

THIRTEENTH REPORT  
STANDING COMMITTEE ON FOOD, CIVIL  
SUPPLIES AND PUBLIC DISTRIBUTION  
(2001)

(THIRTEENTH LOK SABHA)

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

*[Action Taken by Government on the Recommendation contained in  
the Tenth Report of the Committee on Food, Civil Supplies and  
Public Distribution on Demands for Grants (2001-2002) of the  
Ministry of Consumer Affairs, Food and Public Distribution  
(Department of Consumer Affairs)]*

Presented to Lok Sabha on.....  
Laid in Rajya Sabha on.....

19 DEC. 2001



LOK SABHA SECRETARIAT  
NEW DELHI

*December, 2001/Agrahayana, 1923 (Saka)*

## CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE .....	(iii)
INTRODUCTION .....	(v)
CHAPTER I Report .....	1
CHAPTER II Recommendations/Observations which have been accepted by the Government .....	8
CHAPTER III Recommendations/Observations which the Committee do not desire to pursue in view of reply of the Government.....	20
CHAPTER IV Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee.....	23
CHAPTER V Recommendations/Observations in respect of which final replies of the Government are still awaited .....	30

### APPENDICES

I. Minutes of the sitting of the Standing Committee on Food, Civil Supplies & Public Distribution (2001) held on 14.12.2001 .....	38
II. Analysis of Action Taken by the Government on the Recommendations contained in the Tenth Report of the Standing Committee on Food, Civil Supplies and Public Distribution (Thirteenth Lok Sabha).....	40

COMPOSITION OF THE STANDING COMMITTEE ON FOOD,  
CIVIL SUPPLIES AND PUBLIC DISTRIBUTION  
(2001)

Shri Devendra Prasad Yadav — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri A.P. Abdullakutty
3. Prof. S.P. Singh Baghel
- \*4. Shri Shyamlal Bansiwai
5. Shri Ranen Barman
6. Shri Sujan Singh Bundela
7. Shri Namdeorao Harbaji Diwathe
8. Shri Rameshwar Dudi
9. Shri Abdul Hamid
10. Shri Jai Prakash
11. Shrimati Preneet Kaur
12. Shri Brijlal Khabri
13. Shri Shyam Bihari Mishra
14. Shri Yogi Aditya Nath
15. Shri Sisram Ola
16. Shri Mansinh Patel
17. Shri Laxmanrao Patil
18. Shri Bajju Ban Riyan
19. Shri Vishnu Dev Sai
20. Shri Abdul Rashid Shaheen
21. Shri Ram Naresh Tripathee
22. Shri Ram Chandra Veerappa
23. Shri Sahib Singh Verma
24. Shri Tejveer Singh
25. Shri Kishan Lal Diler

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\* Shri Shyamlal Bansiwai ceased to be a member of the Committee due to his demise w.e.f. 22.5.2001.

(iv)

26. Shri Ramshakal
27. Shri Rama Mohan Gadde
28. Shri P.D. Elangovan
- \*29. Shri Dalit Ezhilmalai
- \*\*30. Shri Ramsagar Rawat

*Rajya Sabha*

31. Shri W. Angou Singh
32. Shri Abdul Gaiyur Qureshi
33. Shri Lajpat Rai
34. Shri Dawa Lama
35. Shri M.A. Kadar
36. Shri Kaushok Thiksey
37. Shri D.P. Yadav
38. Shri Vijay Singh Yadav
39. Smt. Bimba Raikar
40. Dr. A.K. Patel
41. Shri Ghanshyam Chandra Kharwar
- \*\*\*42. Smt. Gurcharan Kaur
43. Vacant
44. Vacant
45. Vacant

SECRETARIAT

1. Shri John Joseph — *Additional Secretary*
2. Shri Ram Autar Ram — *Joint Secretary*
3. Shri A.S. Chera — *Deputy Secretary*
4. Shri R.S. Mishra — *Under Secretary*
5. Smt. Manju Chaudhry — *Committee Officer*

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\* Nominated to the Committee w.e.f. 7.8.2001 vide Lok Sabha Bulletin Part II (Para No. 2117 dated 7th August, 2001).

\*\* Nominated to the Committee w.e.f. 11.9.2001 in place of Shri Akhilesh Yadav; M.P. vide Lok Sabha Bulletin Part II (Para No. 2236 dated 11 September, 2001).

\*\*\* Nominated to the Committee w.e.f. 3.8.2001 vide Rajya Sabha Bulletin Part II (Para No. 39049 dated 3rd August, 2001).

## INTRODUCTION

1. The Chairman of the Standing Committee on Food, Civil Supplies and Public Distribution (2001) having been authorized by the Committee to submit the Report on their behalf, present this Thirteenth Report on Action Taken by the Government on the recommendations/ observations contained in the Tenth Report of the Committee (Thirteenth Lok Sabha) on "Demands for Grants" (2001-2002) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

2. The Tenth Report was presented to Lok Sabha on 20th April, 2001. The Government furnished their replies indicating action taken on the recommendations contained in the Report on 23rd July, 2001. The Draft Action Taken Report was considered and adopted by the Standing Committee on Food, Civil Supplies and Public Distribution (2001) at their sitting held on 14th December, 2001.

3. An analysis of the action taken by the Government on recommendations contained in the Tenth Report of the Standing Committee (Thirteenth Lok Sabha) on "Demands for Grants" (2001-2002) is given in Appendix-II.

NEW DELHI;  
14 December, 2001  
23 Agra Hayana, 1923 (Saka)

DEVENDRA PRASAD YADAV,  
*Chairman,*  
*Standing Committee on Food,*  
*Civil Supplies and Public Distribution.*

## CHAPTER I

### REPORT

1.1 This Report of the Standing Committee on Food, Civil Supplies and Public Distribution deals with the Action Taken by the Government on the Observations/Recommendations contained in the Tenth Report (Thirteenth Lok Sabha) on Demands for Grants (2001-2002) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

1.2 The Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on the 20th April, 2001. It contained 16 recommendations/observations.

1.3 Action Taken Notes in respect of all the 16 observations/recommendations contained in the Report have been received and categorized as follows:—

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

Para Nos. 1.11, 2.13, 3.15 and 3.39

(Chapter-II, Total-4)

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

Para Nos. 2.14 and 4.12

(Chapter-III, Total-2)

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

Para Nos. 3.17, 3.31, 3.32, 3.33, 4.13 and 5.8

(Chapter-IV, Total-6)

- (iv) Recommendations/Observations in respect of which replies of the Government are still awaited:

Para Nos. 2.23, 3.16, 4.14 and 4.15

(Chapter V, Total-4)

1.4 The Committee desire that the final replies in respect of the Observations/Recommendations for which only interim replies have been given by the Government should be furnished to the Committee expeditiously.

1.5 The Committee strongly emphasize that utmost importance should be given to the implementation of Observations/Recommendations accepted by the Government. In cases where it is not possible for the Government to implement the recommendations in their letter and spirit for any reason, the matter should be reported to the Committee in time with reasons for non-implementation.

1.6 The Committee will now deal with action taken by the Government on some of the recommendations.

#### **National Cooperative Consumers' Federation (NCCF)**

##### **Recommendation (Para No. 3.17)**

1.7 Taking note of the ineffectiveness of previous attempts at reducing irregularities, the Committee had urged the Ministry to devise ways and means in coordination with National Cooperative Consumers' Federation (NCCF), to ensure that cases of reported irregularities are eliminated for which the Vigilance Cell of the federation should be further strengthened.

1.8 The Government in its Action Taken Reply has stated that various internal control measures like streamlining of the purchase procedures, inspection of branches, checking of major transactions and revised reporting procedures had been undertaken. The Government has also stated that the NCCF had been undertaking periodic checks to ensure implementation of prescribed internal control measures, that they had organized Preventive Vigilance-cum-Training Workshops for their officials and that rotation of staff from sensitive to non-sensitive posts had also been undertaken periodically by the NCCF.

1.9 The Committee are not satisfied with the reply given by the Ministry of Consumer Affairs, Food and Public Distribution. The Ministry in its reply has stated that NCCF has introduced some internal control measures like streamlining of the purchase procedures, inspection of branches and checking of major transactions and revised reporting procedures but the reply is silent about the methods adopted to ensure elimination of cases of reported irregularities. Moreover, nothing has been stated regarding steps taken to strengthen the Vigilance Cell. While reiterating their earlier recommendation, the Committee strongly urge the Ministry to ensure that the Vigilance Cell should be further strengthened with a view to eliminate the cases of reported irregularities.

### **Super Bazar**

#### **Recommendation (Para No. 3.31 and 3.32)**

1.10 Expressing their disagreement over the passive stand of the Government and also the pathetic situation prevailing in the functioning of Super Bazar, the Committee had recommended that revival package for running the Super Bazar should be released without further delay, managerial responsibility should be given to the persons with adequate administrative experience and expenditure on top management should be curtailed to the maximum extent. Further, the Committee had urged the Government to finalize its stand as to whether the Super Bazar be handed over either to Government of NCT of Delhi or to Multi State Cooperative Society (MSCS) for running it smoothly.

1.11 The Ministry in its Action Taken Reply has stated that possibility exists that some well run viable MSCS may be interested to associate itself with Super Bazar provided the two organizations work out mutually acceptable and rewarding terms of association, that action has been taken to obtain a decision from the competent authority with regard to future action to be taken in respect of Super Bazar. Also it has conveyed its feeling that Super Bazar should be given more autonomy. The Committee were also informed that various expenditures had been revised downwards and that overtime allowance, hard duties allowances and other allowances had been totally stopped, various purchases had been stopped and steps towards improving sales turnover had been taken and policy of payment after realization had been adopted. Regarding the recommendation for finalization of its stand on Super Bazar, the Ministry has informed that transfer of Super Bazar to Government of NCT of Delhi had not been approved by the Government of Delhi and that alternative proposals were being considered. Further, the Ministry, in a subsequent note furnished to the Committee has conveyed its decision for winding up of Super Bazar under Sections 69 and 77 of the Multi-State Cooperative Societies Act, 1984.



1.12 The Committee express their disagreement over winding up of Super Bazar. They opine that the Government's decision of winding up of the Super Bazar is not a wise step. The Super Bazar, inspite of its financial losses and large scale irregularities, still has its plus points i.e. its strategic location, distribution chain (152 branches), experienced staff, brand equity and established linkages with the suppliers. These advantages might have still been utilized for the public good had it been either handed over to the Government of NCT of Delhi or tied up with some Multi State Cooperative Society. The idea of winding up of Super Bazar is viewed by the Committee as abject surrender of the Government to the private shops/market ignoring the interests of common consumers. While reiterating their earlier recommendation, the Committee very strongly recommend that vigorous efforts should be made to make the Super Bazar functional without further loss of time. The Committee also recommend to take immediate steps by the Government to find Organizations with adequate business expertise and experience to run the Super Bazar. The Committee desire that action taken and achievements made in this regard should be closely monitored by the Ministry at the Secretary level and the results achieved in this regard be communicated to the Committee from time to time.

#### Recommendation (Para No. 3.33)

1.13 Taking note of the pathetic situation in Super Bazar , the Committee had recommended that all efforts should be made for speedy disposal of cases pending with the Central Registrar of Cooperatives Societies (CRCS) and Central Bureau of Investigation (CBI) so that the guilty might be booked and that money embezzled might be recovered without further delay, that vigilance machinery should be adequately strengthened and that property attached to Super Bazar be gainfully utilized.

1.14 The Government in its Action Taken Reply stated that certain cases of finance and other irregularities and omissions and commissions in Super Bazar had been referred to CBI in January, 2000. The Report of CBI had still been awaited. The reply also stated that a copy each of the inquiry report of CRCS under section 69 & 73 of Multi State Cooperative Societies (MSCS) Act, 1984 into the affairs of Super Bazar had been sent to CBI with the request that Criminal Offense against the alleged persons, who had been found guilty in the report in accordance with law, be established. As regards Mahamaya Biscuit Case, the Government has informed that the Management of Super Bazar had referred the case to CBI for inquiry and that charge sheets had since been filed.

1.15 The Committee note with concern the reply of the Government that though certain cases connected with Super Bazar were referred to Central Bureau of Investigation (CBI) by them in January, 2000, the report of the CBI is still awaited. It is quite ridiculous that after 18 months of reference of the cases the report of CBI is still awaited. Further, the Government is also silent on the recommendation of the committee for speedy disposal of cases pending with CRCS and CBI and gainful utilization of properties attached to Super Bazar worth crores of rupees and for strengthening the vigilance machinery. The Committee, therefore, while reiterating their earlier recommendation, strongly urge the Government to take immediate steps for speedy disposal of pending cases with CRCS and CBI and start recovery proceedings from the guilty without further delay. The Committee desires that the property attached to Super Bazar worth several crores of rupees should also be gainfully utilized.

**Bureau of Indian Standards (BIS)**

**Recommendation (Para No. 4.13)**

1.16 Expressing their disagreement over the stand of the Government for bringing cables and wires, under mandatory certification as per Electrical Wires and Cables, Appliances and Accessories (Quality Control) Order, 1993, the Committee had recommended that cables and wires should be brought under mandatory certification and that the issue may be taken up with Ministry of Industry at the earliest.

1.17 The Government, in its Action Taken Reply, has stated that even though Electrical Wires and Cables, Appliances and Accessories (Quality Control) Order, 1993 does not cover wires and cables, yet wires and cables are covered by Household Electrical Appliances (Quality Control) Order, 1981 which stipulates that wires and cables should conform to relevant Indian standards specified in the Control Order and that large number of manufacturers of wires and cables have obtained BIS certification mark on voluntary basis. The Government has also informed that they had taken up the matter with Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry and that the latter had agreed with the recommendation of the Committee. Further action in this regard will be taken in consultation with the Department of Industrial Policy and Promotion.

1.18 The Committee note that their recommendation for wires and cables to have mandatory certification had been taken by the Department of Consumer Affairs with the Department of Industrial Policy and Promotion of the Ministry of Commerce and Industry and that the latter had agreed with the same. However, the Department of Consumer Affairs has not come forward with a fresh notification in this regard so far. In the opinion of the Committee, the wires and cables are used by the people coming from all the income groups, the damages caused fall heavily on people from lower income group *i.e.* common consumers. The Committee, therefore, while reiterating their earlier recommendation urge the Department of Consumer Affairs to come forward with a notification bringing wires and cables under mandatory certification of Household Electrical Appliances (Quality Control) Order, 1981 and Electrical Wires and Cables, Appliances and Accessories (Quality Control) Order, 1993.

### Regulation of Markets

#### Recommendation (Para No. 5.8)

1.19 Emphasizing the need for faster growth of forward markets the Committee had recommended that the various trading exchanges should be persuaded to go on-line at the earliest, pending cases should be settled at the earliest and that the required infrastructure and cooperation should be given to enforcement officials for smooth functioning of their activities.

1.20 The Government, in its Action Taken Reply, has stated that few exchanges like Coffee Futures Exchange of India, Bangalore, had gone on-line, various exchanges are at different stages of implementation of on-line trading platform and that the rest of the exchanges are also being persuaded to install the same. The reply also stated that disposal of pending cases of irregularities is vested with the courts and that such cases are monitored by the police authorities. As regards the recommendation for strengthening of Enforcement Division of the Forward Markets Commission (FMC), the Government has informed that the matter of filling up of the post of Director had been taken up. This post had been lying vacant since quite long time.

1.21 The Committee are not satisfied with the reply of the Government. Most of the commodity exchanges except a few have still not gone on-line. The reply of the Government that rest of the exchanges are also being persuaded to go on-line, is not acceptable to the Committee due to the fact that on-line monitoring will definitely improve the pace of surveillance by Forward Markets Commission (FMC). Further, the reply of the Government that the matter of filling of the post of Director had been taken up, is a very casual reply and is indicative of the Government's lack of commitment for flourishing of a reliable/healthy forward markets. The Committee, therefore, while reiterating their earlier recommendation strongly urge the Government for taking necessary steps to ensure that all recognized commodity exchanges go on-line at the earliest and that the post of Director, Enforcement Division in FMC is filled without further delay. As regards pending cases of irregularities in various courts, the Government, in consultation with FMC, should adopt ways and means for their quick disposal. For this, the matter may also be taken up with the concerned State Governments. The Committee would like to be apprised of the steps taken and progress made in this regard within 3 months of presentation of the report to the House.

## CHAPTER II

### RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### (Recommendation (Para No. 1.11))

The Committee are not satisfied with the actual expenditure of the Ministry in respect of BE (2000-2001) both in plan and non plan estimates. The percentage of expenditure during the year 2000-2001 in plan and non plan, which are respectively 83.9 and 72.37, do not seem to be up to the mark and also the funds allocated in some of the heads have been diverted to other heads. As regards less expenditure, the reasons put forth by the Ministry such as delay in starting construction of training institute of BIS at NOIDA and pre-occupation of State Governments who do not accord priority to Central Government projects like construction of Regional Reference Standard Laboratory (RRSL) are not very convincing. Also the reasons put forth by the Ministry for diversion such as for office expenses, professional services and meeting expenses towards deliberation and conferences regarding Consumer Protection Act only reveal their poor planning. In the opinion of the Committee, the monitoring of the Ministry over its various schemes and also its coordination with State Governments have not been upto the mark. The Committee, therefore, strongly recommend that the Ministry should further strengthen its monitoring over the entire schemes and ensure that the projects undertaken are completed without further delay which in turn will also check on cost escalation. Also steps should be taken to release funds for the pending projects in a phased manner so that major spending at the fag end of the year may be avoided.

#### Reply of the Government

As per the recommendations of the Standing Committee, the Department is required to strengthen its monitoring system to ensure that all construction projects are completed within a time schedule. The Department has, therefore, constituted following Committees to

monitor the progress of construction to be got completed during the current financial year:—

(a) Committee for monitoring the progress of construction of BIS Training Institute at Noida:

- |  |                    |
|--|--------------------|
| (i) Director BIS   | — Chairman         |
| (ii) Asstt. Director General, BIS<br>Incharge of construction work of<br>the Training institute at Noida | — Member           |
| (iii) US (BIS)   | — Member Secretary |

(b) Committee for monitoring the progress of construction of building of RRSL, Guwahati and Faridabad:

- |                            |                    |
|----------------------------|--------------------|
| (i) Additional Secretary   | — Chairman         |
| (ii) Director (LM)         | — Member           |
| (iii) Deputy Director (LM) | — Member Secretary |

These Committees will meet once a month to review the progress made in the construction of work of the respective projects. The Chairman of the Committee would apprise Secretary (CA) about the progress of the construction work and will obtain his order/advice.

With regard to monitoring of plan and non plan expenditure to ensure that the budget provision is spread over the entire year and there is no last minute rush to spend the budget provision, a Committee has been constituted as under to monitor actual expenditure incurred during the previous month.

#### Constitution of the Committee

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|--|------------|
| (i) Officer on Special Duty                | — Chairman |
| (ii) All Directors/Deputy Economic Adviser | — Member   |
| (iii) US (IF)                              | — Member   |

This Committee will apprise Secretary(CA) about the actual expenditure incurred on various items in the meeting of Senior Officers which is chaired by the Secretary (CA).

It may be appreciated that the budget provision under various object heads in the Demand for Grants is an anticipated expenditure requirement of funds in the next financial year. These estimates are prepared in October/November every year for the expenditure to be incurred during the next financial year. The reappropriation of funds do not affect overall budgetary provision of the Department. However, efforts would be made to meet the expenditure out of the budget provision for each head.

[Ministry of Consumer Affairs, Food & Public Distribution O.M.  
No. G.11027/1/2001-P&C Dated the 20.7.2001]

**Recommendation (Para No. 2.13)**

Despite the fact that the Government have enacted Consumer Protection Act and established Consumer District Fora for the redressal of grievances of the consumer within stipulated time, it is an astonishing fact that as on date 48 district fora are still non-functional. This is an increasing trend because non-functional district fora reported last year was only 43. The reply of the Ministry that though the issue was reviewed in the meeting of the Central Consumer Protection Council Chaired by the Union Minister and attended by the State Ministers of all the States, no fruitful result could be obtained in making all the district fora functional is not convincing to the Committee. In the opinion of the Committee the Government have not taken up the matter in its right earnest in the larger interests of the consumers of the country. The Committee, therefore, recommend that Government should vigorously persuade State Governments to make these non-functional district fora functional by appointing Presiding Officers in time. For that purpose, if necessary, financial assistance may also be provided by the Central Government.

### Reply of the Government

Under the Consumer Protection Act, 1986 the responsibility to set up State Commissions and District Forums with adequate infrastructure and to ensure their continuous and proper functioning lies with State Governments/Union Territory Administrations. However, to strengthen the infrastructure of State Commissions and District Forums, the Central Government has already provided Rs. 61.80 crores during 1995-99 in four installments @ Rs. 50 lakhs per State Commission and @ Rs. 10 lakhs per District Forum as one-time grant with the approval of the Planning Commission to supplement the efforts of the States/UTs. The Department of Consumer Affairs has been giving high priority to monitoring the functioning of the consumer dispute redressal agencies and pursuing with the State Governments to ensure that these agencies function uninterruptedly. However, it would continue to pursue with the States/UTs to impress upon them the need to appoint the Presidents/Members in time for uninterrupted functioning of the redressal agencies. A proposal, *inter-alia*, to empower the senior most member of the State Commission and District Forum to preside over the Commission or the Forum, as the case may be, till the President joins is also included in the Consumer Protection (Amendment) Bill, 2001. This will facilitate the Commissions/Forums to function in the absence of the President due to any reason. The Consumer protection (Amendment) Bill, 2001 has been introduced in the Rajya Sabha on 26.4.2001. Once the Bill is enacted, it would greatly facilitate the smooth functioning of the consumer dispute redressal agencies.

[Ministry of Consumer Affairs, Food & Public Distribution O.M.  
No. G.11027/1/2001-P&C Dated the 20.7.2001]

### Recommendation (Para No. 3.15)

The Committee are happy to note that the National Cooperative Consumers Federation (NCCF) have started earning profits for which they prepared a five year work programme which is a welcome step. However, the Committee desire that the Government and NCCF should take concrete measures to achieve the said target. In the opinion of the Committee efforts should be made to *enhance the business* operation of the federation in the manner the Government has nominated NCCF to undertake export of foodgrains and pulses from the Central Pool.



### Reply of the Government

NCCF achieved a sales turnover of Rs. 405 crores during the year 2000-2001. The sales target for 2001-02 is Rs. 450 crores. NCCF will pursue its work programme to achieve the targeted sales for the year 2001-02. The NCCF will also continue to undertake *export* of foodgrains and other commodities, as are allotted to them, as per Government policies in this regard.

### Recommendation (Para No. 3.39)

The Committee note that NAFED suffered a loss of Rs. 62.44 crore towards import of pulses during the year 1999-2000. The Committee is not at all convinced with the reasons put forth by the Ministry for the losses. While making the deal to import pulses no reference was made in the contract for the timely arrival of pulses. Further, the Ministry has been unable to justify the reasons for the purchase of pulses at a very high price and that too at a time when the fresh crop was ready to arrive in the market and also without keeping in mind the estimate of the quantity of pulses to be imported under OGL. The quality of imported pulses was also not good which is evident from the fact that the pulses were not accepted by most of the State Government Agencies and even by the cyclone hit State of Orissa. The Committee are not happy with the situation. In their opinion, the Government while making such deals should have considered all pros and cons in detail so that the country which is passing through severe financial crisis is not put to such a heavy loss of foreign exchange. Also the interests of farmers and consumers should be kept in mind while making such deals. The Committee further recommend that the matter should be thoroughly enquired into at the highest level and responsibility/accountability for the losses suffered should be fixed in a time bound manner.

### Reply of the Government

The main points coming out of the observations/recommendations made by the Standing Committee and our comments thereon is brought out in the Statement enclosed.

**Statement showing Action Taken on the Recommendations/  
Conclusions contained in the Tenth Report of Standing  
Committee on Food, Civil Supplies and Public Distribution**

Observations/Recommendations	Reply
1	2
1. No reference was made in the contract for the timely arrival of pulses.	In all the contracts signed by State Trading Corporation (STC) with the exporters, specific references were made with regard to the delivery schedule of the imported pulses. The contracts also included clauses to claim damages in the event seller fail to deliver the goods as per schedule.
2. The purchase of pulses was done at a very high price and that too at a time when the fresh crop was ready to arrive in the market and also without keeping in mind the estimate of the quantity of pulses to be imported under OGL.	The contracts for 1 lakh tonnes of pulses were made by the STC with the seller at the best available prices in the international market as per the directions given by the Cabinet Committee on Prices (CCP) in its meeting held on 7th June, 2000.
3. The quality of imported pulses was not good.	The contracts entered into by STC with the seller also had detailed specifications regarding quality of pulses to be imported along with clauses relating to inspection and fumigation of the imported pulses. The specification regarding quality included, <i>inter-alia</i> , the limit on moisture content, splits/shrivalled/damaged quantity, foreign matter, brokens etc.

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1	2
<p>4. The Government while making such deals should have considered all pros and cons in detail so that the country which is passing through severe financial crisis is not put to such a heavy loss of foreign exchange. Also the interests of farmers and consumers should be kept in mind while making such deals;</p>	<p>The Cabinet Committee on Prices (CCP) in its meeting held on 7.6.1999 decided that "State Trading Corporation (STC) be authorised to import on Government account one lakh tonnes of pulses of different varieties, including the import of 25,000 tonnes of Arhar Dal for which authorisation was given by the CCP in its meeting held on 4.12.98". The CCP in its meeting held on 22.6.99 also decided that "the Coordination Committee headed by Secretary, Ministry of Commerce, which was constituted <i>vide</i> CCP decision dated 29.12.98, shall function as an Empowered Committee to take all decisions necessary for ensuring that the import of one lakh tonnes of pulses, as approved by CCP on 7.6.99, is contracted within a month and their storage and distribution is appropriately tied up. Since the lean season has started, arrivals should begin as soon as possible."</p>
<p>5. The matter should be</p>	<p>In the High Powered Price Monitoring Board (HPPMB) meeting held under the Chairmanship of Cabinet Secretary on 6.7.99, it was decided, <i>inter-alia</i>, that the pulses should be stocked with National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) after being imported by STC to meet the</p>

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internal demand when the prices show a rising trend. The timing of market intervention was to be decided later.

As Per the decision of the CCP, the STC finalised the contracts for the import of 1,01,990 tonnes of pulses consisting of 10,241 tonnes of Urad, 10,281 tonnes of Moong, 31,320 tonnes of Tur and 50,148 tonnes of Dunpeas. **The Empowered Committee approved the variety of pulses to be imported by STC. The imported pulses started arriving at the Indian ports in August, 1999 and continued till November, 1999. The imported pulses were handed over by STC to NAFED for storage and distribution between the period September, 1999 to December, 1999. The issue of arrival, quality and prices were discussed on regular basis in the meeting of HPPMB and Empowered Committee.**

In the meeting of the HPPMB held on 21.9.99, it was felt that the pulses need to be disposed off at the earliest in order to keep the prices of pulses in the open market within the reasonable limits as the festival season was to commence and prices had started firming up. It was further decided that NAFED may be

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permitted to sell all the pulses at suitable places in such a way that they do not incur loss and if they make profit over and above service charge @3% of the cost of imported pulses, the same could be retained by them. Accordingly, a Note was submitted for the consideration of CCP, which was approved through expression of opinion as conveyed by the Cabinet Secretariat *vide* letter No. 1/EOO/CCP/99(i) dated 11.10.99. Pursuant to this, the D/o Consumer Affairs directed NAFED to dispose off the stocks of imported pulses at the best available market rates. The HPPMB in its meeting on 26.10.99 also decided that NAFED should dispose off pulses at the best available market rates so that profit is maximised and loss is minimised. It was also decided in the meeting that Secretary (A&C) would discuss the sale of imported pulses with NAFED so that it does not incur any loss in the sale of imported pulses.

In compliance with the decision taken by the HPPMB and the directions issued by Department of Consumer Affairs, NAFED started disposing off the stocks of imported pulses in October, 1999. The import of one lakh tonnes of pulses on Government account

appears to have a salutary effect on the prices and the prices started showing a declining trend. The trends in the Wholesale Price Index (enclosed in the Appendix) shows that the prices of Arhar and Moong declined significantly since August, 1999 although the overall inflation rate continued to increase. As a result, the sale of imported pulses (except for Urad) could not pick-up at the desired pace as the ruling prices of other varieties [viz. Moong, Tur (whole), Tur dal, Moong (whole) and Dunpeas] were consistently lower than the approved issue price of pulses at all the stocking centres and nearby mandies. The new crop of pulses (especially Tur) started arriving only in the month of November, 2000 i.e. after more than two months of first consignment of imported pulses. Meeting after meeting of HPPMB discussed the status of sale of imported pulses at different centres and therefore Government was aware of all consequential results of such market intervention.

Pursuant to the decision of HPPMB in its meeting held on 26.10.99, Department of Agriculture & Cooperation discussed the matter with NAFED and thereafter informed

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that the slow pace of disposal of imported pulses is mainly due to depressed market prices. The D/o Agriculture & Cooperation also informed the HPPMB in its meeting held on 9.11.99 that the loss which may be incurred by NAFED in handling the imported pulses is estimated to be around Rs. 40 crore.

In order to minimise the losses, NAFED continued with its efforts to dispose off the imported pulses at the best available prices. In spite of the best efforts by NAFED, the entire quantity of imported pulses could be disposed off only in September, 2000. A quantity of 500 tonnes is still to be lifted by the concerned agencies as per the report furnished by NAFED on 4.6.2001. NAFED is making all the efforts for expediting the lifting of the balance stock by the concerned agencies.

Thus, the decisions regarding import of pulses and disposal thereof have been taken on the basis of discussions held in various meetings at the highest level (CCP, HPPMB, Empowered Committee) after considering all pros and cons. Moreover, the main objective of containing the continued upward prices of

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**pulses was achieved through import of pulses on Government account, which has benefited the consumers in the country.**

Still a more systematic and careful approach would be pursued in future in dealing with similar situations. Given the changed market situation, identical situation may not be repeated as all Quantitative Restrictions (QRs) on imports have been removed.

thoroughly enquired into at the highest level and responsibility/accountability for the losses suffered should be fixed in a time bound manner.

The Department of Agriculture & Cooperation, which is the nodal Ministry for NAFED, have analysed the reasons for losses incurred by NAFED in handling the imported pulses. They have informed that the losses incurred by NAFED are not due to their inefficiency but due to low rates coupled with poor demand prevailing in the market at that time. Hence there is no need for an enquiry.

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### CHAPTER III

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

##### Recommendation (Para No. 2.14)

The Committee note that the percentage of disposal of cases stood at 45.8% for National Commission, 60.5% for the State Commissions and 82.7% for district fora which is far from being satisfactory. In some of the States the number of pending cases in district fora are of the order of 69,592 (Uttar Pradesh) and 21,445 (Maharashtra). The Committee view this situation very seriously and with deep concern. They, therefore, strongly recommend that the Government should devise ways and means for disposal of cases within stipulated time in consultation with State Governments at the earliest, if need be, by amending the Consumer Protection Act as has been asserted by the Secretary during evidence. The Committee also recommend that the Government should make efforts to link the consumer courts with computer network so that information is readily available to consumers for quick redressal of their grievances.

##### Reply of the Government

Several bottlenecks and shortcomings which have come to light in implementation of the various provisions of the Consumer Protection Act, 1986 have been taken into account in drafting the Consumer Protection (Amendment) Bill, 2001, which has already been introduced in the Rajya Sabha on 26.4.2001. The Bill contains comprehensive amendment proposals basically to facilitate quicker disposal of consumer complaints by the consumer dispute redressal agencies, secure effective implementation of their orders, widen the scope of some of the provisions of the Act and strengthen the redressal agencies with more powers to better protect the interest of consumers. In so far as the recommendation for linking of the consumer courts with computer network is concerned, this is a long term objective for which efforts will be made in cooperation with the State Governments. It may also be mentioned here that the Central Government has given a one-time of Rs. 61.80 crores during 1995-99 to strengthen the infrastructure of these consumer courts. The purposes for which the grant could be utilized included provision of a computer.

[Ministry of Consumer Affairs, Food & Public Distribution  
O.M. No. G.11027/1/2001-P&C Dated the 20.7.2001]

**Recommendation (Para No. 4.12)**

The objective of BIS is to bring the producer and consumer near to each other and make them work together in the development of national standard. The Committee are, however, not satisfied with the performance of the Organization keeping in view the fact that a number of spurious goods are being sold in the market. The Committee, therefore, strongly urge the Ministry to come forward with a detailed plan in consultation with concerned Ministries to check the flow of spurious goods and in turn saving the lives of consumers. Search and seizure operations should not only be confined to the manufacturers but also to the traders or persons who store, sell or distribute the spurious goods.

**Reply of the Government**

BIS has a role only in respect of goods bearing the BIS Standard mark. In order to curb the sale of goods falsely bearing the BIS Standard Mark or colourable imitations thereof, BIS has been regularly carrying out search and seizure of such products as a result of its own investigations or on receipt of specific complaints and taking legal action against the offenders under the BIS Act 1986. Besides, BIS has been participating in various consumer awareness programs and educating the consumers through Consumer Organizations/Associations, publicity in the mass media, organizing buyer-seller meets, interaction with traders, etc. It is proposed to intensify efforts further in this direction and also to increase interaction with the licensees as well as other sources providing information about the manufacture of spurious ISI marked products.

In accordance with the existing provisions of BIS Act 1986, search and seizure are carried out in the premises of manufacturers and traders where there is reason to suspect the availability of products falsely bearing BIS Standard mark. However, under section 28 of BIS Act 1986, BIS has power to compel supply of information only from a BIS licensee and there is no provision in the Act which specifically prohibits a trader from selling spurious products with BIS Standard Mark. Proposals for amendment of the relevant provisions of section 11 & 28 of BIS Act 1986 to remove these lacunae are therefore under consideration of Government. The amendment proposals also include enhancement of penalties under the BIS Act 1986 to serve as a deterrent to those indulging in the misuse of the Standard Mark.

Affected consumers can also seek redressal against sale of counterfeit or spurious goods through the Consumer Disputes Redressal Agencies (popularly known as Consumer Courts) set up under the Consumer Protection Act, 1986. In the Consumer Protection (Amendment) Bill, 2001 introduced in Parliament, provision has been made to bring the manufacture and sale of spurious goods within the definition of "unfair trade practice" against which a consumer can seek redressal.

#### **Views of Deptt. of Industrial Policy and Promotion**

The Trade & Merchandise Marks Act provides protection against infringement of registered trademark. The Trade & Merchandise Marks Act, 1958 provides penalties for infringement, falsification, etc. of trademarks. Under the Trade & Merchandise Marks Act, 1958, the onus of initiating action against infringement of trademarks lies upon the owner of the registered trade mark who can move the civil or criminal court for redressal. These are being further enhanced under the to be operationalised Trade Marks Act, 1999 in order to provide adequate deterrent against misuse of trademarks.

The Trade & Merchandise Marks Act, 1958 is proposed to be replaced by the Trade Marks Act, 1999 under which the penal provisions for infringement of trademarks rights have been enhanced. Sections 101 to 105 of the Trade Marks Act, 1999, provide for necessary penalties for counterfeiting Offences under Sections 103, 104 and 105 have been made cognizable and the period of imprisonment provided is to be not less than six months with a maximum of three years with a minimum fine of Rs. 50,000/- which may be extended to Rs. 2,00,000/-.

## CHAPTER IV

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

#### Recommendation (Para No. 3.17)

The Committee are, however, unhappy to note that even though the federation has taken a number of preventive steps, many cases of irregularities have been reported. The Committee, therefore, urge the Ministry to devise *certain ways and means in consultation with NCCF*, to ensure that cases of reported irregularities are eliminated for which the Vigilance Cell of the federation should be further strengthened.

#### Reply of the Government

Various internal control measures like streamlining of the purchase procedures, inspection of branches, checking of major transactions and revised reporting procedures have been introduced by the NCCF. In addition to these steps, the NCCF is undertaking *periodic checks* to ensure implementation of prescribed internal control measures. They have also organised *Preventive Vigilance-cum-Training Workshops* for their officials, in order to make these officials aware of the rules and procedures laid down for the purpose. *Rotation of staff* from sensitive to non-sensitive posts is also being undertaken periodically by the NCCF.

[Ministry of Consumer Affairs, Food & Public Distribution  
O.M. No. G.11027/1/2001-P&C Dated the 20.7.2001]

#### Comments of the Committee

(Please see Para No. 1.9 of Chapter I of the Report)

#### Recommendation (Para No. 3.31)

The Committee are seriously concerned about the deteriorating condition of Super Bazar which was established with the sole objective of fair and better trade practices to contain the rising trend of prices in the market and to provide commodities at a reasonable price on no loss no profit basis. Super Bazar has failed to achieve the objective. It

gained profit till 1995 and after that it suffered losses totalling about Rs. 32.79 crore till date. Some of the reasons for the rising trend of losses given by the Ministry are due to lack of Central aid and planning, lack of professionalism in supervision, mismanagement by a section of employees in coalition with some members of the Board of Directors of Super Bazar, etc. The Committee failed to understand as to why the Ministry did not come to the aid of Super Bazar in time when the reason for its losses were known to them and was within their capacity. Further, no sincere efforts were made by the Ministry for making it viable by devising a proper revival package or by providing Government funds under proper control and supervision as in the case of other Organization like NCCF. In the opinion of the Committee it is not difficult for the Government to make the Organization viable keeping in view the fact that value of its assets are running in several crores and there is all possibility of influx of imported essential commodities in Indian market against the long term interest of consumers. The Committee, therefore, very strongly recommend that the Ministry should not be a silent spectator and should come forward with the revival package for running Super Bazar without further delay. For the purpose, managerial responsibility should be given to persons with adequate business expertise and experience in the related field who should be held responsible for loss and mismanagement. Avoidable administrative expenses as well as expenditure on top management should be curtailed to the maximum extent in the interest of Super Bazar.

#### Reply of the Government

The Cooperative Store Ltd. popularly known as Super Bazar, Delhi was established in 1966 with a view to provide essential consumer goods and other items of daily needs at reasonable prices at Delhi. It had started running in losses since 1996-97, and at the end of March 2000, the accumulated losses of Super Bazar was Rs. 22.99 crores. The Management of Super Bazar has been advised to improve its business activities and to curtail its expenditure in order to tide over financial difficulties and promoting cooperative activities. The Government of India have provided financial assistance of Rs. 11.00 crores in the form of loan during the year 2000-2001 for bridging its financial resource gap.

The business affairs of Super Bazar, being a Multi-State Cooperative Society can be decided by the Management of Super Bazar in terms of its bye-laws and also the policy regarding running its branches may be formulated in consultation with the Board of Directors of Super Bazar.

The Super Bazar needs association with a well-run MSCS at different levels (e.g. managerial, supervisory and operational) and in various sectors such as financial, administrative, commercial etc. over a period of time as may be required for revival. Considering the strategic location of the Super Bazar, distribution chain, experienced staff, brand equity, established linkages with the suppliers, possibility exists that some well-run viable multi-state cooperative society may be interested to associate itself with the Super Bazar, provided the two organizations work out mutually acceptable and rewarding terms of association. This will help the Super Bazar to retain its identity and to avoid the financial problems.

The Ministry of Consumer Affairs, Food & Public Distribution, Department of Consumer Affairs has taken action to obtain a decision from the competent authority with regard to future action to be taken in respect of Super Bazar.

It is also felt that the more autonomy should be given to Super Bazar for operating the business activities and also for appointing the managerial experts in the related field for improving the business activities of Super Bazar.

Various expenditure on Newspapers, entertainment, use of taxies etc. have been totally stopped in Super Bazar and entitlement for conveyance has been revised downwards. Over time allowance, hard duties allowances and other have been totally stopped *w.e.f.* 11th May, 2000. Purchase of vehicles/furniture and other equipment has been stopped in Super Bazar to reduce the expenditures. To improve sales turnover of Super Bazar, priority and greater emphasis on the high turnover items of almost of zero stocking like Atta, Sugar, Salt which can give 3 to 4 times turnover. To avoid any blockage of funds in Government/Institutional sales, a policy of payment after realization has been adopted.

[Ministry of Consumer Affairs, Food & Public Distribution O.M.  
No. G.11027/1/2001-P&C Dated the 20.7.2001]

#### Comments of the Committee

(Please see Para No. 1.12 of Chapter I of the Report.)

**Recommendation (Para No. 3.32)**

The Government has been making statement time and again and dialogue with Delhi Government in regard to handing over the Super Bazar to National Capital Territory of Delhi is on, whereas during the evidence, the Ministry stated that they had lost all hopes with the Delhi Government and they were thinking to find out a suitable Multi-State Cooperative Society for running Super Bazar. The Committee do not appreciate different versions of the Government on different occasions in this regard. The Committee, therefore, strongly urge the Government to finalize its stand at the earliest so that Super Bazar is given a clear direction to run and make profits.

**Reply of the Government**

After a decision taken by the Union Cabinet in June, 1997 regarding the transfer of Super Bazar to Government of NCT of Delhi, the Department of Consumer Affairs has been regularly taking up the matter with the Government of NCT of Delhi to take over the administrative control of Super Bazar. On 29th June, 2001, the Government of NCT of Delhi, has informed that the proposal for transfer of Super Bazar to NCT of Delhi has not been approved by the Government of Delhi. Alternative proposals are, therefore, being considered.

(Ministry of Consumer Affairs, Food & Public Distribution O.M.  
No. G.11027/1/2001-P&C Dated the 20.7.2001)

**Comments of the Committee**

(Please see Para No. 1.12 of Chapter I of the Report)

**Recommendation (Para No. 3.33)**

The Committee strongly recommend that all efforts should be made for speedy disposal of those cases which are pending with Central Registrar of Cooperative Societies and Central Bureau of Investigation so that the guilty may be booked and money embezzled may be recovered from them without further delay. The Committee is also of the opinion that the vigilance machinery of Super Bazar is not very efficient and hence should be adequately strengthened so that cases of irregularities are totally checked. Further, the Government should ensure that properties attached to Super Bazar worth several crores should be gainfully utilized which will also extend a helping hand in repaying its dues. Steps taken in this regard should also be communicated to the Committee.

### **Reply of the Government**

Certain cases of financial and other irregularities and omissions and commissions allegedly committed by individuals connected with Super Bazar have been referred to CBI by the Government of India in January, 2000. The Report of CBI is still awaited. A copy of each of the inquiry report of Central Registrar of Cooperative Societies under section 69 and 73 of MSCS Act into the affairs of Super Bazar has been sent to CBI for appropriate action. The CBI has also been requested to establish the criminal offence against the alleged persons who have found guilty in report in accordance with law. Besides, the management of Super Bazar had also referred the Mahamaya Biscuit case to CBI for inquiry. Chargesheets have since been filed in this case.

[Ministry of Consumer Affairs, Food & Public Distribution O.M. No. G.11027/1/2001-P&C Dated the 20.7.2001]

### **Comments of the Committee**

(Please see Para No. 1.15 of Chapter I of the Report.)

### **Recommendation (Para No. 4.13)**

The Committee note that The Electrical Wires, Cables Appliances and Accessories (Quality Control) Order 1993 stipulates the requirement of compulsory BIS Standard marks on 7 items. However, cables and wires are not appearing in the quality control order. In the opinion of the Committee use of substandard cables and wires which are the major parts of any electric appliances can endanger the lives of consumers. The Committee, therefore, strongly recommend that cables and wires should be brought under mandatory certification. For this the Ministry may take up the issue with Ministry of Industry at the earliest.

### **Reply of the Government**

Electrical Wires and Cables, Appliances and Accessories (Quality Control) Order, 1993 does not cover Wires and Cables. However, Wires and Cables are covered by Household Electrical Appliances (Quality Control) Order, 1981 which stipulates that Wires and Cables should conform to relevant Indian Standard specified in the Control Order. Large number of manufacturers of Wires and Cables have obtained BIS Certification mark on voluntary basis.



The matter was taken up with the Deptt. of Industrial Policy and Promotion, who agree with the recommendation of Standing Committee that Cables and Wires should be brought under mandatory BIS Certification. Further action in this regard will be taken in consultation with the Deptt. of Industrial Policy & Promotion.

#### Comments of the Committee

(Please see Para No. 1.18 of Chapter I of the Report.)

#### Recommendation (Para No. 5.8)

The Committee note with concern that various commodity exchanges are reluctant to go on-line and that the Government/Forward Markets Commission (FMC) remain content with obsolete means of communicating information like telegram and fax. This will, they opine, fail to attract adequate volumes of trade. They are also much concerned with the fact that a mere 364 cases have so far resulted in conviction while 552 cases are acquitted and 721 cases are pending in the courts of law relating to malpractices in the field of forward contract/futures trading and that these cases relate to various years from 1970 onwards. This is indicative of their poor vigilance and enforcement. The Committee also note that the FMC's Enforcement Division with its Head Office in Mumbai coordinate with the State Governments in times of need. The Committee, therefore, strongly recommend that the various trading exchanges should be persuaded to go on-line at the earliest. The Government should make efforts to settle pending cases without further loss of time and to bring the guilty to book. Also they should ensure that the required infrastructure and cooperation is given to the enforcement officials for smooth functioning of their activities.

#### Reply of the Government

The Department of Consumer Affairs along with Forward Markets Commission (FMC), the commodity market regulator have been adopting a persuasive approach and insisting and advising the Commodity Exchanges for switching over to on-line trading as one of the important steps in increasing the transparency in their functioning and to enhance the confidence of the investors. Some of the Exchanges have made considerable progress in switching over to on-line trading. For instance Coffee Futures Exchange of India, Bangalore has already introduced the same. East India Cotton Association, Mumbai and Indian Pepper & Spice Trade Association, Kochi have made substantial progress in this direction. Bombay Commodity Exchange, Mumbai; SOPA Board the Trade, Indore; Kanpur Commodity Exchange and First Commodity Exchange, Kochi are at different stages of implementation on-line trading platform. The rest of the Exchanges are also being persuaded to install the same.

The primary function of the Forward Markets Commission relating to enforcement under forward Contract (Regulation) Rule 13 is limited to collection of information with regard to illegal forward trading and passing it to concerned authorities (Police) for necessary action and to render expert advice. Once the cases have been filed in the courts of Law the Commission has no jurisdiction to ensure its speedy disposal. The disposal of the cases is vested with the Courts and monitored by the police authorities. The FMC regularly keeps in touch with police authorities on the progress of the various pending cases. The main focus of the forward Contract (Regulation) Act, which this Deptt. administers through the FMC, is regulating trading in the commodities permitted throughout recognised/registered exchanges.

Enforcement Division of the Commission is having only a limited number of staff. Moreover the post of Director, Enforcement, the head of the Division has been lying vacant and could not be filled in. The Deptt. will, however, take up the matter to revive/filling up the post and thereby strengthening the Enforcement Division.

[O.M. No. G-11027/1/2001-P&C, Dt. 20.7.2001]

#### **Comments of the Committee**

(Please see Para No. 1.21 of Chapter I of the Report)

## CHAPTER V

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

#### Recommendation (Para No. 2.23)

The Committee note that Consumer Welfare Fund was created with the objective of providing financial assistance to promote and project the interests of consumers and strengthen consumer movement in the country. However, the Committee is seriously concerned to note that the Ministry has no monitoring over the performance of the NGOs/VCOs, instead they rely only on the utilisation certificates furnished by the concerned NGOs/VCOs. The Committee, therefore, recommend that a separate cell should be set up in the Ministry to monitor the performance and functioning of the NGOs/VCOs benefited by the CWF on a regular basis. The Committee also recommend that while funding for a particular project undertaken by NGO/VCO, the information may also be conveyed to the representatives of people i.e. M.P. of that area so that he/she should also have an information about the schemes/projects to be implemented for the welfare of the consumers.

#### Reply of the Government

**Reply:** The issue of effective monitoring of the schemes funded under Consumer Welfare Fund (CWF) has been under the consideration of this Deptt. for quite some time now. The Standing Committee constituted under CWF for approving proposals for grant from CWF had recommended creation of a separate Cell with 10 posts for purpose of monitoring and evaluation. The proposal was taken up with Ministry of Finance and the matter is pending for a Staff Inspection Unit (SIU) study. This Deptt. is pursuing for an early study by the SIU. The information relating to grants given to various VCOs/projects is being published in a journal namely 'Upbhokta Jagaran' being brought out by this Deptt. on a regular basis. A copy of this will be mailed to all the members of the Standing Committee; besides, the information will also be put on the Website of the Department (fcamin.nic.in).

[Ministry of Consumer Affairs, Food & Public Distribution O.M.  
No. G.11027/1/2001-P&C Dated the 20.7.2001]

**Recommendation (Para No. 3.16)**

The Committee further take note of the fact that even though NCCF has a Recovery and Reconciliation Cell (RRC), dues amounting to Rs. 66.74 crores are still outstanding and that part of such amount is more than three years old. The Committee, therefore, urge the Ministry to make special efforts to realise the outstanding dues as early as possible. For this the matter may be taken up with the concerned State Governments/public undertakings at the highest level.

**Reply of the Government**

The NCCF is constantly following up the mater with the concerned debtors for the recovery of their outstanding dues. The NCCF has fixed a recovery target of Rs. 10.25 crores for the year 2001-2002, against the overdue outstanding of over one year old, as on 31.3.2001. The Department of Consumer Affairs has also been following up the matter with the State Governments for recovery of the major overdue outstanding balances in respect of the State level cooperative organisations. The NCCF has also initiated *legal action* against a number of parties, who failed to settle their dues, in spite of repeated requests. The NCCF has issued notices of termination of membership in respect of 11 defaulting member organisations so as to put pressure on them for settling their dues. NCCF will continue to take vigorous follow up action in consultation with the Department of Consumer Affairs for recovery of the dues.

**Item 4.14**

**Recommendation (Para No. 4.14)**

The Committee are concerned to note that in the recent past, cases of blast of CNG Cylinders have been reported in the various parts of the country. According to the Supreme Court judgement all the commercial vehicles plying in Delhi should invariably use CNG. The Committee, therefore, strongly recommends that CNG cylinders/kits should invariably bear ISI certification mark in order to save the lives of consumers. For this, Ministry may take up the issue with concerned Ministries for immediate issuance of orders in this regard. Also steps should be devised to check the use of sub-standard cylinders/kits.

### Reply of the Government

BIS had already published IS 7285:1988 'Specification for Seamless Steel Cylinders for Permanent and High Pressure Liquefiable gases (second revision)' which deals with the seamless steel gas cylinders having capacity of 0.5 to 250 litre for gases which are liquefiable and used at high pressure. In order to cover the requirements of gas cylinders fitted in motor vehicles as its fuel tank, Amendment No. 4 to this standard was issued in Feb. 2001 and with this amendment the title of the specification has been amended as 'Specification for Seamless Steel Cylinders for permanent, dissolved and liquefiable gases'. These cylinders would now have a nominal capacity of 0.5 to 400 litre. To take care of the safety aspect of the CNG cylinders for on-board applications, additional testing requirements have been included and other relevant clauses have been suitably amended.

Preparation of a separate standard for CNG cylinders for on-board application is also in progress and the draft document 'High pressure seamless steel cylinders for the on-board storage of natural gas as a fuel for vehicles,' has been circulated for comments.

BIS has also published the following standards for LPG/CNG cylinders & valves:

- (a) IS 3224:1979 Valve fittings for compressed gas cylinders excluding liquefied petroleum gas (LPG) cylinders (second revision) — An amendment No. 9 to this standard is in process to take care of valve fittings for use on CNG cylinders.
- (b) IS 14899:2000 Liquefiable Petroleum Gas (LPG) Containers for Automotive Use — Specification — This standard covers the requirements of design, construction testing of all welded steel containers for use on vehicles running on LPG.

CNG cylinders are covered under Gas Cylinder Rules, 1981 and are under the purview of Chief Controller of Explosives who is the statutory authority to accord permission for manufacture and their filling in India. As per requirement of Chief Controller of Explosives, seamless cylinders manufactured as per IS 7285:1988 are normally inspected/certified by BIS. As on today, four manufacturers are holding BIS licence for IS 7285:1988, out of which the following three licensees are manufacturing CNG cylinders for on-board applications:

1. M/s. Bharat Pumps & Compressors Limited, Naini, Allahabad
2. M/s. Everest Kanto Cylinder Limited, Tarapur, Maharashtra
3. M/s. Maruti Koatsu Cylinders Limited, Halol, Gujarat

Import of cylinders has also been permitted by the Chief Controller of Explosives as per Gas Cylinder Rules provisions.

BIS keeps a constant vigil through regular surprise inspections, testing of samples, from production line as well as from open market, customer feedback and assessment of samples collected from market or end user to see that the manufacturer exercises necessary controls to consistently meet the requirements of the standard. Appropriate action as per the BIS Act, Rules and Regulations is taken if BIS Standard Marked Goods are found to be substandard *i.e.* not meeting the relevant specification.

#### **View of Ministry of Petroleum and Natural Gas**

After the incidents of blasting of CNG cylinders in Mumbai and Delhi, necessary instructions have already been issued to the CNG dispensing outlets to visually check the authenticity of the kits and cylinders used in the vehicles. Riveting of metal identification plates in the bonnet of the vehicles with these details and due date of testing of the vehicle and the cylinder is also being undertaken.

Further, CNG cylinders are to be manufactured as per IS 7285 and conform to the specifications laid down under the Gas Cylinder Rules, 1981 and the Department of Explosives, Ministry of Heavy Industry. Conversion kits and cylinders approved by authorized institutes such as ARAI, Pune, VRDE, Ahmednagar and IIP, Dehradun carry a serial number.

#### **View of Ministry of Road Transport and Highways**

Immediately after the accidents involving CNG Cylinders at Mumbai and at Delhi, the Ministry checked up with the Ministry Commerce & Industry regarding the norms for gas cylinders specifications prescribed by them for automotive purposes. The details furnished by the Ministry of Commerce & Industry regarding the names of authorized cylinder manufacturers and the correspondence regarding test specifications were circulated to all the State Governments (Transport Department) for their information.

As an additional measure, the Ministry also obtained list of CNG kits tested by the authorized agencies prescribed under the Motor Vehicle Regulations and circulated the same on 23.05.2001 to all the State Governments.

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**View of Deptt. of Heavy Industry (Ministry of Heavy Industry & Public Enterprises) and Deptt. of Industrial Policy & Promotion (Ministry of Commerce & Industry)**

The matter regarding bringing CNG Cylinders under mandatory BIS Certification has been taken up with the Deptt. of Heavy Industry and Deptt. of Industrial Policy and Promotion. Their replies are awaited.

**Recommendation (Para No. 4.15)**

The country has been witnessing natural calamities like earthquakes, cyclones, etc. in the recent past. It is very painful that the maximum loss was due to inferior quality of materials used in high-rise buildings. The Committee, therefore, urge upon the Ministry to ensure that the structural specifications and building materials used for construction purposes should have BIS specification in consultation with concerned Ministries so that loss of life and property could be minimized during earthquakes, cyclones, etc. Research and study should also be envisaged in this regard.

**Reply of the Government**

Bureau of Indian Standards has formulated a series of Indian Standards in the field of earthquake engineering pertaining to design and construction of earthquake resistant structures (list enclosed at Annex) and the formulation of Indian Standards on Recommendations and guidelines on Planning, Design and Construction of Cyclone Resistant Structures is under process.

BIS standards are voluntary in nature and the implementation of the standards depends upon the civic bodies who accord approvals for construction of buildings under their building bye-laws. The standards may be incorporated in the building bye-laws of the civic bodies so that builders and various departments of the State Governments may ensure adherence to the prescribed standards.



**Views of Ministry of Urban Development and Poverty Alleviation  
(Deptt. of Urban Employment & Poverty Alleviation)**

Structural specifications for major building materials as well as Code of practice for earthquake-resistant construction already exist in BIS Standard. Key building material like cement is covered under BIS certification mark with legislation. Recognising the increasing concern for evolving appropriate strategies for natural disaster prevention, preparedness and mitigation, the Ministry of Urban Development & Poverty alleviation had constituted an Expert Group to examine the issues related to vulnerable areas and to work out appropriate measures for disaster mitigation with reference to earthquakes, cyclones and floods. This Ministry have already brought the recommendations of the Expert Group to the notice of all the State Governments. They were advised in May 1998 to modify their existing building bye-laws by incorporating safety aspects for safer construction of buildings. In respect of Delhi, a gazette notification No. M-12016/5/79/DDIA/VA/IB dated 1st February 2001 for amendment of buildings bye-laws suitably to conform strictly to the BIS Codes/guidelines has since been published by the Ministry. The Govt. of Gujarat have also issued notification amending their building bye-laws, development control regulations for Corporations, Cities and bigger Municipal towns.

Since housing is a State subject, State Governments are primarily responsible for ensuring safer construction on houses. However, the Ministry has been pursuing with the State Governments and Union Territories for establishing a techno-legal regime by incorporating suitable amendments in their building bye-laws and strictly adhering to BIS standards.

NEW DELHI;  
14 December, 2001  
23 Agrahayana, 1923 (Saka)

DEVENDRA PRASAD YADAV,  
Chairman,  
Standing Committee on Food,  
Civil Supplies and Public Distribution.

APPENDIX

PERCENTAGE VARIATIONS IN THE  
WHOLESALE PRICE INDEX (WPI)

Month	All Commodities	Arhar	Moong	Urad
June, 98	6.6	34.5	13.0	-3.3
July, 98	7.1	47.1	15.4	9.8
August, 98	6.9	48.4	13.8	6.9
September, 98	5.9	50.0	16.1	11.8
October, 98	7.2	74.7	20.7	35.7
November, 98	7.3	67.9	22.7	39.2
December, 98	5.2	42.6	5.6	29.1
January, 99	4.6	26.0	4.1	18.8
February, 99	5.3	17.1	0.6	17.3
March, 99	5.3	11.8	1.6	14.0
April, 99	3.9	11.0	1.2	20.8
May, 99	3.1	10.7	3.4	28.4
June, 99	2.1	6.2	1.4	26.5
July, 99	1.9	-1.4	0.3	24.2
August, 99	2.7	-3.1	-0.7	21.2
September, 99	3.3	0.4	-0.7	29.9
October, 99	2.8	-9.3	1.2	14.0
November, 99	3.0	-11.0	-6.0	15.1
December, 99	3.4	-20.0	-5.8	5.1
January, 2000	3.5	-13.6	-3.1	15.4
February, 2000	3.3	-9.3	-0.1	16.3
March, 2000	5.5	-2.4	2.0	23.3
April, 2000	6.3	-4.1	2.7	19.9
May, 2000	6.4	-8.7	1.8	24.0
June, 2000	6.6	-10.3	-0.1	31.3
July, 2000	6.5	-11.2	4.7	39.5
August, 2000	6.1	-17.4	6.2	41.4
September, 2000	6.5	-25.0	3.6	28.8

[Ministry of Consumer Affairs, Food & Public Distribution O.M.  
No. G.11027/1/2001-P&C Dated the 20.7.2001]

## ANNEXURE

### INDIAN STANDARDS OF EARTHQUAKE ENGINEERING SECTIONAL COMMITTEE CED 39

- (1) IS 1893 : 1984 'Criteria for Earthquake Resistant Design of Structures'
- (2) IS 4326:1993 'Earthquake Resistant Design and Construction of Buildings - Code of Practice'
- (3) IS 13920: 1993 'Ductile Detailing of Reinforced Concrete Structures subjected to Seismic Forces - Code of Practice'
- (4) IS 13935: 1993 'Repair and Seismic Strengthening of Buildings - Guidelines'
- (5) IS 13827:1993 'Improving Earthquake Resistance of Earthen Buildings - Guidelines'
- (6) IS 13828:1993 'Improving Earthquake Resistance of low strength Masonry Buildings-Guidelines'
- (7) IS 4967:1968 'Recommendations for Seismic Instrumentation for River Valley Projects'
- (8) IS 4991:1968 'Criteria for Blast Resistant Design of Structures for Explosions above ground'
- (9) IS 6922:1973 'Criteria for Safety and Design of Structures subject to underground blasts'

[Ministry of Consumer Affairs, Food & Public Distribution O.M.  
No. G.11027/1/2001-P&C Dated the 20.7.2001]

## APPENDIX I

### MINUTES OF THE FOURTEENTH SITTING OF THE STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION HELD ON FRIDAY, THE 14TH DECEMBER, 2001

The Committee sat from 15.00 to 16.00 hours.

#### PRESENT

Shri Devendra Prasad Yadav — *Chairman*

#### MEMBERS

##### *Lok Sabha*

2. Shri A.P. Abdullakutty
3. Prof. S.P. Singh Baghel
4. Shri Ranen Barman
5. Shri Namdeorao Harbaji Diwathe
6. Shri Yogi Aditya Nath
7. Shri Mansinh Patel
8. Shri Baju Ban Riyan
9. Shri Abdul Rashid Shaheen
10. Shri Ram Naresh Tripathee
11. Shri Tejbeer Singh

##### *Rajya Sabha*

12. Shri W. Angou Singh
13. Shri Dawa Lama
14. Smt. Bimba Raikar

#### SECRETARIAT

1. Shri Ram Autar Ram — *Joint Secretary*
2. Shri A.S. Chera — *Deputy Secretary*
3. Shri R.S. Mishra — *Under Secretary*

2. At the outset, the Hon'ble Chairman mentioned about the heinous crime committed by the terrorist on the 13th December, 2001 in Parliament House and passed condolence resolution for the security personnel, who lost their lives defending the cowardly attack by the terrorists. The Members, thereafter, stood in silence for two minutes for the peace of the departed souls.

(i) Consideration and adoption of Draft Thirteenth Report.

3. The Committee, thereafter, considered and adopted the Draft Thirteenth Report on Action Taken by the Government on the recommendations contained in their Tenth Report on Demands for Grants (2001-2002) relating to Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) without amendment.

(ii) Consideration and adoption of Draft Fourteenth Report.

4.           \*\*   \*\*   \*\*

5. In the end some of the Members requested the Chairman to visit J&K in wake of recent problem being faced by the State in distribution of sugar and foodgrains. The Members were assured by the Chairman that the Committee would examine the issue and visit the State in due course.

6. The Committee, then, authorised the Chairman to make consequential changes in the Report and present/lay the same in both the Houses of Parliament.

*The Committee, then, adjourned.*

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\*Not related to this Report.

**APPENDIX II**  
[Vide Introduction of the Report]

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE  
RECOMMENDATIONS CONTAINED IN THE TENTH REPORT OF  
THE STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND  
PUBLIC DISTRIBUTION (THIRTEENTH LOK SABHA)**

(i) Total number of Recommendations	16
(ii) Recommendations/Observations which have been accepted by the Government.	
Para Nos. 1.11, 2.13, 3.15 and 3.39	
Total	4
Percentage	25
(iii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies.	
Para Nos. 2.14 and 4.12	
Total	2
Percentage	12.5
(iv) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee.	
Para Nos. 3.17, 3.31, 3.32, 3.33, 4.13 and 5.8	
Total	6
Percentage	37.5
(v) Recommendations/Observations in respect of which reply of the Government is still awaited.	
Para Nos. 2.23, 3.16, 4.14 and 4.15	
Total	4
Percentage	25