quarter	Expenditure for the 2nd Quarter	Expenditure for the 3rd Quarter	Expenditure for the month of January 2012	Expenditure for the month of February 2012	Expenditure for the month of March 2012	Amount Authorised for the month of March 2012	Total Exp. Including Amount authorised upto March 2012	% of Exp. w.r.t to R.E
1	2	3	4	5	6	7	8	9	10	11	12	
1	Consumer awareness											
	Publicity	2562	8.52	0.00			0.00	0.00	0.00	0.00	0.00	0.00
		3456	75.91	2.50	3.45		22.61	0.05	6.42	8.53	39.55	109.54
		3601	2.00	0.00			1.83		0.67	2.50	125.00	
		3602	0.50	0.00			0.00	0.00	0.00	0.00	0.00	0.00
	Total		87.23	2.50	3.45		24.44	0.05	6.42	9.20	39.55	99.19
2	Integrated Project for consumer Protection											
(a)	Conformant	2562	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(2552.00.105.01.99.13)	3456	0.75	0.00	0.00	0.00	0.00	0.00	0.00	0.75	0.75	99.68
	(3456.00.001.02.99.13)											
	Total		0.85	0.00	0.00	0.00	0.00	0.00	0.00	0.75	0.75	88.24
(b)	Integrated Budget on Consumer Protection cell	2562	1.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(3456.00.001.02.03.20/28/5)	3456	0.50	0.02	0.00	0.05	0.02	0.05	0.11	0.03	0.28	58.00
	(3601.03.381.01.00.31/35)	3601	7.50	0.27	4.57	0.19	1.48		0.26		8.77	90.27
		3602	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total		9.85	0.29	4.57	0.24	1.50	0.05	0.37	0.03	7.05	71.57
(c)	National Consumer Protection Authority (safety Commission)	3456										
	(3456.00.001.05.)			0.00	0.00	0.00	0.00	0.00	0.00			
(d)	State Consumer Helpline	3601	1.00	0.00	0.78	0.00	0.07	0.09	0.00		0.94	94.00
		3602	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
	Total		1.00	0.00	0.78	0.00	0.07	0.09	0.00	0.00	0.94	94.00
(e)	Construction of NCORC Building	5475	2.39	0.00	0.00	0.00	0.00	0.00	0.00	2.39	2.39	100.00
	Total		2.39	0.00	0.00	0.00	0.00	0.00	0.00	2.39	2.39	100.00

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S.No	Description	Major head	R.E.	Expenditure for the 1st Quarter	Expenditure for the 2nd Quarter	Expenditure for the 3rd Quarter	Expenditure for the month of January 2012	Expenditure for the month of February 2012	Expenditure for the month of March 2012	Amount Authorised for the month of March 2012	(in Crores of)	
											Total Exp. including Amount authorised upto March 2012	% of Exp. w.r.t to R.E.
1	2	3	5	6	7	8	9			10	11	12
3(a)	Strengthening of W & M	2552	5.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		3475	19.43	0.02	0.00	0.00	22.10	0.00	0.00	0.33	22.45	115.54
		3691	16.76	1.21	3.05	9.19	0.25	0.00	0.00	0.00	18.51	110.44
		3692		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		5475		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total		41.41	1.23	3.05	31.29	0.25	0.75	4.39	0.00	40.96	98.91
(b)	RRSL	4552		0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
		5475	4.37	0.53	0.07	1.48	0.00	0.39	0.03	0.83	3.33	76.20
	Total		4.37	0.53	0.07	1.48	0.00	0.39	0.03	0.83	3.33	76.20
(c)	ILM	5475	3.00	0.00		0.00	0.00	0.00	0.00	3.00	3.00	100.00
	Total		3.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	3.00	100.00
4	National Test House	3425	2.38	0.27	0.41	0.47	0.13	0.20	0.54		2.02	84.87
		4552	2.02	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
		5425	13.60	0.31	0.81	0.46	0.71	-0.06	2.35	11.01	15.59	114.63
	Total		18.00	0.58	1.22	0.93	0.84	0.14	2.89	11.01	17.61	97.83
5	Gold Hallmarking * (General Standardisation and quality)	2552	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	* Bureau of Indian Standard	2552	2.07	0.00	0.94	0.64	0.00	0.00	0.71	0.00	2.29	110.63
	Total		2.31	0.00	0.94	0.64	0.00	0.00	0.71	0.00	2.29	99.13
6	Consumer Education & Training HRD/Capacity Building	2552									0.00	0.00
		2552	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		3456	4.13	0.05	0.00	3.36	0.00	0.00	1.82	0.00	4.93	119.37
	Total		4.59	0.05	0.00	3.36	0.00	0.00	1.82	0.00	4.93	107.41
7	Strengthening of FMC	2552	1.00	0.54	1.45	3.97	0.28	1.81	1.22	0.00	9.07	100.18
		3475	10.00	0.54	1.45	3.97	0.28	1.81	1.22	0.00	9.07	90.70
	Total		11.00	1.08	2.90	7.94	0.56	3.62	2.44	0.00	18.14	165.88
	GRAND TOTAL		185.00	5.72	15.53	66.35	2.99	9.48	20.33	57.60	177.97	96.20

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CONSUMER AFFAIRS

Provisional SCHEME WISE MONTHLY EXPENDITURE FIGURE (NON-PLAN) Upto March 2012

Description	R.E.	Expenditure for the 1st quarter 2011	Expenditure for the 2nd Quarter 2011	Expenditure for the 3rd Quarter 2011	Expenditure for the month of January 2012	Expenditure for the month of February 2012	Expenditure for the month of March 2012	Amount Authorised upto month of March 2012	Total Expenditure including Amount authorised upto March 2012	% age of Expenditure w.r.t. R.E.
1		2	3	4	5	6	7	8	9	10
REVENUE SECTION										
Major Head 2400										
Subsidy for meeting losses on Import of Pulses by PSUs	250.00	28.32	69.84	78.69	10.86	27.99	34.30	0.00	250.00	100.00
Total 2400	250.00	28.32	69.84	78.69	10.86	27.99	34.30	0.00	250.00	100.00
Major Head 3426										
Sample Testing Centre	23.84	7.32	5.93	6.05	1.90	1.95	0.33		23.48	98.49
Total M.H. 3426	23.84	7.32	5.93	6.05	1.90	1.95	0.33	0.00	23.48	98.49
Major Head 3451										
Dept. of Consumer Affairs	15.27	4.76	3.99	3.50	1.18	1.06	0.32	0.06	14.87	97.38
Total M.H. 3451	15.27	4.76	3.99	3.50	1.18	1.06	0.32	0.06	14.87	97.38
Major Head 3456										
Consumer Protection Cell	0.77	0.16	0.13	0.14	0.04	0.05	0.07		0.59	76.62
Consumer Dispute Redressal Commission	6.20	1.75	1.61	1.67	0.49	0.49	0.11		6.13	98.87
Project under C.W.F.	18.30	0.36	2.15	6.20	0.42	0.01	4.13		13.27	72.51
Total M.H. 3456	25.27	2.28	3.89	8.01	0.95	0.55	4.31	0.00	19.99	79.11
Major Head 3475										
Weight & Measure unit	0.59	0.16	0.13	0.12	0.05	0.04	0.02		0.52	88.14
R.R.S.L.	2.24	0.55	0.45	0.51	0.15	0.17	0.06	0.23	2.12	94.64
I.L.M.	1.43	0.26	0.35	0.36	0.10	0.16	0.01		1.26	88.11
F.M.C.	5.87	1.60	1.36	1.34	0.53	0.39	0.25		5.47	93.19
International Co-operation	0.10	0.00	0.09	0.00	0.00	0.00	0.10		0.19	190.00
Total M.H. 3475	10.23	2.57	2.38	2.33	0.83	0.78	0.44	0.23	9.56	93.45
Major Head 3601										
Consumer welfare Programme	12.50	0.37	4.11	7.50	1.02	0.00	0.00		13.00	104.00
Major Head 3602										

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CORPORATE welfare Programme	0.50	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
TOTAL REVENUE SECTION	337.61	45.62	90.14	106.08	16.74	32.33	39.70	0.29	330.90	98.01
CAPITAL SECTION										
Major Head 7475										
Loans to Super Bazar	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total M.H. 7475	0.00				0.00	0.00	0.00	0.00	0.00	
TOTAL CAPITAL SECTION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GRANT TOTAL	337.61	45.62	90.14	106.08	16.74	32.33	39.70	0.29	330.90	98.01

* An amount of Rs 2.00 crore is received as 1st supplementary Demand for grants. Vide order No. C-2001105/2011-BAP dated - 25/08/2011

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SUMMARY OF OBSERVATIONS/RECOMMENDATIONS

Sl. No.	Para No.	Observation/Recommendation
1.	2.	3.
1.	2.12	<p>The Committee note that in case of Plan Schemes BE was reduced at RE stage in every year of the XI Plan period. Actual Expenditure also remained less than RE throughout the XI Plan Period. During 2010-11, as against BE of Rs. 220 crore, RE was reduced to Rs. 198 crore and the actual expenditure was 187.92 crore. Similarly, during 2011-12, BE of Rs. 225 crore was reduced to Rs. 185 crore at RE stage and the expenditure was Rs. 177.97 crore (which also included Rs.57.60 crore authorized in favour of other Ministries/Departments). On the Non-Plan side also, the Committee find that Actual Expenditure remained comparatively lower than BE during the initial three years of the XI Plan Period. The Committee feel that revising the estimates at RE stage and not utilizing even the revised allocated funds shows lack of proper planning on the part of the Department. The Committee, therefore, recommend that the Department should make advance planning to make realistic projections so as to avoid fluctuations in allocations at RE stage and ensure that the allocated funds earmarked for different schemes are fully utilised during the year.</p>
2.	2.13	<p>The Committee further note with concern that percentage utilization in case of Plan Scheme for National Consumer Disputes Redressal Commission was Nil during the year 2007-08 and 2010-11. Similarly, in other Schemes like Consumer Protection, HRD/ Capacity building, Consumer Helpline, percentage utilization declined sharply from 103.60% (in 2007-08) to 83.92% (in 2011-12) and for Setting up of Gold Hallmarking Assaying Centres in India it declined from 117.78% (in 2010-11) to 96.97% (in 2011-12). The Committee are not convinced with the argument of the Department that the State Government or other agencies of the Central Government are responsible for the implementation of some schemes who sometime delay the submission of proposals/utilisation certificates and certain execution agencies like CPWD and DGS&D etc. take their time since they have to follow long tender processes. Further, on the Non- Plan side also, percentage utilization for the Scheme 'Regulation of Weight and Measures', 'Regulation of Markets' and 'Projects under Consumer Welfare Fund' are not upto the expectations. Having</p>

examined trends in expenditure of the Department in XI Plan period, the Committee wonder how the Department is going to implement its new Schemes in the XII Plan Period under the same scenario. As some of the Schemes are continuous in nature, the Committee desire that the Department should take pre-emptive steps to complete procedural formalities and foresee the problems which had occurred in previous Plan Period so that proper methodology is adopted while implementing the ongoing schemes alongwith the new schemes. The Committee, therefore, recommend the Department to impress upon the State Governments and other agencies of the Central Government to extend full co-operation in the implementation of the Schemes. The Department may also review their methodology of implementation of the Schemes at the beginning of the XII Plan period so that the Schemes do not suffer the same problems as faced in XI Plan period.

3. 2.14 The Committee are disturbed to note that there has been uneven trend in Quarterly Expenditure of the Department during the entire XI Plan Period which is attributed by the Department to procedural delays, submission of incomplete proposals by States/UTs/NGOs, non submission of Utilization Certificates, receipt of assessment report of independent evaluation agencies etc. The arguments of the Department do not seem to be convincing to the Committee. The Committee are of the view that incurring huge expenditure towards the fag end of the year merely to avoid surrendering of funds should be avoided as it does not help in smooth implementation of the Schemes. The Committee are also concerned to note that the State Governments are not furnishing Utilization Certificates in time in case of Schemes like Strengthening of Consumer Fora, Construction of Laboratories, etc. The Committee, therefore, recommend that the Department should make concerted efforts to ensure that the quarterly expenditure is incurred evenly as far as possible and avoid incurring bulk expenditure at the fag end of the financial year. The Department should also regularly monitor the implementation of the schemes by the States/UTs and also persuade them for timely submission of Utilization Certificates so that allocation of funds can be made to them in time.
4. 3.25 The Committee note that the project Computerization and Computer Networking of Consumer Fora (CONFONET) was launched during the X Plan period in March, 2005 at a cost of Rs. 48.64 crore. The project had been extended to XI

Plan with a total outlay of Rs. 25.69 crore to be implemented by the National Informatics Centre (NIC) on a turnkey basis. The Committee are unhappy to note that as on January, 2012, out of 638 locations being covered, the CONFONET is operational in only 342 Consumer Fora. It is also stated that only 268 Consumer Fora are uploading cause lists while only 186 Consumer Fora are uploading judgements. In the opinion of the Committee, it is high time that the project is implemented fully which was launched way back in the year 2005. The Committee, therefore, recommend that the Department should impress upon the National Informatics Centre (NIC), the Project implementing agency, to expedite implementation of the project and ensure that the project is made operational in all the 638 Consumer Fora.

5. 3.26 The Committee note that under the Scheme 'Strengthening of Consumer Fora' BE was Rs. 100.62 crore during XI Plan period, which was reduced to Rs. 65.79 crore at RE stage. However, actual expenditure incurred was Rs. 71.09 crore (upto 31.03.2012) and the financial assistance has been released by the Central Government to 23 States only during the entire XI Plan period. The Committee further note that during 2011-12, against an outlay of Rs. 19.00 crore, an amount of Rs. 6.77 crore was released to only 6 States namely Kerala, Punjab, Sikkim, Nagaland, Tamil Nadu and West Bengal. The Committee are not convinced with the reasons cited by the Department for incurring less expenditure that lesser number of States could submit proposals for financial assistance out of which many proposals were incomplete and not fulfilled the prerequisite conditions for consideration. The Committee are concerned to note that the Department has not set any timeframe for States/UTs to resubmit their proposal in case of rejection due to incomplete proposals. All this goes to prove that the Department is not serious to implement the scheme which is vital for the effective functioning of Consumer Fora. The Committee, therefore, recommend that the Department should prescribe very clear Guidelines to be followed and proformas to be used by the States/UTs while submitting the proposals under the Scheme so that the chances of rejecting or returning the proposal for re-submission due to incompleteness is minimized. The Department should also encourage the States/UTs to avail the financial assistance and set up the Consumer Forums in their respective States/UTs so that the interests of the Consumers are better protected.

6.	3.27	<p>The Committee are concerned to note that out of 72863 consumer complaints filed since inception in National Commission, 63370 have so far been disposed off and 9493 cases are pending. The reasons cited by the Department for this are existence of vacancies in the post of Member, NCDRC. The Committee further note that there is poor disposal of cases in some of the States/UTs namely Assam, Maharashtra, Manipur, Meghalaya, Nagaland, Orissa and Uttar Pradesh where percentage of disposal are 64.24, 67.43, 69.06, 69.17, 68.09 and 55.69 respectively the reasons again being the vacancies in these State Commissions/District Fora. Further the Committee were shocked to note that, in case of National Commission, some of the cases were pending since the year 2000. Though all the cases were not original in nature as some of them were transferred cases of 1st Appeal and 2nd Appeal from State Commissions and District Forum respectively, the Committee feel that if this is the condition of National Commission, the condition of State Commissions and District Fora would have been even worst. Further, the data maintained by the Consumer Fora are not giving realistic picture of the status of actual disposal of cases and duration of the cases pending with them (year wise). The Committee are more concerned about the consumers who have been awaiting disposal of their cases since long time and apprehend that due to long pendency they might loose their faith in the system created for their own welfare. The Committee, therefore, recommend that the Department should devise a uniform system to maintain data by the National Commission/State Commissions/District Forum in such a manner that it reflects the status of the cases filed, disposed off and the period of their pendency. The cases should be further categorized as original, cases of First appeal and Second Appeal so that the data would give the actual status of cases in the Consumer Fora. The Committee further desire that steps should be taken for early disposal of pending cases and priority should be given in disposal of old cases.</p>
7.	3.28	<p>The Committee are disappointed to note that despite its recommendation in previous Reports to fill up the vacant posts of President and Members in National Commission/State Commissions/District Fora for their effective functioning, the position has not improved much from the last year. 4 posts of Members in National Commission are lying vacant and 2 posts of President and 21 Members in the State Commission and 46 posts of President and 249 Members in the District Fora</p>

respectively are also vacant. The Committee, therefore, recommend that the Department should take immediate action to fill up the posts of Members in the National Commission and also impress upon the State Governments/UT Administrators to fill up the vacant posts of President and Members in State Commissions/District Fora at the earliest to ensure their smooth functioning, which consequently will lead to quick disposal of long pending cases in the Consumer Fora.

8. 3.29 The Committee are unhappy to note that implementation of the scheme 'Strengthening of Consumer Fora' is sometimes delayed due to non-allotment of land by States/UTs, procedural delays etc. and is not effectively functioning due to non-grant of financial assistance to States/UTs and also affected by lack of effective staff. The Committee are surprised to find that the Department does not maintain any details of States/UTs who have not been allotted land for the scheme. However, the Committee came to know that during the last plan period the SCF Committee had sanctioned grants to Government of Mizoram for infrastructure development and creating non-building assets as a suo-motto action. The Committee recommend that the Department should take sincere steps to avoid procedural delays in sanctioning financial assistance to States/UTs and also maintain details of the States/UTs who have not been allotted land under the Scheme. The Committee also hope that for the effective functioning of the Scheme the Department would exercise their authority of sanctioning grants to States/UTs on suo-motto basis as was done in the case of Mizoram during the last plan period.
9. 3.40 The Committee find that during XI Plan Period Actual Expenditure (on the Non-Plan side) in Consumer Welfare Fund remained low throughout the Plan period. The Committee further note that so far only 21 States/UTs have set up Consumer Welfare Fund in their States. The Committee are not in agreement with the views expressed by the Department that small quantum of grant appears to be the reason for not setting up Consumer Welfare Funds by the remaining States/UTs. The Committee are dismayed to note that though in case of 13 special category States, the ratio of 'Seed money' has been enhanced to 90:10, the Department has furnished the details of only 7 States which have been sanctioned funds for creating their own Consumer Welfare Fund. As far as the Scheme for setting up of consumer clubs in Schools and Colleges is

concerned, the Committee note that so far 7,249 consumer clubs have been sanctioned funds in 23 States. The Committee are surprised to find from the submission of the Ministry that the remaining States are not interested to implement the Scheme as the main reluctance of the States is due to their pre-occupation with PDS issues and lesser concern for consumer issues. The Committee not convinced with the view of the Department and desired the Department to find out the actual reasons for the reluctance shown by the remaining States/UTs for not implementing the Schemes under Consumer Welfare Fund. The Committee, therefore, recommend that the Department should impress upon the State Governments/UT Administrations not only to set up Consumer Welfare Fund and Consumer Clubs in remaining States/UTs, but also to encourage them to avail the benefits of the other Schemes under Consumer Welfare Fund so as to promote and protect the welfare of the consumer.

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| 10. | 3.46 | <p>The Committee note that National Consumer Helpline (NCH) Scheme is a continuous scheme which was formally launched on March 2005 in collaboration with University of Delhi. About 10,000 complaints were received in the National Consumer Helpline annually out of which 35% are resolved. The Committee also note that the NCH do not have judicial powers to penalize. However, in order to strengthen the NCH, the performance of NCH was evaluated through GFK mode whose major recommendations were in favour of continuing the NCH Project. Accordingly the Department has started second phase of the Scheme commencing from March,2010 for a period of 3 years at a cost of Rs. 378 lakh. A number of important steps such as developing new software in association with NIC, monitoring the complaints received, providing regular counseling in English and Hindi, development of consumer friendly website portal etc, are being taken by the Department in the second phase of strengthening the NCH. The Committee hope that the Department would implement the second phase of strengthening of NCH Scheme as per the finding of the evaluation agency i.e. GFK Mode and recommend that all the States/UTs should also be sanctioned funds for setting up their respective State Consumer Helplines so that the consumer from any part of the country could avail of the Consumer Helplines services.</p> |
| 11. | 3.52 | <p>The Committee are happy to note that the Department is in the process of developing Consumer Awareness Index to</p> |

ascertain the level of awareness amongst the consumers. The Committee feel that spreading consumer awareness is directly proportional to the effectiveness of Consumer Movement in the country. The Committee hope that this initiative on the part of Department would bring the Consumer Movement in the Country at the international level. The Committee, however, are constrained to note that Actual Expenditure under the Scheme Programme for Consumer Awareness has been constantly less than the RE during the entire XI Plan Period. The Committee, therefore, desire that the entire funds allocated for spreading consumer awareness in the country be fully utilized so as to successfully develop the Consumer Awareness Index on real terms and recommend the Department to take pro-active steps to educate the consumers about their rights and responsibilities so that they do not get carried away by misleading advertisements.

12. 4.10 The Committee observe that a Pilot Scheme was implemented during 2007-10 for strengthening of Weights and Measures Infrastructure of States/UTs wherein for better implementation of weight and measures laws to ensure better consumer protection, 41 Units of Mobile Kits for testing Weighbridges and 59 Sets of Secondary Standards Balances had been supplied to various States/UTs. Further, a new scheme with an outlay of Rs. 143.286 crore also has been approved in October 2009 to augment State's Legal Metrology Department infrastructure in holistic way. Under the scheme, 200 Metrological Officials of States/UTs have been trained at National Physical Laboratory (NPL), New Delhi, National Institute of Science and Technology (NIST), Orissa and Fluid Control Research Institute (FCRI), Kerala. The Committee hope that the performance and effectiveness of the 41 Mobile Kits for testing weighbridges and 59 sets of Secondary Standards balances supplied to various States/UTs under the pilot scheme might have been evaluated for replication in other parts of the country. While assuming that those 200 Metrological Officers of States/UTs who have been given training at various Institutes are being deployed at vantage positions, the Committee recommend that more Metrological Officers of the States/UTs should be given further training so as to build sufficient human resources reserve to be employed for strict implementation of the Weights and Measures Laws for the benefit of ignorant or illiterate mass consumers throughout the country. The Committee further recommend that the renovation work of IILM, Ranchi be expedited and completed without further

delay so that the Institute becomes functional as a Centre of Excellence.

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| 13. | 4.11 | <p>The Committee note that the BE, RE and AE have always been less than Rs. 1 crore continuously during the years 2009-10, 2010-11 & 2011-12 under the scheme "Regulation of Weights and Measures". However, the Department has been allocated BE of Rs. 4.62 crore for the year 2012-13 under the scheme. The Committee find that during the years 2010-11 and 2011-12, Grant-in-Aid had not been given to some States viz., Chhattisgarh, Haryana, Himachal Pradesh, Jharkhand, Mizoram, Punjab and West Bengal as well as UTs such as Chandigarh, Dadra & Nagar Haveli, Daman & Diu, Lakshweep and Puducherry for the scheme "Strengthening Weights and Measures infrastructure of States/UTs". The Committee would like to be apprised of the reasons therefore and also desire that Grant-in-aid be provided to the remaining States/UTs also for strengthening their Weights and Measures infrastructure for better protection of consumer interests. The Committee further note that the Department has been making efforts to give High Precision Mass Comparators, Reference Standards Weights, Flow Meter Testing, Force Testing, Torque Testing and Electro-magnetic Test Facilities to the RRSs for better consumer protection. Considering that sufficient Budgetary Allocation has been made during the year 2012-13, the Committee desire that the Department should make all out efforts to make full utilization of the allocated funds and ensure that the Calibration of the Weights and Measures of the RRSs are improved at international standards.</p> |
| 14. | 5.18 | <p>The Committee note that the Department of Consumer Affairs monitors the prices of essential commodities through the Price Monitoring Cell (PMC). Earlier the retail prices were being monitored on daily basis from 27 collection centres and the wholesale prices are monitored on weekly basis from 37 collection centres across the country. The numbers of reporting centres both for retail as well as wholesale prices monitoring on daily basis have been increased to 49 centres during 2011-12. The number of essential commodities monitored was increased from 17 items to 22 items with the addition of 4 items and 1 item of essential commodities during the year 2010-11 and 2011-12 respectively. The PMC studies the domestic market and international trends of major commodities from various sources for consideration at the High Level Meetings such as Committee of Secretaries (COS) and Cabinet Committee</p> |

on Prices (CCP) held regularly. Despite all these steps and efforts made by the Department, the Committee find that the prices of some of the essential commodities such as Gram Dal, Mustard Oil, Sunflower Oil, Tea etc. continue to grow as is evident from the table showing details of variation in retail prices of essential commodities in Delhi over a period of one year as on 14.03.2012. The Committee are of the view that increase in the number of collection centres and better analysis of the information so collected will go a long way in controlling the prices of essential commodities. The Committee, therefore, recommend that the Department should make efforts to set up more reporting centres across the country to improve data collection and also strengthen their monitoring mechanism so as to stabilize the prices of essential commodities.

15. 5.19 The Committee note that out of 49 Centres, only 28 Centres enter online the entry of retail and wholesale prices. About 14 Centres send the price data by Fax and 5 Centres by E-mail. To overcome the challenges of uniformity in transmission data mechanism and methodology for collection of data from States, the Department is conducting training programmes/ workshops including online reporting of prices for the officers of PMC and Price Reporting Cells of States/UTs from time to time. The PMC subscribes the services of agencies such as Newswire 18 and Agriwatch for getting latest inputs on national/international scenario of various commodities. The staff of PMC has also been trained on accessing data and reports from these websites. Representatives from 20 State Governments have also been provided training for on-line entry of data in the NIC software developed for price reporting. While appreciating the Department for taking all such steps, the Committee desire that more training programmes for the officials of PMC and Price Reporting Cells of the States/UTs as well as workshops at National/State levels need to be organized/conducted frequently. The Committee further recommend that the existing methodology and practices of price collection in the Reporting Centres of States/UTs be reviewed at regular intervals with a view to effect improvements.

16. 6.13 The Committee note that 181 Assaying and Hallmarking Centres have been recognized by BIS for certifying gold jewellery articles. As on 29th February, 2012, a total of 9352 Jewellers have been certified by BIS for hallmarked gold jewellery and 558 jewellers for hallmarked silver jewellery/artifacts. The Committee are surprised to note that in another reply to a query, the Department has stated

that there are 186 Assaying and Hallmarking Centres in the country recognized by the Government. Out of these, only 39 Hallmarking Centres are set up with the Central Assistance and the larger numbers of 147 Hallmarking Centres are set up without any Central Assistance. It is clearly evident from this fact that either the present quantum of financial assistance given by the Central Government for setting up Hallmarking Centres is insufficient to attract the prospective entrepreneurs or the formalities for availing the same is too complex, if not both. It is also stated that after enhancement of the subsidy in Government Scheme, the Department have received 42 applications, out of which 14 applications have been granted recognition by the Department. The Committee hope that the Department would consider the remaining applications also for granting recognition at the earliest and facilitate the one PSU who has proposed to set up a Hallmarking Centre in Assam. The Committee further recommends that the Department should review the formalities of the Government Scheme to make it as simple as possible and also to suitably increase the amount of financial assistance given under the Hallmarking Scheme so as to attract entrepreneurs to come forward and set up Hallmarking Centres not only in Metropolitan Cities but also in hilly and remote rural areas throughout the country.

17. 6.14 The Committee note that to bring Hallmarking of Gold Jewellery mandatory in the country, the Cabinet has approved the proposal for amendment of the BIS Act on 4th January, 2012. It is stated that the salient features of the proposed amendment of the Act include, among others, empowering the Government to make mandatory standards for any product/process, making hallmarking of precious metal articles mandatory in phases from the present voluntary scheme, enable India to implement international conventions like the Vienna Convention which requires member countries to recognize the international mark, increase punishment from Rs. 50,000 to Rs. 5 lakh and with a minimum of Rs. 2 lakh (at present there is no minimum fine), to allow BIS to compound offences etc. The Committee are of the view that all these proposal are necessary to make Hallmarking of Gold Jewellery mandatory in the country with a view to ensure better protection of the interest of consumers. The Committee are aware that the purity and quality of Gold Jewellery is not always commensurate with the value of money paid by the customers, as the gold jewellery are not hallmarked by BIS authorized hallmarking Centres. The Committee are of the

view that displaying the rate of gold applicable for the day (whether the previous working day's closing or opening rate/the current market rate on the day of buying) which the jewellery shops should charge from the buyers as well as hallmarking rates being charged per ornament by BIS would go a long way in protecting the interests of the consumers. The Committee, therefore, recommend that the Department should issue instructions to all the jewellery shops in the country to mandatorily display the gold rate as well as the rates being charge per ornament by the BIS for hallmarking the gold jewellery so that the consumers are made aware of the price of gold to be paid by them. This will encourage people to buy more and more BIS hallmarked jewellery. The Committee further desire that the Department should expedite completion of the formalities and introduce the Bill to amend the BIS Act in Parliament during the current Budget Session.

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| 18. | 6.15 | The Committee note that the Bureau of Indian Standards (BIS) is making efforts to build Human Resource Development/Capacity Building in Education Institutions to promote a responsible and responsive consumer movement in the country in line with the best practices in the developed countries. In this regard, efforts are being made to frame curriculum on standardization in five Sectors i.e. Agriculture, Civil Engineering, Mechanical Engineering, Information Technology and Home Science. It is stated that once the curriculum is finalized in consultation with the selected universities/technical institutions and the experts nominated by the AICTE, UGC, etc, it will be introduced in the identified 21 institution/universities and technical institutions. The Committee are surprised to learn that evolution of curriculum is still in progress in consultation with the identified Universities/Institutes though the scheme was approved way back on 27 th March, 2008 with an outlay of Rs 7.00 crores. The Committee, therefore, strongly recommend that the Department should look into the matter and expedite finalization of the scheme on top priority for being implemented from the next academic session. |
| 19. | 7.9 | The Committee note that the State Governments/UT Administrations have been delegated the powers to prevent hoarding and black-marketing of essential commodities under the provisions of the Essential Commodities Act, 1955 and the Prevention of Black-marketing and Maintenance of Essential Commodities Act, 1980. The Committee are surprised to note that despite the |

standing orders issued by the Government to all States Governments/UT Administration to submit monthly reports indicating action taken under the provisions of both the Acts. within 7 days of the date approval of detention orders by the State Governments, only 6 States viz. Gujarat, Tamil Nadu, Orissa, Maharashtra, Andhra Pradesh and Chhattisgarh have furnished the information regarding detention orders issued by them during the years 2009, 2010 and 2011 and the remaining States/UTs have not furnished any such information. The Committee are neither apprised of the reasons why the remaining States/UTs have not furnished the requisite information nor any action taken against the defaulting States/UTs. The Committee, therefore, strongly recommend that the Department of Consumer Affairs should monitor the enforcement of these Acts by the State Governments/UT Administration even more stringently and also make every effort to convince and persuade the remaining States/UTs to strictly enforce the two Acts and also to furnish the requisite information regularly.

20. 7.10 The Committee note that the number of raids conducted, numbers of persons arrested, prosecuted and convicted as well as the value of goods confiscated during the years 2009, 2010 and 2011 are very negligible given the large population and size of the country. The Committee observe that the number of Persons convicted was only 127 against 5131 persons prosecuted in the year 2009, 161 against 4539 persons prosecuted during the year 2010 and only 30 against 4486 persons prosecuted in the year 2011 which only reflects the non-serious approach by the State Governments/UT Administrations with regard to proper enforcement of the provisions of Essential Commodities Act, 1955 and the Prevention of Black-marketing and Maintenance of Essential Commodities Act, 1980. The Committee are not satisfied with the performance of the States/UTs. The Committee, therefore, recommend that the Department of Consumer Affairs should impress upon all the State Governments/UT Administrations to enforce the provisions of these two Acts more vigorously and also conduct raids more frequently in order to not only curb malpractices, profiteering and hoarding but also to check and prevent rise in prices of essential commodities due to artificial scarcity of goods created by traders through hoarding and black-marketing of essential commodities.

21. 7.11 The Committee note that in order to check hoarding and black-marketing of essential commodities, the Government has taken several steps such as writing letters by Hon'ble

Union Minister to all Chief Ministers of States/UTs, Meeting of Hon'ble Union Minister with Ministers of Food/PD/Consumer Affairs of States/UTs, Conference of Chief Ministers, Video Conference by Cabinet Secretary/Secretary with Chief Secretaries/Food Secretaries of all States/UTs, imposing of stock holding limits in respect of certain essential commodities. While appreciating all these steps taken by the Government, the Committee, however, cannot but point out that much more needs to be done in order to check hoarding and black-marketing of essential commodities by the States/UTs as there are reports of rampant malpractices and corruption in different parts of the country. The Committee, therefore, recommend that the Department should take up the matter with all such State Governments/UT Administrations to identify their problems in implementation of the provisions of the PBMMSEC Act and convince them to properly enforce the EC Act and PBMMSEC Act in order to curb malpractices, corruption, profiteering and hoarding of essential commodities by the traders.

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| 22. | 8.15 | <p>The Committee note that in a free market economy, futures trading perform two important economic functions, viz., price discovery and price risk management. Keeping in view its importance to all sectors of the economy, the Department of Consumer Affairs/FMC has taken major initiatives during the last decade such as lifting of futures trading in all commodities, recognition of National/Regional Commodities Exchanges, commencement of futures trading in gold and silver after a ban of more than four decades, improvement of regulatory framework and restructuring of Forward Markets Commission etc. The Forward Markets Commission has also taken several regulatory initiatives during the year 2011-12 including issue of Guidance Manual for Audit of Members of Commodity Futures Exchanges, finalizing a common Know Your Client (KYC) format, issue of Guidelines related to Investor Protection Fund, etc. The Committee hope that all such initiatives taken by the Department/Commission are done in larger public interest and are complementary to their suggestions as contained in the report on the Forward Contracts (Regulation) Amendment Bill, 2010 that was presented to the Parliament on 6th December, 2011.</p> |
| 23. | 8.16 | <p>The Committee note that the Forward Markets Commission has an effective strength of 77 Officers/Staff against the sanctioned strength of 132 Officers/Staff. The Committee find that besides there being a large number of vacancies, the SC/OBCs communities are also not adequately</p> |

represented in Group A,B&C categories and the STs are not represented at all in these categories of employees. The Committee note that despite the advertisements given several times during the last 7 years, the posts of Director/Deputy Secretary/Deputy Director could not be filled up due to non availability of suitable candidates. The Committee are of the view that existence of such a large number of vacancies in a small organization like the FMC would hamper its functioning. The Committee, therefore, strongly urge the Department/FMC to make further sincere efforts to fill up all the vacancies in all categories of posts. The Department/FMC should also try and recruit Officers/Staff belonging to SC/ST/OBC to the extent reservations are made for them as per rules.

24. 8.17 The Committee are surprised to note that despite the Regulatory Mechanism in FMC in place, there are reported cases of trading irregularities and market manipulations. The Committee further note that a complaint received by the FMC in December, 2010 relating to irregularities in National Multi Commodity Exchange, Ahmedabad has been investigated and certain malpractices of the anchor promoter of NMCE were detected for which appropriate directions were given to the Board of Exchange for taking further steps as per law. The Hon'ble High Court of Gujarat, Ahmedabad set aside the order of FMC on 09.02.2012 on the petition by the promoter. Subsequently, the Apex Court stayed the order of the High Court of Gujarat and restored FMC's Order on 22.03.2012 on an SLP filed by FMC. It is further stated that such cases are enquired into by FMC under the provisions of Forward Contracts (Regulation) Act, 1952 and appropriate action taken thereon. The Committee are of the view that those powerful traders indulged in malpractices have no fear of the authority conferred on FMC under the Forward Contracts (Regulation) Act, 1952 nor are they bothered about the fine that can be imposed on them. The Committee, therefore, recommend that the Department/FMC should seriously consider that cases of malpractice noticed in the National/Regional Commodity Exchanges should be handed over to the CBI for proper and thorough investigation so that the offenders, however wealthy and powerful they may be, are brought to justice.
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