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STANDING COMMITTEE ON
FOOD, CIVIL SUPPLIES AND
PUBLIC DISTRIBUTION

(1998-99)

TWELFTH LOK SABHA

MINISTRY OF FOOD AND CONSUMER AFFAIRS
(DEPARTMENT OF CONSUMER AFFAIRS)

*[Action Taken Report on Fourth Report of the Committee on Demands for
Grants (1998-99) of the Ministry of Food and Consumer Affairs
(Department of Consumer Affairs)]*

SEVENTH REPORT



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N 8.7.6

LOK SABHA SECRETARIAT
NEW DELHI

December, 1998/Agrahayana, 1920 (Saka)

SEVENTH REPORT

STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION (1998-99)

(TWELFTH LOK SABHA)

MINISTRY OF FOOD AND CONSUMER AFFAIRS (DEPARTMENT OF CONSUMER AFFAIRS)

[Action Taken by the Government on the Recommendations contained in the Fourth Report of the Committee on Food, Civil Supplies and Public Distribution on Demands for Grants (1998-99) of the Ministry of Food and Consumer Affairs (Department of Consumer Affairs)]

*Presented to Lok Sabha on 21 December, 1998
Laid in Rajya Sabha on 21 December, 1998*



LOK SABHA SECRETARIAT
NEW DELHI

December, 1998/Agrahayana, 1920 (Saka)

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THE STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND PUBLIC
DISTRIBUTION (1998-99).

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COMPOSITION OF THE STANDING COMMITTEE ON FOOD,
CIVIL SUPPLIES AND PUBLIC DISTRIBUTION
(1998-99)

Shri Raghuvansh Prasad Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Kariya Munda
3. Shri Prabhas Chandra Tiwari
4. Shri Ramchandra Veerappa
5. Shri Gangaram Koli
6. Shri Shyam Bihari Mishra
7. Shri Aditya Nath
8. Shri Bhanu Pratap Singh Verma
9. Shri Ramesh Chandra Dwivedi
10. Shri Abhaysinh S. Bhonsle
11. Shri Sadashivrao Daboda Mandlik
12. Shri Ram Raghunath Chaudhary
13. Shri H.G. Ramulu
14. Shri Madhab Rajbangshi
15. Shri C.P. Mudala Giriyappa
16. Shri P. Sankaran
17. Shri Ram Chandra Mallick
18. Shri Bajju Ban Riyan
19. Smt. A.K. Premajam
20. Shri Daroga Prasad Saroj
21. Shri R. Muthiah
22. Shri Akbar Ahmad Dumpy
23. Shri Ranen Barman
24. Shri Prakash Yashwant Ambedkar

25. Shri Bhim Prasad Dahal
26. Shri Satnam Singh Kainth
27. Shri Tarlochan Singh Tur
28. Shri Syed Hussain

Rajya Sabha

29. Smt. Urmilaben Chimanbhai Patel
30. Shri Onward L. Nongtdu
31. Shri Manohar Kant Dhyani
32. Shri Lajpat Rai
33. Shri Khagen Das
34. Shri Yerra Narayanaswamy
35. Shri Kushok Thiksey
36. Sardar Balwinder Singh Bhundar
37. Shri D.P. Yadav
38. Shri Sukhdev Singh Libra

SECRETARIAT

1. Shri G.C. Malhotra — *Additional Secretary*
2. Shri John Joseph — *Joint Secretary*
3. Shri Krishan Lal — *Deputy Secretary*
4. Shri P.D. Malvalia — *Under Secretary*
5. Shri Tirlok Chand — *Reporting Officer*

INTRODUCTION

I, the Chairman of the Standing Committee on Food, Civil Supplies and Public Distribution (1998-99) having been authorised by the Committee to submit the Report on their behalf, present this Seventh Report on Action Taken by the Government on the Recommendations/Observations contained in the Fourth Report of the Committee (Twelfth Lok Sabha) on "Demands for Grants" (1998-99) of the Ministry of Food and Consumer Affairs (Department of Consumer Affairs).

2. The Fourth Report was presented to Lok Sabha on 10th July, 1998. The Government furnished their replies indicating action taken on the recommendations contained in the Report on 17th November, 1998. The Draft Action Taken Report was considered and adopted by the Standing Committee on Food, Civil Supplies and Public Distribution (1998-99) at their sitting held on 17th December, 1998.

3. An analysis of the action taken by the Government on recommendations contained in the Fourth Report of the Standing Committee (Twelfth Lok Sabha) on "Demands for Grants" (1998-99) is given in Appendix II.

NEW DELHI;
18 December, 1998
27 Agrahayana, 1920 (Saka)

RAGHUVANSH PRASAD SINGH,
Chairman,
Standing Committee on Food, Civil
Supplies and Public Distribution.

CHAPTER I

REPORT

1.1 This Report of the Standing Committee on Food, Civil Supplies and Public Distribution deals with the Action Taken by the Government on the recommendations contained in the Fourth Report (Twelfth Lok Sabha) on Demands for Grants (1998-99).

1.2 The Report was presented to Lok Sabha/laid on the Table of Rajya Sabha on July 10, 1998. It contained 11 observations/recommendations.

1.3 Action Taken Notes in respect of all the 11 observations/recommendations contained in the Report have been received and categorised as follows:—

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

Para Nos. 2.18, 2.23, 3.20, 3.21 and 4.17

(Chapter II, Total = 5)

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

Para Nos. 2.15, 2.17 and 4.16

(Chapter III, Total = 3)

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

Para Nos. 2.16 and 5.11

(Chapter IV, Total = 2)

- (iv) Recommendations/Observations in respect of which final reply of the Government are still awaited.

Para No. 5.10

(Chapter V, Total = 1)

1.4 The Committee desire that the final reply in respect of the recommendation for which only interim reply has been given by the Government should be furnished to the Committee expeditiously.

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

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

Pendency of Cases

Recommendation (Para No. 2.16)

1.7 Expressing their concern over the long pendency of cases in Consumer Courts of the Committee had observed:—

“The Consumer Courts were constituted to provide simple, speedy and inexpensive redressal to consumer grievances and to avoid the usual time-consuming process of Civil Courts. The Committee are of the view that the performance of consumer courts in some States, especially A.P., U.P., Maharashtra, Karnataka, Haryana, West Bengal and Delhi is quite unsatisfactory. The number of pending cases is increasing. The aggrieved consumers in these States are quite dissatisfied. The Committee, therefore, strongly recommend that the Government should ensure speedy trial of cases pending before consumer courts. The practice of engaging lawyers is increasing in such courts and as this is one of the reasons for delaying justice, this needs to be discouraged and if possible totally banned.”

1.8 The Ministry in their Action Taken reply have stated:—

“With a view to keep a vigil on expeditious disposal of cases, the Department is monitoring and receiving quarterly reports from States/UTs in the prescribed proforma. Besides, the Consumer Coordination Council, New Delhi was asked to conduct a survey in select States on the functioning of the consumer courts. The results of their findings have been communicated to the respective States/UTs for taking remedial action.

A meeting of the Presidents of the National and State Commissions as well as Secretaries in charge of Deptt. of Consumer Affairs in States is scheduled for November 27, 1998. The meeting will discuss the pendency of cases in the consumer fora and find ways and means of reducing it.

The Department has asked States/UTs to set up an exclusive Department of Consumer Affairs so that adequate attention can be paid to matters concerning the consumers.

The Department also considered banning of lawyers from practicing in the consumer fora and making suitable amendments in the Consumer Protection Act, 1986. However, this did not find favour with the Ministry of Law."

1.9 Though a lot of exercise has been done by the Government, the Committee are not at all satisfied with the working of Consumer Courts as far as it is concerned with pending cases. The Consumer Coordination Council was asked to conduct a survey in selected States on the functioning of the Consumer Courts. The findings of Consumer Coordination Council along with the remedial action may also be apprised to this Committee. The Committee feel unhappy to note that in U.P. 19674 cases were filed in Consumer Courts since its inception, out of which 16320 are still pending. Similarly in Rajasthan, out of 15363 cases, 10368 cases are still pending and justice is delayed to the consumers. They are losing hope and their faith in the system is eroding. A meeting of Presidents of the National and State Commissions as well as Secretaries in charge of Department of Consumer Affairs in the States was scheduled for November 27, 1998 to reduce the pendency of cases in Consumer Courts. The findings of the meeting held by them may also be communicated to the Committee. It is a welcome step that the Government has asked States/UTs to set up a separate Department of Consumer Affairs but the Committee is unhappy on the stand of allowing engagement of lawyers in Consumer Courts by Ministry of Law. All efforts again be made to discourage practice of lawyers in the Consumer Courts by persuading Ministry of Law for making speedy trial of cases which may be within the reach of common man so that common man is also benefited without paying for lawyers. The Committee reiterate their earlier recommendation that all efforts be made to nullify pendency of cases in Consumer Courts. Consumer Courts be also opened in each Tahsil (Taluka). If necessary, Government should make necessary funds available for establishment of Consumer Courts for the benefit of consumers.

Unprecedented Rise in Prices of Essential Commodities

Recommendation (Para No. 5.11)

1.10. Exhorting the Government on the need to curtail the unprecedented rise in prices of essential Commodities the Committee had observed:—

“The Committee note that a number of steps have been taken by the Government to control the prices of essential commodities. The Committee are happy to note that the supply management of 12 essential commodities has been carried out effectively during the current financial year (1997-98). The Committee invited the attention of the Ministry towards the rising prices of vegetables especially onion, potatoes, mustard oil and other edible oils. The prices of these essential commodities should not be allowed to rise as these are essential items of consumption by poor sections of the society. Any increase in their prices will adversely affect the weaker sections. The Committee also recommend that arrangements to supply these items through NCCF, Super Bazar and Cooperative Stores should be made.”

1.11 The Ministry in their Action Taken reply have *inter-alia* stated:—

“The recent unprecedented increase in the prices of vegetables in the country, particularly onion and potato was mainly due to adverse climatic conditions and other unfavourable seasonal factors during the last winter and summer season resulting in lower production of these commodities. The prices of edible oils also showed an upward trend during the current financial year due to decline in the production of oilseeds in the country. Further, there is a gap in the demand and supply of edible oils to the tune of 12-13 lakh tonnes per annum in the country.

In order to ease the pressure on the prices of potato and onion the Government has taken a number of measures. As per the directive of Cabinet Committee on Prices, the Department of Food and Civil Supplies has taken initiative to arrange supply of onion at a subsidised rate of Rs. 10 per kg. at Delhi. The NAFED was directed to procure onions from onion producing States and making it available to the public distribution agencies like Kendriya Bhandar, NCCF, Super Bazar and the agencies of Food and Civil Supplies

Department of Government of NCT of Delhi from 14.7.98. The Department of Consumer Affairs has agreed to compensate the actual losses suffered by NAFED in the process of wholesale procurement. Till 16.9.98 a total quantity of 1675 MTs of onion have been distributed through these agencies at Delhi.

The issues relating to supply and price management of edible oils are being dealt with by Department of Sugar and Edible Oils. There was a decline in the production of oilseeds during 1997-98 to the tune of 13 lakh tonnes. This decline in production of oilseeds has resulted in an increase in the prices of edible oils during the current year. In order to bridge the gap between demand and supply of edible oils, additional imports are encouraged under OGL by reducing the import duty from 25% to 15% w.e.f. 10.7.98. A total quantity of 1.5 lakh tonnes of edible palmolein is being imported through STC and arrangements have been finalised to distribute the same through PDS during the year 1998-99. The supply of palmolein through fair price shops in certain States/UTs has since commenced. With the lower import duty on edible oils, it is expected that higher quantity of edible oils will be imported in the country to supplement the supplies."

1.12 The Committee are not at all convinced of the reply of the Government. There have been shortage of production in some of the essential commodities in the previous years also due to certain reasons but there had never been such a quantum jump in rise in prices of all the essential commodities as has been constantly observed in the past several months. Actually much of the unprecedented and abnormal gap in demand and supply of essential commodities was caused due to artificial scarcity created by hoarders, blackmarketeers and profiteers and also due to lapse of the Ordinance on Essential Commodities (Special Provisions) Act, 1981 which had deterrent provisions to check the menace caused by the aforesaid anti-social elements. In the recent past onions disappeared from markets. Though, scarcity was visible in the first week of September, 1998, the ban on export of this item was deliberately and badly delayed and it was done only in mid October, 1998. About 2,05,700 tonnes of onion was exported from April, 1998 to October, 1998 with the concurrence of the Department of Consumer Affairs. Instead of banning the export of onions, it was liberally allowed to be exported though there was apparent shortage in our own country. Ultimately the Government was forced to import onions. The Committee are also unhappy to know that tonnes of imported onions perished at Bombay and Kandla Ports

due to the lackadaisical procedures adopted by authorities. Similarly Government allowed export of Arhar (pulse) while there was a decrease in the production of Arhar for the past 5 years. There is also shortage of 14-15 lakh tonnes of edible oil for which no long-term or short-term policy has been evolved. Special Action Committee of Secretaries on Monitoring of Prices (SACP) and Cabinet Committee on Prices (CCP) have also miserably failed in curtailing high prices of essential commodities.

In view of unprecedented rise in prices of Essential Commodities during the year 1998, the Committee strongly reiterate their earlier recommendation and desire that in future all efforts should be made to maintain balance in demand and supply to curb the rise in prices of essential commodities throughout the country. Export/Import of essential commodities may be made on the basis of production and demand in our own country, keeping in view shortage/excess of production of any essential commodity. The Government must also invariably chalk out short term and long term policy measures to manage the price situation of essential commodities in the country. The Government should also cover more items under the existing number of very essential commodities like coconut oil, moong, masur, gur, etc. in the list and maximum selling prices of all essential commodities be also announced in view of low production of these items.

The Government should get the legislation processed urgently in this regard and if need be promulgate the ordinance on Essential Commodities (Special Provisions) Act, 1981 which was lapsed on 8th July, 1998 so as to check the unfair trade practices adopted by hoarders, blackmarketeers and profiteers. This Legislation or Ordinance containing stringent provisions must remain in existence and in no case be allowed to discontinue in future. The responsibility of the concerned officials whose lethargy aggravated the price situation considerably, must be fixed and they must be made accountable for their actions.

Unawareness among consumers

Recommendation (Para No. 2.18)

1.13 Expressing their concern over the unawareness of rights and responsibilities especially among BPL category, the Committee had recommended:—

“The aim of establishing consumer Court is to generate awareness amongst consumers about their rights and responsibilities. It also

motivates them to assert their right not to compromise on quality and standard of goods and services. The Committee notice that population under BPL is not aware of their rights, They are deprived of the foodgrains under TPDS which is actually meant for them. Sometimes the Fair Price Shop owners do not supply the commodities to them and sometimes and foodgrains supplied is of sub-standard quality. In this regard the Committee recommend that provision should be made to include the malpractices of Fair Price Shops to be dealt in consumer courts and awareness in this regard should be improved so that the Ration Card holders can also seek redressal in consumer courts, whenever required."

1.14 The Ministry in their Action Taken reply have stated:—

"As regards the supply of sub-standard quality and short measurement of foodgrains in the fair price shops are concerned consumers can file complaints in the consumer courts to get redressal. In regard to the other type of grievances like non supply of ration the Department of Food and Civil Supplies has instructed State Governments and UT Administrations to set up Vigilance Committees comprising of representatives of consumers, local elected representatives, women organisations to oversee the functioning of the fair price shops especially in the areas of short-supply of foodgrains, its quality and the opening and closing hours of the shops."

1.15 The cases of malpractices like supply of foodgrains of substandard quality and their short measurement by Fair Price Shops have to be dealt in Consumer Courts. However, the Committee have observed that the Ministry of Food and Consumer Affairs (Department of Consumer Affairs) have not yet furnished details regarding steps taken to raise awareness among consumers especially under BPL category against the unfair trade practices. The Committee, therefore, desire that awareness programme may be taken up by the Government to benefit the BPL population and outcome in this regard may be intimated to the Committee.

Delay by CPWD

Recommendation (Para No. 4.17)

1.16 To avoid cost escalation and completion of work within time, the Committee had recommended:—

"For the purpose of disseminating the values of National Standards of legal metrology down to Commercial Standard, the Central

Government has established three Regional Reference Standards Laboratories (RRSL) at Ahmedabad, Bangalore and Bhubaneswar. Each of the Laboratories on an average is providing regular calibration service to about 100 industries in the region. However, a lot of problems are being faced by the people in general and industries in particular due to their distance from important industrial centres. There is an urgent need to establish such Laboratories in other parts of the country. To augment this activity the Government had planned the establishment of RRSL for Northern Region and North-Eastern Region. To enhance the activity within the existing establishment, the Government had also decided to construct a new laboratory building for RRSL Bhubaneswar and modernisation of RRSLs at Ahmedabad and Bangalore. However, the progress of work made by CPWD in these establishments is not up to the mark. Even for the new establishments in the Northern Region and for North-Eastern Region the achievement is not satisfactory. Out of the whole North-Eastern Region, the Government has so far been able only to take possession of the plot on the outskirts of Guwahati. The Committee recommend that the Government should strive for completing the RRSLs in Northern and North-Eastern Regions on priority basis. The CPWD should also be enthused to complete the work in time to avoid cost escalation. In addition to this, the Government should also establish need based RRSLs in other parts of the Country too."

1.17 The Ministry in their Action Taken reply have stated:—

"The Department has taken possession of the plot of land offered by the Government of Haryana for establishment of RRSL for northern region. The CPWD is at present in the process of constructing a compound wall around the plot. The design of the laboratory is being prepared by the CPWD.

The Department has taken possession of the plot of land given by the Government of Assam for establishment of RRSL for north-eastern region. The CPWD has been asked to do the earth-filling, as the land was in a low lying area and thereafter construct a compound wall around the plot.

As for establishment of RRSLs in other parts of the country, the same is being examined in consultation with the State Government authorities and proposal if any in this regard would be taken up with the Planning Commission in the next Five Year Plan."

1.18 The Committee are not fully satisfied with the reply of the Government regarding the pace of development of work undertaken by Regional Reference Standards Laboratories (RRSLs) and CPWD. The facilities of RRSLs should also be set up in each State without delay and accommodation for the purpose should also be made available on priority basis. Allegation regarding the delays in completion of work by CPWD has become common. To avoid cost escalation and completion of work within the prescribed time, the Committee, strongly recommend again that the CPWD be instructed accordingly. Some contractual obligations should be formulated to deal with delays and these should be invoked against CPWD so that the authority may be made accountable for lapses on its part.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 2.18)

The aim of establishing consumer Court is to generate awareness amongst consumers about their rights and responsibilities. It also motivates them to assert their right not to compromise on quality and standard of goods and services. The Committee notice that population under BPL is not aware of their rights. They are deprived of the foodgrains under TPDS which is actually meant for them. Sometimes the Fair Price Shop owners do not supply the commodities to them and sometimes the foodgrains supplied is of sub-standard quality. In this regard the Committee recommend that provision should be made to include the malpractices of Fair Price Shops to be dealt in consumer courts and awareness in this regard should be improved so that the Ration Card holders can also seek redressal in consumer courts, whenever required.

Reply of the Government

As regards the supply of sub-standard quality and short measurement of foodgrains in the fair price shops are concerned consumers can file complaints in the consumer courts to get redressal. In regard to the other type of grievances like non supply of ration the Department of Food and Civil Supplies has instructed State Governments and UT Administrations to set up Vigilance Committees comprising of representatives of consumers, local elected representatives, women organisations to oversee the functioning of the fair price shops especially in the areas of short-supply of foodgrains, its quality and the opening and closing hours of the shops.

[Ministry of Food and Consumer Affairs, O.M. N. G-11027/11/98-P&C
dated 17th November, 1998]

Comments of the Committee

(Please see para 1.14 of Chapter I)

Recommendation (Para No. 2.23)

Financial assistance is provided out of Consumer Welfare Fund for promoting and protecting the welfare of consumers for generating

consumer awareness and for strengthening consumer movement in the country, particularly in the rural areas. Financial assistance of Rs. 2.70 crore has so far been approved under Consumer Welfare Fund for 325 project proposals. Rs. 26,87,825/-, Rs. 25,00,250/-, Rs. 45,18,364/- and Rs. 98,750 were provided respectively to the States of Andhra Pradesh, Gujarat, Tamil Nadu and Delhi upto 26.11.97. However, the achievement is far below the expectations. It is surprising that there has been no sanction of funds, till now to the States/UTs of Arunachal Pradesh, Goa, Mizoram, Nagaland, Sikkim, Tripura, Andaman & Nicobar Islands, Dadar and Nagar Haveli, Lakshdweep and Pondicherry. The Committee are seriously concerned at this state of affairs and recommend that the Government should streamline its activities in such a way that each and every State/UT gets its proportionate share out of the Consumer Welfare Fund. The Committee desire that sanction of Fund out of the Consumer Welfare Fund should be more transparent. There are anomalies in other accounts also. In some of the Districts, the number of consumer organization is more than 15-20 whereas in other there is not even a single consumer organization. The Government should also streamline its activities so that at least one consumer organization from each District may get assistance from the Consumer Welfare Fund. Organizations should be encouraged to come forward, where there is no consumer organization. In regard to monitoring of Funds given to NGOs, obtaining a utilization certificate duly countersigned by a Chartered Accountant is the practice. However, actual verification should be adopted at least in some cases selected at random as a measure of cross-checking. The work of the Consumer Coordination Council which is the apex body at the Centre may be decentralized by opening regional offices at the State level. The Committee, recommend that an effective machinery be evolved so that fair distribution of the Funds out of the Consumer Welfare Fund is effected. A system for the proper monitoring of sanction and utilization of funds under the scheme should also be evolved.

Reply of the Government

According to the procedure for grant of financial assistance from Consumer Welfare Fund, an NGO is required to submit an application in the prescribed form along with a project proposal for promoting consumer awareness. All the eligible applications are sent to the State Governments for their recommendation after which these applications along with the recommendations of the State Governments are considered by the Standing Committee of the Consumer Welfare Fund consisting of Secretary, Department of Consumer Affairs (Chairman); Secretaries, Department of

Expenditure and Department of Rural Development; Chairman, Central Board of Excise and Customs, Department of Revenue; Director General, Bureau of Indian Standards and President, Consumer Coordination Council (an NGO) as members. The Committee decides whether financial assistance should be given to the organization, if so, the quantum of assistance to be given. Hence, until and unless the organizations in a particular state apply for financial assistance it is not possible to sanction the financial assistance to them.

In order to make the process of scrutinization of the applications more transparent, a time schedule for processing the applications has been prepared and is being followed. The time schedule has been published in the March, 1998 issue of the *Upphokta Jagaran* (a magazine on consumer affairs issued by the Department of Consumer affairs). Apart from this, all important decisions taken by the Standing Committee are also published in the *Upphokta Jagaran* from time to time.

There is already an effective machinery *viz.* the Standing Committee of the Consumer Welfare Fund, which decides the distribution of funds out of the Fund. A proper monitoring system in respect of the financial assistance sanctioned from Consumer Welfare Fund is already existing. According to the existing procedure, a statement of terms and conditions is issued at the time of sanction to the NGOs. According to these terms and conditions they are required to furnish half yearly reports of the utilization of funds, completion report of the project and its impact on consumers, audited record of all assets acquired from the fund, audited statements of accounts, full Utilization Certificate on completion of the report and supporting newspaper clipping, material, cassettes, photographs, literature, receipts etc. in evidence of having conducted the programme. Apart from this, Government is also exploring the possibility of involving reputed NGOs in the process of monitoring of the projects.

Regarding monitoring of funds, the recommendation of the Committee that actual verification should be adopted at least in some cases selected at random as a measure of cross checking has been noted and will be implemented.

Voluntary consumer organizations are formed by the consumer activists and social workers. However, Government has also taken some steps to encourage the formation of more VCOs. All the State Governments have been requested to encourage consumers to form at least one consumer

organization in each district Minister of Food and Consumer Affairs has also written to all the Members of Parliament to encourage formation of more and more VCOs at block levels and village levels. The number of voluntary consumer organizations has now increased to 1349 from 550 in 1995.

The Consumer Coordination Council (C.C.C.) is a non-government organization (NGO). As such, Government has no role in the decentralization of the Council. However, the C.C.C. involves the member organizations spread throughout the country in their activities.

[Ministry of Food and Consumer Affairs, O.M. No. G-11027/11/98-P&C dated 17th November, 1998]

Recommendation (Para No. 3.20)

The Super Bazar is facing problems due to delayed payment of bills. The Committee, therefore recommend that the Management of Super Bazar should ensure the payment of bills within the stipulated time beyond which period an interest obligations must be invoked on defaulting parties. The Committee also recommend that the Super Bazar should work in such a way that it may become a profit-making unit. Fair and better trade practices should be introduced and all efforts should be made to contain the rising trend of prices in the open market and to ensure that staffing is kept at the optimum level and over-staffing is avoided to minimise the unnecessary financial burden which is also one of the main reasons for losses. There are serious complaints about the purchase mechanism followed by the Super Bazar. The Committee strongly recommend that a scheme should be so designed as to make the purchase machinery adopted by the Super Bazar, transparent and one which prevents any kind of malpractice.

Reply of the Government

The Cooperative Store Ltd. (Super Bazar), Delhi is a Cooperative Society functioning under the Multi-State Cooperative Societies Act, 1984. It has its own Board of Directors to decide about its business and other functional matters. The suggestions made by the Standing Committee on Food, Civil Supplies and Public Distribution was sent to the Super Bazar, Delhi who has offered the following comments:—

(a) Super Bazar has been facing problems in procurement of goods due to delay in making payments to various suppliers. This has been caused primarily due to delay in receipt of payments by the various Government

organisations, availing credit facility from the Super Bazar. The Super Bazar had accepted the recommendations of the Standing Committee as regards charging penal interest for delayed payments *i.e.* payments beyond the agreed period of credit.

The Super Bazar proposes to streamline the overall functioning with a view to making it a profit making organisation. It had been running in profit since 1972-73 onwards till 1995-96 vide Statement below:—

Working Results of Super Bazar

(Rs. in lakh)

(Working result)

| Cooperative Year | Sales Total | Loss | Profit |
|------------------|-------------|-------|--------|
| 1 | 2 | 3 | 4 |
| 1966-67 | 458.13 | 7.01 | |
| 1967-68 | 468.39 | 22.05 | |
| 1968-69 | 387.73 | 19.27 | |
| 1969-70 | 334.12 | 18.26 | |
| 1970-71 | 307.38 | 16.92 | |
| 1971-72 | 309.49 | 15.28 | |
| 1972-73 | 453.51 | | 0.51 |
| 1973-74 | 731.24 | | 10.66 |
| 1974-75 | 848.25 | | 2.04 |
| 1975-76 | 915.01 | | 0.41 |
| 1976-77 | 1,008.23 | | 1.04 |

| 1 | 2 | 3 | 4 |
|----------------------------------|-----------|--------|-------|
| 1977-78 | 1,083.25 | | 2.02 |
| 1978-79 | 977.73 | | 2.32 |
| 1979-80 | 1,301.19 | | 5.73 |
| 1980-81 | 1,994.47 | | 4.45 |
| 1981-82 | 2,340.92 | | 19.20 |
| 1982-83 | 2,826.07 | | 36.03 |
| 1983-84 | 3,909.08 | | 58.45 |
| 1984-85 | 4,431.70 | | 16.50 |
| 1985-86 | 6,512.09 | | 31.65 |
| 1986-87 | 6,977.18 | | 65.55 |
| 1987-89 (July 87 to March 89) | 15,898.02 | | 93.97 |
| 1989-90 | 9,919.30 | | 53.39 |
| 1990-91 | 9,815.01 | | 21.84 |
| 1991-92 | 9,784.01 | | 9.33 |
| 1992-93 | 10,303.98 | | 10.83 |
| 1993-94 | 11,520.33 | | 41.64 |
| 1994-95 | 13,015.23 | | 22.11 |
| 1995-96 | 13,654.73 | | 27.61 |
| 1996-97 | 13,847.85 | 67.65 | |
| 1997-98 | 12,846.75 | 303.82 | |

The Super Bazar has been rendering all possible help to the Government of NCT of Delhi and the Central Government in arranging distribution of commodities at the time of scarcity alongwith Kendriya Bhandar and the NCCF of India Ltd. The market intervention by these cooperative organisations have helped in containing the rising trend of essential commodities in the open market besides ensuring availability of these commodities to the ordinary consumers. The Super Bazar is currently arranging supply of onion to the consumers at Rs. 10 per kg. It also proposes to sell wholemeal atta at reduced prices if wheat is arranged by the FCI at subsidised prices, as was done during last year.

The Super Bazar has informed that a ban on employment in the Super Bazar already exists and during the next 3 to 4 years, a substantial number of employees are due for retirement. Thus the excess manpower in the Super Bazar would get automatically adjusted in this process.

The purchase mechanism in the Super Bazar, Delhi has been made transparent by introduction of periodic tenders floated for the purchase of spices and pulses. As far as branded items are concerned, these items are procured directly from the manufacturers or through their authorised agents. Purchase proposals of the Super Bazar are submitted to their Purchase Committee. The Super Bazar also conducts market surveys to ensure the competitiveness of its prices.

[Ministry of Food and Consumer Affairs, O.M. No. G-11027/11/98-P&C
dated 17th November, 1998]

Recommendation (Para No. 3.21)

The NCCF was established to provide supply support in distribution of consumer goods and also to render technical and promotional guidance for increasing operational and managerial efficiency. However, this institution is also running under loss since 1996-97 like other loss making bodies. The Committee is seriously interested in its successful working and, therefore, recommend that the Government should take all necessary steps to check the losses. The Government should also make necessary arrangements to provide the financial assistance of Rs. 12 crores as suggested by Expert Group. They should also activate the operation of Consultancy and Promotional Cell so that the purpose of constitution of NCCF is achieved.

Reply of the Government

It may be mentioned that NCCF was working satisfactorily since its inception in 1965-66. The Working Results of the NCCF is given below:—

WORKING RESULTS OF NATIONAL COOPERATIVE CONSUMERS FEDERATION OF INDIA LIMITED, NEW DELHI

(Rs. in lakhs)

| As at the end of the year | Member- ship | Share Capital | | Sales turnover | | | Profit/ Loss |
|---------------------------------|-----------------|---------------|-----------------|----------------|---------------------------|-----|-----------------|
| | | Total | Govern- ment | Total | Controlled Commodities | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1965-66 | 11 | 2.28 | — | — | — | (-) | 0.33 |
| 1966-67 | 12 | 11.80 | 9.00 | 107.17 | — | (+) | 1.67 |
| 1967-68 | 15 | 19.22 | 15.00 | 236.68 | 59.28 | (+) | 4.82 |
| 1968-69 | 16 | 20.24 | 15.00 | 287.91 | 101.38 | (+) | 6.37 |
| 1969-70 | 16 | 20.70 | 15.00 | 383.34 | 125.47 | (+) | 2.57 |
| 1970-71 | 16 | 20.70 | 15.00 | 466.14 | 168.50 | (+) | 2.05 |
| 1971-72 | 16 | 27.80 | 15.00 | 603.82 | 285.20 | (+) | 3.57 |
| 1972-73 | 16 | 31.30 | 17.00 | 1148.02 | 721.52 | (+) | 6.02 |
| 1973-74 | 17 | 43.42 | 21.50 | 2856.07 | 1879.72 | (+) | 9.26 |
| 1974-75 | 17 | 75.16 | 25.74 | 5738.06 | 4738.07 | (+) | 14.08 |
| 1975-76 | 17 | 199.92 | 32.74 | 4816.26 | 3915.84 | (+) | 21.41 |
| 1976-77 | 57 | 252.66 | 37.74 | 6381.35 | 4109.26 | (+) | 16.13 |
| 1977-78 | 68 | 286.90 | 37.74 | 9104.87 | 6693.48 | (+) | 21.47 |
| 1978-79 | 81 | 357.96 | 87.74 | 10272.95 | 6464.00 | (+) | 1.85 |
| 1979-80 | 89 | 413.76 | 142.74 | 11656.57 | 6804.80 | (+) | 1.95 |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|------------------------|-----|---------|--------|----------|---------|-----|--------|
| 1980-81 | 93 | 474.16 | 202.74 | 14006.68 | 9642.99 | (+) | 27.42 |
| 1981-82 | 98 | 474.66 | 202.74 | 12679.50 | 9203.01 | (+) | 22.12 |
| 1982-83 | 103 | 475.04 | 202.74 | 14072.27 | 9072.43 | (+) | 3.69 |
| 1983-84 | 105 | 474.94 | 202.74 | 15671.10 | 8520.36 | (-) | 120.12 |
| 1984-85 | 108 | 475.24 | 202.74 | 15707.30 | 9034.26 | (-) | 254.34 |
| 1985-86 | 108 | 500.24 | 227.74 | 15831.42 | 8223.27 | (-) | 271.47 |
| 1986-87 | 108 | 520.24 | 247.74 | 13536.24 | 6843.24 | (-) | 257.36 |
| 1987-88 | 108 | 555.24 | 282.74 | 13514.84 | 6235.05 | (-) | 185.47 |
| 1988-89 (July-Mar.) | 108 | 700.24 | 427.74 | 8979.32 | 3389.33 | (-) | 172.58 |
| 1989-90 | 108 | 800.24 | 527.74 | 7107.07 | 1242.98 | (-) | 260.60 |
| 1990-91 | 108 | 1000.24 | 727.74 | 5516.10 | 195.40 | (-) | 430.56 |
| 1991-92 | 108 | 1094.24 | 820.24 | 5900.40 | 362.04 | (-) | 485.17 |
| 1992-93 | 108 | 1164.74 | 890.74 | 6387.86 | 120.76 | (-) | 501.65 |
| 1993-94 | 110 | 1196.94 | 922.74 | 5320.64 | — | (-) | 419.95 |
| 1994-95 | 113 | 1214.74 | 940.24 | 7791.46 | — | (-) | 488.01 |
| 1995-96 | 120 | 1183.64 | 907.74 | 24295.95 | — | (+) | 23.76 |
| 1996-97 | 127 | 1132.74 | 855.24 | 20729.17 | — | (-) | 85.66 |
| 1997-98 | 130 | 1143.34 | 855.24 | 25577.18 | — | (+) | 59.82 |

Total accumulated loss upto 1997-98 Rs. 3849.37 lakhs.

NCCF had earned profits from 1966-67 to 1982-83. It started incurring losses from the year 1983-84 and continued in losses till 1996-97 except in 1995-96 when it earned a small profit of Rs. 23.76 lakhs. The NCCF has taken a number of steps to improve its working which include introduction of Voluntary Retirement Scheme (VRS), closure of a few un-economical branches and depots and working out detailed business work programme for development of commercial activities. Pursuant to the introduction of VRS, 342 employees opted for the same upto 31.3.1998 which resulted in a saving of Rs. 1.00 crore per annum in establishment expenses. Much attention was given to the development of commercial activities. As a result of vigorous efforts, the sales of NCCF which was Rs. 53 crores during 1993-94 increased to Rs. 256 crores during 1997-98. The turnover during 1998-99 is expected to be in the range of Rs. 300 crores.

The increase in the turnover coupled with reduction in establishment and administration expenses resulted in improvement of financial results. However, the incidence of interest on accumulated un-secured loans arising out of impact of losses in the previous years is bringing an adverse impact on the profitability position of the NCCF.

The Government of India had set up an Expert Group to look into the working of the NCCF and suggest remedial measures. The Expert Group submitted its report in 1997 recommending one-time financial assistance of Rs. 12 crores to the NCCF. The report of the Expert Group was examined in the Department and accordingly the matter was taken up with the Planning Commission for grant of one-time financial assistance of Rs. 12.00 crores to the NCCF. The Planning Commission has since agreed to the release of one-time financial assistance of Rs. 8.00 crores. The matter has now been referred to the Ministry of Finance (Budget Division) for making a provision in the Supplementary Demand for Grants for the year 1998-99. Once this amount is released, the NCCF will be in a position to save incidence of interest of around Rs. 2.00 crores per annum. It is expected that the NCCF will service the remaining portion of the loan liability out of its current business income.

The NCCF has taken various steps for balanced growth of all the branches so as to achieve viability. Performance of all the branches is reviewed regularly. The performance of loss making branches is analysed and short-term and long-term action plans are prepared to bring out such branches out of loss. Necessary guidance and assistance is given from Head Office to the branches for increasing their turnover. The branches are also inspected by officers of Head Office to make on the spot study of problems of the branches and to suggest corrective measures as also to take this opportunity for discussion with the representatives of State Cooperative

Federations and other State agencies. As a result, as of now, only seven branches out of 120 branches are in marginal losses. All out efforts are being made to improve the working of the branches.

The NCCF expects to earn a net profit of Rs. 1.00 crore during 1998-99 cut of its commercial operations.

The performance of the Consultancy and Promotional Cell (CPC) of the NCCF is also reviewed regularly. The work programme of the CPC include regular inspections, on the spot surveys and guidances organising re-orientation and training programmes besides studying the performance of the Consumer Cooperative Societies and preparation of revival schemes for the sick and un-economical societies. The CPC is proposed to be strengthened further.

[Ministry of Food and Consumer Affairs, O.M. No. G-11027/11/98-P&C dated 17th November, 1998]

Recommendation (Para No. 4.17)

For the purpose of disseminating the values of National Standards of legal metrology down to Commercial Standard, the Central Government has established three Regional Reference Standards Laboratories (RRSL) at Ahmedabad, Bangalore and Bhubaneswar. Each of the Laboratories on an average is providing regular calibration service to about 100 industries in the region. However a lot of problems are being faced by the people in general and industries in particular due to their distance from important industrial centres. There is an urgent need to establish such Laboratories in other parts of the country. To augment this activity the Government had planned the establishment of RRSL for Northern Region and North-Eastern Region. To enhance the activity within the existing establishment, the government had also decided to construct a new laboratory building for RRSL Bhubaneswar and modernisation of RRSLs at Ahmedabad and Bangalore. However, the progress of work made by CPWD in these establishments is not up to the mark. Even for the new establishments in the Northern Region and for North-Eastern Region the achievement is not satisfactory. Out of the whole North-Eastern Region, the Government has so far been able only to take possession of the plot on the outskirts of Guwahati. The Committee recommend that the Government should strive for completing the RRSLs in Northern and North-Eastern Regions on priority basis. The CPWD should also be enthused to complete the work in time to avoid cost escalation. In addition to this, the Government should also establish need based RRSLs in other parts of the Country too.

Reply of the Government

The Department has taken possession of the plot of land offered by the Government of Haryana for establishment of RRSL for northern region. The CPWD is at present in the process of constructing a compound wall around the plot. The design of the laboratory is being prepared by the CPWD.

The Department has taken possession of the plot of land given by the Government of Assam for establishment of RRSL for north-eastern region. The CPWD has been asked to do the earth-filling, as the land was in a low lying area and thereafter construct a compound wall around the plot.

As for establishment of RRSLs in other parts of the country, the same is being examined in consultation with the State Government authorities and proposal if any in this regard would be taken up with the Planning Commission in the next Five Year Plan.

[Ministry of Food and Consumer Affairs, O.M. No. G-11027/11/98-P&C
dated 17th November, 1998]

Comments of the Committee

(Please *see* para 1.17 of Chapter I)

CHAPTER III

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

Recommendation (Para No. 2.15)

Consumer protection is accorded high priority by the Government. The creation of a separate Department of Consumer affairs is a welcome step. Though the Government undertakes publicity measures for consumer protection by way of Audio Visual Publicity measures and printed materials, there is still lack of awareness among the people who are living in the remote and rural areas and this is especially so in the case of families who are below poverty line. Hence there is a great need to make them aware about their rights and provide them with the means to seek redressal of their grievances. The Committee therefore recommend that there should be at least one consumer forum for every district remote and inaccessible areas should also have their own fora since the people living in these areas are most prone to the exploitation by traders and it is difficult for them to reach District Headquarters frequently. The cases which are pending in the courts should be disposed of within the stipulated time so that the purpose of establishing these fora is not defeated.

Reply of the Government

The Department is making all efforts for creating awareness among the consumers voluntary consumer organisations are being encouraged to seek assistance from the Consumer Welfare Fund for producing and distributing literature and audio-visual material for spreading consumer literacy and promoting awareness building programme for consumer education. The registered consumer organisations can avail of the Consumer Welfare Fund for community based rural awareness projects. Some States like Gujarat have also similar schemes of financial assistance. With the Combined efforts of the Central and State Governments the number of the voluntary consumer organisations has gone up from 550 in 1995 to 1350 in 1998 . It is expected that these voluntary consumer organisations will help the Government in spreading consumer awareness in rural and remote areas.

The Department as a part of its consumer education programme, has started a weekly programme called "Apne Adhikar" on consumer protection *w.e.f* 27.12.97. This is being broadcast over Vividh Bharathi stations in regional languages. Besides, a 2 episode scene entitled "Grahak Dost" was telecast over Doordarshan in Hindi from June 13, 1998 to September 1998. The subjects covered were of consumer interest. It is proposed to telecast the serial in some regional languages also. The Indira Gandhi National Open University (IGNOU) has introduced an "Application Oriented Course in Consumer Studies at the graduation level as an optional subject *w.e.f* January, 1998. The Members of Parliament have also been provided with literature on consumer protection. The Hon'ble Minister for Food and Consumer Affairs has requested them to assist in spreading the message of consumer awareness in their respective constituencies.

The Department has draw the attention of the State Governments/UTs to the observations/suggestions made by the Committee regarding improving the functioning of the consumer courts. As per the Consumer Protection Act, 1986, a three tier quasi judicial redressal machinery has been set up at the national, state and district levels. The responsibility for setting up of the State Commissions and District Fora and ensuring their effective functioning rests with the respective State Governments/U.T. Administrations. With a view to facilitate faster disposal of consumer complaints, the Consumer Protection Act was amended in 1993 empowering the State Governments/UT Administrations to establish more than one district forum wherever it deems fit. The Department is monitoring the overall performance of the consumer fora on regular basis.

[Ministry of Food and Consumer Affairs, O.M. No. G-11027/11/98-P&C dated 17th November, 1998]

Recommendation (Para No. 2.17)

The Committee are aware of the negligence shown by doctors in Government Hospitals to the patients. Now the position is that for the same kind of negligence for which private doctors are being penalised and directed to pay compensation, the doctors of Government Hospitals can go scot free. Earlier, one of the pleas for non-inclusion of Government Doctors under the ambit of consumer redressal system was that if they are brought under the Consumer Protection Act, 1986, they would not entertain the patient at all in the very first instance. The Committee therefore, recommend that Government Doctors may be brought under the purview of Consumer Protection Act, 1986. If necessary, the penal provision for non-entertainment of ailing patients may also be invoked.

Reply of the Government

As per the provision of the Consumer Protection Act, 1986 every service provided and good purchased for a consideration *i.e.*, on payment attracts the provisions of the Consumer Protection Act. Consequently, medical services if rendered for some fee or payment, is covered under the Act. As no fee is charged from patients for the services provided in government hospitals the services of government doctors does not fall within the purview of the Act. However, the aggrieved patients can draw the attention of the Indian Medical Association against erring doctors.

The Government has also introduced Citizens' Charters in select Government Hospitals to help in providing an efficient and responsive administration.

[Ministry of Food and Consumer Affairs O.M. No. G-11027/11/98-P&C dated 17th November, 1998]

Recommendation (Para No. 4.16)

The Committee note that the seal which is put on the weights is made of glass which falls and easily gets destroyed causing great harassment to small traders by officials of the Department of weights and measures. The Committee therefore recommend that unbreakable seal should be put on the Weights. The Committee also recommend that the seal which is put on the weights should be made valid for at least three years. The Fee charged in this regard can be enhanced so that it may not affect revenues.

Reply of the Government

The Controller of Legal Metrology of all states and UTs have been requested to ensure that the lead is fixed into the loading hole properly so that it may not come out of its own. It has also been decided to enhance the period of re-verification of weights from one year to two years.

[Ministry of Food and Consumer Affairs. O.M. No. G-11027/11/98-P&C dated 17th November, 1998]

CHAPTER IV

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

Recommendation (Para No. 2.16)

The Consumer Courts were constituted to provide simple, speedy and inexpensive redressal to consumer grievances and to avoid the usual time-consuming process of civil courts. The Committee are of the view that the performance of consumer courts in some States, especially Andhra Pradesh, Uttar Pradesh, Maharashtra, Karnataka, Haryana, West Bengal and Delhi is quite unsatisfactory. The number of pending cases is increasing. The aggrieved consumers in these States are quite dissatisfied. The Committee, therefore, strongly, recommend that the Government should ensure speedy trial of cases pending before consumer courts. The practice of engaging lawyers is increasing in such courts and as this is one of the reasons for delaying justice, this needs to be discouraged and if possible totally banned.

Reply of the Government

With a view to keep a vigil on expeditious disposal of cases, the Department is monitoring and receiving quarterly reports from States/UTs in the prescribed proforma. Besides, the Consumer Coordination Council, New Delhi was asked to conduct a survey in select States on the functioning of the consumer courts. The results of their findings have been communicated to the respective States/UTs for taking remedial action.

A meeting of the Presidents of the National and State Commissions as well as Secretaries in charge of Department of Consumer Affairs in States is scheduled for November 27, 1998. The meeting will discuss the pendency of cases in the consumer fora and find ways and means of reducing it.

The Department has asked States/UTs to set up an exclusive Department of Consumer Affairs so that adequate attention can be paid to matters concerning the consumers.

The Department also considered banning of lawyers from practicing in the consumer fora and making suitable amendments in the Consumer Protection Act, 1986. However, this did not find favour with the Ministry of Law.

[Ministry of Food and Consumer Affairs, O.M. No. G-11027/11/98-P&C dated 17th November, 1998]

Comments of the Committee

(Please *see* 1.8 of Chapter I)

Recommendation (Para No. 5.11)

The Committee note that a number of steps have been taken by the Government to control the prices of essential commodities. The Committee are happy to note that the supply management of 12 essential commodities has been carried out effectively during the current financial year (1997-98). The Committee invited the attention of the Ministry towards the rising prices of vegetables especially onion, potatoes, mustard oil and other edible oils. The prices of these essential commodities should not be allowed to rise as these are essential items of consumption by poor sections of the society. Any increase in their prices will adversely affect the weaker sections. The Committee also recommend that arrangements to supply these items through NCCF, Super Bazar and Cooperative Stores should be made.

Reply of the Government

The recent unprecedented increase in the prices of vegetables in the country, particularly onion and potato was mainly due to adverse climatic conditions and other unfavourable seasonal factors during the last winter and summer season resulting in lower production of these commodities. The prices of edible oils also showed an upward trend during the current financial year due to decline in the production of oilseeds in the country. Further, there is a gap in the demand and supply of edible oils to the tune of 12-13 lakh tonnes per annum in the country.

In order to ease the pressure on the prices of potato and onion the Government has taken a number of measures. As per the directive of Cabinet Committee on Prices, the Department of Food and Civil Supplies has taken initiative to arrange supply of onion at a subsidised rate of Rs. 10 per kg at Delhi. The NAFED was directed to procure onions from onion producing States and making it available to the public distribution agencies like

Kendriya Bhandar, NCCF, Super Bazar and agencies of Food and Civil Supplies Department of Government of NCT of Delhi from 14.7.98. The Department of Consumer Affairs has agreed to compensate the actual losses suffered by NAFED in the process of wholesale procurement. Till 16.9.98 a total quantity of 1675 MTs of onion have been distributed through these agencies at Delhi.

The issues relating to supply and price management of edible oils are being dealt with by Department of Sugar and Edible Oils. There was a decline in the production of oilseeds during 1997-98 to the tune of 13 lakh tonnes. This decline in production of oilseeds has resulted in an increase in the prices of edible oils during the current year. In order to bridge the gap between demand and supply of edible oils, additional imports are encouraged under OGL by reducing the import duty from 25% to 15% w.e.f. 10.7.98. A total quantity of 1.5 lakh tonnes of edible palmolein is being imported through STC and arrangements have been finalised to distribute the same through PDS during the year 1998-99. The supply of palmolein through fair price shops in certain States/UTs has since commenced. With the lower import duty on edible oils, it is expected that higher quantity of edible oils will be imported in the country to supplement the supplies

[Ministry of Food and Consumer Affairs O.M. No. G-11027/11/98-P&C
dated 17th November, 1998]

Comments of the Committee

(Please see para 1.11 of Chapter I)

CHAPTER V

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

Recommendation (Para No. 5.10)

The Committee note with serious concern the fact that the Fair Price Shops in many States are generally in the hands of big/influential traders and the interests of the consumers are not safeguarded. There are complaints that stocks meant for public distribution are exchanged with inferior quality stuff by the shopowners. This is easily done by the traders because in addition to ration stocks, they are also having stocks meant for open market sale stored at and distributed from the same premises. However, in States like Madhya Pradesh and Maharashtra, all the Fair Price Shops are in the Cooperative sector. There is the need to extend this system to other parts of the country. The Committee, therefore, strongly recommend that steps should be taken to hand over the Consumer organisations/Cooperatives should be encouraged in this regard.

Reply of the Government

The Matter relating to public distribution is being looked after by the Department of Food and Civil Supplies. The recommendations were brought to the notice of Department of Food and Civil Supplies for appropriate action. The Department of Food and Civil supplies *vide* their letter dated 11.9.98 brought to the notice of Secretaries, Department of Food and Civil Supplies of all States/UTs, the recommendation with the request to examine the recommendation in detail for appropriate action. The action taken reports from the State Governments/UTs are awaited.

[Ministry of Food and Consumer Affairs O.M. No. G-11027/11/98-P&C
dated 17th November, 1998]

NEW DELHI;
18 December, 1998
27 Agrahayana, 1920 (Saka)

RAGHUVANSH PRASAD SINGH,
Chairman,
Standing Committee on Food, Civil Supplies
and Public Distribution.

APPENDIX I

MINUTES OF THE SEVENTEENTH SITTING OF THE STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION HELD ON THURSDAY THE 17TH DECEMBER, 1998

The Committee sat from 15.15 to 16.15 hours.

Shri Raghuvansh Prasad Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Kariya Munda
3. Shri Prabhas Chandra Tiwari
4. Shri Ramchandra Veerappa
5. Shri Gangaram Koli
6. Shri Shyam Bihari Mishra
7. Shri Ramesh Chandra Dwivedi
8. Shri Sadashivrao Dadoba Mandlik
9. Shri Ram Raghunath Chaudhary
10. Shri Madhab Rajbangshi
11. Shri C.P. Mudala Giriyappa
12. Shri R. Muthaiah
13. Shri Akbar Ahmad Dumpy
14. Shri Prakash Yashwant Ambedkar

Rajya Sabha

15. Smt. Urmilaben Chimanbhai Patel
16. Shri Monohar Kant Dhyani
17. Shri Lajpat Rai

18. Shri Khagen Das
19. Shri Yerra Narayanaswamy
20. Shri Kushok Thiksey
21. Shri Sukhdev Singh Libra

SECRETARIAT

1. Shri John Joseph — *Joint Secretary*
2. Shri Krishan Lal — *Deputy Secretary*
3. Shri P.D. Malvalia — *Under Secretary*

I. Consideration and adoption of Draft Fifth Report

2. ** ** **

II. Consideration and adoption of Draft Sixth Report

3. ** ** **

III. Consideration and adoption of Draft Seventh Report

4. The Committee considered the draft Seventh Report on Action Taken by the Government on the recommendations contained in their Fourth Report on Demands for Grants (1998-99) relating to Ministry of Food and Consumer Affairs (Department of Consumer Affairs) and adopted the report with the following amendment.

In para 1.17 after CPWD *add* ‘The facilities of RRSLs should also be set up in each State without delay and accommodation for the purpose should also be made available on priority basis.’

5. The Committee then authorised the Chairman to make grammatical and consequential changes arising out of the factual verification of the reports by the concerned Ministries and present/lay the same in both the Houses of Parliament.

6. ** ** **

The Committee then adjourned

APPENDIX II

(Vide Introduction of the Report)

Analysis of Action taken by the Government on the recommendation contained in the Seventh Report of Standing Committee on Food, Civil Supplies and Public Distribution (Twelfth Lok Sabha)

| | |
|--------------------------------------------------------------------------------------------------------------------------|-------|
| (i) Total Number of Recommendations | 11 |
| (ii) Recommendations/Observations which have been accepted by the Government : | |
| Para Nos. 2.18, 2.23, 3.20, 3.21 and 4.17 | |
| Total | 5 |
| Percentage | 45.45 |
| (iii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply. | |
| Para Nos. 2.15, 2.17 and 4.16 | |
| Total | 3 |
| Percentage | 27.27 |
| (iv) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee. | |
| Para Nos. 2.16 and 5.11 | |
| Total | 12 |
| Percentage | 18.18 |
| (v) Recommendations/Observations in respect of which final reply of the Government is still awaited. | |
| Para No. | 5.10 |
| Total | 1 |
| Percentage | 9.1 |