

**IMPLEMENTATION OF FOOD SAFETY  
AND STANDARDS ACT, 2006**

**MINISTRY OF HEALTH AND FAMILY WELFARE**

**PUBLIC ACCOUNTS COMMITTEE  
(2020-21)**

**TWENTY-FIRST REPORT**

---

**SEVENTEENTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**PAC NO. 2202**

**TWENTY-FIRST REPORT**  
**PUBLIC ACCOUNTS COMMITTEE**  
**(2020-21)**

**SEVENTEENTH LOK SABHA**

**IMPLEMENTATION OF FOOD SAFETY AND  
STANDARDS ACT, 2006**

**MINISTRY OF HEALTH AND FAMILY WELFARE**



Presented to Lok Sabha on: ०२-०२-२०२१

Laid in Rajya Sabha on: ०२.०२.२०२१

**LOK SABHA SECRETARIAT**  
**NEW DELHI**

February, 2021/ Magha, 1942 (Saka)

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE**  
**(2020-21)**

**Shri Adhir Ranjan Chowdhury      -      Chairperson**

**MEMBERS**

**LOK SABHA**

2. Shri T. R. Baalu
3. Shri Subhash Chandra Baheria
4. Shri Sudheer Gupta
5. Smt. Darshana Vikram Jardosh
6. Shri Bhartruhari Mahtab
7. Shri Ajay (Teni) Misra
8. Shri Jagdambika Pal
9. Shri Vishnu Dayal Ram
10. Shri Rahul Ramesh Shewale
11. Shri Rajiv Ranjan Singh alias Lalan Singh
12. Dr. Satya Pal Singh
13. Shri Jayant Sinha
14. Shri Balashowry Vallabhaneni
15. Shri Ram Kripal Yadav

**RAJYA SABHA**

16. Shri Rajeev Chandrasekhar
17. Shri Naresh Gujral
18. Shri C. M. Ramesh
19. Shri Sukhendu Sekhar Ray
20. Shri Bhupender Yadav
21. Vacant
22. Vacant

**SECRETARIAT**

1. Shri T. G. Chandrasekhar      -      Joint Secretary
2. Smt. M.L.K. Raja              -      Director
3. Shri U.C. Bharadwaj          -      Additional Director
4. Shri Alok Mani Tripathi       -      Deputy Secretary

**Composition of Sub-Committee-II - Report  
No. 37 of 2017 – Implementation of Food  
Safety and Standards Act, 2006**

Chairperson : Shri Adhir Ranjan Chowdhury  
Convenor : Shri T.R. Baalu  
Members : Shri Rajiv Ranjan (Lalan) Singh  
Shri Ajay (Teni) Misra  
Shri Vishnu Dayal Ram  
Shri Rahul Ramesh Shewale  
Shri Sudheer Gupta  
Shri C.M. Ramesh

# CONTENTS

		PAGE NO.
	COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2020-21)	
	COMPOSITION OF THE SUB-COMMITTEE II OF PUBLIC ACCOUNTS COMMITTEE (2020-21)	
	INTRODUCTION	
	PART - I	
	CHAPTER - I	
	INTRODUCTION	
I	Introductory	
II	Deficiencies in the formulation of standards	
III	Failure to monitor and cancel licenses issued under the product approval declared unlawful by the Hon'ble Supreme Court of India	
IV	Licensing, Registration, Inspection and Sampling	
V	Food Testing Laboratories	
VI	Human Resources	
	PART - II	
	Observations/Recommendations of the Committee	
	APPENDICES	
I.	Minutes of the sitting of the Public Accounts Committee (2019- 20) held on 01.10.2019	
II.	Minutes of the First sitting of the Sub-Committee II of Public Accounts Committee (2019-20) held on 10.02.2020	
III.	Minutes of the First sitting of the Sub-Committee-II of Public Accounts Committee (2020-21) held on 27.08.2020	
IV.	Minutes of the Second sitting of the Sub-Committee-II of Public Accounts Committee (2020-21) held on 11.09.2020	
V.	Minutes of the Eighth sitting of the Public Accounts Committee (2020-21) held on 01.12.2020	

## INTRODUCTION

I, the Chairman, Public Accounts Committee, having been authorised by the Committee, present this 21<sup>st</sup> Report (Seventeenth Lok Sabha) on "**Implementation of Food Safety and Standards Act, 2006**" relating to the Ministry of Health and Family Welfare.

2. The Sub-Committee-II on '**Implementation of Food Safety and Standards Act, 2006**' was constituted by the Public Accounts Committee (2020-21) (17<sup>th</sup> Lok Sabha) to examine the subject in detail. The Sub-Committee-II took up the subject for detailed examination and report thereon.

3. The Sub-Committee-II took evidence of the representatives of the Ministry of Health and Family Welfare on the Implementation of Food Safety and Standards Act, 2006 and examined the subject at their sittings held on 10.02.2020 and 27.08.2020. The Sub-Committee-II of PAC (2020-21) considered and adopted this Report at their sitting held on 11.09.2020. The Report was considered and adopted by the Public Accounts Committee (2020-21) during their sitting held on 1.12.2020. The Minutes of the Sittings of the Sub-Committee/Committee form Appendices to the Report.

4. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in **bold** at the end of Chapters 2, 3, 4, 5 and 6 of the Report.

5. The Committee thank Sub-Committee-II (Implementation of Food Safety and Standards Act, 2006) for taking oral evidence of the concerned Ministries and obtaining information on the subjects.

6. The Committee would also like to express their thanks to the representatives of the Ministry of Health and Family Welfare and Food Safety and Standards Authority of India (FSSAI) for tendering evidence before the Sub-Committee and furnishing the requisite information to the Committee in connection with the examination of the subjects.

7. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the office of the Comptroller and Auditor General of India.

NEW DELHI;

ADHIR RANJAN CHOWDHURY

February, 2021

Magha 1942 (*Saka*)

Chairperson,  
Public Accounts Committee

REPORT  
PART-I  
CHAPTER - I

I. INTRODUCTION

1. Food safety covers the entire food chain, and includes the stages of manufacturing, preparation, handling, transportation and storage of food in ways that prevent contamination and food borne diseases. Any relaxation of food safety standards and their enforcement may lead to proliferation of illegal, dishonest manufacturers and suppliers, which is detrimental to public health. Good understanding among governments, producers and consumers may contribute towards ensuring food safety along with efficient and effective enforcement.

2. To overcome the confusion among consumers, traders, investors and manufacturers due to proliferating laws on the subject of food adulteration, Parliament enacted the Food Safety and Standards Act, 2006 to consolidate and subsume the existing Acts and orders and form a single point reference system in the country and to establish the Food Safety and Standards Authority (Food Authority) for laying down science based standards and regulating the manufacture, storage, distribution, sale and import of food products to ensure availability of safe and wholesome food for human consumption. The Act does not apply to any farmer or fisherman or farming operations or crops or livestock or aquaculture or supplies used or produced in farming or products of crops produced by a farmer/fisherman at initial production level.

3. The C&AG in their Report No. 37 of 2017 reported the results of the performance audit on food safety with a view to assess the performance of the Ministry of Health and Family Welfare, Food Authority (FSSAI) and the State Food Authorities in ten selected States.

4. For brevity, the salient points emerging from the C&AG Report are reproduced hereunder:-

- a) Even after more than a decade of the enactment of the Act, the Ministry and FSSAI are yet to frame regulations governing various procedures, guidelines and mechanisms enunciated in different sections of the Act.
- b) FSSAI failed to devise action plans to identify areas on which standards are to be formulated/revised within specified time frames and the manner of selection of food products for formulation of standards.
- c) FSSAI continues to issue directions without following the procedure of previous approval of the Central Government, previous publication and notifications (as

contained in Section 92 of the Act), the placing of such regulations and rules before Parliament (as contained in Section 93 of the Act), despite the Supreme Court declaring such procedure as mandatory.

- d) Despite recommendations of the Central Advisory Committee (CAC) that at least 75 percent of the food license fee collections should be used for information, Education and Communication (IEC) activities, most States had not allocated any budgets for these activities.
- e) Licenses were issued on the basis of incomplete documents in more than 50 percent of cases test checked in Audit.
- f) FSSAI has failed to ensure that the Customs authorities follow up the Non-Conformance Reports issued by the FSSAI, and take appropriate action to ensure that unsafe foods do not enter the country.
- g) 65 out of the 72 State food laboratories to which FSSAI and state food safety authorities sent food samples for testing do not possess National Accreditation Board for Testing and Calibration Laboratories (NABL) accreditation.
- h) FSSAI has no data on public analysts declared eligible under the erstwhile Prevention of Food Adulteration Act who continue to function under the FSS Act. FSSAI also has no data on whether all the notified empanelled food laboratories have qualified food analysts. Audit test check found that 15 out of the 16 test checked food laboratories did not have qualified food analysts.
- i) There were significant delays in finalization of cases by Adjudicating Officers. Further, a significant portion of the penalty imposed remained uncollected.
- j) Failure of the Ministry and the FSSAI to frame the recruitment regulations even after a decade of the enactment of the Act, resulted in acute shortages of regular staff at various levels.

5. In a power Point Presentation before the Committee during the course of oral evidence, the Ministry of Health and Family Welfare and FSSAI noted the deficiencies pointed out by Audit with respect to undue delay in notification of final regulations. The representative of FSSAI updated the status as under:-

- Out of 32 areas, 28 regulations notified.
- 1 regulation being framed (GM Food)
- 1 regulation will be taken up after provision of corpus in the Act after its amendment (Financial Regulations)
- 1 regulation not necessary as per Ministry of law advice (urgency)
- 1 regulation also not considered necessary/conducting survey of enforcement and administration of the Act) and provision proposed to be deleted.



6. In their background note, the Ministry has further elaborated as under:-

"FSSAI has covered all the areas in respect of framing of regulations and is in full compliance with directives in various Sections of the Act. In addition, as envisaged in Section 92(2)(v) of the Act with respect to regulations on other matters, FSSAI has also framed 5 regulations based on the need. Out of these, four regulations (related to "Prohibition and restriction for sale", "approval of non-specified foods", "food packaging" and "recovery and distribution of surplus food") have been notified and remaining one regulation (related to "Safe food and healthy diets for School Children") is in the process of draft notification."

7. When asked about the delay in formulation of regulations and only 6 regulations having been formulated out of 32 required regulations, the Ministry of Health & Family Welfare in their written reply furnished that after the establishment of FSSAI, the primary responsibility was to make Rules and Regulations so as to implement the FSS Act. During the integration of the various Acts/ Orders under the FSS Act, 2006, the rules and regulations made under these Acts/ Orders and implemented since 50 years were the primary source to frame the Rules and Regulations. Accordingly, the draft Food Safety and Standards Rules and six principal Regulations were developed with the available human resource and infrastructure within the FSSAI so as to initiate the implementation of FSS Act, 2006.

8. The Ministry has further in their reply elaborated as under:-

"After the Notification and implementation of the FSS Rules and six principal Regulations, the Food Safety standards/ regulations were reviewed taking into account the latest developments in food science, food consumption pattern, new products and additives, advancement in the processing technology and food analytical methods, and identification of new risks. In the context of revision of standards/formulation of new standards, the Food Authority generally followed a prioritization approach to address the issues of food safety first. Accordingly, FSSAI revised/framed majority of the horizontal standards.

This was followed by revision of existing standards for various food products as well as new standards for certain other foods/food categories based on the requirement of stakeholders and also with a view to bridge the gap between national and other international standards for food products.

Earlier, the Food Authority had constituted 8 Scientific Panels in the year 2009. Thereafter one additional panel regarding fish and fishery products has been constituted in the year 2013. With the augmentation of several scientific bodies and external expertise FSSAI has framed notified the regulations in other areas as required under the FSS Act, 2006. Now all major regulations as in the Act have been notified."

## CHAPTER - II

### DEFICIENCIES IN THE FORMULATION OF STANDARDS

9. FSSAI formulates standards for various food articles (including their constituents and additives) and processes of manufacture, storage, transportation, sale etc., to ensure availability of safe and wholesome food for human consumption. The C&AG in its Report No. 37 of 2017 observed that though FSSAI has framed standards through regulations, such standards were framed at different periods of time from 2011 onwards, and there is no clarity on the reasons underlying the identification of food products that were standardised, identified ahead of others, and some food products like organic foods remain to be standardised. Though FSSAI has framed regulations on the working of Scientific Panels and Scientific Committee, the areas on which the Panels/Committee deliberate and offer opinion are determined by the executive of FSSAI, and are not based on any defined operating procedure (SOP).
10. The Ministry informed (March 2017) that the identification of areas for examination by the Scientific Panels/Committee and for framing standards is based on scientific evidence. Further, in response to the audit observation, the Ministry had delineated the process/steps involved in framing regulations.
11. Audit observed that there is no clarity on the first step itself (involving identification of food products on which standards are to be developed/ reviewed), since there is no information on the process through which such identification takes place.
12. The Ministry in their final Action taken Notes on Audit Paras stated that Standard Operating Procedure would be finalised after detailed deliberation in the Scientific Community and the Food Authority. They also stated about constitution of eight (8) Standards Review Groups (SRGs) by broad food category to get the industry inputs and suggestions from industry to ensure that there are no gaps in food standards
13. FSSAI set up eight Standards Review Groups (SRGs) in December 2016 to review existing standards applicable to different food categories and to propose broad new standards; the report of the SRGs would be placed before the concerned scientific Panels for review and necessary action. However, the Audit further noted that there is no such provision in the Act to entrust this work to other groups comprised of representatives of FBOs only. The Audit also noted that this gives additional credence to the audit observation that identification of areas of examination was not based on scientific process. They also stated that the opinions/recommendations of FBOs cannot be considered to be unbiased and beneficial to the interest of food safety affecting the common man.

14. The Ministry of Health and Family Welfare in their written reply stated that "suggestions received from SRGs are deliberated upon by the Scientific Panels, which use these suggestions as one of the several inputs in their work of standards setting and have complete freedom to disregard any or all of the suggestions of the SRGs, if not found appropriate.

15. Asked whether there would be any reliability of the inputs given on Food Standards by Standards Review Groups (SRG) comprised of representatives of Food Business operators (FBOs) only, the Ministry of Health and Family Welfare (MoHFW), in their written reply stated as under:-

"Besides receiving requests from stakeholders for development of standard for new food products, FSSAI has also constituted Standard Review Groups (SRGs) for various food commodities, which identify the gaps towards framing new standards as per the need of domestic and international market from industrial perspective. Their recommendations are evaluated by Scientific Panel concerned which not only prioritise the work but also suggest new areas based on requirement/emergency. To enhance the reliability of input given by SRGs, they are also being reconstituted to include Consumer Rights and Civil Society Organizations. However, it may be added that the recommendations of these SRGs have to pass a three tier system viz. Scientific Panel, Scientific Committee and finally at the Food Authority level. Moreover, the suggestions and objections of stakeholders are also taken mandatorily whenever any regulation on standards etc. is formulated. Hence, the process of decision making on developing any standard is quite elaborate, democratic, unbiased and transparent."

16. Elaborating further, the Ministry in their reply to additional list of points submitted as under:-

"These Standard Review Groups (SRGs) merely provide suggestions/advises from a technological and industry point of view. The Scientific Panel(s) and/or the Scientific Committee is not bound to accept their suggestions. The suggestions of the SRGs are deliberated in depth in the concerned Scientific Panel, mainly from the scientific points of view; and, panels consider only those suggestions which are scientific and evidence based. Despite the affirmation by the Scientific Panel, the suggestions have to be accepted by the Scientific Committee before recommending its approval by the Food Authority. Hence, there are adequate checks and balances and the profiteering or business interest motives are thus ruled out, even though the SRGs comprise FBOs."

### CHAPTER - III

#### FAILURE TO MONITOR AND CANCEL LICENSES ISSUED UNDER THE PRODUCT APPROVAL DECLARED UNLAWFUL BY THE HON'BLE SUPREME COURT OF INDIA

17. As per section 13 and 14 of the Food Safety Act, only the Scientific Committee/Scientific Panels have been entrusted with the responsibility of providing scientific advice to the Food Safety.

18. The C&AG in their Audit Report No. 37 of 2017 noted that the FSSAI has constituted a Product Approval and Screening Committee (PA&SC) headed by the Director, Product Approval Division to screen the proposals based on preliminary risk assessment. Audit observed that bypassing the requirement for examination by the Scientific Committee/Scientific Panels, the Product Approval division acted on the recommendation of PA&SC and issued NOCs. Moreover, FSSAI had neither framed any Standard Operating Procedures (SOP) to determine the authority competent to approve food products, nor did it delegate such powers to the Product Approval division. Moreover, the NOCs should have been issued only on the receipt of complete information required for product approval. Audit observed, however, instances where FSSAI issued NOCs even when the product information received was incomplete. In 20 cases (9 per cent of the 212 NOCs issued), FSSAI had withdrawn the NOCs issued earlier for reasons including non-furnishing of the complete information by the FBOs. Audit also observed that FSSAI had no mechanism to call for the missing information promptly, and to ensure prompt receipt of wanting information.

19. In response to the Audit observations, the Ministry had replied that the issue of erstwhile product approval system appeared to be redundant in view of the withdrawal upon the directions of the Hon'ble Bombay High Court & Supreme Court. The C&AG has noted that these replies are not acceptable, since they have not addressed the primary audit concern that the FSSAI had failed to ensure the cancellation of the licenses issued under the product approval system declared unlawful by the Supreme Court, and order product recalls, resulting in possibly unsafe food continuing to be imported/manufactured/distributed/sold in the country. Audit has observed the response of the Ministry that the issue was now redundant cannot be used to brush away the serious defects in the functioning of the product approval system, which reflects poorly on the systemic functioning of the FSSAI itself.

20. The Ministry of Health & Family Welfare in their Power Point Presentation during the course of oral evidence before the Committee stated that:-

"(a) All cases of NOC granted under Product Approval have been reviewed and out of 212 cases in 204 cases NOC has been withdrawn & 8 cases were re-evaluated

under the new Regulations on specified foods and food ingredients. 2 were granted approval, 1 was rejected and the rest 5 are under process.

(b) Enquires were conducted against defaulting officers. The parent department has been advised to initiate action against one officer and for another officer, CVC advice has been received and inquiry is in progress".

21. Asked to furnish the action taken by FSSAI to withdrew licenses issued under advisories issued earlier before FSSAI came into being and the Hon'ble Supreme Court found them unlawful, the Ministry in their written reply furnished as under:-

"The system of Product Approvals/ NOC was suspended on the directions of the Supreme Court on the ground that it was carried out on the strength of advisories by FSSAI and not under regulations. Further, FSSAI has framed and notified Food Safety and Standards (Approval of Non-Specified Food and Food Ingredients) Regulations, 2017 with effect from September, 2017 to specify the procedures, terms and conditions and other criteria that govern the approval of non-standardized food products. The Regulations not only streamline the entire process of approving the non-standardized food articles but also keeps in mind food safety and public health which are important aspects for the Food Regulator.

In 212 cases of NOCs, Food Business Operators were directed to confirm whether their products were in complete compliance with the requirements of the subsequent Food Safety and Standards Regulations or apply afresh for product approval under Food Safety and Standards (Approval of Non-Specified Food and Food Ingredients) Regulations, 2017. Out of these 8 NOC holders requested for re-examination of their NOCs as per Food Safety and Standards (Approval of Non-Specified Food and Food Ingredients) Regulations, 2017. Subsequently, the remaining 204 NOCs were withdrawn on 27<sup>th</sup> September, 2018 and Central Licensing Authorities were advised to ensure compliance from these NOCs holders. The status of these 204 cases is as under:

- i. License does not exist in 47 cases.
- ii. In 106 cases, licenses exist, however these do not cover the product for which NOC was issued.
- iii. In 51 cases, licenses exist and include the NOC product(s). Inspection was carried out in respect of these 51 NOC cases which related to 37 FBOs. The Central Licensing Authorities of FSSAI inspected all 37 units. Out of these 37 cases, 27 FBOs applied for modification in their license, 3 FBOs license have since expired, 6 FBOs were found to be compliant and license of 1 FBO was cancelled.

Out of the 8 NOCs retained for re-examination, 3 submitted Form 1 for re-examination under Food Safety and Standards (Approval of Non-Specified Food and Food Ingredients) Regulations, 2017 and out of the three, 2 were granted approval and request of 1 was rejected. The remaining 5 FBOs did not submit Form 1 to examine their NOC applications and their NOC was withdrawn on 1<sup>st</sup> October, 2019 and Central Licensing Authorities were advised to take necessary action against these FBOs."

22. In their final action taken notes on the Audit Paras, the Ministry of Health & Family Welfare, has in response to a query on the details of internal inquiry conducted for irregularities in the product approval matters, furnished that the Preliminary Inquiry was conducted against three officials who included the then Director (PA) who was on deputation with FSSAI, an Assistant Director (PA) level officer who was an FSSAI employee as well as one contractual employee. The Committee submitted its final report on 21.05.2014, wherein serious lapses were found against the then Director and Assistant Director (PA) while processing Product approval applications. Nothing incriminating was found against the contractual employee.

23. Asked about the monitoring mechanism put in place to ensure that all Food Business operators having erstwhile NOCs have aligned their products as per subsequent regulations notified by FSSAI, the Ministry in their written reply submitted as under:-

"i. In order to address the situation arising after discontinuation of the product approval system, FSSAI has amended the provision pertaining to proprietary foods in relevant regulation to simplify approval for proprietary foods

ii. FSSAI has notified the Food Safety and Standards (Health Supplements, Nutraceuticals, Food for Special Dietary Use, Food for Special Medical Purpose, Functional Food and Novel Food) Regulations, 2016 and Food Safety and Standards (Food Products Standards and Food Additives) Thirteenth Amendment Regulations, 2016 w.r.t. standards of caffeinated beverages. With these developments, a larger number of products, that would have otherwise required specific approvals from Food Authority, got covered.

iii. Further, with regard to several food products/ ingredients which are still not covered in the any of the regulations made under FSS Act, 2006, FSSAI has streamlined the procedure for product approval and licensing. In this regard, FSSAI has brought out the Food Safety and Standards (Approval of Non-Specified Food and Food Ingredients) Regulations, 2017 with effect from September, 2017 to govern the approval of non-standardized food products. These regulations specify the procedures, terms and conditions and other criteria that govern the approval of non-standardized food products. The Regulations not only streamline the entire process of approving the non-standardized food articles but also keep in mind food safety and public health.

iv. All Food Business Operators (FBOs) having erstwhile NOCs for Product Approval are required to align their products as per subsequent standards/ regulations or apply afresh for product approval under Food Safety and Standards (Approval of Non-Specified Food and Food Ingredients) Regulations, 2017. All such FBOs will also have to quote their previous application number.

Regular surveillance, sampling and inspections have been carried out by food safety officials to check the compliance of provisions of FSS Act 2006, Rules and Regulations made thereunder, in case any violations are observed penal actions have been initiated against the defaulting food business operators."

24. When asked as to what action has been taken by FSSAI to ensure that licenses are now issued based on the recommendations of scientific panels, the Ministry in their written reply submitted as under:-

"FSSAI has brought out the Food Safety and Standards (Approval of Non-Specified Food and Food Ingredients) Regulations, 2017 with effect from September, 2017 to govern the approval of non-standardized food products. These regulations specify the procedures, terms and conditions and other criteria that govern the approval of non-standardized food products. The Regulations not only streamline the entire process of approving the non-standardized food articles but also keep in mind food safety and public health. Non- Specified Foods and Food ingredients are examined by an Expert Committee constituted to examine the same. The Expert Committee after due diligence, recommends for approval of the product. After taking approval from the Competent Authority, the approval to the FBO is granted with a copy to the Food Safety Commissioner of the State, concerned Designated officer, Authorised Officer, concerned Divisions of FSSAI (RCD and Imports Division) for Information and for issuance of License accordingly."

25. As regards the updated status of action taken against the then Director (Product Approval) and Assistant Director (PA), the Ministry in their background note furnished a under:-

"West Bengal State Fisheries Development Corporation to whom Preliminary Enquiry Report was sent on 17.02.2015 with recommendation for instituting major penalty proceedings, has not responded to the requests of FSSAI to apprise it of the status of action taken despite reminders. However, it may be mentioned that the official has since retired.

As regards the Additional Director level officer, major penalty proceedings have been instituted against him after obtaining first stage advice of CVC. Inquiry Officer/Presenting Officer have been appointed and Inquiry is presently on. (sic)"

26. When asked whether the service conditions/rules provide for taking penal action against a retired officer on whom charges or allegations of serious wrong doing are framed/pending, the Ministry in their additional list of points stated that as per Chapter II, Section 3 of Food Safety and Standards Authority of India (Salary, Allowances and other Conditions of Service of Officers and Employees) Regulations, 2013. "The conditions of service of the eligible employees of the Authority in the matters of pay, allowances, fixation of pay, increment, joining time, joining time pay, age of superannuation, modified assured career progression scheme, medical facilities, leave, leave travel concession, conduct, disciplinary matters and other conditions of service, shall be regulated in accordance with such other rules and regulations as are, from time to time, applicable to officers and employees of the Central Government belonging to Group 'A', Group 'B' and Group 'C' posts, as the case may be, in the corresponding pay scale." Thus, penal action can be initiated against a retired FSSAI employee as per the Central Government Service rules applicable from time to time. It may be mentioned that under Rule 9(2)(b)(ii) of CCS (Pension) Rules, 1972, as amended from time to time, the departmental proceedings, if not instituted while the Government servant was in service, whether before his retirement, or during his re-employment, shall not be in respect of any event which took place more than four years before such institution.

27. Further asked about the current status of the major penalty proceedings initiated against the then Assistant Director level officer the Ministry in a written reply submitted that:-  
 "The then Deputy Director is an employee of FSSAI and is currently posted at FSSAI (HQ). The inquiry for Major Penalty against the then Deputy Director, FSSAI (HQ) the then Assistant Director, FSSAI (HQ) has been completed and Inquiry Officer is in process of preparing the report."

#### Safety mechanism of imported Food in India

28. A critical aspect of ensuring quality of food and food items in the country is to closely monitor and examine import of food and food items/articles. Keeping this important aspect of ensuring import of quality food and food articles, particularly in the context of the Covid-19 pandemic that is a matter of grave concern, the Sub-Committee made a focused and detailed inquiry with the Ministry as well as FSSAI by obtaining replies to a detailed questionnaire as also taking evidence of the officials concerned.

Aspects relating to the examination are delineated in the subsequent paragraphs.

29. When asked whether any checking mechanism and balance system has been installed to test the quality of such food items and if they meet the FSSAI Standards at



these import entry points, the Ministry of Health and Family Welfare in their written reply stated as under:

The imported food products are examined for their safety and quality as per the risk matrix decided by FSSAI. A consignment is examined for:

- Physical condition for visible insects, mould growth, spoilage & storage conditions,
- label claims,
- ingredients,
- balance shelf life etc.
- Quality & Safety through laboratory testing.

Lab testing is done for quality and safety parameters as per Food Safety and Standards Regulations. For the purpose of testing, FSSAI has notified 188 NABL accredited laboratories and 18 referral laboratories across the country. To ensure harmony in testing, CBIC, vide instruction dated 12th Feb., 2020, has directed Customs to utilize only FSSAI notified labs for testing of imported food products.

30. Posed with the query on the basic idea behind 'label inspection' of imported food items, the Ministry in their written reply stated as under: "during scrutiny/visual inspection stage, label of the imported food consignments is verified for compliance with provisions of FSS (Food Packaging & Labelling) Regulations, 2011 and compliance with labeling provisions notified in other regulations in this regard. This is in consonance with the common practices in international trade. The 'balance shelf life' is verified by Authorised Officer at the time of import examination and clearance. If label is found compliant after visual inspection, then sample is drawn and tested at FSSAI notified laboratories. If the lab reports non compliance with respect to label declarations, then the Non Conformance Report is issued.

31. During the sitting of the Sub Committee on the issue of Safety Mechanism of Food in India, it was asked whether the Countries, irrespective of their respective official languages, that export food and food articles to India, comply with the regulations of language requirements for import of food in India, the Chief Executive Officer, FSSAI in his oral evidence deposed as under:

"Then they will put a sticker to correct it. That is ensured. When we say that we check the labelling, this is one of the things that we check. Suppose we have to say that this is not suitable for children, then it should be in English and Hindi or whatever language we specify."

32. Asked whether any language training is imparted to Authorised Officers, the Chairperson, FSSAI deposed as under:-

"The question of language training does not arise. Our labelling regulation is mandatory for the importer to comply with. My labelling regulation requires English or Indian language. He has to write it. The question of the customs officer knowing Korean or Japanese and all that does not arise. Just as if I export to Japan, and if Japan's rule says that exports from India must have labels in Japanese, then our exporters will comply. Similarly, importers have to comply or if there is anything in the packaging which is not complied with, they can paste that label as has been said which is non-detachable. It cannot be detached."

33. Elaborating her statement, the Chairperson, FSSAI further submitted as under:

"Sir, we will give you a formal written reply on this point within 24 hours. But the point is, all the labelling, that is mandatory in India, has to be in our own language."

34. Subsequently, the Ministry in their written response submitted as under:

"The imported food product shall comply to Regulation 2.2.1.2 of FSS (Packaging and Labelling) Regulations, 2011 with respect to labelling language requirement for imported food, which states that –

The particulars of declaration required under these Regulations to be specified on the label shall be in English or Hindi in Devnagri script: Provided that nothing herein contained shall prevent the use of any other language in addition to the language required under this regulation."

35. Asked to state the efforts being taken by FSSAI to reduce subjective checking and increase automated verification of food items imported, the ministry in their written reply stated as under:

"FSSAI has implemented Risk Management System (RMS). For this purpose, the risk profiling of food products has been done as high risk & low risk food products and shared with Customs. The RMS analyzes the risk associated with a consignment based on the risk profiling of product, compliance history of importer, country of origin, etc. Risk based import clearance system has been implemented by several developed countries like EU, USA, Russia etc. To increase efficiency at point of entry, FSSAI has recognized the labs at Nepal, Bhutan and Bangladesh so that if consignments from these countries are accompanied with analysis report from these labs, these may not be subjected for repeat testing at importing end."

36. When asked to furnish whether there is any timeline prescribed under the Regulations for an Authorized Officer to pass an order regarding 'No Objection Certificate' or 'Non Conformation Report' in respect of the food items getting imported, the Ministry of Health and Family Welfare in their written reply submitted as under:

"Timelines are not prescribed in Food Safety and Standards (Import) Regulations, 2017. However, it may be noted that once testing is complete by lab, NOC/ NCR is automatically issued online and transmitted to ICEGATE & importer in real time without any manual intervention. Average time taken by FSSAI in scrutiny, visual inspection, sampling & testing was 142 hrs. in FY 2019-20."

37. Asked to furnish comments on the Audit observations that in a test check more than 9000 cases were found where AO had not made and communicated any final safety assessment, it was stated by the Ministry in a written reply that the FICS was integrated with ICEGATE only in 2015. Subsequently, there were some glitches in the integration leading to multiple entries by importer, transmission of bill of entry with non-food end use, inactive applications, incomplete applications, improper port selection etc. Now necessary changes have been made in FICS and ICEGATE to address such issues. Further, observations of audit point to a need for provision of "out of charge" message transmission from Customs ICEGATE to FSSAI's FICS, so that status of a food consignment may also be captured in FICS. IT teams of FSSAI and CBIC are working on complete integration of both the systems.

38. The Ministry in their written reply further stated

"FICS has been integrated with ICEGATE and consignments are referred to FSSAI as per RMS and NOC/ NCR are transmitted to ICEGATE. Further, there is a need for provision of "out of charge" message transmission from Customs ICEGATE to FSSAI's FICS, so that status of a food consignment may also be captured in FICS. IT teams of FSSAI and CBIC are working on complete integration of both the systems."

39. Asked to state the expected time for arriving at a complete integration of both the Systems, the Ministry in their written reply stated that CBIC & FSSAI are working with Single Window System team of CBIC for out of charge message exchange in FICS expeditiously. Since this is a system issue involving modification in ICEGATE, efforts will continue for early completion.

40. The comments of the Ministry of Health and Family Welfare was solicited on the Audit observations that test check of FSSAI offices with online Indian Customs Electronic Data Interchange System revealed that the food consignments had been released despite NCR against them.

The Ministry of Health and Family Welfare in this regard, in a written reply stated as under:

"Regarding audit observations, it was observed that 19 out of 24 such consignments were either re-exported or detained. 5 were released on the basis of testing by private labs. CBIC has now issued instructions that only FSSAI notified labs shall be used for testing of imported food products. FSSAI is also working with Single Window team of Customs for integrating the "Out of Charge" message exchange with FICS."

41. Asked to furnish the present status of all those food consignments which were released despite NCR against them, the Ministry in their written reply stated as under:

"The FICS was integrated with ICEGATE only in 2015. Subsequently, there were some glitches in the integration leading to multiple entries by importer, transmission of bill of entry with non food end use, inactive applications, incomplete applications, improper port selection etc. Now necessary changes have been made in FICS and ICEGATE to address such issues. Out of 24 consignments identified by Audit, 19 were either re-exported or were still under detention at that time."

42. On a query of FSSAI regarding creating a mobile App system to receive instant complaints about the quality of imported or otherwise food and other edible items for grievance redressal mechanism it was stated that Food Safety Connect Android App is a mobile app to receive grievances.

43. Requested to furnish areas/issues in food import process with multiple agencies, where overlap in regulations and standards and implementation has been identified by FSSAI and the solutions to minimize these overlaps, the Ministry of Health and Family Welfare replied that FSSAI ensures quality & safety of imported food, Animal Quarantine Certification Service (AQCS) and Plant Protection, Quarantine and Storage (PPQS) prevents ingress of animal and plant disease respectively. The role of each organization is distinctively defined as it requires specialized function to be performed. There is some regulatory overlap with Department of Animal Husbandry & Dairying (DAHD) for import of products of animal origin. FSSAI and DAHD are working on same to address the issue. Further, GM import is also regulated by Genetically Engineered Appraisal Committee.

44. Posed with a query of eliminating the possible instances of Authorised Officers not referring the doubtful lot of imported food from safety perspective to FSSAI and directly allowing clearance with possible connivance with the importers, the Ministry in their written reply stated as under:-

"It may be noted that a consignment is referred automatically to FSSAI for examination through RMS which is implemented at Customs ICEGATE without any manual intervention. Therefore, potential for clearance outside the system have been removed. Further, FSSAI officials have been interacting with customs officials on regular basis and also participating in Custom Clearance Facilitation Committee (CCFC) meetings in which all the issues related to import clearance of food products are discussed."

45. During the sitting of the Sub Committee, the Convener posed the query as to whether the training of Authorised Officers would suffice, and whether the Authorised Officers have an academic and educational background in science. To this, the Chief Executive officer, FSSAI replied that it was not necessarily the case.

46. When asked whether the Customs department have any responsibility/accountability to FSSAI towards clearance of imported food items, the Ministry of Health and Family Welfare in their written reply stated as under:

"The Customs officials while working as Authorized Officers for food import clearance purpose are mandated to function as per the responsibilities and duties as stipulated in Food Safety and Standards (Import) Regulations, 2017."

47. Asked to furnish the mechanism whereby FSSAI ensure administrative control of Customs Officers to act as AOs, the Ministry of Health and family Welfare stated as under:

"Duties and responsibilities of Authorised Officers as stipulated in Food Safety and Standards (Import) Regulations, 2017 are equally applicable to Custom Officials working as AO."

48. The FSSAI in their deposition before the Sub Committee stated as under-

*"Sir, in 22 ports, our officers are there. In 128 ports, Customs Officers are there."*

When asked as to whether there is a plan to make all points of entries being directly controlled by FSSAI officials to safeguard imported food items in India, the Ministry in their post evidence written reply stated as under:

"Manning all entry points will require additional resources. The number of point of entries directly controlled by FSSAI is being increased in a gradual manner. This year 28 additional ports will be covered leading to total 50 ports under direct control

of FSSAI. New import offices will cover major point of entries at locations like Mundra/Kandla, Ahmedabad, Raxaul, Attari, Krishnapatnam, Vishakhapatnam, Bengaluru & Hyderabad. With these new offices, FSSAI would directly control approx. 80-85% of total food imports in the country.

49. Asked about the FSSAI Regulations not stipulating any timeline for an Authorised Officer to pass an order regarding 'No Objection Certificate' or 'Non-Confirmation Certificate' in respect of Food items getting imported, the Ministry of Health and Family Welfare in their post evidence written reply stated as under:

"Time taken for clearance of imported Food Articles depends on several factors like type of product imported, whether the importer has availed the facility of advance filing at ICEGATE, timely submission of all information/ documents etc. by importer. Also, the time taken for analysis differs from product to product based on the parameters to be analysed such as microbiological, chemical, physical etc. However, once testing is complete, NOC/ NCR is issued automatically in real time without any manual intervention."

50. Asked to detail the issues stalling the process of integration of FICS with online platform for Indian Food Laboratories Network, it was replied by the Ministry of Health and Family Welfare that the FICS & INFOLNET portal were developed at different times for different purposes and with different system architecture. While FICS is integrated with ICEGATE, INFOLNET provides an integrated platform for FSSAI notified laboratories. The process of integration of FICS with INFOLNET has been initiated. The baseline work for data integration of FICS and INFOLNET has been done and integration is expected to be completed within six months time.

## CHAPTER IV

## LICENSING, REGISTRATION, INSPECTION AND SAMPLING

51. The C&AG observed that:-

- a) FSSAI and state food safety authorities did not conduct survey for enforcement and administration of the Act and of the FBOs under their jurisdiction, though required to do so under the Act.
- b) Licenses were issued on the basis of incomplete documents in more than 50 per cent of cases test checked in Audit.
- c) Neither FSSAI nor the state food authorities have documented policies and procedures on risk based inspections, and the FSSAI does not have any database on food business.
- d) FSSAI has failed to ensure that the Customs authorities follow up the Non-Conformance Reports issued by the FSSAI, and take appropriate action to ensure that unsafe foods do not enter the country.

52. The Ministry in their Power point presentation during the course of oral evidence before the Committee submitted that:-

"Licensing/Registration of all FBO's mandatory and States/UTs take up survey/special drives for licensing/registration from time to time resulting in steep increase in total licenses and registrations from approximately 40 lakhs in December 2017 to approximately 67.5 lakhs in September 2019."

53. The Ministry during the oral evidence has further submitted that a complete rationalisation has been done to eliminate repetitions and unnecessary document, reducing requirement to upto 5 documents approved by Food Authority on 21<sup>st</sup> February, 2018. They further submitted that training is being imparted to State Food Regulatory Staff. 1253 persons were trained in 18 States/UTs.

54. In this Context, the Ministry has in their written reply stated that all processes in regard to licensing and registration are computerised throughout the country except Nagaland. All applications and documents are required to be submitted online and licenses/registrations are also issued online. Efforts are being made to bring Nagaland on board for online licensing and registration. Inspections are being carried out in 5 States/UTs

and all Regional Offices of FSSAI with submission of reports online. Other States/UTs have been encouraged for online submission of inspection reports. FSSAI has also made the process of submission of test reports by laboratories online. FSSAI has developed an IT Solution platform for India Food Laboratory Network (INFOLNET). This Laboratory Management System (LMS) is a centralized system that connects and collates the network of laboratories. At present 340 labs have registered of which 160 have been approved and another 30 labs are under process. INFOLNET has been made mandatory for all laboratories recognised by the FSSAI u/s 43(1) of FSS Act, 2006. System has been rolled out and a number of approved labs are already uploading test results on the INFOLNET.

55. Further, in response to a query on improvement in online FLRs, the Ministry in their written reply submitted as under:-

"FSSAI has identified gaps in the online FLRS (Food Licensing and Registration System) based on various inputs received from the regulatory staff as well as the food businesses about functional issues related to the implementation of the regulations. Taking into account the feedbacks, FSSAI is in the process of amending the Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 so as to further simplify and rationalize it and ensure effective compliance. This includes perpetual license and registration subject to submission of Annual Returns and Declarations respectively, reduction in documents, realignment of various KoBs, rationalization of license fee, reduction of modification fee, special provision for new emerging models such as e-commerce, direct sellers etc. Further, methodology of license is proposed to be shifted to product standard based against existing methodology of food products (Additives wise) category."

56. The Ministry in their written reply further submitted as under:-

"The Food Authority has reviewed the need and feasibility of conducting survey for identification of FBOs. Since all food businesses are required to be either registered or licensed under the FSS Act, 2006, therefore FSSAI has advised States/UTs to carry out special drives for registration & licensing of Food Business operators at regular intervals so that any Food Business operators don not operate their business without registration/license."

57. The C&AG in their Report has observed that the import of food products into India is controlled by FSSAI by Section 25 of the Act, which stipulates that no unsafe misbranded or substandard product is to be imported into India. Audit noted that out of the total 635 entry points in India, FSSAI had its presence at only 21 points in six ports, and for 135



points, FSSAI had appointed Customs officials by designation as Authorised Officers (AO) under Section 47(5) of the Act. The appointment by designation is not in compliance with the regulations, which required AOs/FSOs to have a degree in any of the prescribed disciplines from a recognised university. Further, the appointment was belated and inadequate, since it was done for the first time in March 2016, a decade after the Act was enacted; also, there is no FSSAI presence either directly, or through its authorised representatives at the remaining point of entries, leaving the food products entering through these entry points unregulated under the Act. Further, FSSAI had no mechanism to monitor the functioning of the Customs officials appointed as AOs. The Ministry accepted (June 2017) the facts.

58. In response to a query on guidelines/standards prescribed and to be followed by Custom officers in granting "import clearance to food items," the Ministry in a written response to additional List of points stated as:-

"The food articles, when referred to Authorised Officers of Customs or Authorised Officers of FSSAI for clearance are subjected to food import clearance process as per FSS (Import) Regulations, 2017 which includes sampling and testing before clearance. If sample is found conforming to the prescribed standards and norms, then consignment is released and if found non-conforming, then consignment is not released by Custom Authorities. Customs Officials are imparted trainings to enable them to effectively carry out necessary checks and processes as prescribed under Food Safety and Standards Act, 2006 and Rules & Regulations made thereunder. FSSAI is also developing an E-Training module for regular training of Authorised Officers of Customs Department. Also, FSSAI has published Manual for Food Imports to ensure that consistent approach is applied in food import clearances at different ports in the country."

59. During the oral evidence, the Secretary, Ministry of Health & Family Welfare stated that:-

"In our note, we have given a statement showing the number of samples. This is a consolidated statement but we can give the State-wise version also. This statement is from 2013-14 onwards to 2018-19. The total number of samples collected has increased from 72,200 to over one lakh in 2018-19. Out of these samples, approximately 25 per cent are non-conforming. However, I want to clarify that non-conformity would be sometimes from the standards perspective and in a lesser proportion from the safety perspective. So, these are two different aspects of how the samples are being treated. If it is a question of non-compliance of a standard, it would be inviting fine as laid down under the Act. If it is a safety issue, it becomes much more serious. Out of the cases that came to a conclusion in 2017-18, 7,627 cases were concluded in which penalties were imposed and a total amount of Rs. 26.35

crore was levied in the year 2017-18. So, there is a year-wise break-up given in the statement."

60. In this regard, the Chairperson, PAC during the oral evidence pointed out that the number of samples found to be non-conforming has been growing alarmingly.

61. During the course of oral evidence, the matter of low rate of conviction was also highlighted. It was pointed out that the number of cases registered under the Food Safety and Standards Act has increased whereas the conviction rate has substantially reduced. The representative of FSSAI stated that normally conviction takes two to three years.

62. Elaborating further, to a query regarding regulation of food safety in e-commerce, the representative of FSSAI stated as under:-

"Actually e-commerce players or platforms themselves are not producing manufacturing foods. In fact, there are kitchens and restaurants, who are listed on their platforms. So, we have come out with regulations to take care of e-commerce players both Swiggy and Zomato. In fact, a year ago, we worked with them and asked them to delist 10,000 restaurants across the country, who are not registered or licenced by FSSAI. They took some time, but they complied with this requirement; and all 10,000 restaurants were delisted. Now, we have begun to conduct a third-party audit whether their systems are in place to ensure that the safety and hygiene of the food are maintained by e-commerce players. We have also kept a condition that Amazon and Grofers cannot sell food, which is having a shelf life of less than three months. Otherwise, they often sell on the last date; and when you receive it, you have only one day to take the food. So, we are basically addressing these issues. This is a very new development in the food sector in India, and we are trying to grapple with this situation."

## CHAPTER - V

## FOOD TESTING LABORATORIES

63. Asked about the number of laboratories recognised by FSSAI for testing of food samples, the Ministry of Health & Family Welfare in a written reply stated that the Laboratory Management System (LMS) is a centralised system that connects and collates the network of laboratories. At present 340 labs have registered of which 160 have been approved and other 30 labs are under process. The Ministry has later revised their data stating that at present there are 173 such labs registered with the Laboratory Management System.

64. The Audit in their Report has observed as under:

"Only seven out of 72 state food laboratories and only eight out of 16 referral laboratories were NABL accredited as of September 2016. The Ministry of Health and Family Welfare informed (March 2017) that under the new scheme announced in October 2016, all state laboratories would be required to acquire NABL accreditation within two years. It was further stated by the Ministry that NABL accreditation is not a pre-condition for notification of referral laboratories under the Act. It is observed that FSSAI/Ministry had similarly informed the Rajya Sabha in July 2015, that, referral laboratories are not mandated to be accredited by the NABL, and are only to be notified by the Food Authority. However, para 2.2.1(5) of the FSS (laboratory and sample analysis) Regulations, 2011 state that referral laboratory shall maintain high standards of accuracy, reliability, credibility in the operations of laboratory and achieving and maintaining required level of accreditation and reliability. In view of such regulations, it became desirable that they are accredited by NABL to establish and prove their accuracy, reliability and credibility."

65. The Audit has further in succeeding paragraphs observed as under:-

"FSSAI had not framed any Standard Operating Procedures (SOP) for examination and approval of applications for empanelment. FSSAI also does not have any mechanism to promptly update the status of NABL accreditation (such updated status may include withdrawal of NABL accreditation or addition/deletion of specific tests for which accreditation is given) of the empanelled laboratories. Though NABL accreditation is accorded not only for the specific discipline but also for the multiple tiers or levels below, FSSAI notifies empanelled laboratories only for two of the broad disciplines (chemical and biological) without providing tier/level details to the enforcement arms of the FSSAI and the states. Hence, the enforcement arms sent samples to the empanelled laboratories, without knowing the current status of NABL accreditation of the laboratory, or the specific tests that are required to be conducted on the food product that is proposed to be sampled and analysed, or whether the

concerned laboratory has NABL accreditation for the specific food category, parameter or tests that are required to be conducted. In their replies (May 2017 and June 2017 respectively), the FSSAI and the Ministry stated that they are putting a system in place to address the issue."

66. During the oral evidence, when posed with the issue of accreditation of laboratories, the representative of FSSAI has stated as under:-

"The hon'ble Member has made a very valid point. We are constrained to denotify 14 of the State food labs that they will no more be able to do any enforcement activities with those labs and there was a lot of protest from those States...."

67. The Ministry in their Power Point Presentation has submitted a few more points:-

"Out of 88 State Food Labs (in place of 72 reported in C&AG Report), 13 are now NABL accredited and balance 61 State Labs are notified under the transition provision (Section 98 of FSS Act). Balance 14 have been discontinued under Section 98. Thus, 74 State Labs are under FSSAI.

Since, NABL accreditation is a time-taking process, these labs would need to be accredited within 2 years or be de-notified by September 2020.

FSSAI is also providing mobile testing labs to the States/UTs."

## CHAPTER - VI

## HUMAN RESOURCES

68. Audit in their Report has observed that the Ministry has sanctioned 356 posts for FSSAI at various levels. However, since FSSAI failed to finalize its recruitment regulations, most of these posts remained unfilled in all categories by regular employees.

Audit has further noted the following shortcomings:-

- I. Even after a decade of enactment of the Act, the Food Authority has not notified its recruitment regulations.
- II. FSSAI had on its rolls, 261 contractual employees in the technical, scientific, administrative & general categories. Audit observed that these contractual employees were performing routine functions, defeating the intention of appointing contractual employees only for specific tasks of defined duration.
- III. A retired Joint Secretary to the Government of India was appointed by FSSAI on single source basis, on the grounds of urgency and temporary arrangement in January 2016. FSSAI invoked GFR 176 for the appointment, which permits single-source selection for which full justification should be recorded on file and approved by the competent authority. The person was appointed against the vacant post of Chief Management Services Officer (CMSO). When a regular officer joined the post of CMSO in April 2016, the services of the consultant were not terminated even though the original condition of urgency necessitating temporary filling up of the post no longer existed. Instead, he was appointed as Head of the General Administration Division, a post which was carved out of the existing post of CMSO, for which, no sanction of the Ministry was available. The replies of the Ministry/FSSAI were not specific to the audit observations.
- IV. In terms of Section 36 of the Act, Designated Officers (DOs) under FSSAI and State food authorities are, inter-alia, empowered to issue or cancel licenses of Food Business Operators (FBOs), to prohibit sale of food, to get analysed the food samples received from Food Safety Officers (FSOs), and to recommend sanction of prosecution under the Act. In terms of section 38 of the Act, FSOs are, inter-alia, empowered to lift food samples and have them inspected, to investigate complaints, and to maintain data bases of all FBOs within their areas. Following the recommendation (August 2014) of the Central Advisory Committee requiring one DO for every district and one FSO for each block in rural areas and for every thousand FBOs in urban areas, FSSAI conducted a gap analysis (September 2016), and found shortfalls of DOs ranging from 5 to 80 per cent in 12 States; against requirement of 17,003 only 2,952 FSOs were available in all the states, with shortfalls ranging from 33 to 99 per cent in all the States, and with shortfall of more than 90 per cent in 12 States. Audit observed shortfalls of DOs ranging from 7 to 81 per cent in six states

(Assam, Delhi, Haryana, Himachal Pradesh, Odisha and Uttar Pradesh), and shortfalls of FSOs ranging from 34 to 98 per cent in the test checked States. Such shortages severely affected the functioning of the State food safety authorities as discussed in paragraphs 3.2 and 3.3.1 of this report. FSSAI/Ministry in its reply (May/June 2017) accepted the audit observations and stated that corrective measures are being taken.

69. Updating the information furnished with respect to hiring of contractual employees, the Ministry of Health & Family Welfare in their background note submitted that the recruitment regulations have been notified on 01.10.2018 and the process of filling up of posts have been initiated.

70. In their Power Point Presentation, the Ministry of Health & Family Welfare stated that as on 30.09.2019, 391 candidates (including 31 Public Analysts from PFA) have been declared and notified as qualified Food Analysts through a duly constituted board.

71. Asked about the specific reasons for not framing recruitment regulations even after a decade of enactment of the Act, the Ministry of Health & Family Welfare in their written reply submitted as under:-

"Delay in formulation of Recruitment Regulations should be viewed in the backdrop of evolving nature and unique functional profile of FSSAI, for which there were no established norms which could be readily relied upon. The mandate of the Authority under the Food Safety and Standards Act, 2006 is extremely wide-ranging, which calls for a variety of skill sets including scientific and technical, legal and administrative, IT and social & behavioural change. The Recruitment Regulations, therefore, needed to be a comprehensive regulation where all skill sets can be provided for. Thus, while the first set of draft Recruitment Regulations were notified in February, 2016, they had to be completely recast based on several hundred representations received."

72. They have also confirmed that 307 posts (both technical and non-technical) were advertised on 25.01.2019 and 26.03.2019 to fill them up against the direct recruitment quota. Computer Based Test (CBT) was conducted in July, 2019 and the result is likely to be announced in third week of November, 2019. 3 Directors have already joined. Further, 168 posts at various levels have been advertised on 16.10.2019 to fill them up on deputation basis.

73. Ascertaining the number of sanctioned strength of posts and 135 persons in position, the Ministry in their written reply confirmed 233 contractual staff managing the work of FSSAI.

74. Asked whether any mechanism/system of internal audit within FSSAI for internal audit is in place, the Ministry has admitted to the absence of any such system in FSSAI. However, on being asked again about need for such an internal audit system, the Ministry has replied that an Internal Audit Cell has been established in FSSAI vide order dated 8.11.2019 in the defined duties. Cell has been authorised to devise detailed procedure with due approval of Competent Authority for its functioning in accordance with extant rules/regulations in due course. Some officers have been posted in Internal Audit-Cell on 17.01.2020 to assist in proper working of the system.

75. Asked to furnish the details of accumulated funds/revenues generated by FSSAI till now the Ministry has in a written reply stated as under:-

"FSSAI at the end of March, 2019 had an accumulated fund of Rs. 2,57,66,79,360/-. The Food Authority has in-principle approved use of internally generated funds by FSSAI for development and improvement of infrastructure and facilities of FSSAI including development of composite facilities of FSSAI at Ghaziabad, JNPT (Mumbai), Kolkata and Chennai to include regional office space, food lab and training centre."

76. The Ministry has further stated that they have taken up the proposal of creation of Public Account within FSSAI to utilise the funds internally generated by FSSAI. Giving an updated status, the Ministry has furnished as under:-

"It is submitted that the proposal for the maintenance of Public Account and opening of the two Minor Heads of Accounts for FSSAI i.e. (i) 'FSSAI General Fund' under the Major Head 8235-General and Other Reserve Fund under Public Accounts and (ii) "Penalties Realised under Food Safety and Standards Act" under the Major Head "1475-Other General Economic Services" is under consideration of the Ministry in consultation with the office of Controller General of Accounts (CGA) and the Department of Economic Affairs. Presently, as desired by the Office of Chief Comptroller of Accounts (CCA), Ministry of Health & Family Welfare, the approval of the Department of Economic Affairs, Ministry of Finance is being sought by the Ministry of Health & Family Welfare."

---

## PART – II

### OBSERVATIONS AND RECOMMENDATIONS

#### Regulatory and Administrative Framework

1. The Committee note that providing safe food is the primary responsibility of the States. In order to ensure a robust regulatory and administrative mechanism that secures safety of food consumed in the country, the Union Government enacted a comprehensive Act viz. Food, Safety and Standards Act, 2006 subsuming the prevalent Prevention of Adulterated Food Act, 1954 and the applicable orders/advisories/instructions issued by different Central Ministries/Departments. The aims and objectives of this Act were to safeguard people of the country against adulterated food as well as educating them towards safe and nutritious food. They further note that even after seven decades since independence, adequate protection has not been ensured to the citizens against adulterated and unsafe food, nor the consumers appropriately educated of the importance of wholesome and nutritious food.

The Committee are of the opinion that food being *sine qua non* to human life, the basic human requirement, it is imperative that unadulterated and safe food is accessible to all sections of society including the poorest. They are of the considered view that safe food will not only reduce excessive burden over health but will also have an impact on Public hygiene. Therefore, the Committee strongly recommend a robust regulatory and administrative mechanism for safe food in the country.

#### Identification of Areas and Regulations

2. The Committee are appreciative of the fact that the Ministry of Health and Family Welfare and the FSSAI have identified 32 areas out of which regulations on 28 areas already have since been notified. However, they observe that it has taken nearly a decade to reach this level. The Committee note that the Food Safety and Standards Authority of India, being the nodal Authority established in 2008, is accountable primarily for regulating the availability of safe, hygienic and healthy food to all the citizens. The Committee note that FSSAI being the national level apex agency for development of robust food standards and codes of practice for safe food, is accountable to create a positive regulatory environment, establish a credible and robust national food testing



environment and infrastructure to address the problem of adulteration and unsafe food in the country. The delay in framing the regulations and their proper enforcement and administration may cost heavily not only on the precious lives of people but also on the national health Exchequer. The Committee, therefore, recommend that FSSAI must notify the regulations on the remaining areas like organic food, financial regulations etc. and keep the regulatory framework agile, progressive and updated. They also recommend that a mechanism may be evolved for frequent and regular reviews of the regulatory framework and regulations notified to keep pace with the changing food processing technology and emerging new trends in consumer food taste.

### Survey of FBOs and their database

3. The Committee note that there was a considerable delay of almost two years following the passing of the Act in notifying the Food Safety and Standards Authority of India in the year 2008. Moreover, the Food Safety and Standards Authority started notifying their regulations as per mandate, only from the year 2011 onwards and the process is still continuing. These notifications have brought the entire law into effect, making it mandatory for every food business operator/ petty food vendor to register or procure a license depending on the annual turnover.

The Committee further note that sub-section 16(2)(g) of the FSSA Act stipulates that it shall be the duty of the FSSAI to conduct survey for enforcement and administration of the Act. The Committee express concern over the fact that FSSAI are still not successful in identifying the relevant and new emerging areas of food and their processing mechanism.

The Committee note that there are about 67.5 lakh FBOs which are registered with the Authority. The Committee feel that identification of new areas and notification of regulations pertaining thereto and registering new food vendors and licenses to identified food business operators is an ongoing process. There is a possibility that some new FBOs may open and old ones close their business. Therefore, there is no doubt that FSSAI needs to double its efforts to make a comprehensive and exhaustive database of FBOs in the country by digitizing the latter invariably. The Committee note that the FBOs are required to apply for renewal of their food licenses before the license expiry. In this regard, Committee strongly recommend that the Food Business Operators should be taken into confidence to apply for fresh issue as well as renewal of licenses well before the expiry of the license and the computerized system for

issue and conversion of licenses be updated, if the need be, to obviate the necessity of any external intervention. The Committee feel that this will not only avoid delay but prevent corrupt practices also. The Committee are of the firm view that this will be possible only with the sustained and continued efforts from FSSAI.

#### E-commerce Food Business

4. The Committee note that the apex food regulator i.e. Food Authority of India is grappled with the new emerging area of online food delivery platforms. They feel that FSSAI cannot remain content with merely issuing regulations, directives and advisories but shall have to be proactive to share the new responsibility of food safety in e-commerce and online platforms for food items and eatables. The Committee are of the view that in-addition to taking to the regular recourse of consumer laws put in place to safeguard consumer protection, the FSSAI will have to present an additional alternative e-platform for expediting action in cases of complaints from consumers with regard to quality and safety of food available on online platforms. The Committee further note that in this fast moving world, there is an imperative need to ensure food safety and quality standard of food available through online platforms. They are of the considered view that FSSAI should evolve a scientific and digital mechanism for expeditious resolution of consumer complaints and grievances, touching all aspects of food safety, packaging for the healthy growth and development of e-commerce food industry in the country. The Committee recommend FSSAI to put in place an online mechanism, in consultation with e-food retailers and consumer groups and other stakeholders, for speedy resolution and effective intervention in matters of food safety thereby fostering a sustainable e-food ecosystem that is pre dominantly organised. The Committee also desire that this effort of FSSAI should find a right balance between self-regulation, voluntary checks and regulatory supervision.

#### Stakeholders

5. The Committee note that although more than 10 years have elapsed following the enactment of the Food Safety and Standards Act, 2006 and 5 years since FSS regulations came into force, there are several loose ends which are still to be fixed. The Committee also note that although the process of standardisation is a continuous one and there are numerous challenges being faced by the regulatory and enforcement divisions of FSSAI, however, it is also

a fact that action plans with a crystal clear Standard Operating Procedure (SOPs) are lacking at many places to identify areas on which standards are to be formulated/reviewed, if necessary, within specific timelines. The Committee feel that involvement of FBOs as a first step towards identification of food products is necessary, but at the same time, it may be fraught with the risk of orientation towards safeguarding of their own business interests. Therefore, the Committee recommend that for bringing about greater transparency in the task of revision of standards for selection of food products, FSSAI should not limit itself to consulting only with Food Business Operators, rather a wider consultative group with the involvement of public from across various spectrums of life, preferably elected representatives of the people from the local bodies (Panchayat level) to the Members of Parliament, consumer groups and eminent private individuals. The Committee are of the view that it is necessary to appropriately take into consideration the diverse interests of the stakeholders across a wide spectrum and devise effective SOPs (Standard Operating Procedures) enabling stockholders to prepare their action plans and implement them.

#### NOC and Product Approval

6. The Committee note that the FSSAI issued no objection certificates to FBOs and renewed their licenses on the basis of Product Approval Mechanism not under the regulations notified by the former but on the advisories issued therein. This unhealthy practice continued till the intervention and directions of Supreme Court of India, which set them aside as unlawful on the ground that advisories do not empower the FSSAI to issue NOC and renew licenses. The Court held that only regulations issued by FSSAI empower the latter to issue NOCs and renew licenses. The Committee are dismayed to note that FSSAI had failed to ensure the cancellation of the licenses issued under the product approval system, which was declared unlawful by the Supreme Court, and order product recall. The Committee feel, FSSAI being the nodal agency established for food safety, should have acted with agility in the matter. Had there been no audit check, the matter of non-withdrawal of NOCs and licenses issued on the basis of product approval, despite being turned down by the court, would not have come to the light. The Committee feel that FSSAI should not only be content with framing of regulations, but should also conduct the assessment of the impact of the regulations in place and all interventional measures should be taken to align the regulatory food safety ecosystem in order to serve the final objective of food safety for the consumers in the country.

As per information furnished, officials responsible for acting in violation of Supreme Court's directions have been identified and steps taken to ensure that they are brought to task. Yet, the Committee observe that there have been certain administrative delays in the process as a result of which the officials concerned could go scot free despite the recommendations of the fact finding Committee instituted by FSSAI. The Committee, therefore, cannot but express their displeasure about the way the matter was handled and recommend FSSAI to aggressively pursue the matter by way of soliciting advisories from DoPT in this regard, so as to enable in tackling all cases of irregularities in proper perspective.

#### Accreditation and Testing Infrastructure

7. The Committee express their dissatisfaction over the shortage of quality laboratories and lack of uniformity of standards across the country. The Committee observe that though the responsibility of enforcement and regulation of food safety and standards lies with the respective State Governments/UTs, the poor and inadequate infrastructure for testing samples in the absence of the financial resources with the States does not allow effective and efficient functioning of the labs with clinical accuracy. Recognizing the inadequacy of financial resources available with the State Governments, it would not be prudent to expect optimum improvement in the laboratories in States/UTs without financial support from the Union Government. The Committee take note of the existing food testing infrastructure in the country and observe that given the exponential increase in the magnitude of the problem of food adulteration in our country with complex food varieties, that an infrastructure of a mere 340 food testing laboratories would not suffice. The Committee, therefore, recommend that adequate financial support to the States/UTs be provided impromptu to create a robust lab infrastructure duly accredited with National Accreditation Board for Testing and Calibration Laboratories (NABL). The Committee recommend that in the interest of maintaining food testing standards, the number of mobile food testing laboratories be enhanced till such time sufficient number of food testing laboratories are established.

The Committee are further constrained to note that despite the Bombay High Court's direction, most of the laboratories in the country are still not NABL accredited. The Committee are of the view that NABL accreditation of labs would ensure standards of testing and enhance reliability. The Committee feel that this will ensure uniformity and accuracy in testing standards, which is

central to food testing. The Committee, therefore, recommend that FSSAI must ensure that all the labs approved by the Authority are NABL accredited within the shortest time as feasible. The Committee further recommend that food testing laboratories be equipped with necessary infrastructure and trained manpower.

### Safety Mechanism for Imported Food

#### Importance

8. Chapter V of the Food Safety and Standards Act 2006 prescribes that all imports of food articles are to be subjected to the provisions of the Act which inter-alia prohibits import of any unsafe or misbranded or sub-standard food or food containing extraneous matter into India. Though the Act, as claimed by the Government, sufficiently empowers FSSAI, the Committee understand that the mechanism for ensuring safety and quality standards of food items at the entry points at borders, ports and airports is not adequate and foolproof.

#### Entry points

9. The Committee note from the information furnished by the Government that the number of entry points directly being controlled by FSSAI is being increased gradually and the presence of Authorised Officers merely supplements the efforts of FSSAI. The Committee are of the view in this regard that for ensuring effective regulatory control of the FSSAI, the Government should strive to achieve 100 percent presence of FSSAI officials at all entry points of food import. This, the Committee feel is essential for safeguarding the health of the citizens. The Committee also recommend that FSSAI must examine and review the quality of training being imparted to all officials handling the import of food items at each import entry point in India.

#### Technical Background for Authorised Officers at entry points

10. During the course of the deposition of the officials concerned, the Committee were informed that even a person without appropriate qualifications could be working as FSSAI Authorised Officer at the entry points. The Committee note in this regard that in our country, availability of persons with appropriate professional credentials/qualifications would not pose a problem. However, there is a need of integration and collaboration among the Universities, Educational Institutions and Industry for development of skills in this area. The

Committee are of the view that the linkage between the Industry and the Educational Institutions needs to be fostered and strengthened. The Committee note that in the present situation, any normal graduate who may not possess appropriate or suitable qualifications can become an Authorised Officer and be entrusted with the work of safety of food import in India. The Committee are of the view that for ensuring effective handling of matters of food safety, the Authorized Officer should be professionally qualified to effectively discharge the duties prescribed.

#### Audit findings of results of assessment of food safety

11. The Committee note that the FSSAI has endeavored to rationalise the number of entry points of import of food items. The Committee are of the view that rationalisation of entry points should be combined with effective monitoring of these entry points in the matter of safety of imported food items. The Committee further note the findings of the Audit that in approximately 9000 cases, the Authorised Officers have neither issued No-Objection Certificates (NOC) nor Non-Conformation Report (NCR) despite assessing the safety of food being imported. As pointed out by the Audit, it is the mandate of the FSSAI to regulate the import of food under the Act. The Committee are of the firm view that the Authorised Officers should either issue No-Objection Certificates (NOC) or Non-Conformation Report (NCR), as the case may be, and no food item should be allowed to be imported without the safety assessment done by the officials designated by FSSAI. The Committee feel that not issuing either of the two certifications would be grossly improper. The apprehension of unsafe food getting imported cannot be entirely ruled out in view of such instances of non-issue of the prescribed certification going unnoticed. The Committee, therefore, recommend that accountability of officials responsible for such lapses be fixed. In this regard, the Committee also note that the Ministry of Health and Family Welfare have ascribed the 'lapses or irregularities' to the incomplete integration of the Food Import Clearance System (FICS) with Indian Customs Electronic Gateway (ICEGATE). The Committee note in this regard that, at present, the status of a food consignment as reflected in ICEGATE is not captured in FICS on real time basis. They, therefore, recommend that the FSSAI and Central Board of Indirect Taxes & Customs (CBIC) may accelerate the process of complete integration of both the systems of ICEGATE and FICS. A definite timeline for such integration needs to be submitted to the Committee.

### Administrative Control over Authorised Officers

12. The Committee have taken note of the reply of the Ministry of Health and Family Welfare which states that the duties and responsibilities of the Authorised officers are equally applicable to the Custom Officials working as AO. However, the Committee note that the FSSAI is silent on the aspect of administrative and regulatory control in case of non-compliance by any Authorised Officer. The Committee, therefore, recommend that the Ministry of Health and Family Welfare must ensure that the Charter of Duties of the Authorised Officers of CBIC which should invariably include the role and responsibilities of the Authorised Officers as envisaged in the Food Safety and Standards (Import) Regulations, 2017.

### Labeling

13. The Committee have also taken note of the information furnished by the Ministry on the issue of the requirement in regard to labeling of imported food items in India. The Committee, in this regard, express its view that FSSAI must check all imported food items in India for strict compliance with the regulatory conditions. The Committee have also taken note of the fact that the labeling for packaged food provides many a vital information about the food item being imported and that the regulations prescribe that the label should either be in English or Hindi. It would be essential to ensure that no food item is allowed to enter the country without all requisite details on the label in accordance with the prescribed regulations.
14. The Committee further note from the reply of the Government that there is an element of regulatory overlap with the Department of Animal Husbandry and Dairying (DAHD) for import of products of animal origin and recommend that FSSAI should sort out the issue by holding active meetings with their counterparts in DAHD.

### Conviction Rate

15. The Committee express grave concern over the fact that the rate of conviction is low despite the increasing number of failed samples. One of the reasons for this phenomena, the Committee feel is attributable to inadequate training of the Food Safety Officers. The Committee feel that the performance of Food Safety Officers needs to be judged not only on the basis of number of samples collected but also on the basis of the number of successful convictions

relating to the failed cases. The Committee are of the view that poor infrastructure for storage of samples, particularly in the case of perishable commodities, is a contributory factor for the low conviction rate. The process of sampling should be methodically defined in a scientific way based upon the food item sampled and there should be adequate training in regard to sample collection, handling and storage protocols. The Committee urge upon the FSSAI to function as a scientific repertoire and technically credible authority to ensure food safety standards in India.

16. The Committee would also like to see the standards of FSSAI at par with and in harmonisation with those of the international/codex standards and reiterate that state-of-the-art laboratories be established, where any stakeholder/business operator can retrieve the samples for further testing and verification by referral labs in the country.

#### Manpower

17. The Committee note with concern the contents of the section of the report of the C&AG on FSSAI regarding human resources. They have been apprised by FSSAI that nearly 300 contractual employees including technical staff who have been hired are continuing in service for more than five years. The Committee feel that there is a legitimate expectation from contractual employees to continue on the posts, although hired on short term basis. The Committee would, therefore, recommend FSSAI to identify all such areas accurately where the nature of work is of a perennial nature and in accordance with the recruitment regulations and extant laws of the land, expedite the process of recruitment of officers/staff at various levels in FSSAI in permanent capacity, wherever required.
18. The Committee further take note of the gap analysis done by FSSAI in regard to the post of Designated Officers (DOs) under FSSAI and State Food Authorities. While the Designated officer is one of the key posts, the Committee are astonished to note that State level Authorities are continuing with the shortage of DOs. The Committee feel that FSSAI should regularly undertake persuasive measures with the State Authorities and emphasise on them the urgency to expedite the recruitment of DOs, whose shortage ranges from 5 to 80 percent in 12 States. The Committee feel that continuing with such a shortage of staff will definitely tell upon the work of the existing staff and the quality of their performance. The Committee would, therefore, recommend that



the Ministry, in consultation with State Authorities, take necessary steps to overcome the shortage of staff especially at the key positions.

#### Internal Audit

19. The Committee note that sustained scrutiny has finally yielded the desired result whereby an Internal Audit Cell has now been established in FSSAI. The Committee believe that the Internal Audit Cell will act as a catalyst to the efforts of FSSAI to function as an organization of undoubted credibility.

#### Internal Resources

20. The Committee note that an unspent amount collected mainly in the form of license fee to the tune of ₹300 crore is lying idle with FSSAI for want of procedural approval/nod from Ministry of Finance for utilizing the same. The Committee recommend the Government to intervene and expedite the examination of setting up of separate public account with FSSAI to enable the latter to gainfully utilize these internally generated funds for discharging its mandated duties.

\*\*\*\*\*

NEW DELHI  
February, 2021  
Magha, 1942 (Saka)

Adhir Ranjan Chowdhury  
Chairperson  
Public Accounts Committee

# MINUTES OF THE FOURTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2019-20) HELD ON 1<sup>ST</sup> OCTOBER, 2019.

The Public Accounts Committee sat on Tuesday, the 1<sup>st</sup> October, 2019 from 1100 hrs to 1530 hrs in Committee Room "C", Parliament House Annexe, New Delhi.

## PRESENT

Shri Adhir Ranjan Chowdhury - Chairperson

## Members

### LOK SABHA

2. Shri T. R. Baalu
3. Shri Subhash Chandra Baheria
4. Shri Sudheer Gupta
5. Shri Jagdambika Pal
6. Dr. Satya Pal Singh
7. Shri Jayant Sinha
8. Shri Ram Kripal Yadav

### RAJYA SABHA

9. Shri Naresh Gujral
10. Shri C. M. Ramesh
11. Shri Sukhendu Sekhar Ray

### LOK SABHA SECRETARIAT

- |                          |   |                      |
|--------------------------|---|----------------------|
| 1. Shri Abhijit Kumar    | - | Additional Secretary |
| 2. Shri Arvind Sharma    | - | Director             |
| 3. Smt. Bharti S. Tuteja | - | Additional Director  |
| 4. Shri U.C.Bharadwaj    | - | Additional Director  |

REPRESENTATIVES OF THE OFFICE OF THE COMPTROLLER AND AUDITOR  
GENERAL OF INDIA

- |    |                       |                           |
|----|-----------------------|---------------------------|
| 1. | Smt. Anita Pattanayak | - Dy. C&AG (RC)           |
| 2. | Shri S.Dadhe          | - DG (O/o DGACE)          |
| 3. | Shri K. Srinivasan    | - DG (RC)                 |
| 4. | Shri Sandeep Lall     | - Principal Director (PC) |

REPRESENTATIVES OF THE MINISTRY OF HEALTH AND FAMILY WELFARE,  
DEPARTMENT OF HEALTH AND FAMILY WELFARE AND FSSAI

- |    |                    |                               |
|----|--------------------|-------------------------------|
| 1. | Shri Arun Singhal  | - Additional Secretary, MOHFW |
| 2. | Smt. Rita Teotia   | - Chairperson, FSSAI          |
| 3. | Shri Pawan Agarwal | - CEO, FSSAI                  |

2. At the outset, the Hon'ble Chairperson welcomed the Members of the Committee and the representatives of the Office of the C&AG of India to the sitting of the Committee, convened to take oral evidence of the representatives of the Ministry of Health & Family Welfare (Department of Health & Family Welfare) and Food Safety and Standards Authority of India (FSSAI) on the subject "Implementation of Food Safety and Standards Act, 2006 (FSS Act)" based on C&AG Report No. 37 of 2017. In his opening remarks he desired that views/suggestions from experts/stakeholders/organisations may be invited on one of the prioritised subjects i.e. Goods and Services Tax (GST) subject to the consent of the Members. The Members of the Committee unanimously endorsed this proposal. The Chairperson desired that a press advertisement to that effect would be issued. Audit officials then briefed the Committee on important issues related to the subject scheduled for discussion.

3. Thereafter, the representatives of the Ministry of Health & Family Welfare (Department of Health & Family Welfare) were called in. The Hon'ble Chairperson while welcoming the representatives of the Ministry put forth certain findings of Audit Report while carrying out the performance audit of FSSAI such as delays and deficiencies in the framing of various regulations and standards; amendments to regulations in violation of the Act and specific directions of the Supreme Court; conditions of State food laboratories entrusted with food testing and certification functions, which were found ill-equipped and

not possessing accreditation of the National Accreditation Board for Testing and Calibration Laboratories (NABL), and inadequate enforcement activities relating to licensing, registration, inspection, sampling and prosecution etc. highlighting the importance of food safety and security. He asked the representatives of the Ministry of Health and Family Welfare and Food Safety and Standards Authority of India to explain to the Committee their position with regard to Audit findings and also to give a brief account of the follow-up action taken thereon for effective implementation of the FSS Act.

4. The representatives of FSSAI made a power point presentation before the Committee whereby they shared the details on corrective and preventive actions undertaken by them on the issues raised in the Audit Report.

5. Thereafter, the Members raised the queries relating to the granting of accreditation of state laboratories from NABL; parameters of Codex Alimentarius Commission; delay in issuance of notification of regulations pertaining to Genetically modified food; draft notification for Section 92(2) regarding safe food and diet for school children; number of samples of food collected for testing and prosecution and adjudication in case of those found adulterated, reasons for delay in banning of chemicals used in food products; reasons for defiance of Bombay High Court order (1 August 2014) or the Supreme Court order (19 August 2015) on continuance/renewal of licenses; unauthorised and wrong issuance of NOC for energy drinks; utilisation of funds for IEC (Information, Education and Communication); check on the quality and safety of street food vendors and food caterers; mechanism with FSSAI to inspect 32 lakh food establishments; issues related to safe packaging and single use plastic; licensing of country liquor; verification of claims made through advertisement of products; availability of database in public domain on number of cases detected and fines imposed; issue of licenses despite incomplete documentation, remedial procedure for licenses given wrongfully by states and for states not enforcing provisions of the Act; training of food safety officers at the district level; creation of standards at the district level consultative committees; appointment of local level teams for spreading awareness of food standards; deficiencies in the required infrastructure for safe custody of samples; reasons for not framing recruitment regulations; and instances of adulteration of milk in the country.

6. Replying to the above queries of the Members, Chairperson, FSSAI submitted that India is represented in the Codex Alimentarius Commission since the time it was set up

and that India is a signatory to the WTO; notification of genetically modified food products is at draft stage and hence not enforced yet. She shared with the Committee that there was requirement of public partnership in laboratory testing of samples due to increase in sampling. She emphasised that enforcement is the responsibility of the states. She tried to clarify on the issues *inter-alia* the challenge of countering fake news; details of measures being taken to strengthen the infrastructure of state laboratories; provision of Food Safety Officer in every block and Designated Officer to cover every district as regulatory Supervisory Officer and finally monitoring of action plan prepared by every state and its implementation.

7. The Hon'ble Chairperson also desired that standing instructions may be issued to all the concerned Ministries that Hindi version of the power point presentation may be mandatorily made available to the Members of the Committee.

8. The Hon'ble Chairperson thanked the representatives of the Ministry and FSSAI for appearing before the Committee for giving free and frank replies to the queries of the Members and further directed them to send written replies to queries raised by members during the sitting, which remained uncovered or partially answered.

The witnesses then withdrew.

A copy of the verbatim proceedings has been kept on record.

*The Committee, then adjourned for lunch.*

*Contd.*

8-40 r

REPRESENTATIVES OF THE OFFICE OF THE COMPTROLLER AND AUDITOR  
GENERAL OF INDIA

\*\*\*\*\*

\*\*\*\*\*

\*\*\*\*\*

REPRESENTATIVES OF THE MINISTRY OF CIVIL AVIATION AND BANGALORE  
INTERNATIONAL AIRPORT LIMITED (BIAL)

\*\*\*\*\*

\*\*\*\*\*

\*\*\*\*\*

9.	*****	*****	*****
10.	*****	*****	*****
11.	*****	*****	*****
12.	*****	*****	*****
13.	*****	*****	*****
14.	*****	*****	*****
15.	*****	*****	*****

The Committee, then, adjourned.

MINUTES OF THE FIRST SITTING OF SUB COMMITTEE – II OF THE PUBLIC ACCOUNTS COMMITTEE (2019-20) HELD ON 10<sup>TH</sup> FEBRUARY, 2020.

The Sub-Committee – II of Public Accounts Committee sat on Monday, the 10<sup>th</sup> February, 2020 from 1530 hrs. to 1630 hrs in Committee Room No. '1', Block A, Extension Building, Parliament House Annexe, New Delhi.

PRESENT

Shri T. R. Baalu

- Convenor

MEMBERS

LOK SABHA

2. Shri Rajiv Ranjan Singh alias Lalan Singh
3. Shri Ajay (Teni) Misra
4. Shri Vishnu Dayal Ram
5. Shri Rahul Ramesh Shewale
6. Shri Sudheer Gupta

LOK SABHA SECRETARIAT

1. Shri MLK Raja - Director
2. Shri U. C. Bharadwaj - Additional Director
3. Shri Alok Mani Tripathi - Deputy Secretary

REPRESENTATIVES FROM THE OFFICE OF THE COMPTROLLER AND AUDITOR  
GENERAL OF INDIA

1. Shri Manish Kumar - DG (PC)
2. Shri Praveen Kumar Saxena - Dy. Director

REPRESENTATIVES FROM THE MINISTRY OF HEALTH AND FAMILY WELFARE

1. Ms. Preeti Sudan - Secretary
2. Shri Arun Singhal - Special Secretary
3. Shri Mandeep Kumar Bhandari - Joint Secretary
4. Ms. Rita Teaotia - Chairpeson, FSSAI
5. Shri Pawan Kumar - CEO, FSSAI

2. At the outset, the Hon'ble Convenor welcomed the Members of the Sub-Committee and the representatives of the Office of the C&AG of India to the first sitting of the Sub-Committee, convened to take oral evidence of the representatives of the Ministry of Health and Family Welfare on the subject "Implementation of Food Safety and Standards Act, 2006" based on C&AG Report No. 37 of 2017. Briefly outlining the developments on examination of the subject so far by PAC, Hon'ble Convenor explained the future course of action for the Sub-Committee to further examine and conclude the examination of the subject.

3. Thereafter, the representatives of the Ministry of Health and Family Welfare were called in. In his introductory remarks, Hon'ble Convenor took note of the fact that Audit review of the implementation of Food Safety and Standards Act, 2006 as well as functioning of FSSAI revealed systemic inefficiencies, including delays and deficiencies in the framing of various regulations and standards; amendments to regulations in violation of the Act and



specific directions of the Supreme Court; state foods laboratories entrusted with food testing and certification functions being ill equipped and not possessing accreditation of the National Accreditation Board for Testing and Calibration Laboratories (NABL); inadequate enforcement activities relating to licensing, registration, inspection, sampling and prosecution; irregularity in the appointment of Contractual employees etc. He asked the representatives of the Ministry to brief the Sub-Committee about the initiatives taken to address the concerns in effective sampling and framing of requisite regulations regarding food safety in India; and delays in framing of Guidelines in remaining areas out of 32 areas listed in the Act. He also drew attention of the witnesses to the provisions on confidentiality of the proceedings of the Sub-Committee.

4. The representative of Ministry of Health and Family Affairs and Food Safety and Standards Authority of India after giving an outline about the timelines defined and Corrective action taken stated that the major reason for delay was due to non-availability of separate food safety department in Several States, lack of adequate manpower and Infrastructure and financial resources, in addition to the work being done in the areas of food testing and enforcement and surveillance. He further highlighted the magnitude of the problems concerning food safety in India and the recent developments in distribution of food namely, e-commerce, apart from direct sellers and food carts.

5. The Members of the Sub-Committee desired to be apprised of the reasons for non-utilisation of the fund of approximately Rs 300 Crores, delay in framing of regulations relating to food and healthy diet of school children, good quality laboratories both at Centre and State level, appointment of Food Safety Officers, emphasising upon the State Government to scrupulously follow up the FSS Act, 2006 and guidelines issued to Customs department both at Sea and Airports for checking up the standards of food, rate of conviction of cases under FSS Act, harmonisation of Food Safety Standards in India at par with that of the standards prevalent in the World, bringing the e-commerce, and other food distribution companies in the ambit of provisions of the Act, countering the fake news, etc..

6. The representatives of Ministry of Health and Family Welfare replied to various queries raised by the Members on the subject matter including migration limits of food packaging material used in the unorganised Sector as well as companies like Swiggy and Zomato etc.

7. The Hon'ble Convenor, while allowing the Ministry to submit written replies to unanswered queries, thanked their representatives for the free and frank views expressed on the subject and the officials of the C&AG for assisting the Sub-Committee in their deliberations.

The witnesses, then, withdrew.

A copy of the verbatim proceedings of the sitting has been kept on record.

The Sub-Committee, then, adjourned.

-----

Confidential

SECOND  
MINUTES OF THE SITTING OF THE SUB COMMITTEE-II OF PUBLIC  
ACCOUNTS COMMITTEE (2020-21) HELD ON 27<sup>th</sup> AUGUST, 2020.

The Sub Committee-II on Implementation of Food Safety and Standards Act, 2006 met on Thursday, the 27th August 2020 from 1500 hrs. to 1530 hrs in Committee Room '3', Parliament House Annexe Extension Building, New Delhi.

**PRESENT**

Shri T.R.Baalu - Convener

**MEMBERS**

**LOK SABHA**

2. Shri Vishnu Dayal Ram
3. Shri Rahul Ramesh Shewale

**RAJYA SABHA**

4. Shri C.M.Ramesh

**LOK SABHA SECRETARIAT**

1. Shri T.G Chandrashekhar - Joint Secretary
2. Shri Uttam Chand Bharadwaj - Additonal Director

**REPRESENTATIVES OF THE OFFICE OF THE COMPTROLLER AND AUDITOR  
GENERAL OF INDIA**

1. Shri Sunil Shreekrishna - Director General of Audit  
Dadhe

2. At the outset, the Convener, Sub Committee-II welcomed the Members and Audit Officers to the sitting of the Committee, convened to consider and adopt the Draft

Report on the Subject Implementation of Food Safety and Standards Act, 2006 based on C&AG Report No 37 of 2017.

3. The Sub Committee-II on 'Implementation of Food Safety and Standards Act, 2006' based on C&AG Report No 37 of 2017, considered the Draft Report on the subject. The Sub Committee-II adopted the draft Report except recommendation/observation on Safety Mechanism for Imported Food (Para Number 8).

4. The Sub Committee desired that further oral evidence of the representatives of the Ministry of Health and Family Welfare and Food Safety and Standards Authority of India (FSSAI) may be taken by the Sub-Committee to get updated information on the matter-'Safety Mechanism for Imported Food'. This, the Sub-Committee felt necessary, particularly in the backdrop of prevailing pandemic Covid-19. The Sub Committee also desired that the recommendation/observation on Safety Mechanism for Imported Food may be reconstructed /recast in light of the deliberations to be held during the oral evidence and suitably incorporated in the draft Report to be placed before the entire Committee.

A copy of the transcript of audio recordings of the verbatim proceedings of the sitting has been kept on record.

The Committee, then, adjourned.

**MINUTES OF THE <sup>THIRD</sup> SITTING OF SUB COMMITTEE - II OF  
PUBLIC ACCOUNTS COMMITTEE (2020-21) HELD ON 11<sup>TH</sup> SEPTEMBER,  
2020.**

The Sub-Committee - II of Public Accounts Committee sat on Friday, the 11<sup>th</sup> September, 2020 from 1500 hrs. to 1600 hrs in Committee Room No. '2, Extension Building, Parliament House Annexe, New Delhi.

**PRESENT**

Shri T.R. Baalu

- Convenor

**MEMBERS**

**LOK SABHA**

2. Shri Ajay (Teni) Misra
3. Shri Vishnu Dayal Ram
4. Shri Rahul Ramesh Shewale

**LOK SABHA SECRETARIAT**

1. Shri MLK Raja - Director
2. Smt U.C. Bharadwaj - Additional Director
3. Shri Alok Mani Tripathi - Deputy Secretary

**REPRESENTATIVES FROM THE OFFICE OF THE COMPTROLLER AND  
AUDITOR GENERAL OF INDIA**

1. Ms. J. Mahalekshmy Menon - Dy. C&AG
2. Shri K. Srinivasan - DG

**REPRESENTATIVES FROM THE MINISTRY OF HEALTH AND FAMILY WELFARE AND FOOD SAFETY AND STANDARDS AUTHORITY OF INDIA (FSSAI)**

1. Shri Rajesh Bhushan - Secretary, MoHFW
2. Ms. Rita Teatolia - Chairperson, FSSAI
3. Shri Arun Singhal - CEO, FSSAI

2. At the outset, the Hon'ble Convenor welcomed the Members of the Sub-Committee and the representatives of the Office of the C&AG of India to the sitting of the Sub-Committee, convened to take oral evidence of the representatives of the Ministry of Health and Family Welfare (MoHFW) and Food Safety and Standards Authority of India on the subject "Implementation of Food Safety and Standards Act, 2006 with specific reference to Safety of Imported Food in India" based on C&AG Report No. 37 of 2017. The Audit, thereafter, briefed the Sub-Committee on the issues pertaining to the subject that still remained unaddressed. Following the briefing, the Convenor desired that the representatives of the Ministry and FSSAI be ushered in.

3. In the Introductory remarks, the Convenor, Sub Committee-II greeted the representatives of the Ministry of Health and Family Welfare and Food Safety and Standards Authority of India and asked the officials to explain to the Sub Committee their position with regard to Audit findings and give a brief account of the follow-up action taken thereon for effective implementation of the Food Safety and Standards Act and the 'Safety Mechanism of Imported Food in India'.

4. The CEO, FSSAI briefed the Sub Committee through a Power Point Presentation detailing the various food import statistics in terms of volume and value alongwith the number of samples referred to FSSAI during the last 5 years, international best practices for food control systems and regulatory provisions related to Food Import, food import clearance training of the Authorised Custom Officers, international Cooperation on safety of imported food, and the FICS model adopted by other partner Government Agencies for Import Clearance.

5. Members of the Sub Committee raised certain issues viz., the digital clearance systems, the testing of imported food and the samples taken and whether Customs Officers designated by FSSAI as Authorised Officers possess a degree in any of the prescribed disciplines, status of food consignments released despite 'Non-Conformatory' Report against them, the purpose behind the rationalisation of the Points of Entry and the non presence of FSSAI at the border areas of India, especially at the Nepal border etc.

6. The representatives replied to various queries raised by the Members on the Subject, including the regulatory control over food imports through cross border *haats*, the practice in other countries regarding the pre-requisite qualifications of the Authorised Officers, the training being imparted to Authorised Officers and sample testings etc.

7. Thereafter, the Hon'ble Convener, while allowing the Ministry and FSSAI to submit written replies to unanswered queries within 7 days, thanked the representatives for their free and frank views on the subject and the officials of the C&AG for assisting the Sub-Committee in their deliberations.

8. The Sub-Committee, then, directed the PAC Secretariat to come up with a restructured draft recommendation on the above aspect, keeping in view the outcome of the discussion of the Sub-Committee-II with the representatives of the Ministry of Health and Family Welfare and FSSAI and the draft report incorporating the above draft recommendation be subsequently placed before the Public Accounts Committee for its consideration.

The witnesses, then, withdrew.

*A copy of the transcript of audio recording of the proceedings of the sitting has been kept on record.*

The Sub-Committee, then, adjourned.

---

Confidential

MINUTES OF THE EIGHTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE  
(2020-21) HELD ON 1<sup>ST</sup> DECEMBER, 2020.

The Committee sat on Tuesday the 1<sup>st</sup> December 2020 from 1100 hrs. to 1415 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

**PRESENT**

Shri Adhir Ranjan Chowdhury - Chairperson

**MEMBERS**

**LOK SABHA**

2. Shri T. R. Baalu
3. Shri Subhash Chandra Baheria
4. Shri Sudheer Gupta
5. Smt. Darshana Vikram Jardosh
6. Shri Bhartruhari Mahtab
7. Shri Jagdambika Pal
8. Shri Jayant Sinha
9. Shri Balashowry Vallabhaneni

**RAJYA SABHA**

10. Shri Rajeev Chandrasekhar
11. Shri C.M. Ramesh
12. Shri Bhupender Yadav

**LOK SABHA SECRETARIAT**

1. Shri T.G Chandrashekhar - Joint Secretary
2. Shri M.L.K. Raja - Director
3. Smt. Bharti S. Tuteja - Additional Director



REPRESENTATIVES OF THE OFFICE OF THE COMPTROLLER AND AUDITOR  
GENERAL OF INDIA

\*\*\*\*\*

\*\*\*\*\*

\*\*\*\*\*

REPRESENTATIVES OF INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA  
(ICAI)

\*\*\*\*\*

\*\*\*\*\*

\*\*\*\*\*

REPRESENTATIVES OF CONFEDERATION OF INDIAN INDUSTRY (CII)

\*\*\*\*\*

\*\*\*\*\*

\*\*\*\*\*

REPRESENTATIVES OF FEDERATION OF INDIAN CHAMBERS OF COMMERCE &  
INDUSTRY (FICCI)

\*\*\*\*\*

\*\*\*\*\*

\*\*\*\*\*

- |     |       |       |       |
|-----|-------|-------|-------|
| 2.  | ***** | ***** | ***** |
| 3.  | ***** | ***** | ***** |
| 4.  | ***** | ***** | ***** |
| 5.  | ***** | ***** | ***** |
| 6.  | ***** | ***** | ***** |
| 7.  | ***** | ***** | ***** |
| 8.  | ***** | ***** | ***** |
| 9.  | ***** | ***** | ***** |
| 10. | ***** | ***** | ***** |
| 11. | ***** | ***** | ***** |
| 12. | ***** | ***** | ***** |
| 13. | ***** | ***** | ***** |
| 14. | ***** | ***** | ***** |
| 15. | ***** | ***** | ***** |

16. \*\*\*\*\* \*\*\*\*\* \*\*\*\*\*
17. \*\*\*\*\* \*\*\*\*\* \*\*\*\*\*
18. \*\*\*\*\* \*\*\*\*\* \*\*\*\*\*
19. \*\*\*\*\* \*\*\*\*\* \*\*\*\*\*
20. \*\*\*\*\* \*\*\*\*\* \*\*\*\*\*
- \*\*\*\*\* \*\*\*\*\* \*\*\*\*\*

21. Then, the Committee took up the following reports of the Committee for consideration:

- a) Implementation of Food Safety and Standards Act, 2006;
- b) \*\*\*\*\* \*\*\*\*\* \*\*\*\*\*; and
- c) \*\*\*\*\* \*\*\*\*\* \*\*\*\*\*

22. The first two Draft reports mentioned at (a) and (b) above, were adopted by the Committee without any modifications. Minor changes were suggested in the last line of Para 30 in the third report mentioned at (c).

23. \*\*\*\*\* \*\*\*\*\* \*\*\*\*\*

24. The Committee also authorized the Chairperson to finalise the aforesaid reports on the basis of factual verification, suggestions of the Members and present the same to the Hon'ble Speaker/ Parliament.

25. The Committee also proposed that three Sub-Committees viz. Sub-Committee 1 to 3 (2020-2021) may be re-constituted after the Reports on the subjects allocated to them were finalized.

26. The Chairperson thanked the officials of the C&AG for assisting the Committee in their deliberations.

The Committee, then, adjourned.