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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)**

**DEMANDS FOR GRANTS
(1998-99)**

FOURTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

July, 1998/Asadha, 1920 (Saka)

FOURTH 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)

DEMANDS FOR GRANTS (1998-99)

Presented to Lok Sabha on 10 July, 1998
Laid in Rajya Sabha on 10 July, 1998



LOK SABHA SECRETARIAT
NEW DELHI

July, 1998/Asadha, 1920 (Saka)

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CORRIGENDA TO THE FOURTH REPORT (TWELFTH LOK SABHA) OF
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 C.H. Vidyasagar Rao
3. Shri Kariya Munda
4. Shri Prabhas Chandra Tiwari
5. Shri Ramchandra Veerappa
6. Shri Gangaram Koli
7. Shri Shyam Bihari Mishra
8. Shri Aditya Nath
9. Shri Bhanu Pratap Singh
10. Shri Ramesh Chandra Dwivedi
11. Shri Abhaysinh S. Bhonsle
12. Shri Sadashivrao Dadoba Mandlik
- *13. Shri Ghasi Ram Yadav
- ***14. Shri Ram Raghunath Chaudhary
15. Shri H.G. Ramulu
16. Shri Madhab Rajbangshi
17. Shri C.P. Mudala Giriappa
18. Shri P. Sankaran
19. Shri Rama Chandra Mallick
20. Shri Baju Ban Riyan
21. Shrimati A.K. Premajam
22. Shri Daroga Prasad Saroj

* Ceased to be Member of the Committee w.e.f. 8.6.1998

** Ceased to be Member of the Committee w.e.f. 9.8.1998.

*** Nominated to the Committee w.e.f. 8.6.1998.

23. Shri R. Muthiah
24. Shri Akbar Ahmad Dampy
25. Shri Ranen Barman
26. Shri Prakash Yashwant Ambedkar
27. Shri Bhim Prasad Dahal
- £28. Shri S.K. Bwiswmuthiary
29. Shri Satnam Singh Kainth
30. Vacant

Rajya Sabha

31. Smt. Urmilaben Chimanbhai Patel
- @32. Shri Shivajirao Giridhar Patil
33. Shri Onward L. Nongtdu
- @34. Shri Mohindar Singh Kalyan
35. Shri Manohar Kant Dhyani
36. Shri Lajpat Rai
- @37. Dr. Ishwar Chand Gupta
38. Shri Khagen Das
39. Shri Yerra Narayanaswamy
- @40. Shri Wasim Ahmad
41. Shri Kushok Thiksey
42. Sardar Balwinder Singh Bhundar
- @43. Shri Mohd. Masud Khan
44. Vacant
45. Vacant

SECRETARIAT

1. Shri G.C. Malhotra — *Additional Secretary*
2. Shri John Joseph — *Joint Secretary*
3. Shri Krishan Lal — *Deputy Secretary*
4. Shri A.S. Chera — *Under Secretary*

£ Ceased to be Member of the Committee w.e.f. 25.6.1998.

@ Ceased to be Member of the Committee w.e.f. 4.7.1998.

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 Fourth Report on Demands for Grants (1998-99) relating to the Ministry of Food and Consumer Affairs (Department of Consumer Affairs).

2. The Committee examined/scrutinised the detailed Demands for Grants (1998-99) of the Ministry which were laid on the Table of the House on 12th June, 1998.

3. The Committee took evidence of the representatives of the Ministry of Food and Consumer Affairs (Department of Consumer Affairs) on 19th June, 1998.

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

5. The report was considered and adopted by the Committee at their sitting held on 6th July, 1998.

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

NEW DELHI;
7 July, 1998

16 Asadha, 1920 (Saka)

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

CHAPTER I

REPORT

Introductory

1.1 The Demands for Grants (1998-99) of the Ministry of Food and Consumer Affairs (Department of the Consumer Affairs) was laid on the Table of Lok Sabha on 12th June, 1998. Demand No. 9 of the Department of Consumer Affairs contains the figures of Revenue as well as Capital Expenditure which are as follows:—

(Rs. in crores)

	Revenue	Capital	Total
Voted	19.29	0.48	19.77
Charged	—	—	—

1.2 The details of the Budget Estimates for (1997-98) as well as Budget Estimates for (1998-99) are as under:—

Revenue Section	Major Head	1997-98 Budget			1997-98 Revised			1998-99 Budget		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
		1	2	3	4	5	6	7	8	9
REVENUE SECTION										
Secretariat—Economic Services	3451	—	3.43	3.43	—	3.79	3.79	—	4.24	4.24
Industries	2852	3.00	—	3.00	2.85	—	2.85	3.00	—	3.00
Civil Supplies	3456	1.70	5.53	7.23	1.61	2.67	4.28	1.70	6.21	7.91
Other General Economic Services	3475	0.22	1.47	1.69	0.21	2.09	2.30	1.92	2.22	4.14
Grants-in-Aid to State Governments	3601	—	—	—	9.50	—	9.50	—	—	—
	3602	—	—	—	—	—	—	—	—	—
Total-Revenue Section		4.92	10.43	15.35	14.17	8.55	22.72	6.62	12.67	19.29

Capital Section

	1	2	3	4	5	6	7	8	9	10
<i>CAPITAL SECTION</i>										
Capital Outlay on Other General Economic Services	5475	0.48	—	0.48	0.46	—	0.46	0.48	—	0.48
Total—Capital Section		0.48	—	0.48	0.46	—	0.46	0.48	—	0.48
GRAND TOTAL		5.40	10.43	15.83	14.63	8.55	23.18	7.10	12.67	19.77

3

The details of recoveries adjusted on account in reduction of expenditure for revenue and capital section are as under:—

Revenue	4.92	5.43	10.35	14.17	6.55	20.72	6.62	7.67	14.29
Capital	0.48	—	0.48	0.46	—	0.46	0.48	—	0.48
Total	5.40	5.43	10.83	14.63	6.55	21.18	7.10	7.67	14.77

1.3 The Head-wise demands have been discussed in the succeeding paragraphs.

CHAPTER II

(A) CONSUMER PROTECTION

Major Head-3456

(Rs. in crores)

1997-98 (BE)		1997-98 (RE)		1998-99 (BE)	
Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
1.7	0.53*	1.61	0.67*	1.7	0.75*

2.1 The Revised Estimates 1997-98 were Rs. 1.61 crore (Plan) and Rs. 0.67 crore (Non-Plan). But the actual expenditure upto August, 1997 is Rs. 0.36 crore (Plan) and 0.19 crore (Non-Plan) only.

2.2 During the course of evidence, the Committee asked about the actual expenditure upto 31.3.1998 and also asked about the slow progress in expenditure.

The Ministry in their written reply stated as follows:—

“One of the main activities of the Department is to take appropriate measures to create awareness among the consumers about their rights and responsibilities. This is being done by way of taking a number of publicity measures such as printing of literature, booklets, posters; outdoor publicity; supplements in newspapers; preparation of audio-video programmes, etc. This work is undertaken through the official agencies, namely, DAVP, AIR and Doordarshan. Till July 1997, the Department had sanctioned an amount of about Rs. 63 lakh to these agencies for various publicity measures. However, these agencies do take time in completing the jobs assigned to them and booking the expenditure. During 1997-98 the entire budget had been sanctioned.

Note: *Figures mentioned in the above table under non-Plan include budget for National Consumer Disputes Redressal Commission also. Figures in respect of consumer protection only are Rs. 0.11 crore Rs. 0.124 crore and Rs. 0.1412 crore respectively.

The Actual Plan expenditure upto 31.3.98 is Rs. 1.46 crore. This expenditure has been actually booked by the Pay and Accounts office till date. The figures for March supplementaries have not been received. The non-Plan expenditure on consumer protection was only Rs. 0.07 crore against the allocated budget of Rs. 0.11 crore.

2.3 The consumer movement is a socio-economic movement which seeks to protect the rights of the consumer in relation to the goods purchased and services availed. Government has accorded a high priority to the programme of consumer protection. As a nodal Department, it has initiated a number of steps to promote a responsible and responsive consumer movement in the country. Such measures include the use of mass media for education and information of consumers, involvement of increasing number of consumer organisations in taking up the cause of consumers and coordinating the measures taken up by States/UTs and the concerned Ministries/Departments of the Government of India to safeguard the interests of the consumer.

2.4 The Consumer Protection Act, 1986 (68 of 1986) is a milestone in the history of socio-economic legislation in the country. It is one of the most progressive and comprehensive pieces of legislation enacted for the protection of consumers. It is a unique piece of legislation as it provides a separate three-tier consumer disputes redressal machinery at the national, State and district levels. The Act is intended to provide simple, speedy and inexpensive redressal to consumers' grievances.

2.5 All the provisions of the Consumer Protection Act, 1986 have come into force with effect from 1.7.1987 throughout the country, except in the State of Jammu & Kashmir. The State of Jammu & Kashmir has enacted its own legislation in this field. Most of the States and UTs have constituted State level Consumer Protection Councils. The Central Government constituted the Central Consumer Protection Council on 1.6.1987 for a period of three years and the same has been reconstituted from time to time. So far, the Council has held 18 meetings. The last meeting was held on 31.5.1997.

2.6 The Government has accorded high priority to the programme of consumer protection. A number of steps have been taken to promote a responsive consumer movement in India. As a result, the involvement of consumer organisations taking up the cause of the consumer has increased. The coordination taken by State/UTs, the concerned Ministries/Departments of Government of India to safeguard the interests of consumer is also appreciable.

2.7 The main objectives of the consumer protection programme are:—

- (i) To create a suitable administrative and legal mechanism which is within easy reach of the consumers;
- (ii) To involve and motivate various sections of society such as consumer organisations, women, youth, etc. to participate in this programme;
- (iii) To assist, encourage and provide financial assistance to voluntary consumer organisations to take up various consumer protection activities; and
- (iv) To generate awareness amongst consumers about their rights and responsibilities, motivate them to assert their rights, not to compromise on quality and standards of goods and services and seek redressal in consumer courts, wherever required.

2.8 During the course of evidence, the Committee asked about the activities of the Consumer Education and Research Centre. The Ministry replied as follows:—

“Consumer Education and Research Centre is in Ahmedabad. This is a very good organisation and they are doing very good work. They have been able to establish a very modern laboratory for testing of products. In this work, they are assisted not only by the Government but also by the UNDP. The UNDP is giving them liberal assistance for setting up this laboratory. This laboratory is already functioning and they are doing a lot of testing. Some time back, you might have seen a report about testing of electric irons. It was prepared by them. They tested several brands of electric irons including big brands, to find out whether these irons met the specifications which they had been

advertising. Unfortunately—I will not go into the details—they found that many of these did not come up to their specifications. It included the irons of some reputed companies also. They are, through a publication, informing the consumers about the results of their testing. So, we thought that we should give them a little assistance to encourage them in their work.

(B) CONSUMER COURTS

2.9 At present, the National Commission, 32 State Commissions, one in each State/UT and 526 District Fora are functioning in the country to deal with consumer grievances.

2.10 The Department of Consumer Affairs monitors the cases filed and disposed of by the consumer courts through periodic returns and also reviews the functioning of the consumer courts in consultation with the State Governments/UTs. Based on the data received from the State Governments/UT administrations it has been observed that as on 2 September, 1997 2,12,003 cases are pending at the District level Fora. Detailed information in respect of District Fora and State Commissions have been compiled and are given at Annexure I and II, respectively.

2.11 Inadequacy of proper infrastructure is one of the main reasons for the increasing pendency in these courts. For this purpose the Department, with the approval of Planning Commission started a scheme to give one-time-grant to the States/UTs for strengthening the infrastructure of the consumer courts during 1995-96. Under the scheme, each State Commission was to be given Rs. 50 lakh and each District Fora Rs. 10 lakh in four equal installments subject to reduction of pendency of cases. The Department released Rs. 29.98 crore during 1995-96 and Rs. 24.64 crore during 1996-97 under the scheme. The State-wise details are given in Annexure III.

2.12 The disposal of cases in District Fora in some of the States are quite unsatisfactory. The information regarding States having more than 10,000 pending cases since inception is as under:—

Sr. No.	State	No. of cases pending
1	2	3
1.	Andhra Pradesh	15371
2.	Bihar	10667

1	2	3
3.	Gujarat	15786
4.	Haryana	10684
5.	Karnataka	11419
6.	Madhya Pradesh	10760
7.	Maharashtra	18430
8.	Rajasthan	11947
9.	Uttar Pradesh	54507
10.	West Bengal	15607
11.	Delhi	10399

2.13 The Department is also conducting training programmes for the non-judicial members of the consumer courts to familiarize them with consumer protection measures and expeditious disposal of cases. Further amendments to the Consumer Protection Act are under consideration to make it more effective.

DISPOSAL OF CASES BY THE DISTRICT FORA (STATE-WISE)
 COMPILATION OF REPORT RECEIVED FROM THE STATES/UTS.

Position updated upto : 2nd September, 1997

Sl. No.	States/UTs	No. of cases filed since inception	No. of cases disposed of since inception	No. of cases pending	Reported upto
1	2	3	4	5	6
1.	Andhra Pradesh	83744	68373	15371	Jun-97
2.	Arunachal Pradesh	149	113	36	Jun-97
3.	Assam	3831	3005	826	Apr-96
4.	Bihar	27254	16587	10667	Jun-97
5.	Goa	2186	1620	566	Dec-96
6.	Gujarat	45030	29244	15786	Jun-97
7.	Haryana	42865	32181	10684	Jun-97
8.	Himachal Pradesh	8827	7506	1321	Jun-97
9.	Jammu & Kashmir	6882	5837	1045	Dec-96
10.	Karnataka	41953	30534	11419	Aug-96
11.	Kerala	76996	71027	5969	Jun-97
12.	Madhya Pradesh	40178	29418	10760	Dec-95
13.	Maharashtra	64789	46359	18430	Apr-97
14.	Manipur	671	647	24	Sep-95

1	2	3	4	5	6
15.	Meghalaya	165	125	40	Mar-97
16.	Mizoram	177	166	11	Jun-97
17.	Nagaland	13	6	7	Sep-94
18.	Orissa	23458	18889	4569	Mar-97
19.	Punjab	18968	16679	2289	Jun-97
20.	Rajasthan	95597	83650	11947	Jun-97
21.	Sikkim	73	69	4	Jun-97
22.	Tamil Nadu	36645	31593	5052	May-97
23.	Tripura	674	532	142	May-97
24.	Uttar Pradesh	150457	95950	54507	Dec-96
25.	West Bengal	20377	4770	15607	Dec-96
26.	Andaman & Nicobar Islands	119	107	12	May-97
27.	Chandigarh Admn.	10090	5644	4446	Jul-97
28.	D & N Haveli	23	17	6	Jun-97
29.	Daman & Diu	32	16	16	Sep-94
30.	Delhi	38059	27660	10399	Mar-97
31.	Lakshadweep	28	28	0	Jul-97
32.	Pondicherry	1250	1205	45	Jun-97
Total:		841560	629557	212003	

DISPOSAL OF CASES BY THE STATE COMMISSIONS

Position updated upto : 2nd September, 1997

Sl. No.	States/UTs	No. of cases filed since inception	No. of cases disposed of since inception	No. of cases pending	Reported upto
1	2	3	4	5	6
1.	Andhra Pradesh	8097	6637	1460	Jun-97
2.	Arunachal Pradesh	14	10	4	Jun-97
3.	Assam	657	271	386	Apr-96
4.	Bihar	2534	1869	665	Jun-97
5.	Goa	722	531	191	Jul-97
6.	Gujarat	5294	3903	1391	Jun-97
7.	Haryana	4918	3616	1302	Jun-97
8.	Himachal Pradesh	1623	1423	200	Jun-97
9.	Jammu & Kashmir	51	9	42	Dec-96
10.	Karnataka	4499	3106	1393	Aug-96
11.	Kerala	8827	8233	594	Jun-97
12.	Madhya Pradesh	3143	2254	889	Dec-95
13.	Maharashtra	8937	6805	2132	Apr-97

1	2	3	4	5	6
14.	Manipur	33	18	15	Sep-95
15.	Meghalaya	39	23	16	Mar-97
16.	Mizoram	11	11	0	Jun-97
17.	Nagaland	4	0	4	Sep-94
18.	Orissa	5233	2629	2604	Jul-97
19.	Punjab	2604	1556	1048	Jun-97
20.	Rajasthan	13312	4823	8489	Jun-97
21.	Sikkim	12	12	0	Jun-97
22.	Tamil Nadu	8259	6330	1929	May-97
23.	Tripura	246	146	100	May-97
24.	Uttar Pradesh	15910	2913	12997	Jun-97
25.	West Bengal	3691	1208	2483	Dec-96
26.	Andaman & Nicobar Islands	12	11	1	May-97
27.	Chandigarh Admn.	1360	1205	155	Jul-97
28.	D & N Haveli	0	0	0	Jun-97
29.	Daman & Diu	0	0	0	Sep-94
30.	Delhi	6639	4710	1929	Mar-97
31.	Lakshadweep	7	7	0	Jul-97
32.	Pondicherry	397	314	83	Jul-97
Total:		107085	64583	42502	

2.14 The disposal of cases by the State Commission are also not upto mark. The number of State Fora having the cases more than 1000 are given below.—

Sr. No.	State	No. of cases pending
1.	Andhra Pradesh	1460
2.	Gujarat	1391
3.	Haryana	1302
4.	Karnataka	1393
5.	Maharashtra	2132
6.	Orissa	2604
7.	Punjab	1048
8.	Rajasthan	8489
9.	Tamil Nadu	1929
10.	Uttar Pradesh	12997
11.	West Bengal	2483
12.	Delhi	1929

ONE-TIME GRANT TO THE STATES/UTs

Sl. No.	States/UTs	No. of DFs for which grant given	Grant given during 1995-97 (Rs. in lakhs)	Filed since inception	Disposed of since inception	%Disposal
1	2	3	4	5	6	7
1.	Andhra Pradesh	22	270.0	83744	68373	81.65
2.	Arunachal Pradesh	12	170.0	149	113	75.84
3.	Assam	23	280.0	3831	3005	78.44
4.	Bihar	39	440.0	27254	16587	60.86
5.	Goa	2	70.0	2186	1620	74.11
6.	Gujarat	20	250.0	45030	29244	64.94
7.	Haryana	16	210.0	42865	32181	75.08
8.	Himachal Pradesh	12	170.0	8827	7506	85.03
9.	Jammu & Kashmir	2	52.5	6882	5837	84.82
10.	Karnataka	20	250.0	41953	30534	72.78
11.	Kerala	14	190.0	76996	71027	92.25
12.	Madhya Pradesh	45	250.0	40178	29418	73.22
13.	Maharashtra	31	360.0	64789	46359	71.55
14.	Manipur	8	130.0	671	647	96.42

1	2	3	4	5	6	7
15.	Meghalaya	7	120.0	165	125	75.76
16.	Mizoram	3	80.0	177	166	93.79
17.	Nagaland	7	120.0	13	6	46.15
18.	Orissa	13	180.0	23458	18889	80.52
19.	Punjab	13	180.0	18968	16679	87.93
20.	Rajasthan	30	350.0	95597	83650	87.50
21.	Sikkim	4	90.0	73	69	94.52
22.	Tamil Nadu	22	270.0	36645	31593	86.21
23.	Tripura	3	80.0	674	532	78.93
24.	Uttar Pradesh	63	340.0	150457	95950	63.77
25.	West Bengal	17	110.0	20377	4770	23.41
26.	Andaman & Nicobar Islands	2	70.0	119	107	89.92
27.	Chandigarh Admn.	1	60.0	10090	5644	55.94
28.	D & N Haveli	1	60.0	23	17	73.91
29.	Daman & Diu	2	70.0	32	16	50.00
30.	Delhi	2	70.0	38059	27660	72.68
31.	Lakshadweep	1	60.0	28	28	100.00
32.	Pondicherry	1	60.0	1250	1205	96.40
Total		458	5462.5	841560	629557	74.80

Third instalment to J&K, third & fourth instalment to M.P., U.P. & West Bengal not released so far.

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 Headquarter 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.

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 A.P., U.P., Maharastra, 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.

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 while 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.

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.

(C) CONSUMER WELFARE FUND

Major Head-3456

(Rs. in crores)

1997-98 (BE)		1997-98 (RE)		1998-99	
Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
—	5.00	—	2.00	—	5.00

2.19 The Consumer Welfare Fund was created in 1992 with the objective to provide financial assistance to promote and protect the Welfare of the Consumers, create consumer awareness and strengthen the consumer movement in the country particularly in rural areas. The Fund has been set up by the Department of Revenue under the Central Excise and Salt Act, 1944. However, it is operated by the Ministry of Food & Consumer Affairs. During the year 1997-98, 85 proposals were sanctioned for a total amount of Rs. 37 lakhs approximately.

2.20 The State-wise position of projects sanctioned under the Consumer Welfare Fund as at Annexure IV. The funds have been released to NGOs as well as the State Governments. These projects were sanctioned mainly for the purpose or organising seminars,

workshops, training programmes, exhibitions, rural meetings; conducting surveys; printing of leaflets, booklets, posters and other publicity materials; preparation of audio-video material, etc. in the field of consumer protection to create awareness among the consumers, particularly in the rural areas, about their rights and responsibilities. Some grants have also been sanctioned to NGOs for purchase of office equipments, furniture etc. to strengthen their infrastructure.

2.21 When the Committee asked about the projects running under Plan and Non-Plan schemes and the achievements by the Central Govt. in promoting and protecting the Welfare of Consumer, in creating consumer awareness and in strengthening consumer movement in the country the ministry in their written reply stated:—

“The grants from CWF have been released to some NGOs to strengthen their infrastructure and to undertake Consumer Welfare Activities. This has resulted in the creation of more awareness amongst the consumer about their rights and responsibilities. As a result a strong and broad-based consumer movement is gaining momentum on the Indian scene. This is evident from the increase in the number of consumer organisations. Their number have increased from around 50 in 1986 to around 1300 in 1998. Secondly, the number of complaints filed in consumer courts has also increased. The number has risen from about 6 lakhs in 1994 to about 13.3 lakhs by the end of March, 1998. Thirdly, there is increased coverage of the subject of Consumer Protection in the media.”

2.22 During the Course of evidence, when the Committee asked the reasons for not taking any project in most of the States and Union territories, the Ministry replied as follows:—

“It is not a question of our taking any project. In fact, shows the number of proposals which have been sanctioned from the Consumer Welfare Fund. It is not as if the Government gives the money. First of all, there has to be an application from a voluntary consumer organisation submitting a proposal for promoting consumer awareness. Once that proposal is received, then it is considered in the Standing Committee of the Consumer Welfare Fund and if it is found to be feasible, we sanction money. So, it is not as if we given the money. The response has to be there. First of all there has to be a proposal from the concerned

Government. In fact, we are also very keen to ensure that we distribute the money in such a way that every nook and corner of the country gets a share of the Consumer Welfare Fund. In fact, we had made a study to find out which are the States which are not covered. But, then, we are helpless until and unless those States and the organisations in those States come forward with proposals for sanction of grants from the Consumer Welfare Fund. So, we are prepared to help. We are prepared to take a sympathetic view, but until and unless Consumer Welfare Organisations or Consumer Organisations come forward with proposals, we find ourselves in a helpless position. In fact, I have with me figures of consumer organisations functioning in different States and Union territories. In fact the number of voluntary consumer organisations functioning in some of the States and Union territories is very few. We have just collected the data. We are in the process of preparing a Directory of Voluntary Consumer Organisations. For instance, we find that in Arunachal Pradesh, there is only one voluntary consumer organisation; Manipur has got three; Meghalaya has got six; Tripura has got five. Earlier, Tripura had three voluntary organisations in 1995 and now the number has gone up to five. But I must say that we will be too happy to provide assistance to consumer organisations. We will be prepared to response, but the initiative has to come from the voluntary organisations in the State concerned. For instance in Andhra State alone, 322 Voluntary Consumer Organisations are working.”

ANNEXURE IV

SANCTION OF FUNDS FROM CWF (UPTO 18TH MEETING DATED 26.11.97)

No.	Name of the States/UTs	Total number of project proposals approved							Total amount approved/ sanctioned
		94-95	95-96	96-97	97-98	Total	6	7	
1.	Andhra Pradesh	6	10	22	13	51			26,87,825
2.	Arunachal Pradesh	—	—	—	—	—			—
3.	Assam	1	0	1	—	2			99,000
4.	Bihar	1	0	14	5	20			7,60,650
5.	Goa	—	—	—	—	—			—
6.	Gujarat	6	2	2	1	11			25,00,250
7.	Haryana	1	0	1	—	2			2,47,500

1	2	3	4	5	6	7	8
8.	Himachal Pradesh	1	2	1	1	5	2,41,380
9.	Jammu & Kashmir	0	0	2	—	2	90,000
10.	Karnataka	1	4	7	3	15	12,57,470
11.	Kerala	4	2	1	3	10	4,86,955
12.	Madhya Pradesh	1	0	2	2	5	1,27,800
13.	Maharashtra	2	4	1	1	8	14,68,290
14.	Manipur	0	0	4	—	4	2,59,200
15.	Meghalaya	0	0	1	—	1	22,500
16.	Mizoram	—	—	—	0	0	—
17.	Nagaland	—	—	—	—	—	—
18.	Orissa	4	5	14	6	29	19,57,420
19.	Punjab	—	—	—	1	1	31,500
20.	Rajasthan	3	2	9	1	15	20,36,300

1	2	3	4	5	6	7	8
21.	Sikkim	—	—	—	—	—	—
22.	Tamil Nadu	14	12	27	7	60	45,18,364
23.	Tripura	—	—	—	—	—	—
24.	Uttar Pradesh	6	7	22	13	48	19,93,680
25.	West Bengal	2	0	4	1	7	9,86,100
26.	A & N Islands	—	—	—	—	—	—
27.	Chandigarh	0	1	0	—	1	67,500
28.	D & N Haveli	—	—	—	—	—	—
29.	Daman & Diu	—	—	—	—	—	—
30.	Delhi	7	1	18	2	28	51,98,750
31.	Lakshadweep	—	—	—	—	—	—
32.	Pondicherry	—	—	—	—	—	—
Total:		60	52	153	60	325	2,70,38,434

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. 98750 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 Nagar Haveli, Lakshdweep and Pandicherry. 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 organisations is more than 15-20 whereas in other there is not even a single consumer organisation. The Government should also streamline its activities so that at least one consumer organisation from each District may get assistance from the Consumer Welfare Fund. Organisations should be encouraged to come forward, where there is no consumer organisation. In regard to monitoring of Funds given to NGOs, obtaining a utilisation 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 decentralised 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.

CHAPTER III

(A) CONSUMER COOPERATIVES

Major Head 3456

(Rs. in crores)

1997-98 (BE)		1997-98 (RE)		1998-99 (BE)	
Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
—	—	—	—	—	0.46

3.1 It may be seen that a sum of Rs. 46 lakh only has been provided in the BE of 1998-99, while no money was provided in the BE and RE of 1997-98 under this head.

3.2 The Consumer Cooperatives have a four-tier structure comprising primary consumer stores with branches functioning at the grass-root level, the wholesale/central consumer stores with their branches at district/taluka level, the State Consumer Cooperative Federations at the State level and the NCCF of India Ltd. at the National level. However, in the States located in the North East and in the smaller States/UTs, composite State level Consumer-cum-Marketing federations, which deal with consumer articles also, are functioning. In the rural areas, the distribution of consumer goods is handled by the viable Large Sized Agricultural Multi-Purpose Cooperative Societies (LAMPS) and/or Primary Agricultural Credit Societies (PACS) at the retail level.

3.3 Consumer Cooperatives are playing an important role in providing essential and other commodities to the public at reasonable prices. The presence of consumer cooperatives help in strengthening the distributive network of essential commodities, stabilising the price line and protecting the consumers against artificial scarcity of goods by private traders, overcharging of prices, supply of substandard goods, etc.

3.4 As a policy, the Government of India have been encouraging the development of consumer cooperatives so as to protect the interests

of the common consumers. The consumer cooperatives are managed and controlled by the members through democratically elected bodies.

3.5 On being asked as to why there was no provision in BE/RE 1997-98 and how the Government propose to spend BE 1998-99, the Ministry in their reply stated as under:—

“The assistance provided for strengthening of consumer cooperatives in the urban areas was transferred to the State Sector w.e.f. 1st April, 1992. Thereafter this Department has not been making any outlays concerning the consumer cooperatives in the urban areas of the country. Therefore, no provision has been made in the BE/RE for the year 1997-98 in this head.

During the year 1998, there was a sudden spurt in the retail prices of onions in major cities of the country. This was mainly due to the failure of crop in Maharashtra region due to untimely rains. The Government then decided to intervene in the market through supply of onions which were procured by the National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED). Onions were supplied at the subsidised rate of Rs. 12/- per kg. through cooperative outlets in Delhi, Chennai and Hyderabad during the period 4th January, 1998 to 22nd February, 1998. A decision was taken to reimburse the excess expenditure to the NAFED in this regard by the Department of Consumer Affairs. As against the total claim of Rs. 95,46,288/- of NAFED, an amount of Rs. 50 lakh was released during the year 1997-98 under the same budget provision. The balance amount of Rs. 45,46,288/- is proposed to be released to the NAFED during the current financial year. Hence, the budget provision of Rs. 46 lakh has been made in the budget estimates for the year 1998-99.”

3.6 When the Committee asked about the achievement of consumer cooperatives in providing essential and other commodities at reasonable prices and about efforts made in the North-East/Hilly/Tribal areas in this regard, the Ministry replied as under:—

“The Consumer Cooperatives are playing an important role in providing essential and other commodities to the public at reasonable prices. The presence of consumer cooperatives helps in strengthening the distributive network of essential commodities,

stabilising the price line, providing protection against artificial scarcity of goods, over-charging of prices, supply of sub-standard goods, etc. Government of India, as a policy, have been encouraging the development of consumer cooperatives so as to protect the interest of the common consumers against these.

The Working Group on Agricultural Credit & Cooperation for the formulation of 9th Five Year Plan has envisaged the setting up of modern department stores in hitherto uncovered areas evolving a common strategy for development of consumer activities through cooperatives, particularly for rural, remote, hilly and inaccessible areas of the country. With a view to achieve the above, the Working Group has recommended the revival of the two Centrally Sponsored Schemes, namely, development of urban consumer cooperatives and assistance to village level societies for strengthening the rural consumer business. The amount recommended by the Working Group is Rs. 90 crore. The Working Group has further recommended the strengthening of the NCCF of India Ltd. including its Consultancy & Promotional Cell with an outlay of Rs. 40 crore to provide supply support to the retailing tiers. This Department had taken up the matter with the Planning Commission for revival of these two Centrally Sponsored Schemes. The Planning Commission has not agreed with the same."

3.7 In so far as the rural areas of the country are concerned, the viable Large Sized Agricultural Multi Purpose Cooperative Societies (LAMPS)/Primary Agricultural Credit Societies (PACS) are involved in distribution of essential consumer articles at fair prices to the rural people, especially those living in remote, inaccessible and hilly areas.

3.8 The National Cooperative Development Corporation (NCDC) has schemes for assisting the cooperative for distribution of consumer articles in the rural areas. Under the scheme, the NCDC provides assistance to primary cooperative societies, wholesale consumer stores and branches of State Consumer Federation for undertaking distribution of consumer articles in the rural areas. Under this scheme, assistance is provided to the cooperatives for purchase of furniture and fixtures for the setting-up of sales counter and purchase of transport vehicles. The total number of village societies for which financial assistance has been released by the NCDC since the inception of the scheme till 31.3.1997 is given at Annexure VI.

3.9 The State Cooperative Consumers' Federation/State Cooperative Marketing-cum-Consumer Federations are the State level apex organisations in so far as the consumer cooperative structure in the States are concerned. These State Federations were to provide supply support to the primary stores in the States. However, with the passage of time and with the wholesale/central consumer stores not being able to mobilise their functions properly, some of the State Cooperative Federations have entered into the retail trade and have set up Department Stores. In this connection, the names of Madhya Pradesh State Federation, Assam State Federation, Karnataka State Federation and Goa State Federation can be cited. The details of these State level Federations, the number of Department stores and other retail outlets run by them as on 31.3.1997 are at Annexure II.

**STATE-WISE PERFORMANCE OF STATE CONSUMER COOPERATIVE
FEDERATIONS DURING THE YEAR 1996-97**

Sl. No.	States/UTs	No. of Fed.	No. of branch			7	8	9	Membership		11	Share Capital	
			Deptt. store	Other Retail Unit	Branch Office				Total	No. of Cons. Coop. Store		Indivi- duals	Other insitu- tions
1	2	3	4	5	6	7	8	9	10	11	12	13	28
1.	Andhra Pradesh***	1	14	14	9	23	59	1	438	498	6.88	66.64	
2.	Arunachal Pradesh	1	1	20	5	26	65	Nil	1	66	45.44	38.55	
3.	Assam	1	—	554	42	596	553	Nil	1	554	1858.78	1854.32	
4.	Bihar***	1	6	2	—	8	67	—	16	83	236.49	—	
5.	Goa	1	8	1	10	19	40	7400	124	7564	18.41	15.93	
6.	Gujarat	1	1	1	2	4	60	1	262	323	52.41	10.00	

1	2	3	4	5	6	7	8	9	10	11	12	13
7.	Haryana	1	111	60	17	631	32	Nil	2	34	546.63	541.49
8.	Himachal Pradesh	1	1	16	85	102	639	Nil	1	640	776.77	766.51
9.	Jammu & Kashmir****	1	—	45	3	48	—	196	894	1090	933.22	133.22
10.	Karnataka	1	19	1	6	26	23	Nil	1	24	63.02	53.97
11.	Kerala**	1	7	9	Nil	9	14	Nil	14	28	926.22	861.04
12.	Madhya Pradesh****	1	8	2	10	20	855	1	Nil	856	398.28	347.95
13.	Maharashtra*	1	9	Nil	8	17	566	Nil	1	567	193.29	139.47
14.	Manipur@	1	Nil	9	9	18	9	15	170	194	687.98	685.91
15.	Meghalaya	1	Nil	1	14	15	21	4	61	86	228.08	41.23
16.	Mizoram	1	—	—	12	12	6	11	83	100	77.43	76.85
17.	Nagaland***	1	3	12	1	16	37	Nil	40	77	205.73	193.14

1	2	3	4	5	6	7	8	9	10	11	12	13
29.	Daman & Diu***	—	—	—	—	—	—	—	—	—	—	—
30.	Delhi*****	—	—	—	—	—	—	—	—	—	—	—
31.	Lakshadweep	1	Nil	6	30	36	36	Nil	38	74	2.51	1.98
32.	Pondicherry	1	Nil	Nil	2	2	10	58	12	80	21.21	17.89
Total:		29	184	1286	336	1806	1884	9014	4163	17061	9256.59	7431.46

Note:

* 1995-96

** 1994-95

*** 1993-94

**** 1992-93

***** 1991-92

@ The audit of these Federations are in progress

ANNEXURE V (Contd.)

STATE-WISE PERFORMANCE OF STATE CONSUMER COOPERATIVE
FEDERATIONS DURING THE YEAR 1996-97

Sl. No.	States/UTs.	Working Capital	Profit	Loss	Acc. Loss	Sales		Total	Controlled Commodities out of Total Sales in Col. 9
						Wholesale	Retail		
1	2	3	4	5	6	7	8	9	10
1.	Andhra Pradesh**	110.65	N.A.	9.06	88.54	N.A.	N.A.	1384.10	N.A.
2.	Arunachal Pradesh	21266.52	N.A.	Nil	Nil	154.70	99.52	254.22	816.56
3.	Assam	31672.14	—	254.30	2124.40	32673.64	—	32673.64	—
4.	Bihar***	238.16	N.A.	N.A.	97.00	—	88.64	88.64	—
5.	Goa	84.39	Nil	5.51	Nil	1688.70	1154.70	2843.20	1453.21

1	2	3	4	5	6	7	8	9	10
6.	Gujarat	245.23	234	Nil	2.34	465.39	142.10	607.49	233.25
7.	Haryana	5021.24	1.83	Nil	918.06	1209.29	2974.38	15068.67	14822.23
8.	Himachal Pradesh	2723.01	29.55	Nil	Nil	3268.75	749.96	4018.71	172.44
9.	Jammu & Kashmir****	N.A.	N.A.	N.A.	N.A.	5520.00	44.00	5564.00	3092.57
10.	Karnataka	346.10	33.94	Nil	Nil	89.7	4567.65	4657.36	386.48
11.	Kerala**	1814.75	N.A.	Nil	25564	873.39	2042.39	2915.76	Nil
12.	Madhya Pradesh****	561.28	Nil	65.07	557.26	831.11	1571.29	2402.40	166.97
13.	Maharashtra*	4182.02	51.01	Nil	Nil	9290.65	670.29	9960.94	365.57
14.	Manipur@	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
15.	Meghalaya	N.A.	N.A.	N.A.	N.A.	797.98	N.A.	797.98	34.97
16.	Mizoram	369.00	4.62	Nil	195.09	1134.38	1386.46	2520.84	504.17

1	2	3	4	5	6	7	8	9	10
17.	Nagaland***	N.A.	1.73	—	94.71	432.98	135.60	568.58	10.70
18.	Orissa**	401.73	8.62	Nil	161.81	2087.04	310.20	2397.24	1.85
19.	Punjab***	381.75	—	38.32	138.73	403.30	59.90	463.27	68.37
20.	Rajasthan****	2332.07	81.45	Nil	Nil	N.A.	N.A.	22140.09	22140.09
21.	Sikkim	220.36	7.00	Nil	N.A.	N.A.	N.A.	N.A.	N.A.
22.	Tamil Nadu****	414.74	24.57	Nil	451.91	147.21	Nil	147.21	Nil
23.	Tripura	N.A.	N.A.	N.A.	1648.63	233.26	272.78	506.04	65.95
24.	Uttar Pradesh*****	3885.83	—	—	—	5622.16	Nil	5622.76	480.49
25.	West Bengal**	706.56	N.A.	N.A.	N.A.	21.65	N.A.	21.65	Nil
26.	A & N Islands*	37.62	1.14	Nil	Nil	195.38	8.42	203.80	8.11
27.	Chandigarh*****	—	—	—	—	—	—	—	—

1	2	3	4	5	6	7	8	9	10
28.	D & N Haveli	—	—	—	—	—	—	—	—
29.	Daman & Diu***	—	—	—	—	—	—	—	—
30.	Delhi****	—	—	—	—	—	—	—	—
31.	Lakshadweep	422.36	N.A.	N.A.	N.A	1089.08	Nil	1089.08	N.A.
32.	Pondicherry	245.10	0.47	Nil	199.19	189.74	Nil	189.74	Nil
Total:		54677.61	248.27	372.26	5833.31	10304.27	16278.28	120106.74	44833.98

Note: * 1995-96
** 1994-95
*** 1993-94
**** 1992-93
***** 1991-92

© The audit of these Federations is in progress

ANNEXURE VI

NUMBER OF PROJECTS SANCTIONED/VILLAGE SOCIETIES COVERED AND ASSISTANCE
SANCTIONED AND RELEASED AS ON 31.3.1997 UNDER NCDC RURAL CONSUMERS SCHEME

(Rs. in lakhs)

Sl. No.	Name of States/UTs	Corporation Sponsored Scheme					Amount Released
		Projects (Nos.)	Village (Nos.)	Branches SOCS (Nos.)	Amount Sanctioned	Amount Released	
1	2	3	4	5	6	7	
1.	Andhra Pradesh	105	2310	0	224.535	217.995	
2.	Assam	57	307	0	49.615	49.277	
3.	Arunachal Pradesh	0	0	0	0.000	0	
4.	Bihar	169	2531	0	185.760	154.707	
5.	Gujarat	111	1391	24	210.880	199.96	

1	2	3	4	5	6	7
6.	Goa	4	13	25	6.680	5.260
7.	Haryana	84	1039	0	132.850	85.820
8.	Himachal Pradesh	95	1541	0	180.100	173.503
9.	Jammu & Kashmir	35	471	0	33.510	33.510
10.	Karnataka	168	3208	0	319.465	304.150
11.	Kerala	91	1280	0	231.121	196.557
12.	Madhya Pradesh	360	5844	201	934.052	894.853
13.	Maharashtra	219	3751	12	334.905	309.883
14.	Manipur	25	140	0	17.515	13.425
15.	Meghalaya	11	45	0	19.190	7.190
16.	Mizoram	7	62	0	11.650	7.600

1	2	3	4	5	6	7
17.	Nagaland	8	29	0	9.720	6.390
18.	Orissa	110	2520	362	241.451	228.128
19.	Punjab	330	2666	0	429.680	419.940
20.	Rajasthan	205	3956	0	426.180	394.116
21.	Sikkim	7	55	0	18.682	13.750
22.	Tamil Nadu	201	4526	1948	757.463	750.867
23.	Tripura	70	420	16	60.260	55.920
24.	Uttar Pradesh	434	9080	223	1021.968	1006.098
25.	West Bengal	592	3263	5	434.184	312.900
26.	A & N Islands	0	0	0	33.890	9.595
27.	Chandigarh	1	0	0	0.600	0.600

1	2	3	4	5	6	7
28.	D & N Haveli	0	0	0	0.000	0.000
29.	Daman & Diu	0	0	0	0.000	0.000
30.	Delhi	0	0	0	0.000	0.000
31.	Lakshadweep	0	0	0	0.000	0.000
32.	Pondicherry	1	15	0	1.100	1.100
Total		3501	50463	2816	6318.731	5855.044

(B) NATIONAL COOPERATIVE CONSUMER'S
FEDERATION OF INDIA LTD.

3.10 The National Cooperative Consumers' Federation of India Ltd. (NCCF) was registered in the year 1965 as the apex body of consumer cooperatives in the country. Its main objective is to provide supply support to its members, in particular, and other consumer cooperatives, in general, for distribution of consumer goods. It also renders technical and promotional guidance and assistance for increasing operational and managerial efficiency of the consumer cooperative stores. The commercial operations of the NCCF are operated through its headquarters at New Delhi and 15 branches and 8 liaison offices/depots located in different parts of the country. It has also set up two pulses processing units at Bhiwani and Nagpur.

3.11 On being asked about the one time financial assistance of Rs. 12 crore as suggested by the expert group on NCCF and Consumer Cooperatives as well as the technical and promotional guidance rendered by NCCF in increasing operational and managerial efficiency, the Ministry in their written reply stated as under:—

“The Expert Group set up by the Government in December, 1996 *inter-alia*, recommended one time financial assistance of Rs. 12.00 crore to the NCCF. The report of the Expert Group was examined in the Department and the Ministry of Finance was requested to provide an amount of Rs. 8.10 crore through the Supplementary Demand for Grants for the year 1997-98. Rs. 3.90 crore was proposed to be provided in 1998-99. The Ministry of Finance stated that it was not feasible to provide any budgetary support to the NCCF in the financial year 1997-98 and suggested for its deferment to the year 1998-99. The Ministry of Finance also advised that the approval of the Planning Commission may also be obtained for the same. The Department has taken up the matter with the Planning Commission for their approval for one time financial assistance of Rs. 12 crore to the NCCF during the year 1998-99.

The Bye-law Provision 3(i) of the NCCF of India Limited envisages rendering technical guidance and assistance to its member institutions in particular and consumer cooperative societies in general in such matters as standardisation, bulk buying, storing, pricing, account keeping and other business techniques, management methods, etc. to improve and increase

the operational and managerial efficiency of the affiliated units of the NCCF. Due to the poor financial condition of the NCCF Consultancy & Promotional Cell (C & P Cell) could not operate up-to the desired level. The activities of the C & P Cell will, however, get geared up if financial assistance as proposed by the Expert Group is made available."

3.12 The sales achieved by the NCCF during the year 1996-97 was Rs. 207.29 crore with net loss of Rs. 85.65 lakh as against sales of Rs. 242.96 crore with a marginal profit of Rs. 23.75 lakh during 1995-96. The reduction in the sales of the NCCF during the year 1996-97 was largely due to reduction in the sales of the grocery items. The gross margin from business has, however, gone up from Rs. 855.52 lakh in 1995-96 to Rs. 871.05 lakh during 1996-97. The total accumulated losses of the NCCF as on 31.3.97 were Rs. 39.09 crore as against Rs. 38.23 crore during 1995-96.

3.13 When the Committee asked about the steps taken by the NCCF to minimise the losses I the Ministry in their written reply stated as follows:—

"The steps taken by the NCCF to minimise the losses are:—

- (I) Reduction in staff strength through the implementation of Voluntary Retirement Scheme and non filling up of vacancies arising out of resignation, retirement etc.
- (II) Closing of uneconomic branches.
- (III) Improving business relations with the State Consumer Cooperative Federations and the large wholesale consumer cooperatives in the country."

3.14 While being asked whether Government have any plan to move towards the no profit no loss maxim, the Ministry replied as under:—

"The current working of the NCCF shows that a gross margin from the business has gone up from Rs. 855.52 lakh in 1995-96 to Rs. 871.05 lakh during 1996-97. The reasons for suffering losses during 1996-97 were higher expenditure on account of establishment expenses, increase in the pay scales of employees and heavy interest on the borrowed capital received by NCCF

from Government of India and its financing banks. If the proposed release of Rs. 12 crore to the NCCF comes through the NCCF will be in a position to repay the loans it has borrowed from the financing banks and the Government of India, thereby, saving both on interest and penal interest which will make the organisation earn at least nominal profits."

(C) SUPER BAZAR

3.15. The Super Bazar, the Cooperative Store Limited, started functioning from July, 1966 with one Super Market at Cannaught Place, New Delhi. The store has now grown into one of the largest consumer cooperative stores in the country with annual sales turnover of Rs. 138.48 crore during the year 1996-97. It has now 152 branches (4 of which are functioning in Noida area), 6 regional distribution centres and 18 drug outlets, of which 6 operate round-the-clock. It also runs about 22 Mobil van shops to cater to the needs of the far flung areas including slum colonies. The Super Bazar, Delhi was the pioneer in introducing self-service system in its shops in the country. The membership of the Super Bazar, Delhi as on 31.3.97 was 34137. The paid-up share capital as on 31.3.97 was Rs. 166.29 lakh of which Govt. contribution was Rs. 126.99 lakh. The Super Bazar, Delhi had been continuously earning profits since 1972-73 and regularly paying dividend to its members including the Government.

3.16 The working results of the Super Bazar during the last three years was, however, as under:—

		(Rs. in lakhs)		
		1994-95 (Audited)	1995-96 (Proforma)	1996-97 (Tentative)
1.	Sales	13015.23	12654.73	13847.85
2.	Gross profit	1051.00	1157.94	1157.59
3.	Net profit (+)/ Loss (-)	(+) 22.11	(+) 27.61	(-) 67.65

3.17 Presently, Super Bazar is doing satisfactory services to consumers in Delhi. It has been instrumental in providing essential

commodities at reasonable prices to the public even in the far flung areas including slum colonies. Currently, Super Bazar has to purchase commodities from markets and then supply the same to the consumers. Super Bazar is also facing problems due to delayed payment of its bills.

3.18 When asked about the steps being taken by the Government to streamline the payments, in time, the Ministry, in a written reply furnished as under:—

“The Super Bazar had been providing normal credit facilities of 30 days to the Government institutions for goods supplied to them on credit. The recoveries, by and large, are effected in 2-3 months time. The Management of the Super Bazar has taken steps to streamline the payment procedure through setting up of a Special Recovery Cell for this purpose.”

3.19 On being asked to state whether the Government has chalked out some strategy to manufacture and package some essential commodities so that the customers get the essential commodities at reasonable rate and employees may be paid from profit margin the Ministry replied as under:—

“The Super Bazar is an autonomous cooperative organisation having its own Board of Directors to deal with its business and other administrative matters. As a business organisation, it has, therefore, to sustain its existence through its business operations only. Government of India tries to give preference to Super Bazar and other cooperative organisations in respect of distribution of essential commodities like wheat, atta and palmolein at the time of scarcity/short supply.”

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 obligation 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.

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 crore 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.

CHAPTER IV

WEIGHTS AND MEASURES

(Rs. in crores)

1997-98 (BE)		1997-98 (RE)		1998-99 (BE)	
Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
0.22	0.52	0.21	0.88	0.22	0.89

4.1 The Weights and Measures laws in the country are enforced through the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. Through these legislations, the Government ensures that all weights and measures used in trade transactions, industrial production or protection of human health and safety are accurate and reliable so that users are guaranteed accuracy of their performance. This in turn enables the consumers to get the right quality/quantity of goods for which they are paying. With rapid developments in the field of science and technology coupled with the liberalization policy being pursued by the Government, a number of state-of-the-art weighing and measuring instruments are finding their way into the Indian market. To ensure quality control and uniformity in these new types of weights and measures, their specifications also need to be updated. The Department has already set in motion the process of adopting these new specifications in the General Rules, in alignment with the recommendations made by the International Organization of Legal Metrology. In this direction, the Rules were amended revising the specifications of "non-automatic weighing instruments" in line with the international recommendations. Adoption of the new specifications would help the Indian industries to compete in the international market.

4.2 The weights and measures regulations in India also regulate the sale of commodities in pre-packed form. The Standards of Weights and Measures (Packaged Commodities) Rules, 1977 require mandatory declaration of some basic information on packages to safeguard the interests of consumers. The Rules were amended recently making it

compulsory for importers to indicate some mandatory declarations on imported packages in the interest of the consumers. The Rules were also amended recently in respect of the following to provide better protection to the consumers:—

- (i) 15 kg was made as the demarcation limit between “retail and wholesale” packages in respect of grains and pulses’.
- (ii) The use of abbreviated form (MRP) for declaring retail sale price has been permitted on the body of the ‘soft drink’ bottles.
- (iii) Packing of bread has been permitted in multiples of 100g, to provide the consumers a wider choice. Earlier this product was permitted in pack sizes of 100g, 200g, 400g, 800g and 1200g.
- (iv) Edible oil was permitted to be packed both in volume measure as well as in weight measure. When filling by volume was done, the Rules required the packer to declare the equivalent weight on the package and when the filling is done by weight, the equivalent volume was required to be declared. Indication of equivalent volume, when filling is done by weight measure, was creating technical problems to the industry. Further, as such volume declared was only approximate, it created confusion and uncertainty in the minds of consumers as well. To eliminate this difficulty, declaration of equivalent volume, when filling is done by weight measure, has been withdrawn.

Indian Institute of Legal Metrology, Ranchi

4.3 To impart training to the enforcement officials of Weights & Measures, the Institute has been running a four-month basic training course. Besides, the Institute proposes to conduct a six-month integrated training programme for officers from developing countries and courses on consumer protection laws. Programmes have also been drawn up to train licensed repairers of electronic weighing instruments. The Institute, in addition, conducts workshops and seminars of shorter durations on specific topics to update the knowledge of the enforcement officers on the latest developments in the field of legal metrology. On an average, the Institute trains about 200 personnel every year.

Regional Reference Standards Laboratories

4.4 The Central Government has established three Regional Reference Standards Laboratories (RRSL) at Ahmedabad, Bhubaneswar and Bangalore. These RRSLs serve as a link in disseminating the values of national standards of weights and measures down to the commercial level. During the 9th Five Year Plan period, the Ministry has undertaken to implement three new schemes namely, establishing a RRSL for the northern region of the country, a RRSL for the north-eastern region and construction of a laboratory building for RRSL at Bhubaneswar. The existing laboratories at Ahmedabad and Bangalore are also being modernised to meet the requirements of the industry.

4.5 Apart from the statutory obligation of verification of legal standards of the States and conducting model approval tests of weights and measures, these laboratories have been rendering metrological services to industries by undertaking calibration of their weighing and measuring instruments. Each laboratory on an average provides calibration service to about 100 industries in the region.

4.6 The Budget Estimate (1997-98), Revised Estimate and Budget Estimate (1998-99) for consumer industry i.e. BIS are as under:—

(Rs. in crores)

1997-98 (BE)		1997-98 (RE)		1998-99 (BE)	
Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
3.00	—	2.85	—	3.00	—

4.7 Bureau of Indian Standards (BIS) was set up on 1 April, 1987 as a statutory body taking over the functions of erstwhile Indian Standards Institution (ISI). As on 31st March 1997, 16946 standards representing specifications, methods of test, definitions of technical terms, codes of practice, etc. covering various sectors in the Industrial and agricultural fields, were in force.

Certification making Scheme maintained progress as in the past. As on 31st March 1997, 12602 licences were in operation. The certification revenue was Rs. 4009.00 lakh.

Quality System Certification made tremendous progress during the year 1996-97, during which 75 licences were granted. As on 31st March, 1997, 285 licences were in operation. The income from Quality System Certification during 1996-97 was Rs. 154 lakh.

4.8 BIS is launching Environmental Management System Certification shortly as per IS/ISO 14000 standards. This is to cope with the international Emphasis on environment friendly industrial development.

4.9 During 1997-98 SSI Facilitation Centre was started to help dissemination of information relating to BIS activities in various fields, in particular, the Product and Quality System Certification Schemes. This service has received appreciation of the small scale industrial units and entrepreneurs.

4.10 In the Ninth Five Year Plan, five continuing schemes and three new schemes in respect of the BIS were initially included with a total outlay of Rs. 17.82 crores. Subsequently, Ministry of Finance undertook a review of Plan schemes with a view to weeding out programmes and schemes identified as redundant, non-essential or having outlived their utility. As a result of the review, the BIS has now only one scheme i.e. BIS Institute of Standardization and Quality Management, Noida.

4.11 The Bureau of Indian Standards after taking into consideration the overall demand and need for accelerating the pace of training, decided to set up a separate Training Institute with its own infrastructure and personnel. The primary objective of the Institute is to train personnel from industry, Government, technical institutions, R&D Centres, etc. in the areas of Quality Systems, Statistical Quality Control, Standardization, Testing and Laboratory Management, use of Indian Standards, Product Certification, etc. The other areas of training will be Company Standardization, Technical Development, Management Development, Entrepreneur Development and in due course running diploma/degree courses in standardization for fresh graduates in Engineering.

4.12 The Bureau of Indian Standards established the Training Institute formally in the skeleton form in the month of July, 1995 by creating a separate Department under the charge of a Senior Director. The Training Institute is already conducting training programmes all

over the country in the hired premises to meet the requirement of the industry as an interim measure till the Institute is housed in its own building.

4.13 The proposal was approved by Expenditure Finance Committee (EFC) in its meeting held on 11.4.1997. It was decided by the EFC that out of estimated cost of Rs. 9.5 crores for setting up of the Training Institute Rs. 8.00 crores will be allocated from plan fund (9th Five Year Plan) and the balance amount of Rs. 1.5 crore will be met by BIS from its own resources. The project is likely to be completed by 31 March, 2001.

4.14 The break-up of the estimated expenditure on setting up of the Training is given below:—

Land	Rs. 4.00 crore
Building	Rs. 2.75 crore
Furniture & Equipment	Rs. 1.30 crore
Collaboration conveyance and running expenses	Rs. 1.45 crore

4.15 A plot of land measuring 4 acres has been purchased from NOIDA Authority at its Institutional area in Sector 62 at the cost of Rs. 4.00 crore. A sum of Rs. 2.5 crores has already been paid to NOIDA Authorities. The year-wise requirement of funds is given below:—

Year	Funds received/required (Rupees in crores)	Funds utilized (Rupees in crores)
1997-98	2.85 #	2.85
1998-99	1.15 (Balance amount of land cost) 2.75 (Construction cost)	
1999-2000	1.25 (Office furnishing & Training aids)	
2000-2001	1.45 (Collaboration, recurring expenditure etc.)*	

#Due to 5 per cent cut imposed by the Ministry of Finance, Rs. 2.85 crores only was available for released out of the total budget provision of Rs. 3.00 crores.

*To be met by BIS from its own funds.

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.

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 Standard 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.

CHAPTER V

ESSENTIAL COMMODITIES

5.1 The Department of Consumer Affairs closely monitors the prices and availability of essential commodities on a regular basis. The retail and wholesale prices of items like rice, wheat, gram, arhar, sugar, tea, vanaspati, mustard oil, groundnut oil, potatoes, onions and salt are monitored on daily and weekly basis. The daily retail prices of the above 12 commodities are collected in respect of 18 State capitals through the State Civil Supplies Departments. The daily prices are transmitted to the Control Room of the Department of Consumer Affairs through NIC-NET, Fax, Telephone, telex, etc. The data, thus, received is compiled and a summary Statement is forwarded daily to the PMO, Cabinet Secretariat, etc. The wholesale prices of the above 12 commodities and Gur are being collected from 37 centres spread all over the country. The centres cover all the State/UT capitals and some additional major producing centres or consuming centres of the essential commodities.

5.2 Detailed analysis of the wholesale and retail prices is carried out to identify the commodities with inflationary potential which require special attention from the point of view of augmenting their supplies. The Special Action Committee of Secretaries on Monitoring of Prices (SACP) of essential commodities under the chairmanship of Cabinet Secretary reviews the prices and availability of these commodities on a fortnightly basis. Cabinet Committee on prices (CCP), under the chairmanship of Finance Minister, is the apex body to review the overall demand and supply position of essential commodities. Contingency management approach includes market intervention through the Public Distribution Agencies to distribute commodities which are in short supply at a particular point of time, at subsidised rate, as had been done in the case of onions during January-February 1998. reducing the import duty, allowing the imports under OGL, prescribing stock limit for traders and initiating stringent action against hoarders and anti social elements under the Essential Commodities Act and the Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act.

5.3 The prices of most of the essential commodities are, by and large, normal so far during the current financial year. Variation in the prices of certain essential commodities can be ruled out due to the gap between their demand and supply, ongoing lean supply season, higher International prices and unforeseen circumstances. However, the prices of all the essential commodities are being closely monitored alongwith their supplies. In case of sharp rise in the prices of a particular commodity, efforts will be made to augment their supplies from surplus producing areas, commence distribution through co-operatives and other public distributing agencies, allow imports under OGL at lower import duty and also regulate their stock limits wherever considered necessary.

5.4 When the Committee asked the Ministry about the steps taken to control the prices as well as ensuring the supply of Essential Commodities at reasonable prices at the retail level, the Ministry stated:—

- “(i) High level committee, namely the Cabinet Committee on prices (CCP) and Special Action Committee of Secretaries on Monitoring of Prices (SACP) with a view to review the price situation and providing relief to the consumer have been functioning effectively.
- (ii) The daily monitoring of absolute retail prices is being done for selected centres by the Ministry of Food & Consumer Affairs in respect of 12 essential commodities of mass consumption viz. rice, wheat, gram, arhar, potatoes, onions, tea, sugar, salt, vanaspati, groundnut oil and mustard oil.
- (iii) Commodities such as rice, wheat, sugar, kerosene, edible oils, soft coke etc. are being distributed through the network of Public Distribution System (PDS) at below market prices.
- (iv) Action against the hoarders, black marketeers and those indulging in unfair practices has been intensified under the Essential Commodities Act, 1955, by the State Governments. The State Governments have been alerted to take stern action against hoarders, black-marketeters and those indulging in unfair trade practices.
- (v) Commodities which are in short supply such as wheat, pulses, edible oils etc., are being imported in the most

desired quantities to increase their availability in the market. The Government has put the import of edible oils, pulses and cotton under Open General License (OGL) in order to augment their availability.

- (vi) Government has decided to import upto 1.5 million tonnes of wheat through State Trading Corporation.
- (vii) Roller Flour Mills are allowed to import their requirements under OGL through registration with APEDA to augment supplies of wheat products.
- (viii) The stock holding limit for dealers of wheat have been prescribed in order to prevent hoarding and unhealthy trade practices.
- (ix) The essential commodities of mass consumption are being supplied to the consumers through the cooperative outlets of Super Bazar, Kendriya Bhandar, and retail/mobile outlets of State Civil Supplies Corporation.
- (x) The stock holding limits of producers, manufacturers and dealers of oil seeds and vegetable oils were reduced by 50% in order to check the rise in the prices of edible oils.
- (xi) In order to control the rise in prices of edible oils, edible oils have been allowed to be imported under OGL at reduced customs duty.
- (xii) Market intervention was done in the case of Onion which were supplied at subsidised rates in Delhi, Chennai and Hyderabad during January and February 1998."

Prevention of black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980.

5.5 This Act empowers the Central and State Governments to detain persons whose activities are found to be prejudicial to the maintenance of supplies of essential commodities.

5.6 Number of persons detained under the Prevention of Black-marketing and Maintenance of Supplies of essential Commodities

Act, 1980 during the last three years, State-wise is as under:—

S. No.	Name of State/UTs.	1995	1996	1997
1.	Andhra Pradesh	5	5	4
2.	Assam	1	10	11
3.	Bihar	12	—	—
4.	Gujarat	141	55	101
5.	Madhya Pradesh	1	—	—
6.	Maharashtra	—	—	2
7.	Orissa	7	2	—
8.	Tamil Nadu	—	—	3
Total:		167	72	121

5.7 Preventive detention under the Act is made to obstruct a person from making gain in any manner which may directly or indirectly defeat or tend to defeat the provisions of the Essential Commodities Act, 1955. The State Government and the Central Government have the powers to revoke or modify the detention order. The Advisory Board constituted by the State Government under the Act submits its opinion in its report as to whether or not there is sufficient cause for the detention of the person concerned. On receipt of the report of the Board, the concerned Government may confirm the detention order and continue the detention of the person or revoke the detention order and cause the person to be released. The detenu can also seek relief from the judiciary.

5.8 The Department has set up a Facilitation Counter at Gate No. 6 of Krishi Bhavan wherein all public grievances are received and entered in the Computer. Necessary instructions have already been issued to all officers and staff in this Department to send the details of public grievances received by them direct to the Facilitation Counter in the software developed by the National Informatic Centre (NIC). So far, no public grievance has been received at the Facilitation Counter from where a monthly report is being sent to the Department of Administrative Reforms & Public Grievances.

5.9 However, some complaints about deficiency in services like shortage/delayed supply of LPG, defects in consumer goods etc. are received in the Department on which no action could be taken by the Department and these were forwarded to concerned Ministries/Departments/State Governments for appropriate action at their end.

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 shop-owners. 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 Fair Price Shops to Consumer Cooperatives in these States and the Consumer Organisations/Cooperatives should be encouraged in this regard.

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.

NEW DELHI;
July 7, 1998

Asadh 16, 1920 (Saka)

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

PART II

MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION HELD ON THURSDAY THE 19TH JUNE, 1998

The Committee sat from 15.00 to 17.35 hours.

PRESENT

Shri Raghuvansh Prasad Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Kariya Munda
3. Shri Gangaram Koli
4. Shri Shyam Bihari Mishra
5. Shri Bhanu Pratap Singh
6. Shri Sadashivrao Dadoba Mandlik
7. Shri Ram Raghunath Chaudhary
8. Shri Madhab Rajbanshi
9. Shri C.P. Mudala Giryappa
10. Shri P. Sankaran
11. Shri Rama Chandra Mallick
12. Shri Baju Ban Riyan
13. Shrimati A.K. Premajam

Rajya Sabha

14. Smt. Urmilaben Chimanbhai Patel
15. Shri Shivajirao Giridhar Patil
16. Shri Mohindar Singh Kalyan
17. Shri Khagen Das

SECRETARIAT

1. Shri John Joseph — *Joint Secretary*
2. Shri Krishan Lal — *Deputy Secretary*
3. Shri A.S. Chera — *Under Secretary*

WITNESSES

*Ministry of Food and Consumer Affairs
(Department of Consumer Affairs)*

1. Shri N.N. Mookerjee, Secretary (CA)
2. Shri Rajiv Srivastava, Addl. Secretary
3. Shri C.S. Rao, Addl. Secretary and F.A.
4. Shri Kamal Kishore, Economic Adviser
5. Shri P.S. Das, Director General, BIS
6. Shri T.T. Adhikari, Managing Director, NCCF
7. Shri S.P. Pathak, Managing Director, Super Bazar
8. Shri P. Krishnamoorthy, Director (W&M)

2. At the outset, the Chairman welcomed the representatives of the Ministry of Food and Consumer Affairs (Department of Consumer Affairs). The Chairman then asked the Secretary concerned to introduce his colleagues and the Secretary introduced his colleagues.

3. Thereafter, the Committee discussed with the representatives of the Ministry of Food and Consumer Affairs (Department of Consumer Affairs) the various points mentioned in the List of Points. The queries of Members were resolved by the representatives. The evidence was concluded.

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|----|----|----|----|----|
| 4. | ** | ** | ** | ** |
| 5. | ** | ** | ** | ** |

6. A verbatim record of the proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE SIXTH SITTING OF THE STANDING
COMMITTEE ON FOOD, CIVIL SUPPLIES AND
PUBLIC DISTRIBUTION HELD ON
MONDAY THE 6TH JULY, 1998

The Committee sat from 15.00 to 17.50 hours.

PRESENT

Shri Raghuvansh Prasad Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Prabhas Chandra Tiwari
3. Shri Shyam Bihari Mishra
4. Shri Aditya Nath
5. Shri Bhanu Pratap Singh
6. Shri Ramesh Chandra Dwivedi
7. Shri Abhaysinh S. Bhonsle
8. Shri Sadashivrao Dadoba Mandlik
9. Shri Ram Raghunath Chaudhary
10. Shri Madhab Rajbangshi
11. Shri Rama Chandra Mallick
12. Smt. A.K. Premajam
13. Shri Satnam Singh Kainth

Rajya Sabha

14. Smt. Urmilaben Chimanbhai Patel
15. Shri Onward L. Nongtdu
16. Shri Lajpat Rai
17. Shri Yerra Narayanaswamy
18. Sardar Balwinder Singh Bhundar

SECRETARIAT

1. Shri John Joseph — *Joint Secretary*
2. Shri Krishan Lal — *Deputy Secretary*
3. Shri A.S. Chera — *Under Secretary*

I. Consideration and adoption of Draft Third Report.

2. ** ** ** **

II. Consideration and adoption of Draft Fourth Report.

3. The Committee also considered the Draft Fourth Report on Demands for Grants (1998-99) relating to Department of Consumer Affairs, Ministry of Food and Consumer Affairs. The Committee adopted the report with a few amendments as shown in the Appendix.

4. The Committee authorised the Chairman to make consequential changes arising out of the factual verification of the reports by the Department of Food and Civil Supplies and Department of Consumer Affairs, Ministry of Food and Consumer Affairs and present/lay the same in both the Houses of Parliament.

The Committee then adjourned.

APPENDIX

[See Para 3 of the Minutes of the Sixth Sitting of the Standing Committee on Food, Civil Supplies and Public Distribution (1998-99)]

Modifications/Amendments made by the Committee on Food, Civil Supplies and Public Distribution in the Fourth Report on Demands for Grants (1998-99) relating to Department of Consumer Affairs, Ministry of Food and Consumer Affairs.

Page	Para	Line(s)	Modifications/Amendments
44	3.20	12	<i>Add after "for losses"</i> <i>"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 malpractices".</i>
55	5.11	7	<i>Add after "potatoes"</i> <i>mustard oil and other edible oils.</i>
