

**STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC
DISTRIBUTION
(2005-2006)**

FOURTEENTH LOK SABHA

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

**{Action Taken by the Government on the recommendations/observations
contained in the Seventh Report of the Committee on Demands for Grants (2005-
2006) of the Ministry of Consumer Affairs, Food and Public Distribution
(Department of Consumer Affairs)}**

EIGHTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

October, 2005 /Asvina, 1927 (Saka)

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(2004-2005) of the Ministry of Consumer Affairs, Food and Public Distribution
(Department of Consumer Affairs)}**

**Presented to Lok Sabha on 1st December, 2005
Laid in Rajya Sabha on 1st December, 2005**



**LOK SABHA SECRETARIAT
NEW DELHI**

October, 2005 /Asvina, 1927 (Saka)

CONTENTS

Composition of the Committee

INTRODUCTION

- Chapter I Report
- Chapter II Recommendations/Observations which have been accepted by the Government
- Chapter III Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies
- Chapter IV Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee

APPENDICES

- I Minutes of the Third sitting of the Committee held on 6.10 2005.
- II ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE SEVENTH REPORT OF THE COMMITTEE.....

**COMPOSITION OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS
AND PUBLIC DISTRIBUTION – 2005-06**

Shri Devendra Prasad Yadav - Chairman

**MEMBERS
LOK SABHA**

2. Shri A.P. Abdullakutty
3. Shri Govinda Aroon Ahuja
4. Shri Suresh Angadi
5. Shri Ranen Barman
6. Shri Alakesh Dass
7. Shri Gadakh Tukaram Gangadhar
8. Shri Atma Singh Gill
9. Shri Abdul Mannan Hossain
10. Shri Jaiprakash
11. Shri Baliram Kashyap
12. Shri Avinash Rai Khanna
13. Shri Parsuram Majhi
14. Shri Zora Singh Mann
15. Shri Harish Nagpal
16. Shri Kondapalli Paidithalli Naidu
17. Shri Harikewal Prasad
18. Smt. Daggubati Purandeswari
19. Shri Ajit Kumar Singh
20. Shri Chandrabhan Singh
21. Shri Ramakant Yadav

RAJYA SABHA

22. Shri Santosh Bagrodia
23. Shri T.S. Bajwa
24. Shri Palden Tsering Gyamtso
25. Shri Narayan Singh Kesari
26. Smt. Bimba Raikar
27. Shri Lalitbhai Mehta*
28. Shri Nabam Rebia
28. Shri Thanga Tamil Selvan
29. Shri Vikram Verma
30. Shri Vijay Singh Yadav

SECRETARIAT

1. Shri John Joseph - Secretary
2. Dr. (Smt.) Paramjit Kaur Sandhu - Additional Secretary
3. Shri P.K. Bhandari - Joint Secretary
4. Shri R.S. Kambo - Deputy Secretary
5. Shri B.S. Dahiya - Under Secretary
6. Shri Jagdish Prasad - Assistant Director
7. Shri R.K. Bhatnager - Committee Officer

* Ceased to be Member of the Committee consequent upon his retirement from Rajya Sabha w.e.f. 18.8.2005.

INTRODUCTION

I, the Chairman of the Standing Committee on Food, Consumer Affairs and Public Distribution (2005-2006) having been authorised by the Committee to submit the Report on their behalf, present this Eighth Report on Action Taken by the Government on the recommendations/observations contained in the Seventh Report of the Committee (Fourteenth Lok Sabha) on Demands for Grants (2005-2006) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

2. The Seventh Report was presented to Lok Sabha and laid in Rajya Sabha on 27 April, 2005. The Government have furnished their replies indicating Action Taken on the recommendations contained in the Report on 27th July, 2005. The Draft Report was considered and adopted by the Committee at their sitting held on 6th October, 2005.

3. An analysis of the action taken by the Government on Recommendations contained in the Report is given in Appendix II.

NEW DELHI
19 October, 2005
27 Asvina, , 1927 (Saka)

Devendra Prasad Yadav
Chairman
Standing Committee on Food, Consumer
Affairs and Public Distribution

CHAPTER – I

REPORT

This Report of the Standing Committee on Food, Consumer Affairs and Public Distribution deals with the Action Taken by the Government on the Observations/Recommendations contained in the Seventh Report (Fourteenth Lok Sabha) on “Demands for Grants (2005-2006)” pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

1.2 The Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on 27th April, 2005. It contained 21 recommendations/observations.

1.3 Action Taken Notes in respect of all the 21 observations/ recommendations contained in the Report have been received and categorized as follows:

- (i) Recommendations/observations which have been accepted by the Government:
Recommendations Nos. 2,3,4,6,7,8,9,14,15,18,20,and 21

(Chapter –II, Total 12)

- (ii) Recommendations/observations which the Committee do not desire to pursue in view of the Government’s replies:
Recommendations Nos. 1,5,11,12,16, 17 and 19

(Chapter – III, Total 7)

- (iii) Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee:
Recommendations Nos. 10 and 13

(Chapter – IV, Total 2)

- (iv) Recommendations/observations in respect of which replies of the Government are still awaited.
Recommendation No. **Nil**

(Chapter – V, Nil)

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

1.5 The Committee strongly emphasize that utmost importance should be given to the implementation of Observations/Recommendations accepted by the Government. In cases where it is not possible for the Government to implement the recommendations in 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.

A. Assistance to Consumer Courts and Fora

Recommendation (Sl. No. 7, Para No. 3.20)

1.7 The Committee took note of the fact that the disposal of cases within the stipulated period of 90 to 150 days as contemplated in the Consumer Protection Act, 1986 were not met due to lack of adequate supporting staff, dearth of accommodation insufficient financial support and other infrastructural bottlenecks. The Committee had, therefore, desired that adequate supporting staff and other infrastructure be provided for smooth working of Consumer Courts.

1.8 The Government in their action taken replies have stated that it was the responsibility of the State Governments/UTs to set up State Commission and District Forum and also to provide necessary infrastructure, men power and funds for the smooth functioning of Consumer Courts. They have further stated that the Department was repeatedly impressing upon the State Governments to provide suitable infrastructure for the Consumer Fora. It has been further intimated that the Central Government had sanctioned one time assistance of Rs. 61.80 crore during the period 90-95 and 98-99 for infrastructure. According to them during 2004-2005, 13 States have been sanctioned an amount of Rs. 10.20 crore for infrastructure development of the newly created Consumer Fora not covered under the 1st grant. These funds are meant to be utilized by the States/UTs for construction/purchase of building for State Commission/District Forums, office equipment, furniture, reference books etc.

1.9 The Committee are satisfied to note that Central Government provided an assistance of Rs. 61.80 crore during 1995-99 for infrastructure development and another amount of Rs. 10.20 crore for the newly created Consumer Fora not covered under the first grant. The Committee would like to be apprised of the utilisation of one-time assistance, by each of the State/UT. The Committee also desire that the Ministry should closely monitor the financial assistance made available to the State Governments/UTs to ensure that the funds spent judiciously for the purpose for which these were sanctioned. At the same time, the Committee desire that defaulting States be barred from further assistance in the matter. The Committee also recommend that Government should arrange to conduct a study for finding out the difficulties being faced by the Consumer Fora in regard to infrastructure and thereafter take appropriate steps to remove those difficulties.

B. Consumer Welfare Fund

Recommendation (SL. No. 10, Para No. 3.33)

1.10 Taking a strong objection to non-submission of utilisation certificates by 52 NGOs/VCOs out of 139 who were sanctioned grant-in-aid, the Committee recommended that Ministry should make sincere efforts to obtain utilisation certificates from the defaulting NGOs/VCOs without delay.

1.11 The Ministry in their reply, have stated, that they are vigorously pursuing with the NGOs/VCOs to obtain the utilisation certificates, where these have become due. It has been intimated that 52 NGOs/VCOs out of a total of 139 have so far submitted utilization certificates. It has been further stated that Government will consider proposals which are of national significance only from reputed NGOs/VCOs.

1.12 The Committee note that out of a total of 139 NGOs/VCOs to whom grant-in-aid was made available, only 52 NGOs/VCOs submitted utilisation certificates during the year 2003-04, which is just 40%. The Committee are not satisfied with the efforts made by Ministry in obtaining utilisation certificates from the defaulting NGOs/VCOs. Reiterating their earlier recommendation, the Committee desire that Ministry should review the terms and conditions under which grant-in-aids are made available to NGOs/VCOs and ensure that all the NGOs/VCOs who are extended financial assistance from the Government do submit their utilisation certificates within a stipulated time frame. In the event of non-submission of utilisation certificates within a given time frame, such NGOs/VCOs should be black listed and no further grant-in-aid be released to them or to their sister concerns. The Committee also desire that some mechanism should be evolved to make one of the office bearers of NGOs/VCOs accountable for failure to submit the utilisation certificates.

C. Modernization of Weights and Measures Equipments

Recommendation (SL. No.13, Para No. 5.14)

1.13 The Committee while conveying its displeasure on the working of Weights and Measure Department of the Ministry had noted that the Data furnished by the State Governments in respect of misuse of weights and measures was incomplete and pace of modernization of the State Laboratories was also very slow. The Committee had recommended that the matter should be taken up with respective State Governments for overall improvement in the performance of Weights and Measures Department and existing standard equipments in the Standard Laboratories may be replaced with the digital type weighting instruments. The Committee had further desired that State Government should also monitor the working of their Weights and Measure Department regularly. They also recommended that the laws relating to weights and measures be enforced strictly for protecting the interest of consumers.

1.14 The Government, in their reply, have informed that they have drawn up a scheme for strengthening the Legal Metrology Wing of States/UTs in 10th Plan at a cost of 24.72 crore. Under the Scheme States/UTs are to be supplied with a few sets of digital type working standard balances and one mobile kit filled with crane and 10 tonne weights for testing weigh bridges as model for replication by them. The Ministry have further informed that during the last 2 years, 17 States have been supplied with a set of digital type secondary standard balances through consumer welfare fund.

1.15 The Committee are concerned to note that inspite of urging the State Governments/UTs to modernize the equipments used by the Enforcement Authorities, most of the State Governments are yet to do so. The Committee are of the view that the consumers in the country cannot be empowered unless and until, the Weights and Measures Laws are implemented with missionary zeal and the equipments and gadgets used by Enforcement Authorities modernized. The Committee note that the Central Government have drawn up an ambitious programme for strengthening Legal Metrology during Tenth Plan, for which a provision of Rs. 24.72 crore has been earmarked in the Tenth Plan. Under the Scheme, the States/UTs are to be supplied few sets of digital type working standard/secondary standard balances and mobile kit fitted with crane and 10 tonne weights for testing weigh bridges as model for replication by them. In the opinion of the Committee, this Scheme is moving at a snail's pace. The Committee, therefore, desire that the implementation of the Scheme be speeded up and the whole programe of modernization for strengthening Legal Metrology should be carried out in the fixed time schedule and the Committee may be apprised of this. The Committee have taken note of the fact that the States/UTs have been urged to monitor the activities of Weights and Measures Department regularly. The Committee would like to be apprised of the action taken by State Governments in this regard within a period of three months of the presentation of this Report.

D Need to Amend FC (R) Act–1952

Recommendation (SL No. 18, Para 6.16)

1.16 The Committee took note of the fact that due to inadequate salary and other perks being paid to the Directors that most of the Exchanges are facing difficulties in finding experienced/qualified and willing persons who may attend meetings of Board at short notice and contribute to improve functioning of the Exchanges. The Committee, had therefore, desired that the Ministry should look into the matter with due seriousness and make concrete efforts to fill up the vacant posts of Directors at the earliest.

1.17 The Government in their action taken replies that FMC is persuading regional exchanges to pay reasonable seating fees so that no Director has to pay from his pocket for attending Board /Committee meetings. It has been further intimated that the Government is also making efforts to fill the vacant posts of Directors on the Board of the Exchanges with qualified persons. The Central Government has also proposed to bring out amendment to the FC (R) Act provision for demutualizing and corporatisation of Regional Exchange is being provided and the problem will get solved once these exchanges switch over to demutualised setup.

1.18 The Committee note that Forward Market Commission (FMC) have persuaded the Regional Exchanges to pay reasonable seating fees and other allowances to all the qualified persons for participating in the Board meetings. The Committee also note the steps taken by the Ministry to fill the vacant posts of Directors in the Exchanges and bringing out amendment to the FC (R) Act for the smooth functioning of the Regional Exchanges. The Committee, desire that the Central Government should fill up the vacant posts at the earliest and also expedite the amendments to FC (R) Act for demutualization and corporatisation of the Regional Exchanges.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

(Recommendation (SL. No. 2, Para No. 2.14)

2.1 The Committee have noted that the allocation under Plan Scheme for the Department of Consumer Affairs for the year 2005-06 has been enhanced considerably. The Secretary, Department of Consumer Affairs was candid during evidence in stating that the responsibility of the Department has increased and the Department would do its best to fulfill the expectations expected from it. The Committee hope and trust that the enhanced allocation will be utilised judiciously and in a time bound manner.

Reply of the Government

2.2 All out efforts are being made to implement these programmes by utilizing the allocation in a judicious and phased manner. Necessary advance planning has already been made which is monitored and reviewed on a regular basis.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs)
F. No. G-11027/1/2005-P&C dated 26th July, 2005

(Recommendation (SL.No 3, Para No. 2.15)

2.3 The Committee also expect that an allocation of Rs. 7.03 crores for advertisement and publicity for North East for the year 2005-06 will be utilised fully. The Committee has been informed that 15 agencies in the country have been called to make presentation on how to spend the amount and a Committee has been constituted to evaluate the presentation for North East. The Committee recommend that the Department accord special attention to this aspect and spread the consumer awareness to every region of the North East after working out all the details. The Committee would like to be informed of the steps taken in this regard.

Reply to the Government

2.4 As has already been intimated earlier, the process of selecting a top professional agency to devise strategies for a multi-media publicity campaign to create consumer awareness in the whole country has already been finalized. A separate media plan for North Earth Zone is being conceptualized. In the meanwhile the ongoing awareness campaign which includes advertisement on consumer related issues in newspapers, radio programme on All India Radio, T.V. serial etc. now covers the whole country including all the North Eastern States. Video spots on consumer awareness in North Eastern languages exclusively for North Eastern States is going to be telecast from Doordarshan.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

(Recommendation (SL. No. 4, Para No. 2.16)

2.5 The Committee are distressed to note that there was uneven spread of expenditure during the year and there was rush of expenditure at the fag end of the year. The Secretary, Department of Consumer Affairs admitted during evidence that it is a matter of concern. The Secretary also admitted during evidence that there have been problems of ratio of expenditure. The Committee was assured of further improvement this year. The Committee hope that the Department will keep their promise and show better results this year.

Reply of the Government

2.6 With a view to utilize the allocated fund judiciously and evenly, review of expenditure with reference to allocated funds is conducted on monthly basis by the Monitoring Committee under the chairmanship of the Secretary (CA). In addition, the Cash Flow Management System introduced to maintain the financial discipline enshrined in FRBM Act also ensures best utilization of budgetary allocation.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

Consumer Protection

(Recommendation. (SL No. 6, Para No. 3.7)

2.7 The Committee note that the Planning Commission identified the “Consumer Awareness and Consumer Protection” as one of the important projects in 2003-04 and asked the Department to prepare a National Action Plan for carrying out different activities for the welfare of the consumers. Accordingly, the Department gave priority to the “computerization and computer networking of the consumer forums in the country through NIC in three phases and sought a handsome amount from Planning Commission during 2004-05 and 2005-06. The Department also urged the States to prepare their own action plan and directly seek funds from the Planning Commission for the Consumer Protection Programmes. As such six States viz. Maharashtra, Maghalaya, Delhi, Punjab, West Bengal and Haryana have prepared their separate action plans. The Committee are of the view that such a measure of having Action Plan at National and State levels, will further strengthen the Consumer Movement in the country. The Committee hope and trust that the Ministry would strengthen its monitoring mechanism and ensure that funds for different activities planned under National Action Plan are fully utilized. The Committee also desire that vigorous efforts should be made to persuade the remaining States/UTs to prepare their action Plan for Consumer Welfare and submit to Planning Commission for their consideration.

Reply of the Government

2.8 The Department has since launched the Project of Computerization and computer networking of Consume Forums in the country through NIC at a cost of Rs. 48.64 crores to be completed by 2006-07. The Department is repeatedly requesting the States/UTs to prepare their Action Plan for better protecting the rightful interests of consumers including redressal of their grievances and to seek funds through their State Annual Plans. The Department is monitoring the progress of utilization of the central grants and other consumer related activities being taken by the states through review meetings, field visits and monitoring formats.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

Consumer Courts/Consumer Foras

(Recommendation (SL No. 7, Para No. 3.20)

2.9 The Committee note with satisfaction the disposal of cases in Consumer Courts. The 78.20% cases were disposed by National Commission, 67.89% by State Commissions and 88.64% by the District Forum since inception. There are 8,036 cases still pending in National Commission, 1,19,783 in State Commissions and 2,23,380 in District Forums at the end of 2004. The Committee are, however, concerned to note that the target of disposal of cases within the stipulated period of 90 to 150 days, as contemplated in the Consumer Protection Act, 1986, is still to be achieved. The Committee are also concerned with the alarming situation in the State of Uttar Pradesh where out of 41,362 cases only 10,458 cases i.e. 25.28% have been disposed by the State Commission and 30,904 cases were pending as on 30.9.2004. Keeping in view the heavy workload in the State Commission, the Government have proposed to create additional 46 benches including 6 benches in Uttar Pradesh. The Committee feel that creating additional benches will help in overcoming pendency in the Consumer Courts. At the same time, the Committee also desire that they be provided with adequate supporting staff, accommodation and sufficient financial support. The Committee would like to be apprised of the action taken by the Government in the matter.

Reply of the Government

2.10 It is the responsibility of the State Governments/UTs to set up State Commissions and District Forums in each District of the State and also to provide necessary infrastructure, manpower and funds for their smooth and effective functioning. The Department is repeatedly impressing upon the State Governments including UP Govt. to take concrete action to provide suitable infrastructure for the Consumer Fora, create additional benches/consumer forums and fill up vacancies in time so as to facilitate speedy disposal of cases.

2.11 To supplement the efforts of the States/UTs to provide necessary infrastructure to the Consumer Fora, the Central Government had sanctioned one-time assistance of Rs. 61.80 crores during 1995-99 for infrastructure. A big part of that grant has since been utilized by the States/UTs. During 2004-2005, 13 States have been sanctioned an amount of Rs. 10.20 crores for infrastructure development of the newly created Consumer Fora not covered under the first grant. These funds are meant to be utilized by the States/UTs for Construction/purchase of building for State Commission/District Forums, office equipment, furniture, reference books etc.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

Comments of the Committee

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

(Recommendation (SL. No. 8, Para No. 3.21))

2.12 The Committee are concerned to note that despite their recommendations in their reports to make non-functional District Fora functional, the number of such non-functional Fora have rather increased considerably. In 2002 there were 33 non-functional District Fora which rose to 53 in 2003 and 76 in 2004. It is alarming to note that 50% District Forum in Uttar Pradesh and Orissa and 45% in Tamil Nadu were non-functional. It is more concerning to note that adequate action was not taken by the Ministry except passing the recommendations of the Committee to the States/UTs for their notice and appropriate action. The Committee find that in its field visit, the President of National Commission had noted some serious shortcomings in the functioning of District Fora. Even the stenographers were not posted to take down orders. Besides there were District Fora where basic infrastructure was lacking. The Committee, therefore, recommend that all the difficulties should be discussed at highest levels and all the District Forums should be made functional in the current financial year.

Reply of the Government

2.13 The number of non-functional District Forums in the Country is a matter of serious concern for the Department of Consumer Affairs. This grave problem is reviewed periodically at the highest levels in the Department and a number of concrete suggestions to revive the Non-functional consumer forums and overcome difficulties being faced by the Consumer forums have been circulated to all State Government/UTs for compliance. These include among others: -

- (i) Clubbing together of two-three non-functional District Forums and utilizing services of President/Members in position in these forums to constitute one bench which can serve each of these districts in turn.
- (ii) Requesting Chief Justice of High Court to nominate a sitting judge of High Court to act as Chairman of the Selection Committee for filling up vacancies of

Members of the Consumer Forums, in the event of the absence of the President of the State Commission.

- (iii) Initiation of advance action for filling up future vacancies of Presidents/Members of State Commissions/District Forums by preparing panel in advance for the purpose.
- (iv) Overcoming problem of shortage of essential staff like stenographers in Consumer Forums by engaging services of such staff on contractual basis.
- (v) Consideration of President/Members having good track record for second term as provided for under Amended Consumer Protection Act to avoid vacancies in Consumer forums.

As a result, the number of non-functional district forums have come down to 13 which may be seen from the Annexure. Efforts are already on to ensure that no district forum remains non-functional.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

ANNEXURE
(Vide para 2.13)

Statement regarding functional/ non-functional District Forums:

Sl. No.	States	No. of District Fora	Functiona l	Non-Function al	As On
1	Andhra Pradesh	29	25	4	21.7.2005
2	A & N Islands	2	2	0	30.06.2004
3	Arunachal Pradesh	15	15	0	31.03.2005
4	Assam	23	23	0	30.09.2004
5	Bihar	37	36	1	21.7.2005
6	Chandigarh	2	2	0	31.12.2004
7	Chattisgarh	16	16	0	30.06.2004
8	D & N Haveli/Daman &Diu	2	2	0	31.12.2004
9	Delhi	9	9	0	30.06.2004
10	Goa	2	2	0	31.12.2004
11	Gujrat	19	17	2	21.7.2005
12	Haryana	19	19	0	31.03.2005
13	Himachal Pradesh	12	12	0	31.12.2004
14	Jammu & Kashmir	2	2	0	31.12.2003
15	Jharkhand	22	20	2	31.12.2004
16	Karnataka	30	30	0	31.03.2005
17	Kerala	14	14	0	31.12.2004
18	Lakshadweep	1	0	1	31.03.2005
19	Madhya Pradesh	45	45	0	21.7.2005
20	Maharashtra	34	34	0	31.12.2004
21	Manipur	8	8	0	30.06.2000
22	Meghalaya	7	7	0	31.12.2001

23	Mizoram	8	8	0	30.06.2004
24	Nagaland	8	8	0	31.12.2004
25	Orissa	31	31	0	31.12.2004
26	Pondicherry	1	1	0	31.12.2004
27	Punjab	17	17	0	31.03.2005
28	Rajasthan	33	33	0	31.12.2004
29	Sikkim	4	4	0	30.06.2004
30	Tamilnadu	30	30	0	11.03.2005
31	Tripura	4	3	1	31.01.2005
32	Uttar Pradesh	70	70	0	27.7.2005
33	Uttaranchal	13	11	2	21.7.2005
34	West Bengal	20	20	0	30.06.2004
	TOTAL	589	576	13	

Source: NCDRC, New Delhi.

Consumer Welfare Fund

(Recommendation(SL. NO. 9, Para No. 3.32)

2.14 The Committee note that the Consumer Welfare Fund was created with the objective of providing financial assistance, to promote and protect the interest of the consumers, create consumer awareness and strengthen consumer movement in the country. The allocation for the purpose was Rs. 19.47 crore in 2004-05. The allocation for the year 2005-06 has been considerably increased to Rs. 31.50 crore. The Ministry has proposed to utilize the funds for setting up the Consumer Welfare Fund in all the States/UTs provided they also provide their matching share in ratio of 50:50. The Ministry has sanctioned one time grant to some of the States and applications from another 14 States/UTs viz. Gujarat, Rajasthan, Orissa, Punjab, Karnataka, Goa, Sikkim, Meghalaya, Delhi, Haryana, Andhra Pradesh, Chandigarh, Tamil Nadu and Uttar Pradesh have been received and are being processed in the Ministry. The State Governments are required to set up the State Consumer Welfare Fund on the pattern of Central Government i.e. non-plan, non-transferable, non-lapsable fund outside the consolidated fund in separate head of account. Unfortunately, most of the State Government expressed their inability in providing their matching share in the form of seed money due to financial crunch. The Committee feel that the consumer awareness and consumer movement particularly in rural areas is a burning topic which has also been recognized by the Planning Commission. The Committee, therefore, recommend that the Ministry should persuade the remaining States/UTs to provide their matching share and make provision in their budget. The Committee also desire that Planning Commission should also enhance the funds for the Consumer Welfare Funds further so as to fulfill the requirement of the States/UTs.

Reply to the Government

2.15 During the financial year 2004-2005, 8 States have been sanctioned grant in the form of seed money for setting up State Consumer Welfare Fund, after the respective State Governments contributed their 50% share towards setting up of the fund. The remaining States are being persuaded to come forward with their proposals in this regard.

2.16 Further, the Special category States as identified by the Planning Commission have been authorized to avail the grant/seed money in the enhanced ratio of 90:10 (Centre:State). With the above steps, it is hoped that the consumer awareness movement particularly in rural areas will be strengthened.

2.17 It is also submitted for clarification to the Committee that the Consumer Welfare Fund has been set up by the Department of Revenue and is being operated by the Department of Consumer Affairs. It is a Non-Plan fund and no funds are received from the Planning Commission.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

(Recommendation (SL. No. 14, Para No. 5.15))

21.8 The Committee also desire that the State Governments should be impressed upon to ensure that the provisions of Weights and Measures(Packaged Commodities) Rules, 1977 are strictly enforced to check the cases of display of proper information on the packages and overcharging. There is also a need to follow proper procedures etc. in the surprise checks/raids so that the defaulters are not acquitted on technical grounds.

Reply of the Government

2.19 States/UTs have been requested to ensure due compliance with the recommendations of the Standing Committee by the enforcement authorities in this regard. Copy of the same is enclosed herewith.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

(Recommendation (SL. No. 15. Para No. 6.13))

2.20 The Committee note that future trading programmes have two important economic functions of price discovery and price risk management. Future markets also help the farmers in planning their cultivation in advance as well as to determine the kind of crops which they would prefer to raise, by taking advantage of the advance information of the price and probable supply and demand of various commodities. The Committee further note that farmers generally do not participate directly in the commodity market and consequently the futures contracts cannot play a direct role in preventing distress sale. In order to protect the interest of the farmers a detailed study was conducted by the Ministry through a International Agency who *inter-alia* recommended (i) Standardization and grading of agricultural commodities; (ii) Improving price transparency of mandis; and (iii) Authorize options on futures in commodity markets. The Committee feel that if the above suggestions are implemented in letter and spirit, there would certainly be improvement in the financial conditions of the Indian farmers. The Committee, therefore, concur with the suggestions given by the Study Unit and desire that the above recommendation should be implemented expeditiously.

Reply of the Government

2.21 Steps such as grading of agricultural products, negotiability of warehouse receipts, dissemination of spot and future prices, etc. which would help farmers participate in futures markets have been initiated with the concerned Ministry and the State Governments.

2.22 The introduction of options in goods was one of the seven amendments suggested in the F.C.(R)Act, 1952 in the form of a bill which lapsed consequent to the dissolution of Lok Sabha in 2004. A fresh amendment bill is being proposed which besides other issues seeks to introduce options in goods.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

(Recommendation (SL. No. 18, Para No. 6.16)

2.23 The Committee note that as per the Articles of Association all the Exchanges are required to nominate minimum one third independent Directors having expertise in the field of Economics, Law, Accountancy. Management etc. But most of the Exchanges are facing difficulty in finding experienced/qualified and willing persons who may attend meetings of Board at short notice and contribute to improve functioning of the Exchanges. The Committee feel this may be due to inadequate salary and other perks being paid to the Directors. The Committee recommend that the Ministry should look into the matter with due seriousness and make concrete efforts so that the vacant posts of Directors are filled up at the earliest.

Reply of the Government

2.24 Most of the regional Commodity Exchanges are not for profit companies and cannot pay salaries or other perks to Directors. Directors are paid by many Exchanges seating fees and conveyance allowance for attending the meetings. FMC is persuading regional Exchanges to pay reasonable seating fees so that no director has to pay from his pocket for attending Board / Committee meetings. The Government is also making efforts to fill the vacant posts of Directors on the Board of the Exchange with qualified persons. The proposed amendment to the FC(R) act, provision for demutualization and corporatisation of regional exchanges is being provided and the problem will get solved once these exchanges switch over to demutualised set up.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

Comments of the Committee

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

(Recommendation (SL. No. 20, Para No. 7.18)

2.25 The Committee note that the Scheme of Hallmarking of gold was launched in 2000 with the aim (i) to protect consumers from sale of inferior quality of gold; (ii) to boost the confidence of the consumers and assure them to intrinsic value of their holdings; and (iii) to provide third party assurance to the consumers on purity and weightage of gold. There are 24 hallmarking centres through which 935 jewellers have hallmarked their 59 lakh jewellery articles. Keeping in view its popularity and increasing demand, the Government have decided to set up at least one hallmarking/Assaying centre in all 602 districts of the country with an anticipated cost of Rs. 421.40 crore in three phases upto 2007. The establishment cost of one unit of Assaying and

Hallmarking centres has been worked out to Rs. 70 lakh excluding infrastructure cost. The Committee recommend that the awareness programme should be strengthened so that every consumer of remote and rural areas may go and get their jewellery checked at the nearest point. The Committee also desire that sincere efforts should be made to get the approval of Scheme from the Planning Commission.

Reply of the Government

2.26 BIS is regularly conducting Consumer Awareness Programmes on Gold Hallmarking through its Regional and Branch Offices spread across the country. This is also being done through the publicity campaign to create consumer awareness. As regards setting up of at least one Assaying and Hallmarking Centre in each district, a Detailed Project Report on Setting up of Hallmarking/Assaying centres has been prepared. Planning Commission have been approached for their 'in principle approval' to this scheme.

Ministry of Consumer Affairs, Food and Public Distribution(Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

Recommendation (SL. No. 21, Para No. 7.19)

2.27 The Committee further note that the Hallmarking of gold jewellery will also be fruitful for consumers and exporters. The consumers may get loan from the Banks by hypothecating their hallmarked jewellery items. Similarly it will help the exporters to save the hallmarking fees which is presently paid in UK. To compete in the Common Control Market of European countries, the Government of India proposes to join the Vienna Convention. While considering that it is wise step, the Committee desire that the Government should join the Vienna Convention and go ahead with setting up of Hallmark Centre in the export zone so that the country may have sizable share of gold jewellery trade in the world market.

Reply of the Government

2.28 Indian delegations comprising one Govt. nominee and a BIS official attended last two meetings of the Standing Committee of the Vienna Convention on Control and Marking of Precious Metals as observers. As per convention requirements, it is necessary for a country to attend at least Four meetings of the convention before applying for accession to it. Apart from other requirements, setting up of an independent assaying centre(s) and appropriate law to govern the gold hallmarking activity, like in other member countries of the convention, will be required to be complied with. Actions on the above are an integral part of the proposal on gold hallmarking.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

CHAPTER III

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

(Recommendation (SL. No. 1, Para No. 2.13)

3.1 The Committee find that the expenditure under Plan Schemes of the Department of Consumer Affairs during 2003-04 was 86.5% whereas during the year 2004-05 the Actual Expenditure went down to 71.32% indicating a downward trend in the expenditure. The Committee express their concern over the downward trend in the expenditure and recommend that the Department should make all out efforts to expend the allocated provisions.

Reply of the Government

3.2 The expenditure of 71.32% is with reference to the expenditure incurred up to January, 2005 and with reference to the RE ceiling of Rs.13.25 crore conveyed by Ministry of Finance which was subsequently retained at BE level i.e. Rs. 18.25 crore during 2004-2005. However, to the provision of Rs. 18.25 crore, supplementary provision of Rs. 25.00 crore (Rs. 5.00 crore towards technical supplementary in Revenue Section by surrendering equal amount from Capital Section and Rs. 20.00 crore as supplementary) is to be added making the total net provision of Rs. 38.25 crore. Against this provision of Rs. 38.25 crore the expenditure incurred up to March, 2005 is Rs. 37.26 crore. Thus the percentage expenditure to be taken is 97.41%. Therefore, the percentage of expenditure incurred in 2004-2005 is more than the percentage of expenditure incurred in 2003-2004.

3.3 Further with a view to utilize the allocated fund judiciously and evenly, review of expenditure with reference to allocated funds is conducted on monthly basis by the Monitoring Committee under the chairmanship of the Secretary (CA). In addition, the Cash Flow Management System introduced to maintain the financial discipline enshrined in FRBM Act also ensures best utilization of budgetary allocation.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

(Recommendation (SL. No. 5, Para No. 2.17)

3.4 The Committee note that the allocation for Non-plan Scheme of the Department of Consumer Affairs has also been enhanced substantially from Rs. 26.05 crores during the year 2004-05 to Rs. 45.24 crores for the year 2005-06. The Committee desire that the allocated amount be spent evenly and judiciously. For this, the Committee recommend that the Department should make concerted efforts by monitoring closely the trend of expenditure at the highest level and ensure that the allocated budget is expended for the Schemes for which it was sanctioned and as per the targets set for the purpose.

Reply of the Government

3.5 There is no enhancement in allocation of funds in BE 2005-06 as compared to BE 2004-05. In fact the amount of Rs. 45.24 crore mentioned by the Standing Committee is for RE 2004-05. The Be 2005-06 has however been restricted to Rs. 25.40 crore as per ceiling conveyed by Ministry of Finance, which is less than BE 2004-05. However trend of expenditure under each scheme is being monitored at Secretary (CA)'s level on monthly basis.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

Recommendation (SL. No. 11, Para No. 4.8)

3.6 The Committee note that more than 10% of the total non-Plan budget of the Ministry is allocated to the National Test House (NTH) which is being utilized by them on the salary of staff, office expenses and miscellaneous expenses. The Committee have been informed that NTH has no legal umbrella and customers (both Government and private) have no compulsion to get their products evaluated only through NTH. The Committee feel that due to induction of new Technology in the Trade and Commerce it has become necessary for all the institutions/organizations to get their products tested through recognized institutions. It is not understandable that when the Government have imposed service tax on almost all the items, why the NTH is not charging any fees for the testing service they are providing. However, the Committee have been informed that of late the NTH has given a thought to earn revenue and have started charging testing fees in various laboratories. In this regard the Committee recommend that the Govt. should make amendments in the NTH Act and Rules and make it mandatory to deposit the testing fees in advance by all the agencies/organizations. The Committee would like to be apprised of the action taken by the Government in this regard.

Reply of the Government

3.7 NTH is a service organization and has been generating revenue by way of charging test fees since its inception. At present, it is the standing policy of NTH to carry out testing / calibration of samples only on receipt of testing charges in advance. BIS being part of the same Department is the only exception in this regard where samples are undertaken for testing on receipt of samples without receipt of testing charges in advance. Necessary bills for required test-fees are forwarded by NTH regional Laboratories to the respective regional offices of BIS for payment after completion of tests and issuance of test certificates. The Executive Committee of National Test House under the Chairmanship of Secretary(CA) in its 10th Meeting held on 12th May, 2005 has mandated NTH to aim at being self-sustaining as early as possible. This is being regularly monitored.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) O.M. No. G-11027/1/2005-P&C dated 26th July, 2005

Recommendation (SL. No. 12, Para No. 4.9)

3.8 The Committee note with dissatisfaction that the Government is not paying due attention to NTH which plays a pivotal role in the development of industries in the country and monitors quality control of the products. As many as 80 posts of scientific cadre are still vacant in the NTH. The Committee note that the case is being processed for obtaining exemption from Govt. for 100% filling up of the posts in Scientific Cadre. The Committee desire that sincere efforts should be made to obtain the exemption to fill the vacant posts of Scientific cadre in NTH without any further loss of time.

Reply of the Government

3.9 The matter regarding revival of 45 vacant posts of Scientific Assistants and one post of Scientist 'SB' in National Test House was taken up with the Ministry of Finance, Department of Expenditure at the level of Secretary in the Department of Consumer Affairs. Ministry of Finance have agreed for revival of only 17 posts, for which UPSC has already recommended candidates, subject to the abolition of the remaining 28 posts (45-17) of Scientific Assistants.

3.10 The question of filling vacant posts in scientific cadre was considered in the 10th Executive Committee meeting of National Test House on 12.5.2005. It was felt that in the present circumstances, 100% filling up of the scientific cadre posts is not feasible. The matter can be reviewed after National Test House makes positive headway in achieving self-sufficiency.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

Recommendation (SL. No 16, Para NO. 6.14)

3.11 The Committee are concerned to note that the advantages of price discovery and risk management, associated with the Commodity Markets, have not been availed by the farmers, due to lack of awareness, education and training. The future and spot commodity markets are at times, manipulated and rigged by the traders and other middlemen who out number the farmers. The Committee desire that the participation of farmers in the Commodity Markets – both Future and spot should be increased, so that farmers can reap the benefit of commodity Market. In this context, the Committee recommend that e-chaupal Model propagated by I.T.C. or any Cooperative structure should be in place to assist and guide the farmers venturing into the commodity Markets. There has been a spate of illegal forward trading taking place, all over the country. The Committee desire that Government should curb such trading. The Committee would like to be apprised of the action taken by the FMC in these matters.

Reply of the Government

3.12 A majority of farmers do not directly participate in the commodity markets even in developed countries, where the average land-holding size is higher than that in India. They may take advantage of the price signals emanating from a futures Exchange in taking acreage decisions. Price signals emanating from the Exchanges need to be disseminated among farmers so that they can use them for taking the cropping decisions. FMC had organised a training seminar during 2004-2005 through National Institute of Agricultural Marketing, Jaipur exclusively for farmers and farmer's representative. The Exchanges disseminate prices through various local newspapers and also through tickers in CNBC, Awaj, DoorDarshan etc. The price signals are also disseminated through the website of the Exchanges and the Commission.

3.13 The intelligence received by FMC shows that the extent of illegal forward trading has drastically come down, as forward trading which in most commodities was illegal prior to 1.4.2003 has now become legal. Trading in commodities have been permitted through Exchanges which have nationwide reach. Thus both the commodities and geographical pockets of illegal forward trading have been brought within the realm of legal forward trading. FMC has been organising training programmes for the benefit of police officers and assisting them in investigation and prosecution.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

Recommendation (SL. No. 17 Para No. 6.15)

3.14 The Committee note with concern that there is slackness on the part of FMC in dealing with the vigilance cases which is evident from the fact that all the 11 cases in which the prosecution were suggested are pending with police/court since 2002-03. The Committee are of the view that one of the reasons for pendency of the cases in the court, may be due to absence of a separate vigilance cell in FMC. The Committee, therefore, recommend that a separate Vigilance Cell may be constituted in the FMC. Also efforts should be made to settle all the 11 cases pending in different courts expeditiously.

Reply of the Government

3.15 Commission has a separate Division known as Enforcement Division, which deals with matters relating to illegal forward trading and keeps a vigil on such activities. The main function of the Enforcement Division is to keep vigilance on illegal trading and ensure enforcement action. The Division is in fact the Vigilance Cell of the Commission, as recommended by the Committee. The Commission does not have search and seizure powers under the Act. The raids are being conducted by the State Police only and cases are filed by them. The role of FMC is limited to communicating information about illegal forward trading to police, providing expert opinion by way of Scrutiny of documents forwarded by the Police Authorities, seized under F.C.(R) Act and tendering evidence before the Court of Law as expert witness U/S. 49 of the Evidence Act whenever required. Thus FMC has no direct role or powers in ensuring expeditious trial

of the pending cases lodged by state police authorities in different courts. In-fact, FMC has to rely on the state police to know the progress of the pending cases. The main reason for cases pending with the courts is that, once the cases are filed in the courts by the police, the hearing of the cases come-up in normal course. It may be mentioned here that there are no Special Courts or Fast Track Courts for trying the cases registered under the FC(R) Act, 1952. However the Commission is regularly following-up with the concerned Police Authorities regarding the status of the pending 11 cases of the last 3 years along with previous pending cases. Therefore, there is no laxity on the part of FMC to follow-up these pending cases through the various State Police Authorities. The above problems are being adequately addressed the proposed amendment of the Act.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) O.M.. No. G-11027/1/2005-P&C dated 26th July, 2005

Recommendation (SI No. 19 Para No. 7.17)

3.16 The Committee note that a large number of licences of BIS marks have not been renewed after the expiry of renewal date due to various reasons such as (i) unsatisfactory performance (ii) repeated failure of samples drawn from the factory/market (iii) non-implementation of BIS Scheme of testing and implementation for process control (iv) non-submission of renewal application (v) non-furnishing the marking fees. The BIS is helpless to take any action against the defaulters as there is no provision in the BIS Act to impose any penalty even on the products which come under mandatory certification of BIS. The Committee feel that the very purpose of setting up of the BIS will be defeated unless and until the Government make it mandatory to get the licences renewed after the expiry date. The Committee, therefore, recommend that a penalty clause should be inserted in the BIS Act to make the renewal compulsory at least for the products which are under mandatory certification of BIS. The Committee desire that a Bill in this regard should be introduced in the Parliament at the earliest.

Reply of the Government

3.17 The BIS certification being voluntary in nature, the manufacturers may opt for continuation or non-continuation of BIS licences depending upon their business needs. However, mandatory certification of various products is decided in the interest of consumer health and safety. Such decisions are notified through Quality Control Orders by respective ministries and at present mandatory BIS certification is in force for 109 products. A list of products vis-a-vis departments/ministries who have issued such orders is enclosed (Annex).

3.18 Renewal of the licence is not considered at times by BIS due to reasons such as (i) unsatisfactory performance (ii) repeated failure of samples drawn from the factory/market (iii) non-implementation of BIS Scheme of testing and implementation for process control (iv) non-submission of renewal application (v) non-furnishing the marking fees. Where the renewal is not considered on account of the reason that the unit has stopped manufacturing the same, no action is required. But such units who may continue to manufacture the product which are under mandatory certification and notified through a QC order by respective ministries, renewal is compulsory as they can

not manufacture the product without licence as per provisions in BIS Act, 1986 for the contravention of this Section, there is a provision of imprisonment upto one year or fine upto Rs. 50,000/- or both in the Act.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs)F. No. G-11027/1/2005-P&C dated 26th July, 2005

LIST OF INDIAN STANDARDS UNDER MANDATORY CERTIFICATION

SI No.	Parent Act, Rules, Regulations	Title of the QC Order	QC Order/ Notification	Implementing Authority
I	Prevention of Food Adulteration Act, 1954	<i>Prevention of Food Adulteration Rules, 1984 (third amendment)</i>	<i>Ministry of Health and Family Welfare, Dept of Health, Notification G.S.R. No. 764(E) 15 Nov 1994</i>	<i>Food (Health) Authority of the State</i>
1.	IS 1694	Tartrazine, Food grade		
2.	IS 1695	Sunset Yellow FCF, Food grade		
3.	IS 1697	Erythrosine, Food grade		
4.	IS 1698	Indigo Carmine, Food grade		
5.	IS 2558	Ponceau 4R, Food grade		
6.	IS 2923	Carmoisine, Food grade		
7.	IS 5346	Synthetic Food Colour preparation and mixtures		
8.	IS 6022	Fast Green FCF, Food grade		
9.	IS 6406	Brilliant Blue FCF, Food grade		
10.	IS 3827	Riboflavin		
11.	IS 3841	B-Carotene		
12.	IS 4446(Pt1)	Chlorophyll, (Mg Complex)		
13.	IS 4446(Pt2)	Chlorophyll, (Cu Complex)		
14.	IS 6386	Beta-apo-8-carotenol, food grade		
15.	IS 6405	Centhaxanthine, food grade		
16.	IS 6797	Methyl ester of beta-apo-8-carotenoic acid		
17.	IS 7260	Ethyl ester of beta-apo-8-carotenoic acid, food grade		
II	Prevention of Food Adulteration Act, 1954	<i>Prevention of Food Adulteration Rules, 1984 (Fourth amendment)</i>	<i>Ministry of Health and Family Welfare, Dept of Health, Notification, G.S.R. No. 283(E) dt. 26 March 1983</i>	<i>Food (Health) Authority of the State</i>

18.	IS 2557	Annatto colour for food products		
19.	IS 4447	Sodium benzoate, Food grade		
20.	IS 4448	Benzoic acid, Food grade		
21.	IS 4467(Pt1)	Caramel (Plain)		
22.	IS 4467(Pt2)	Caramel (Ammonia Process)		
23.	IS 4467(Pt3)	Caramel (Ammonia sulphite process)		
24.	IS 4750	Sorbitol, Food grade		
25.	IS 4751	Potassium meta-bisulphite, Food Grade		
26.	IS 4752	Sodium metabisulphite, Food grade		
27.	IS 4818	Sorbic acid, Food grade		
28.	IS 5191	Sodium alginate, Food grade		
29.	IS 5306	Sodium carboxymethyl cellulose, Food Grade		
30.	IS 5342	Ascorbic acid, Food grade		
31.	IS 5343	Butylated hydroxy-anixole, Food Grade		
32.	IS 5707	Agar, Food grade		
33.	IS 5719	Gelatin, Food grade		
34.	IS 6030	Sodium propionate, Food grade		
35.	IS 6031	Calcium propionate, Food grade		
36.	IS 6793	Fumaric acid, Food grade		
37.	IS 7905	Calcium alginate, Food grade		
38.	IS 7908	Sulphur dioxide, Food grade		
39.	IS 7928	Alginic acid, Food grade		
40.	IS 9504	Tartaric acid, Food grade		
III	Prevention of Food Adulteration Act, 1954	<i>Prevention of Food Adulteration Rules, 1988 (Six amendment)</i>	<i>Ministry of Health and Family Welfare, Dept of Health, Notification G.S.R. No. 437(E) dt 8 Apr 1988</i>	<i>Food (Health) Authority of the State</i>
41.	IS 10563	Mineral Oil, Food grade		
IV	Prevention of Food Adulteration Act, 1954	<i>Prevention of Food Adulteration Rules, 1979 (First amendment)</i>	<i>Ministry of Health and Family Welfare, Dept of Health, Notification G.S.R. No. 55(E) dt 31 Jan 1979</i>	<i>Food (Health) Authority of the State</i>
42.	IS 8356	Titanium dioxide, Food grade		

V	Prevention of Food Adulteration Act, 1954	<i>Prevention of Food Adulteration Rules, 1981 (third amendment)</i>	<i>Ministry of Health and Family Welfare, Dept of Health, Notification G.S.R. No. 290(E) dt 13 Apr 1981</i>	<i>Food (Health) Authority of the State</i>
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(Chapter II Accepted)

43.	IS 9971	DL Lactic acid, Food grade		
VI	Prevention of Food Adulteration Act, 1954	<i>Prevention of Food Adulteration (amendment) Rules, 1984</i>	<i>Ministry of Health and Family Welfare, Dept of Health, Notification G.S.R. No. 550(E) dt. 4 July 1995</i>	<i>Food (Health) Authority of the State</i>
44.	IS 1165	Milk powder		
45.	IS 1166	Condensed milk, partly skimmed and skimmed condensed milk		
VII	Prevention of Food Adulteration Act, 1954	<i>Prevention of Food Adulteration (fifth amendment) Rules, 1991</i>	<i>Ministry of Health and Family Welfare, Dept of Health, Notification G.S.R. No. 257(E) dt 3 May 1991</i>	<i>Food (Health) Authority of the State</i>
46.	IS 1547	Infant milk foods		
47.	IS 1656	Milk-cereal base weaning foods		
48.	IS 11156	Infant formulae		

VIII	Bureau of Indian Standards Act, 1986 (63 of 1986) Sec 14	<i>Cement (Quality Control) Order, 2003</i>	Ministry of Commerce & Industry, Dept. of Industrial Policy and Promotion S.O. No. 191(E) Dt. 17 Feb 2003	<i>Officers appointed by State Govt./ Central Govt</i>
49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62.	IS 269 IS 455 IS 1489(Pt1 & Pt2) IS 3466 IS 6452 IS 6909 IS 8041 IS 8042 IS 8043 IS 8112 IS 8229 IS 12269 IS 12330 IS 12600	33 Grade Ordinary Portland cement Portland Slag cement Portland pozzolana cement - Part 1 Flash based and Part 2 Calcined Clay based Masonry cement High alumina cement for structural use Supersulphated cement Rapid hardening Portland cement White Portland Cement Hydrophobic Portland Cement 43 Grade Ordinary Portland cement Oil well cement 53 Grade Ordinary Portland cement Sulphate resisting Portland cement Low heat Portland Cement		
IX	Essential Commodities Act, 1955	<i>Mild Steel Tubes (excluding seamless tube & tubes according to API specification) (Q.C.) order, 1978 and Amendment Order, 1983</i>	<i>Min. of Industries (Dept. of Heavy Inds.) G.S.R. No. 374(E) dt. 18 July 1978 and G.S.R. No. 462(E) dated 1 June 1983</i>	<i>State Govts.</i>
63. 64. 65.	IS 1161 IS 1239(Pt1) IS 4270	Steel tubes for structural purposes Mild steel tubes, tubular products and other wrought steel fittings:Part 1 Mild Steel Tubes Steel tubes used for water wells (upto 200 mm dia)		

X	Essential Commodities Act, 1955	<i>Oil Pressure Stove (Q.C) Order, 1997</i>	<i>Min of Industry, Dept. of Indl Policy & Promotion, SO 451(E) dated 16 June 1997</i>	<i>Officers appointed by State Govt./ Central Govt./ BIS in terms of Cl.2(a) of the Order.</i>
66.	IS 1342	Oil pressure stoves		
67.	IS 2787	Multi-burner oil pressure stoves		
68.	IS 10109	Oil pressure stove, offset burner type		
XI	Bureau of Indian Standards Act, 1986 (63 of 1986) Sec 14	<i>Electrical Wires, Cables, Appliances and Protection Devices and Accessories (Quality Control) Order, 2003</i>	<i>Ministry of Commerce & Industry, Dept. of Industrial Policy and Promotion, S.O. No. 189(E) dated 17 Feb 2003</i>	<i>Officers appointed by State Govt./ Central Govt</i>
69.	IS 302(Pt2/Sec 3)	Safety of household and similar electrical appliances -Electric Iron		
70.	IS 302(Pt2/Sec 30)	Safety of household and similar electrical appliances- Electric radiators		
71.	IS 302(Pt2/Sec 201)	Safety of household and similar electrical appliances - Electric immersion water heater		
72.	IS 302(Pt2/Sec 202)	Safety of household and similar electrical appliances - Electric stove		
73.	IS 3854	Switches for domestic and similar purposes		
74.	IS 4949	2 Amp Switches for electric and similar purposes		
75.	IS 418	Tungsten filament general service electric lamps (upto 100 W)		
76.	IS 694	PVC insulated cables for working Voltages upto and including 1100 V		
77.	IS 8828	Electrical Accessories - Circuit Breakers for over current protection for household and similar installations		
78.	IS 9968 (Pt.1)	Elastomer insulated cables (Pt.1): For working voltages upto and including 1100 V		
79.	IS 12640 (Pt.1)	Residual current operated circuit breakers for household and similar uses - (Pt.1) : Circuit breakers without integral overcurrent protection (RCCBs)		
80.	IS 12640 (Pt.2)	Residual current operated circuit breakers for household and similar uses - (Pt.2) : Circuit breakers with integral overcurrent protection (RCVOs)		

81.	IS 13010	AC Watt-hour meters, class 0.5, 1 & 2		
82.	IS 13779	ac static watt-hour meters, class 1 & 2		
83.	IS 14697	ac static transformer operated watt-hour and VAR- hour meters, class 0.2S & 0.5S		
XIII	Regulation 191 of the Coal Mines Regulations, 1957 and Regulation 182 of the Metalliferous Mines Regulations 1961	<i>Supply and Purchase of approved safety footwear for use in mines</i>	<i>Directorate General of Mines Safety, D.G.M.S. (Approval) Circular No. 5 Dt. 5 March 1976</i>	<i>Director General of Mines Safety, Chief Inspector of Mines</i>
84.	IS 1989(Pt1)	Leather safety boots and shoes for miners		
XIV	Regulation 157(4) Of Coal Mines Regulations	<i>Certification of Miner's Cap Lamp Batteries</i>	<i>Directorate General of Mines Safety, letter No. 59817 (G) Dt. 19 Dec. 1968</i>	<i>Director General of Mines Safety, Chief Inspector of Mines</i>
85.	IS 2512	Miners' cap lamp batteries (Lead acid type)		
XV	Regulation 157(4) of Coal Mines Regulations	<i>Certification of Winding ropes used in Mines</i>	<i>Chief Inspector of Mines C.I.M. Circular No. 22 of 1966 Dt. 23.4.1966</i>	<i>Director General of Mines Safety, Chief Inspector of Mines</i>
86.	IS 1855	Standard steel wire ropes for winding and man-riding haulages in mines		
87.	IS 2148	Flameproof enclosures of electrical apparatus		
88.	IS 2925	Industrial safety helmets		
XVI	Indian Explosive Act, 1884	<i>Gas Cylinder Rules, 1981</i>	<i>Min of Industry, Dept. of Industrial Development, G.S.R. No. 77(E) Dt. 24 Feb 1987</i>	<i>Controller of Explosives. DM's, Magistrates Subordinates to DM's, Commissioner of Police & all Police Officers</i>
89.	IS 3196(Pt1)	Welded low carbon steel gas cylinder exceeding 5 litre water capacity for low pressure liquefiable gases: Pt1 Cylinders for liquefied petroleum gas (LPG)		

90.	IS 3196(Pt2)	Welded low carbon steel gas cylinder exceeding 5-litre water capacity for low-pressure liquefiable gases: Pt 2 Cylinders for liquefiable gases other than LPG.		
91.	IS 3224	Valve fittings for compressed gas cylinder excluding liquefied petroleum gas cylinders		
92.	IS 3745	Yoke type valve connections for small medical gas cylinders		
93.	IS 7142	Welded low carbon steel gas cylinder for low pressure liquefiable gases not exceeding 5 litre water capacity		
94.	IS 7285	Seamless steel cylinders for permanent and high pressure liquefiable gases		
95.	IS 7302	Valve fittings for gas cylinder valves for use with breathing apparatus		
96.	IS 7312	Welded and seamless steel dissolved acetylene gas cylinders		
97.	IS 7680	Welded low carbon steel gas cylinders for ammonia		
98.	IS 7681	Welded low carbon steel gas cylinders for chlorine gas		
99.	IS 7682	Welded low carbon steel gas cylinders for methyl bromide gas		
100.	IS 8737	Valve fittings for use with liquefied petroleum gas cylinders of more than 5 litre water capacity: Pt 2 Valve fittings for newly manufactured LPG cylinders		
101.	IS 8776	Valve fittings for use with liquefied petroleum gas cylinder up to and including 5 litre water capacity		
XVII	Essential Commodities Act, 1955	<i>Solvent Extracted Oil, De-oiled Meals and Edible Flour (Control) Order, 1967</i>	<i>Dept. of Civil Supplies, Directorate of Vanaspati</i>	<i>Vegetable Oil Products Controller of India</i>
102.	IS 3470	Hexane, Food grade		
XVIII	Bureau of Indian Standards Act, 1986 (63 of 1986) Sec 14	<i>Multiple Dry Batteries (Q.C.) Order, 1987</i>	<i>Dept. of Civil Supplies, S.O. 516 (E) Dt. 25 May 1987</i>	<i>Bureau of Indian Standards</i>
103.	IS 8144	Multipurpose dry batteries		

XIX	Atomic Energy Regulation Board	<i>Diagnostic Medical X-Ray Equipment</i>	<i>AERB/443/39 MDX/3509/94 Oct 94</i>	<i>Atomic Energy Regulatory Board</i>
104.	IS 7620(Pt1)	Diagnostic Medical X-Ray Equipment		
XX	The Infant Milk Substitutes, Feeding Bottles and Infant Foods (regulation of production, supply and distribution), Act 1992		<i>Department of Women and Child Development, Ministry of Human Resource Development, GSR No. 527(E) Dt. 31 July 1993</i>	<i>Food (Health) Authority of the State</i>
105.	IS 14625	Plastic Feeding Bottles		
XXI	Prevention of Food Adulteration Act, 1954 (37 of 1954) Sec 23	Prevention of Food Adulteration (6 th amendment) Rules 2000	Ministry of Health & Family Welfare, GSR No. 759(E) Dt. 29 September 2000	
106.	IS 13428:1998	Packaged Natural Mineral Water		
XXII	Prevention of Food Adulteration Act, 1954 (37 of 1954) Sec 23	Prevention of Food Adulteration (7 th amendment) Rules 2000	Ministry of Health & Family Welfare, GSR No. 760(E) Dt. 29 September 2000	
107.	IS 14543:1998	Packaged Drinking Water (Other than Packaged Natural Mineral Water)		

XXIII	Bureau of Indian Standards Act, 1986 (63 of 1986) Sec 14	Clinical Thermometers (Quality Control), 2001	Ministry of Consumer Affairs, Food and Public Distribution, Deptt. of Consumer Affairs, GSR No. 843(E) dt. 9 November 2001	Director, Legal Metrology
108.	IS 3055(Part 1):1994	Clinical Thermometers : Part 1 Solid Stem Type		
109.	IS 3055(Part 2):1988	Clinical Thermometers : Part 2 Enclosed Scale Type		

Note: The respective notification authorities have been requested to review these lists for any addition/deletion.

CHAPTER IV

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

Recommendation (SL. No. 10, Para No. 3.33)

4.1 The Committee are concerned to note that Ministry has given grants-in-aid to as many as 139 NGOs/VCOs during 2003-04 from the Consumer Welfare Funds but only 40 NGOs/VCOs have submitted their utilization certificates in respect of the funds released to them. The Committee have been apprised that the Grantee Organizations are required to utilize the funds within 12 months of the date of release and submit the documents required for settlement of grant. The Committee are of the view that the Ministry should evaluate the working of VCOS and release money only to the genuine and reputed NGOs/VCOs who fulfill the terms and conditions laid down by the Ministry. The Committee strongly recommend that Ministry should make sincere efforts to obtain utilization certificate from defaulting NGOs/VCOs without fail.

Reply of the Government

4.2 The Department is vigorously pursuing with the NGOs/VCOs which have been sanctioned grant-in-aid where utilization certificates have become due on completion of 12 months from the date of release of the funds. Out of 139 NGOs sanctioned grant during 2003-04, 52 NGOs/VCOs have so far submitted utilization certificates towards settlement of the grant. It has also been decided to consider proposals which are of national significance only from reputed NGOs/VCOs.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) O.M. No. G-11027/1/2005-P&C dated 26th July, 2005

Comments of the Committee

(Please see para 1.12 of Chapter I of the Report)

Recommendation (SL. No. 13 Para No. 5.14)

4.3 The Committee are not at all satisfied with the working of the Weights and Measures Department of the Ministry. The reply furnished by the Ministry to the Committee clearly shows that the data furnished by the States Government regarding the number of cases detected, number of cases furnished/fined, number of raids conducted in respect of misuse of weights and measures are incomplete and it is clearly evident from the statements that the Department of Consumer Affairs itself is not paying adequate attention towards safeguarding the rights of the Consumers. The Committee further note that the Ministry have been urging the States, the need to modernize their standard laboratories through adequate provision in the State plan schemes for enlarging the activities of Weights and Measures. But the slow pace of progress achieved so far in regard to modernizing the laboratories is hardly convincing.

The Committee, therefore, strongly recommend that the matter should be taken up with the respective State Governments on priority for overall improvement in the performance of Weights and Measures Departments and the existing standard equipments in the Standards Laboratories may be replaced with the digital type weighing instruments. The laws in this regard should be enforced strictly for protecting the interest of the consumers. The Committee are also of the opinion that the Government should ask the State Governments to monitor the working of Weights and Measures Department regularly

Reply of the Government

4.4 Though the Central Government has been urging the States/UTs to modernize the equipments used by the enforcement authorities , most of the States are yet to do so. The Central Government therefore had drawn up a scheme for strengthening Legal Metrology wing of States/UTs in the Tenth Plan at a cost of Rs 24.72 crores. Under this scheme ,the States/UTs are to be supplied with few sets of digital type working standard/secondary standard balances and one mobile kit fitted with crane and 10 tonne weights for testing weigh bridges as model for replication by them. Moreover, in the last 2 years, 17 States had been supplied with a set of digital type secondary standard balances through the Consumer Welfare Fund. States/UTs have been urged to monitor the activities of Weights and Measures Department regularly.

Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) F. No. G-11027/1/2005-P&C dated 26th July, 2005

Comments of the Committee

(Please see Para 1.15 of the Chapter I of the Report)

CHAPTER V

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

NIL

New Delhi

*19 October, 2005
27 Asvina, 1927 (Saka)*

DEVENDRA PRASADYADAV,
*Chairman
Standing Committee on Food, Consumer
Affairs and Public Distribution.*

APPENDIX I

MINUTES OF THE THIRD SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION HELD ON THURSDAY, THE 6TH OCTOBER, 2005.

The Committee sat from 1500 hrs. to 1530 hrs. in Committee Room 139, Parliament House Annexe, New Delhi.

Present

Shri Devendra Prasad Yadav - Chairman

MEMBERS LOK SABHA

2. Shri A.P. Abdullakutty
3. Shri Ranen Barman
4. Shri Alakesh Dass
5. Shri Gadakh Tukaram Gangadhar
6. Shri Avinash Rai Khanna
7. Shri Zora Singh Mann
8. Shri Harikewal Prasad
9. Smt. Daggubati Purandeswari
10. Shri Chandrabhan Singh

RAJYA SABHA

11. Shri Santosh Bagrodia
12. Shri Narayan Singh Kesari
13. Smt. Bimba Raikar
14. Shri Nabam Rebia

SECRETARIAT

1. Shri P.K. Bhandari - Joint Secretary
2. Shri R.S. Kambo - Deputy Secretary
3. Shri B.S. Dahiya - Under Secretary
4. Shri Jagdish Prasad - Assistant Director

2. At the outset Hon'ble the Chairman welcomed the members to the sitting of the Committee. The Committee then took up for consideration the Draft Report on Action Taken by the Government on the recommendations/observations contained in the Seventh Report of the Standing Committee on Food, Consumer Affairs & Public Distribution (2005-06) on Demands for Grants relating to Department of Consumer Affairs and adopted the same with the modifications/amendments as shown in **Annexure.**

3. The Committee authorised the Chairman to finalise the Draft Report in the light of the above-mentioned amendments and present the same to Parliament on their behalf.

The Committee then adjourned.

Amendments/Modifications made by the Standing committee on Food, Consumer Affairs and Public Distribution in the draft Action Taken Report relating to Demands for Grants (2005-06).

Sr. No.	Page	Para	Line	Modifications /Amendment
1	7	1.15	5 (from bottom)	Added “and the whole programme of modernisation for strengthening legal metrology should be carried out in the fixed time scheduled and the Committee may be apprised of this” after the words speeded up.

2. After Para 1.15 insert the following:-

Need to Amend FC (R) Act–1952
Recommendation No. 18 (Para 6.16)

1.16 “The Committee took note of the fact that due to inadequate salary and other perks being paid to the Directors that most of the Exchanges are facing difficulties in finding experienced/qualified and willing persons who may attend meetings of Board at short notice and contribute to improve functioning of the Exchanges. The Committee, had therefore, desired that the Ministry should look into the matter with due seriousness and make concrete efforts to fillup the vacant posts of Directors at the earliest”.

1.17 “The Government in their action taken replies that FMC is persuading regional exchanges to pay reasonable seating fees so that no Director has to pay from his pocket for attending Board /Committee meetings. It has been further intimated that the Government is also making efforts to fill the vacant posts of Directors on the Board of the Exchanges with qualified persons. The Central Government has also proposed to bring out amendment to the FC (R) Act provision for demutualizing and corporatisation of Regional Exchange is being provided and the problem will get solved once these exchanges switch over to demutualised setup”.

1.18 The Committee note that Forward Market Commission (FMC) have persuaded the Regional Exchanges to pay reasonable seating fees and other allowances to all the qualified persons for participating in the Board meetings. The Committee also note the steps taken by the Ministry to fill the vacant posts of Directors in the Exchanges and bringing out amendment to the FC (R) Act for the smooth functioning of the Regional Exchanges. The Committee, desire that the Central Government should fill up the vacant posts at the earliest and also expedite the amendments to FC (R) Act for demutualization and corporatisation of the Regional Exchanges.

APPENDIX II

(Vide Introduction of the Report)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS CONTAINED IN THE SEVENTH REPORT OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (FOURTEENTH LOK SABHA)

(i)	Total Number of Recommendations	21
(ii)	Recommendations/observations which have been accepted by the Government: Recommendation Nos. 2,3,4,6,7,8,9,14,15,18,20,and 21 Total Percentage	12 57%
(iii)	Recommendations/observations which the Committee do not desire to pursue in view of the Government's replies: Recommendation Nos. 1,5,11,12,16, 17 and 19 Total Percentage	7 33%
(iv)	Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee: Recommendation Nos. 10 and 13 Total Percentage	2 10%
(v)	Recommendations/observations in respect of which replies of the Government are still awaited. Recommendation No. Nil Total Percentage	Nil Nil