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STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2009-2010)

(FIFTEENTH LOK SABHA)

MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

(DEPARTMENT OF CONSUMER AFFAIRS)

[Action Taken by the Government on the observations/recommendations contained in the Third Report of the Committee on Demands for Grants (2009-10) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs)]

SEVENTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

August, 2010/ Sravana, 1932 (Saka)

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Presented to Lok Sabha on 12.08.2010
Laid in Rajya Sabha on 12.08.2010

LOK SABHA SECRETARIAT
NEW DELHI

August, 2010/Sravana , 1932 (Saka)

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Shri Vilas Muttemwar - Chairman

MEMBERS

Lok Sabha

2. Smt. Harsimrat Kaur Badal
3. Shri Kamlesh Balmiki
4. Shri Tara Chand Bhagora
5. Shri Shivraj Bhaiya
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12. Shri Marotrao Sainuji Kowase
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14. Shri Purnmasi Ram
15. Shri Dinubhai Solanki
16. Shri Laxman Tudu
17. Shri D. Venugopal
18. Shri Madhusudan Yadav
19. Shri Ramakant Yadav
20. Vacant
21. Vacant

Rajya Sabha

22. Smt. T. Ratna Bai
23. Shri P. Kannan
24. Shri Lalhming Liana
25. Shri Shantaram Laxman Naik
26. Shri Kanjibhai Patel
27. Shri Rajniti Prasad
28. Dr. T.N. Seema
29. Shri Veer Singh
30. Shri Kaptan Singh Solanki
31. Vacant

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* Nominated to the Committee w.e.f. 04.08.2010

Secretariat

1.	Shri P.K. Mishra	-	Joint Secretary
2.	Smt. Veena Sharma	-	Director
3.	Shri Jagdish Prasad	-	Additional Director

INTRODUCTION

I, the Chairman of the Standing Committee on Food, Consumer Affairs and Public Distribution (2009-2010) having been authorized by the Committee to submit the Report on their behalf, present this Seventh Report on Action Taken by the Government on the observations /recommendations contained in the Third Report of the Committee (15th Lok Sabha) on Demands for Grants (2009-2010) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

2. The Third Report was presented to Lok Sabha and laid in Rajya Sabha on 25th December, 2009. The Government furnished their replies indicating action taken on the observations /recommendations contained in the Report on 19th March, 2010.

3. Report was considered and adopted by the Committee at their sitting held on 9th August, 2010.

4. An analysis of the action taken by the Government on Observations/ Recommendations contained in the Report is given in **Appendix-II.**

NEW DELHI;
9th August, *2010*
18 Sravana 1932 (Saka)

VILAS MUTTEMWAR
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 Third Report of the Committee on 'Demands for Grants (2009-10)' relating to the Department of Consumer Affairs.

1.2 The Third report of the Committee was presented to Lok Sabha and laid on the Table of Rajya Sabha on 17th December, 2009. The action taken replies of the Government on all the 15 observations/recommendations contained in the report have been received on 19th March 2010 and categorized as follows:-

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

Serial Nos. 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14 and 15 .

(Paragraph Nos.3.12, 4.13, 4.14, 4.15, 4.21, 4.22, 4.30, 5.4, 6.11, 7.12, 7.13, 8.10 and 8.11)

(Chapter –II Total 13)

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

Serial Nos. –Nil-

(Paragraph Nos.) –Nil-

(Chapter –III Total 0)

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

Serial Nos. 1 and 11

(Paragraph Nos. 3.11 and 6.12)

(Chapter –IV Total 2)

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

Serial Nos. –Nil-
(Paragraph Nos.) –Nil- (Chapter –V Total 0)

1.3 In their Third report, the Committee had recommended for full utilization of allocated funds during the financial year; to monitor expenditure according to FRBM Act and guidelines of Planning Commission; to utilize the funds equally in all quarters of the year; to review the vacancy position in District Fora regularly and timely filling up of vacancies; to ensure that the funds allocated for a particular scheme like 'Integrated Project on Consumer Protection' are utilized in the financial year itself and also to overcome shortcomings noticed by evaluation agency; to strengthen monitoring over Consumer Welfare Fund; timely submission of Utilization Certificate by the implementing agency for optimal utilization of funds; to provide the facility of Assaying and Hallmarking of Gold and Silver Jewellery in remote and backward areas to protect the consumers interest; to re-introduce Forward Contracts (Regulation) Amendment Bill in the Parliament and to ascertain the impact of Future/Forward trading on small and marginal farmers; to expedite filling up of the vacant posts in FMC, to chalk out strategy with other concerned departments in order to control prices and improve production of commodities and to impress upon State Governments/UTs to strengthen their enforcement machinery to prevent black-marketing of essential commodities.

1.4 **The Committee strongly emphasize that utmost importance be accorded to the implementation of recommendations accepted by the Government. In case where it is not possible for the Government to implement the recommendations in letter and spirit for any reasons, the matter be reported to the Committee in time with reasons for non-implementation. The Committee desire that action taken notes on the Observations/Recommendations contained in Chapter-I of this Report be furnished to the Committee at the earliest and in any case not letter than three months of the presentation of the Report.**

1.5 The Committee will now deal with action taken by the Government on some of their recommendations which need reiteration or merit comments.

A. Need to strengthen monitoring mechanism and full utilization of funds on the schemes/programmes

Recommendation (Sl. No. 1, Para No. 3.11)

1.6 The Committee in Para No.3.11 of their earlier report had recommended as below:-

"The Committee are not satisfied with the overall performance of the Department of Consumer Affairs in so far as expenditure incurred during 2008-09 is concerned. The Committee note that out of a total allocation of Rs.413.65 crore during 2008-09, the Department could utilize only Rs.341.11

crore i.e. Rs.151.71 crore for its plan schemes and Rs.189.40 crore for non-plan schemes. The Committee are also surprised to note that the expenditure on some of the important schemes viz. National Test House (NTH), Bureau of Indian Standards(BIS), Forward Market Commission(FMC) and project/scheme for North-Eastern Region was almost negligible. Out of total allocation of Rs.74.51 crore for these Schemes/Programmes, the expenditure was only Rs.5.37 crore during the financial year, indicating a poor planning by the Department. The reasons put forth by the Ministry that the BE was reduced at RE stage due to delay in evaluation and approval of the schemes by SFC/EFC is not convincing to the Committee. In the opinion of the Committee, the Department has not been able to improve its monitoring mechanism over schemes and make co-ordination between the evaluation agencies. The Committee, therefore, strongly recommend that the Department should make sincere efforts for getting clearance of the schemes without delay so that funds allocated are fully utilized during the financial year. The Committee also recommend that the Department should make sincere efforts to utilize the entire funds allocated for the Schemes/Programmes for the North-Eastern region so as to avoid its transfer to non-lapsable funds created for NE States. Steps taken in this regard should be communicated to the Committee within three months."

1.7 The Ministry in their action taken reply have stated as under:-

"A statement indicating year-wise Plan allocation/allocation for North Eastern Region and expenditure for North Eastern Region is given below:

Statement indicating year-wise allocation/expenditure

(Rs. in crore)

Year	**Total Plan Allocation**		**Allocation for NE**		**Expenditure for NE**
	BE	RE	BE	RE	
2006-07	163.00	150.00	16.75	15.01	17.95
2007-08	213.00	150.00	21.60	13.38	10.18
2008-09	209.00	160.00	20.90	16.00	11.97

The Plan allocation is distributed for the following major Plan Schemes of the Department.

(a) Consumer Awareness
(b) Consumer Protection
(c) State Consumer Helpline
(d) Strengthening of Forward Market Commission
(e) Weights and Measures
(f) National Test House
(g) Bureau of Indian Standards including Gold Hallmarking

A few Plan schemes being implemented in this Department do not have scope for expenditure in the north eastern region, such as:

(i) Construction of National Consumer Disputes Redressal Commision (NCDRC) Building, a sub-scheme of Consumer Protection.
(ii) Strengthening of Forward Market Commission as there is no commodity future exchange in NE Region.

The schemes of Consumer Awareness and Consumer Protection are implemented all over the country including the North Eastern State.

Under the 'CONFONET' scheme, a sub-scheme of Consumer Protection, the National Information Centre (NIC) is providing computer hardware and software to all the seven States in the North East and Sikkim. Similarly, under the scheme of strengthening of Consumer Fora the funds are provided to the States, on the basis of infrastructure requirements and land, provided by the State Government for the Consumer Fora.

National Test House(NTH) has a regional test centre/Laboratory at Guwahati. Funds are provided to NTH, Guwahati (Assam).

In the North Eastern region the trade participation is not significant, hence no expenditure was incurred in North Eastern States by FMC.

There is one Regional Reference Standards Laboratory(RRSL) in Guwahati. Funds meant for the North East are provided to this laboratory. Funds are also provided for strengthening of State infrastructure on the basis of the State Laboratories under Weights and Measures Scheme.

Thus every effort is made to ensure that the minimum expenditure prescribed for the North Easter Region is achieved."

1.8 While observing that the expenditure incurred on some of the important schemes viz. National Test House (NTH), Bureau of Indian Standards (BIS), Forward Markets Commission (FMC) and projects/schemes for the North-Eastern region was almost negligible during 2008-09, the Committee had recommended the Department to make sincere efforts for getting clearance of the schemes without delay so as to utilize the entire funds during the financial year. The Committee had also recommended to utilize the entire funds allocated for schemes/programmes for the North Eastern region. However, in their action taken reply, the Ministry have remained silent in respect of the steps taken in regard to timely utilization of the allocated funds on its important schemes and also to improve its overall performance. The Committee deplore this attitude of the Department and desire that all the concerns of the Committee be taken into consideration while providing the information. The Committee also regret to note that the Department could utilize only Rs. 11.97 crore out of a total RE of Rs. 16.00 crore during 2008-09 for schemes of the North-Eastern region which, in the opinion of the Committee, is nothing but denial of benefits of the scheme to the people of the region. The Committee while reiterating their earlier recommendation desire that the Department should make sincere efforts to expedite timely clearance of the schemes so that entire allocated funds are utilized on the important

schemes/programmes of the Department as also for the North-Eastern region during the financial year itself.

B. Need to fill up the vacant posts in State Commissions and District Fora

Recommendation (Sl.No. 5, Para No. 4.15)

1.9 The Committee in their earlier report had recommended as below:-

> "From the information furnished by the Department, the Committee find that three posts of President, and 21 posts of Members are vacant in the State Commissions. Besides, 92 posts of President, and 201 posts of Members are lying vacant in District Fora of various States/Union Territories. In the opinion of the committee the large number of vacancies in the State Commissions and District Fora may be due to inadequate salary and allowances as well as less honorarium being paid to the President and Members of the State Commission and District Fora. The Committee, therefore, recommend that the matter may be taken up with all the State Governments and Union territory Administrators to ascertain the reasons for existence of vacancies in the State Commissions and the District Fora and to impress upon them to pay adequate salary and honorarium to attract the best available talent."

1.10 The Ministry in their action taken reply have stated as under:-

> "The matter has been taken up at the level of Hon'ble Minister for CA,F&PD with the respective Chief Ministers and Lt. Governors of States/UTs. The responsibility of filling up of vacancies of President/Members in the State Commissions and District Fora lies with the respective States/ UTs. The Department does impress upon the States/UTs to ensure timely filling up of vacancies so that Consumer Fora are not rendered non-functional. The reasons for vacancies differ from State to State or from location to location. Hence, the Department of Consumer Affairs will call for report from the States/UTs, by making necessary modification in the periodical returns that the States/UTs send to this Department, seeking reasons for vacancies and action taken to fill up vacant posts. On the issue of payment of adequate salary and allowances to the President/Members of the State Commissions and District Fora, the Central Govt. had also set up a Committee under the Chairmanship of Dr. P.D. Shenoy, Member, NCDRC, which had given various recommendations, including payment of adequate salary/honorarium etc. to the Presidents/Members of State Commissions/District Fora and the same were sent to all the States/UTs for necessary action. These issues were discussed in a Video Conference Meeting with all the States & UTs. These are also proposed to be discussed in the forthcoming Conference with States/UTs being organised by the National Consumer Disputes Redressal Commission."

1.11 Keeping in view that a large number of posts of President and Members were lying vacant in State Commissions and District Fora of various States/UTs, the Committee had recommended the Department to ascertain the reasons for existence of vacancies in the State Commissions and District Fora of various States/UTs. The Committee note the steps taken by the Department in this regard. The Committee hope that while ascertaining the reasons for existence of vacancies in the State Commissions and District Fora in various States/UTs, the Department would impress upon the States/UTs to take immediate steps for filling up of vacant posts of President and Members urgently so that the Consumer Fora are not rendered non-functional.

C. Need for early setting up of State Consumer Welfare Fund in remaining States

(Sl.No. 8, Para No. 4.30)

1.12 The Committee in their earlier report had recommended as below:-

> "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 awareness and strengthen consumer movement in the country. The fund which was set up by the Department of Revenue is operated by the Ministry of Consumer Affairs, Food and Public Distribution. Any agency/organization engaged in consumer welfare activities and registered under the Companies Act, 1956 is eligible for seeking financial assistance from the fund. The Committee are unhappy to note that the allocation of funds for the purpose has been considerably decreasing during the past three years. The BE which was Rs. 33 crore in 2006-07 has been reduced to Rs. 13.90 crore in 2009-10. The Committee regret that even the reduced funds could not be fully utilized during the past three years which is evident from the fact that out of Rs. 83.58 crore allocated from 2006-07 to 2009-10, the Ministry could utilize only Rs. 25.31 crore. The Committee are not convinced with the arguments of the Government that the funds were not fully utilized due to non-submission to utilization certificates from the VCOs/NGOs even after the expiry of stipulated time as it merely reflects the lack of proper monitoring over the scheme. The Committee note that under the scheme, central share of one time seed money is released to States after they credit their share of 50% to a separate non-plan, non-lapsable account. The Committee are disturbed to note that 14 States are yet to create their State Consumer Welfare Fund and credit their share. The Committee feel that generating consumer awareness and strengthen consumer movement, particularly in the rural and remote areas, is a critical issue. The Committee, therefore, recommend that the Government should persuade the remaining States/UTs to provide their matching share and make necessary provision in their Budgets. Besides, the Department should strengthen its monitoring over the scheme, so that the funds are fully utilized in the financial year itself."

1.13 The Ministry in their action taken reply have stated as under:-

> "There has been less expenditure during 2006-07 and 2007-08 as the guidelines for releasing grant in aid were under detailed revision. The new guidelines which are more transparent and in detail, were issued only in November, 2007.

During 2007-08 and 2008-09 there has been less expenditure due to the fact that many current projects could not be released full installments due to delay in settlement of outstanding Audit paras.

The Standing Committee on CFW in its meeting held on 13.11.09 has decided that Consumer Welfare Fund at State Level should be further strengthened in order to help the States to finance local level programmes. It has therefore been decided to propose to the States/UTs that States who were willing to set up a corpus fund of Rs. 10 crore will be given 75% of that amount from the Central Consumer Welfare Fund. Thus a State which wants to establish a corpus of Rs. 10 crore will have to first contribute Rs. 2.5 crore and thereafter Rs. 7.5 crore will be given by the Central Consumer Welfare Fund. This will lead to higher expenditure from Consumer Welfare Fund. The detailed guidelines issued and posted in the website are also likely to help the NGOs and other institutions to prepare viable and innovative projects which could be approved for releasing grant in aid.

States that have not set up States Consumer Welfare Fund by crediting their share in the account and have not availed the central share so far are being reminded regularly. Recently a DO reminder has been sent from Secretary (CA) to Chief Secretaries of these States/UTs."

1.14 The Committee are not satisfied with the action taken by the Government regarding setting up of Consumer Welfare Funds in the States. The Committee in its original report had observed that 14 States had not created their State Consumer Welfare Fund and had, therefore, recommended that the Department should persuade these States/UTs to provide their matching share. The Committee also had desired the Department to strengthen its monitoring over the scheme so that the entire funds were utilized in the financial year itself. From the action taken reply, the Committee note that as decided by the Standing Committee on CFW, the States who are willing to set up corpus fund of Rs. 10 crore will be given 75% of that amount from the Central Consumer Welfare Fund. The Committee while appreciating the initiative, desire that the Department should take up the matter at the highest level with the State Governments to persuade them to provide their matching share so as to make use of the higher percentage of Central Share in order to promote and protect the interest of the consumers.

D. Need for timely submission of Utilization Certificates from the implementing agency

Recommendation (Sl.No. 10, Para No. 6.11)

1.15 The Committee in their earlier report had recommended as below:-

> "The Committee are not satisfied as far as the financial performance of the Bureau of Indian Standards (BIS) is concerned due to the fact that Planning Commission have been allocating huge funds every year but not even one percent of the funds was utilized by BIS. For example, during 2007-08, the BE was Rs. 10.80 crore and RE was Rs. 9.14 crore whereas the actual expenditure was only Rs. 0.50 crore. Similarly, during 2008-09, the BE was Rs. 18.69 crore which was lowered down to Rs. 0.63 crore at RE stage and the actual expenditure was Rs. 0.66 crore. The Committee regret that for all the schemes, the reasons for under spending given by the Department is non-submission of the utilization certificates from the implementing agencies which in the opinion of the Committee indicates lack of proper planning and very poor monitoring over the schemes. In the instant case, the utilization certificates are to be received from BIS, the executive agency and not from the States. The Committee feel that Standardization and Quality Control is a very crucial element for proper functioning of BIS Act. However, this requires timely receipt of satisfactory Utilization Certificate from implementing agency so that the actual requirement for Standardization and Quality Control could be worked out and right estimates could be made accordingly. The Committee would, therefore, recommend that the Department should take pre-emptive steps to further the implementation of the schemes by directing the BIS, to timely submit Utilization Certificates so that funds could be utilized fully without any hindrance."

1.16 The Ministry in their action taken reply have stated as under:-

> "Less expenditure during the previous years was due to the fact that the schemes were new and a number of preliminary activities were to be carried out by BIS before their commencement. Based on the response of the requirements of funds, the budget allocations for the years 2007-08 and 2008-09 were reduced at RE stage. The pace of expenditure during the year 2009-10 has improved. Against the Revised Estimates of Rs.6.59 crore, Rs.4.38 crore has already been utilized and the remaining amount is also likely to be largely utilized by the end of the financial year.
>
> The suggestion/recommendation of the Committee to take pre-emptive steps to further the implementation of the schemes has been noted. BIS has been directed to submit Utilization Certificates in time so that the funds could be utilized fully without any hindrance."

1.17 The Committee had recommended the Government to take pre-emptive steps to further the implementation of the schemes and direct BIS to timely submit the utilization certificates so that funds could be utilized fully without any hindrance. The Committee are dismayed to find that instead of indicating any steps taken in this direction, the Department have simply stated to have noted the recommendation of the Committee which, in the opinion of the Committee, is lack of seriousness on the part of the Government to take concrete action on their recommendation. While reiterating their recommendation, the Committee would like the Department to make vigorous efforts to take up the matter with BIS for expeditious submission of utilization certificates so that the allocated funds could be utilized fully without any hindrance.

E. Expeditious setting up of Assaying &Hallmarking Centres in remaining States/UTs including NE States

Recommendation (Sl.No. 11, Para No. 6.12)

1.18 The Committee in their earlier report had recommended as below:-

> "The Committee note that the scheme of Hallmarking of Gold Jewellery was launched by BIS in April 2000 to provide third party assurance to consumers of the purity of gold jewellery or its fineness. Under the scheme, a jeweller has to obtain Hallmark License from BIS to get his jewellery hallmarked. For this, the Government has set up Assaying and Hallmark Centres throughout the country. The Committee are unhappy to note that there was a declining trend in terms of physical achievements made during 2007-08 and 2008-09 against the target fixed. So far, 147 hallmarking centres have been set up in 17 States/UTs whereas the consumers of remaining 18 States/UTs, especially in the States of Bihar, Himachal Pradesh, J&K, Goa and North-eastern are deprived of the benefit of hallmarking scheme. Besides, there is one hallmarking centre each in Haryana and Punjab whereas 19 such centres have been set up in NCT, Delhi. The Committee do not appreciate the contention of the Department that the quantum of jewellery being produced/consumed in the other States/UTs is not sufficient, so setting up the Assaying and Hallmakring Centres in such centres may not be viable. In the opinion of the Committee, the Government should conduct a study to know the quantum of jewellery being produced/consumed in the remaining States/UTs and to ascertain the viability of setting up of Assaying and Hallmarking Centres. The Committee, therefore, recommend that the BIS should make sincere efforts to provide facility of Assaying and Hallmarking of Gold and Silver Jewellery in remote and backward areas so that the interests of consumers are protected by way of ensuring value of money."

1.19 The Ministry in their action taken reply have stated as under:-

> "The Government or BIS has not set up any Assaying and Hallmarking Centre of their own. Setting up of such Centres is a commercial activity where entrepreneurs set up these Centres at locations of their choice, keeping the commercial viability in view. Government Scheme is intended to give encouragement for setting up of such Centres by extending financial assistance to entrepreneurs with preference being given for setting up of the Centres where no such Centre exists. The quantum of Government assistance is 30% of the cost of machinery and equipment, subject to maximum of Rs.30 lakh for setting up of the Centres in North Eastern Region, Himachal Pradesh, Jammu & Kashmir and Uttrakhand and 15% of the cost of machinery and equipment subject to maximum of Rs.15 lakh in other areas. So far the assistance has been extended only up to two Centres at important

locations and four centres at the four metros/their satellite towns and major production/consumption Centres on need basis. The Scheme has been liberalized recently to increase the quantum of assistance to 30% of the cost of machinery and equipment subject to a maximum of Rs.30 lakh for setting up of the Centres in rural areas in the country. Since no Assaying & Hallmarking Centre has so far come up in North Eastern States, Himachal Pradesh, Uttrakhand and J&K even with enhanced Central assistance, the scheme has been modified to consider requests for opening up of the Centres in these areas even without Expression of Interest. BIS has also invited fresh applications from various locations including North-Eastern Region, Himachal Pradesh, J&K and Uttrakhand and rural areas where no Centre exist, for setting up of Centres with Central assistance. BIS has also been organizing publicity campaigns on a regular basis to encourage setting up of more such Centres.

As regards the observations of the Committee that only one Hallmarking Centre each is in existence in Haryana and Punjab whereas 19 such Centres are available in the NCT and not even one Centre is in existence in North Eastern Region, it is stated that it is due to proximity of the said States to NCT from where the jewellers can get their jewellery hallmarked and transported easily to their destinations that more Centres have not come up there. Similarly, jewellers from North Eastern States prefer to get their jewellery hallmarked from Kolkata which is well connected with these States.

The Hallmarking Scheme, since its inception in 2000, has progressed considerably. The number of jewellers who have taken the license has gone up to 7701 as on 31^{st} December, 2009 from 186 on 31^{st} March, 2001. The total number of hallmarked jewellery articles has gone up to 721.47 lakh on 31^{st} December, 2009 from 0.94 lakh on 31^{st} March, 2001 and the number of articles hallmarked on annual basis has gone up to 199 lakh from 0.94 lakh during the same period.

To make the scheme of Central assistance more effective, the Government has commissioned an evaluation study of the same."

1.20 The Committee are not convinced with the reply of the Government regarding setting up of Assaying and Hallmarking Centres, especially in the North-eastern region and the remote and hilly areas. Having observed that consumers of 18 States/UTs are still deprived of the benefits of hallmarking scheme, the Committee had desired the Government to conduct a study to ascertain the viability of setting up of Assaying and Hallmarking Centres in these areas. From the action taken reply, the Committee find that the Government has commissioned an evaluation study in this regard. The Committee would like to be apprised of the outcome of the study and the consequential steps taken for setting up of Assaying and Hallmarking Centres in the remaining 18 States/UTs.

F. Expeditious introduction of Forward Contracts(Regulation) Amendment Bill

Recommendation (Sl.No. 12, Para No. 7.12)

1.21 The Committee in their earlier report had recommended as below:-

> "The Committee note with concern that though the Planning Commission has been allocating huge funds every year to Forward Market Commission (FMC) for regulating the Future/Forward trading in the country, but FMC have not been able to utilize even fifty percent of the allocated funds. For instance, during 2007-08, the BE for the year 2007-08 was Rs. 19.50 crore which was cut down to Rs. 9.75 crore whereas the expenditure was only Rs. 2.46 crore. Similarly, during 2008-09, the BE was Rs. 20.70 crore which was drastically reduced to Rs. 3.60 crore at RE and the expenditure was Rs. 3.31 crore. The plea of the Government that the funds could not be utilized due to non-passage of Forward Contracts (Regulation) Amendment Bill as operationalisation of most of the schemes under strengthening of FMC are linked with the said Bill is not acceptable to the Committee. In the opinion of the Committee, the FMC should improve its performance with the existing resources and management at their end, without waiting for the passage of Forward Contracts (Regulation) Amendment Bill. The Committee are aware of the fact that the Forward Contracts (Regulation) Amendment Bill was introduced in Lok Sabha in 2008 to convert the Ordinance into the Act. However, it got lapsed due to dissolution of the 14th Lok Sabha. The Committee, therefore, recommend that the Government should re-introduce the Forward Contracts (Regulation) Amendment Bill in Parliament in order to strengthen the regulatory framework and confer autonomy on the regulators. The Committee also recommend that findings of the study conducted by the Government to ascertain the impact of the Future/Forward trading on small and marginal farmers be implemented in letter and spirit."

1.22 The Ministry in their action taken reply have stated as under:-

> "The FMC is making all out efforts to ensure timely completion of all the activities entrusted to it despite the severe manpower constraints faced by it. Amendments to the FC(R) Act 1952 to strengthen the regulatory capabilities of FMC and enabling development of the commodities futures market on the desired lines is currently under the consideration of the Government. The expenditure for 2009-10 as on date is Rs. 2.92 crore and it is expected that the entire RE of Rs. 9.00 crore would be spent.
>
> The proposal for conducting a study to ascertain the extent to which small and marginal farmers have benefited from futures trading is under the consideration of this Ministry."

1.23 The Committee, while observing that the Forward Contracts (Regulation) Amendment Bill lapsed due to dissolution of the 14th Lok Sabha, had recommended for re-introduction of the Bill in Parliament as well as for conducting a study to ascertain the impact of future/forward trading on small and marginal farmers. The Committee regret to note that the Bill to amend the FC(R)Act 1952 to strengthen the regulatory capabilities of FMC is still under consideration of the Ministry. Further, the proposal for conducting a study to ascertain the extent to which small and marginal farmers have benefitted from future trading is also pending consideration of the Ministry. The Committee deplore the lackadaisical approach of the Government and desire that the Department should make concerted efforts for an early introduction of the Forward Contracts (Regulation) Amendment Bill in the Parliament in order to strengthen the regulatory framework of the Commission. Besides, the Government should also conduct a study to ascertain the impact of Future/Forward trading on small and marginal farmers without further delay.

G. Need to monitor the prices of Essential Commodities

Recommendation (Sl. No. 14, Para No. 8.10)

1.24 The Committee in their earlier report had recommended as below:-

> "The Committee express their concern over the rising trend in prices of almost all the essential commodities, particularly the foodgrains during the last one year. The Committee observe from the trend in prices of foodgrains that the prices, especially pulses and sugar, raised from 50% to 100% during the last year. The Department of Consumer Affairs is entrusted *inter-alia* with the task of monitoring of the prices and availability of essential commodities in the country. The Price Monitoring Cell in the Department of Consumer Affairs prepares a daily report on the retail prices and circulate the same to PMO, Cabinet Secretariat, Ministry of Finance and other concerned Ministries and suggest measures for stabilizing the prices. The reasons for increase in the prices, especially the foodgrains, are (i) Growing demand due to increase in population and income (ii) Change in consumption pattern (iii) Diversion of foodgrains for fuel (iv) Hike in Minimum Support Price (v) Adverse weather and climate change (vi) Increase in crude oil prices (vii) Increase in freight rates and (viii) Delayed monsoon. The Committee are astonished to observe that when the reasons for hike in prices are well known to the Government, why it could not take advance action to control and stabilize the retail prices in the country. In order to control the prices of essential commodities, especially the foodgrains, the Government have taken a number of fiscal, administrative and monetary measures such as reduction on import duty to zero on rice, wheat, pulses and edible oil and imposing ban on their export, enhancement in MSP, maintaining the CIP (Central Issue Price) of wheat and rice for BPL and AAY, suspension of future trading in rice, wheat, urad and tur, reduction in prices of petrol and diesel, import of pulses and edible oils for distribution to poor families at subsidized rate, extension of validity of Central Notification and improved the production and productivity of foodgrains through National Food Security Mission (NFSM) and Rashtriya Krishi Vikas Yojana (RKVY). The Committee observe that despite the aforesaid measures taken by the Government, the prices of the essential commodities did not show any decreasing trend. The Committee feel that there is an urgent need to control the prices of essential commodities especially the foodgrains so that poor persons are able to take their two square meals within their limited income. The Committee, therefore, recommend that Government should, in consultation with the other concerned Departments, traders and FMC chalk out a strategy so that prices do not go beyond control. The Government should also make planned and concerted efforts to increase production, particularly of sugar and pulses."

1.25 The Ministry in their action taken reply have stated as under:-

> "Government is taking long term and short term measures to improve the availability of pulses. The Ministry of Agriculture is concerned with improving the productivity and production in the long term in the agricultural sector. The Government has taken medium term initiatives such as Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize(ISOPOM), National Food Security Mission (NFSM) and Rashtriya Krishi Vikas Yojna (RKVY) to improve production and productivity in agriculture. The Government has taken several other initiatives such as improving the availability through import of pulses, sugar, edible oil etc to bridge the demand and supply gap. The Government has recently taken various decisions to improve the availability of essential commodities like wheat, rice, sugar, edible oils and pulses. These measures are expected to soften the pressure on prices. Recent trends also indicate a reduction in prices of most essential commodities."

1.26 The Committee, while observing that despite a number of fiscal, administrative and monetary measures taken by the Government, the prices of the essential commodities did not show any decreasing trend, had recommended the Government to chalk out a strategy in consultation with other concerned Departments to control the prices of Essential Commodities. The Committee are not fully convinced with the action taken reply of the Government as they find that despite the long-term, short-term and medium-term initiatives taken by the Government, the prices of certain essential commodities are still on rising trend. The Committee feel that stabilizing the prices of essential commodities in consultation with other related Departments is the need of the hour and is quite essential to protect the interests of the Consumers, especially the poor, in the country. While reiterating their earlier recommendation, the Committee desire that the Government should make planned and concerted efforts to control the prices of essential commodities.

CHAPTER-II

OBSERVATIONS/ RECOMMNEDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 2, Para No. 3.12)

2.1 The Committee is deeply concerned to note the uneven utilization of budgetary allocation under the plan and non-plan schemes during 2008-09. For instance, out of a total expenditure of Rs.151.71 crore during 2008-09 of the plan funds, the actual expenditure was Rs.5.63 crore, Rs.22.78 crore and Rs.11.77 crore during the 1st , 2nd and 3rd quarter of the year, respectively which is much less than the expenditure incurred in the last and the fourth quarter of the financial year. The position of expenditure is worst in case of non-plan funds where out of Rs.189.40 crore, only Rs.25.35 crore was utilized in the first three quarters of the year. The Committee in their earlier Reports had been impressing upon the need to spread the expenditure evenly during the year but it seems that the recommendations of the Committee have not been taken seriously. The reasons put forth by the Department of Consumer Affairs that they could not utilize the funds evenly due to non receipt of proposals from implementing agencies, i.e. States/UTs and non-submission of utilization certificates on time is not acceptable to the Committee due to the fact that the Department has the autonomy to utilize the funds as per their own monthly Expenditure Plan. In the opinion of the Committee, the Ministry should make advance exercise to get the proposals and utilization certificates from the implementing agencies and finalize the modalities of the schemes so that the approval by EFC does not get delayed. The Committee strongly feel that there is a need to discourage the tendency to clear huge bill for reimbursement by the implementing agencies in the fag end of financial year as in such cases, the clearance of the bills without proper scrutiny can not be ruled out. The Committee hope that the Department will use its autonomy/prerogative to monitor expenditure according to the FRBM Act and guidelines of Planning Commission to utilize the funds equally in all quarters of the year.

REPLY OF GOVERNMENT

2.2 As per the instruction of Ministry of Finance expenditure up to 33% of the total Plan allocation can be incurred in the last quarter in January-March of the financial year. Further restriction is that expenditure not exceeding 15% of the Plan allocation can be incurred in the month of March. These instructions of Ministry of Finance sufficiently deter the Departments to incur excessive expenditure towards the end of the financial year. However the observations of the Committee to evenly spread expenditure during the year have been noted.

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Recommendation (Sl. No. 3, Para No. 4.13)

2.3 The Committee note that a three tier quasi judicial redressal mechanism has been set up at the National, State and District levels as per the provisions made under the Consumer Protection Act, 1986 to resolve the consumer grievances speedily. Whereas the responsibility of the National Commission rest with the Union Government, the responsibility of setting up and effective functioning of the State Commission and District Fora lies with respective State Governments/Union territory Administrations. The Committee further note that there are a large number of pending cases in the National Commission, State Commissions and District Fora. The disposal of cases by the National Commission is reported to be 85.75%, whereas disposal of cases in the State Commissions and District Fora are 76.74% and 90.85%, respectively. The position of State Commissions is worst in some States, i.e. Assam, Haryana, Maharashtra, Orissa and Uttar Pradesh where 54.81%, 61.43%, 62.65%, 60.53% and 40.79% of cases have been disposed of by the respective State Commissions of these States . The Committee note that the information of cases filed and disposed of in respect of the North Eastern States for the last 3 years i.e. 2006, 2007 and 2008 is not available with the Department . Further, the cases pending in District Fora are very high in some of the States i.e. Uttar Pradesh (80964), Gujarat(22013), Haryana(19403), Maharashtra(16615) and Rajasthan(16539). Although the shortcomings observed in the functioning of State Commissions and District Fora including the low rate of disposal of cases within the prescribed time limit and non furnishing of information/reports are being taken up regularly by the Department of Consumer Affairs with the concerned State Governments/UTs, yet the Committee feel that these efforts are not sufficient to give any fruitful result. The Committee therefore, strongly recommend that all the States should be persuaded to furnish the details of cases filed and disposed of within the prescribed time frame, so that the National Commission may analyse the reasons for non-disposal of cases by the State Commissions and District Fora and suggest measures for early disposal of cases in the District Fora.

REPLY OF GOVERNMENT

2.4 The matter has been taken up at the level of Hon'ble Minister for CA,F&PD with the respective Chief Ministers and Lt. Governors of States/UTs. The National Consumer Disputes Redressal Commission is empowered under the Consumer Protection Act, 1986 to exercise administrative control over the State Commissions and through the State Commissions over the District Fora with regard to calling for reports on filing and disposal of cases, monitoring the same and giving instructions in general to ensure that the objectives of the Act are best served. This issue was discussed in a Video Conference Meeting with all the States & UTs. It is also proposed to be discussed in the forthcoming Conference with States/UTs being organised by the National Consumer Disputes Redressal Commission.

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Recommendation (Sl. No. 4, Para No. 4.14)

2.5 The Committee find that inspite of the efforts made by the government, as many as 39 District Fora out of 621 have been reported as non-functional in the States of Arunanchal Pradesh(3), Bihar(8), Himachal Pradesh(1), Jharkhand(1), Madhya Pradesh(1), Pondicherry(1), Punjab(1), Rajasthan(4), Tamil Nadu(15), Uttranchal(3) and West Bengal(1). The Committee note that although specific reasons for non functionality of individual District Fora in each State is not available with the Department, generally the non functionality is due to existence of vacancies of President/Members. The Committee are surprised that the Department has been forwarding a huge amount through its budget grants for strengthening of infrastructure of the District Fora without keeping a watch on the reasons for their being non-functional. Taking a serious note of the situation, the Committee strongly recommend that the vacancy position in all the District Fora across the country should be reviewed regularly and all efforts made for timely filling up of vacancies so as to make the District Fora fully functional.

REPLY OF GOVERNMENT

2.6 The matter has been taken up at the level of Hon'ble Minister for CA,F&PD with the respective Chief Ministers and Lt. Governors of States/UTs. Under the new plan scheme, "Strengthening Consumer Fora", it has been made mandatory that the State/UT Government certifies that the posts of President/Member have been created, before any further funds are released to them. However, it might not be possible to ensure that release of funds be linked to posts of President/Members in Consumer Fora being filled up as the posts of President/Members are tenure posts and vacancies keep arising at some Consumer Forum or the other during the year. To ensure timely filling up of vacancies, the Department is also proposing amendment in the Consumer Protection Act, 1986, which would make it incumbent on States/UTs to fill up posts on time. This issue was discussed in a Video Conference Meeting with all the States & UTs. It is also proposed to be discussed in the forthcoming Conference with States/UTs being organised by the National Consumer Disputes Redressal Commission.

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Recommendation (Sl. No. 5, Para No. 4.15)

2.7 From the information furnished by the Department, the Committee find that three posts of President, and 21 posts of Members are vacant in the State Commissions. Besides, 92 posts of President, and 201 posts of Members are lying vacant in District Fora of various States/Union Territories. In the opinion of the committee the large number of vacancies in the State Commissions and District Fora may be due to inadequate salary and allowances as well as less honorarium being paid to the President and Members of the State Commission and District Fora. The Committee, therefore, recommend that the matter may be taken up with all the State Governments and Union territory Administrators to ascertain the reasons for existence of vacancies in the State Commissions and the District Fora and to impress upon them to pay adequate salary and honorarium to attract the best available talent.

REPLY OF GOVERNMENT

2.8 The matter has been taken up at the level of Hon'ble Minister for CA,F&PD with the respective Chief Ministers and Lt. Governors of States/UTs. The responsibility of filling up of vacancies of President/Members in the State Commissions and District Fora lies with the respective States/ UTs. The Department does impress upon the States/UTs to ensure timely filling up of vacancies so that Consumer Fora are not rendered non-functional. The reasons for vacancies differ from State to State or from location to location. Hence, the Department of Consumer Affairs will call for report from the States/UTs, by making necessary modification in the periodical returns that the States/UTs send to this Department, seeking reasons for vacancies and action taken to fill up vacant posts. On the issue of payment of adequate salary and allowances to the President/Members of the State Commissions and District Fora, the Central Govt. had also set up a Committee under the Chairmanship of Dr. P.D. Shenoy, Member, NCDRC, which had given various recommendations, including payment of adequate salary/honorarium etc. to the Presidents/Members of State Commissions/District Fora and the same were sent to all the States/UTs for necessary action. These issues were discussed in a Video Conference Meeting with all the States & UTs. These are also proposed to be discussed in the forthcoming Conference with States/UTs being organised by the National Consumer Disputes Redressal Commission.

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(Please see Para No.1.11 of Chapter I of the Report)

Recommendation (Sl. No. 6, Para No. 4.21)

2.9 The Committee note that to supplement the efforts of States/UTs, the Government have launched an 'Integrated Project on Consumer Protection Scheme' and released huge funds for strengthening the infrastructure of Consumer Fora. The Committee are dismayed to note that Rs. 73.82 crore was released to 27 States for construction of building of 506 Consumer Fora, but so far 12 States have not submitted the utilization certificates in respect of funds released to them and have not availed further assistance under the scheme. It is a matter of great concern that 6 States, namely, Rajasthan, Himachal Pradesh, Haryana, Madhya Pradesh, Manipur and Meghalaya to whom 75% of the funds were released, have not submitted the utilization certificates. The Committee view the situation seriously and strongly recommend that the Government should take up the matter with the defaulting States/UTs at the highest level to find out the circumstances under which the funds were not utilized. It should be ensured that the funds allocated for a particular scheme are utilized in the financial year itself.

REPLY OF GOVERNMENT

2.10 The matter has been taken up at the level of Hon'ble Minister for CA,F&PD with the respective Chief Ministers and Lt. Governors of States/UTs. In the meanwhile, Manipur & Meghalaya have submitted their Utilization Certificates (UCs) indicating full utilization of the first instalment released under the scheme of 'Integrated Project on Consumer Protection'. Also, the States of Himachal Pradesh, Haryana, Madhya Pradesh and Rajasthan have furnished Utilisation Certificates indicating that they have utilized between 40% to less than 75% of the funds released as first instalment under the scheme of 'Integrated Project on Consumer Protection'. This issue was discussed in a Video Conference Meeting with all the States & UTs. It is also proposed to be discussed in the forthcoming Conference with States/UTs being organised by the National Consumer Disputes Redressal Commission.

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Recommendation (Sl. No. 7, Para No. 4.22)

2.11 The Committee regret to note that the study conducted by an agency to evaluate the Integrated Project on Consumer Protection Scheme have pointed out serious shortcomings in the implementation such as (a) non-availability of Government land for construction of building for Consumer Fora (b) higher cost of construction, especially in remote and hilly areas (c) inadequate staff (d) non-transfer of money to respective District Fora in time (e) non-availability of funds for generating awareness (f) difficulties being faced by the States/UTs in providing land free of cost or bear the cost of land from their own budgetary resources. The Committee wonder how the Government will achieve its target and do justice to the consumers till the aforesaid shortcomings are existing. The Committee are aware that the Government have modified the guidelines of the scheme. Under the new guidelines the Consumer Fora are divided into four categories so that funds are released to them for building assets on a graded system rather than release of grants for building on a fixed norm as was the earlier practice followed under the scheme. The Committee recommend that the Government make vigorous efforts to pursue the matter with State Governments/UTs to resolve the issues/shortcomings noticed by the evaluation agency and make sincere efforts for the implementation of the recommendation/suggestion.

<u>REPLY OF GOVERNMENT</u>

2.12 The new plan scheme, 'Strengthening Consumer Fora', has taken into consideration the findings in the evaluation report and accordingly sought to address the shortcomings and difficulties reported in the implementation of the earlier scheme of 'Integrated Project on Consumer Protection'. The parameters for releasing assistance for building purposes under the new scheme have been formulated by factoring in the variable cost factor due to Consumer Forum being situated in a remote/hilly area or metropolitan area, escalation of cost of materials and labour since the earlier scheme etc. As rightly noted by the Standing Committee, under the new scheme, Consumer Fora have been categorized into four categories depending upon their location and accordingly different cost ceilings have been fixed to ensure that the building projects do not get held up for want of funds. To ensure timely and smooth implementation of the new scheme, the matter has been taken up at the level of Hon'ble Minister for CA,F&PD with the respective Chief Ministers and Lt. Governors of States/UTs. This issue was discussed in a Video Conference Meeting with all the States & UTs. It is also proposed to be discussed in the forthcoming Conference with States/UTs being organised by the National Consumer Disputes Redressal Commission.

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Recommendation (Sl. No. 8, Para No. 4.30)

2.13 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 awareness and strengthen consumer movement in the country. The fund which was set up by the Department of Revenue is operated by the Ministry of Consumer Affairs, Food and Public Distribution. Any agency/organization engaged in consumer welfare activities and registered under the Companies Act, 1956 is eligible for seeking financial assistance from the fund. The Committee are unhappy to note that the allocation of funds for the purpose has been considerably decreasing during the past three years. The BE which was Rs. 33 crore in 2006-07 has been reduced to Rs. 13.90 crore in 2009-10. The Committee regret that even the reduced funds could not be fully utilized during the past three years which is evident from the fact that out of Rs. 83.58 crore allocated from 2006-07 to 2009-10, the Ministry could utilize only Rs. 25.31 crore. The Committee are not convinced with the arguments of the Government that the funds were not fully utilized due to non-submission to utilization certificates from the VCOs/NGOs even after the expiry of stipulated time as it merely reflects the lack of proper monitoring over the scheme. The Committee note that under the scheme, central share of one time seed money is released to States after they credit their share of 50% to a separate non-plan, non-lapsable account. The Committee are disturbed to note that 14 States are yet to create their State Consumer Welfare Fund and credit their share. The Committee feel that generating consumer awareness and strengthen consumer movement, particularly in the rural and remote areas, is a critical issue. The Committee, therefore, recommend that the Government should persuade the remaining States/UTs to provide their matching share and make necessary provision in their Budgets. Besides, the Department should strengthen its monitoring over the scheme, so that the funds are fully utilized in the financial year itself.

<u>REPLY OF GOVERNMENT</u>

2.14 There has been less expenditure during 2006-07 and 2007-08 as the guidelines for releasing grant in aid were under detailed revision. The new guidelines which are more transparent and in detail, were issued only in November, 2007.

During 2007-08 and 2008-09 there has been less expenditure due to the fact that many current projects could not be released full installments due to delay in settlement of outstanding Audit paras.

The Standing Committee on CFW in its meeting held on 13.11.09 has decided that Consumer Welfare Fund at State Level should be further strengthened in order to help the States to finance local level programmes. It has therefore been decided to propose to the States/UTs that States who were willing to set up a corpus fund of Rs. 10 crore will be given 75% of that amount from the Central Consumer

Welfare Fund. Thus a State which wants to establish a corpus of Rs. 10 crore will have to first contribute Rs. 2.5 crore and thereafter Rs. 7.5 crore will be given by the Central Consumer Welfare Fund. This will lead to higher expenditure from Consumer Welfare Fund. The detailed guidelines issued and posted in the website are also likely to help the NGOs and other institutions to prepare viable and innovative projects which could be approved for releasing grant in aid.

States that have not set up States Consumer Welfare Fund by crediting their share in the account and have not availed the central share so far are being reminded regularly. Recently a DO reminder has been sent from Secretary (CA) to Chief Secretaries of these States/UTs.

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(Please see Para No.1.14 of Chapter I of the Report)

Recommendation (Sl. No. 9, Para No. 5.4)

2.15 The Committee are happy to note that the Special Leave Petition filed by Employees Union, namely Super Bazaar Karamchari Dalit Sangh has been disposed off by Hon'ble Supreme Court on 26.02.2009 with the direction to take steps for revival of Super Bazaar. The Committee find that the representatives of employees union and other respondents' parties have raised no objection with regard to views expressed by the Evaluation Committee constituted by the Supreme Court over revival of Super Bazaar. As the issue of revival of Super Bazaar has been badly delayed, the Committee recommend that the Department should take the initiative to clear the dues and liabilities of all the creditors and claimants at the earliest and to take steps for early revival of Super Bazaar to protect the interest of workers. The Committee also desire that before handing over the management of Super Bazaar to a Group or Society, it must be ensured that it has adequate infrastructure, experience and financial capacity to run the business.

REPLY OF GOVERNMENT

2.16 The Supreme Court in its order dated 26.2.2009 directed Central Registrar of Cooperative Societies and Official Liquidator to take steps for revival of Super Bazar. As regards the payment of dues and liabilities, the successful bidder has accepted the liabilities of Super Bazar before the Supreme Court and same will be paid in due course. The Administrators Super Bazar has been appointed under section 123 of Multi-State Cooperative Societies Act, 2002(MSCS Act, 2002). The Administrators Super Bazar has informed that the offer of employment to the employees of Super Bazar has been given and about 965 employees have joined their duties. In addition, renovation work of some shops, completion of fire fighting measures in Connaught Place Building are under process and to be completed before operations' begin. An amount of Rs. 2.01 crores has been paid to the NDMC by the Super Bazar towards arrears of rent/license fees. As far as handing over the management of Super Bazar to a Group or Society is concerned, it is informed that on the recommendations of the Evaluation Committee constituted by the Supreme Court, the bidder i.e. M/s Writers and Publishers Ltd., was selected as an agency for revival of Super Bazar. The management of Super Bazar will be constituted by the Administrators with the shareholders of the society including the representatives of the M/s Writers and Publishers Ltd., as per the provisions of the MSCS Act, 2002

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Recommendation (Sl. No. 10, Para No. 6.11)

2.17 The Committee are not satisfied as far as the financial performance of the Bureau of Indian Standards (BIS) is concerned due to the fact that Planning Commission have been allocating huge funds every year but not even one percent of the funds was utilized by BIS. For example, during 2007-08, the BE was Rs. 10.80 crore and RE was Rs. 9.14 crore whereas the actual expenditure was only Rs. 0.50 crore. Similarly, during 2008-09, the BE was Rs. 18.69 crore which was lowered down to Rs. 0.63 crore at RE stage and the actual expenditure was Rs. 0.66 crore. The Committee regret that for all the schemes, the reasons for under spending given by the Department is non-submission of the utilization certificates from the implementing agencies which in the opinion of the Committee indicates lack of proper planning and very poor monitoring over the schemes. In the instant case, the utilization certificates are to be received from BIS, the executive agency and not from the States. The Committee feel that Standardization and Quality Control is a very crucial element for proper functioning of BIS Act. However, this requires timely receipt of satisfactory Utilization Certificate from implementing agency so that the actual requirement for Standardization and Quality Control could be worked out and right estimates could be made accordingly. The Committee would, therefore, recommend that the Department should take pre-emptive steps to further the implementation of the schemes by directing the BIS, to timely submit Utilization Certificates so that funds could be utilized fully without any hindrance.

REPLY OF GOVERNMENT

2.18 Less expenditure during the previous years was due to the fact that the schemes were new and a number of preliminary activities were to be carried out by BIS before their commencement. Based on the response of the requirements of funds, the budget allocations for the years 2007-08 and 2008-09 were reduced at RE stage. The pace of expenditure during the year 2009-10 has improved. Against the Revised Estimates of Rs.6.59 crore, Rs.4.38 crore has already been utilized and the remaining amount is also likely to be largely utilized by the end of the financial year.

The suggestion/recommendation of the Committee to take pre-emptive steps to further the implementation of the schemes has been noted. BIS has been directed to submit Utilization Certificates in time so that the funds could be utilized fully without any hindrance.

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(Please see Para No.1.17 of Chapter I of the Report)

Recommendation (Sl. No. 12, Para No. 7.12)

2.19 The Committee note with concern that though the Planning Commission has been allocating huge funds every year to Forward Market Commission (FMC) for regulating the Future/Forward trading in the country, but FMC have not been able to utilize even fifty percent of the allocated funds. For instance, during 2007-08, the BE for the year 2007-08 was Rs. 19.50 crore which was cut down to Rs. 9.75 crore whereas the expenditure was only Rs. 2.46 crore. Similarly, during 2008-09, the BE was Rs. 20.70 crore which was drastically reduced to Rs. 3.60 crore at RE and the expenditure was Rs. 3.31 crore. The plea of the Government that the funds could not be utilized due to non-passage of Forward Contracts (Regulation) Amendment Bill as operationalisation of most of the schemes under strengthening of FMC are linked with the said Bill is not acceptable to the Committee. In the opinion of the Committee, the FMC should improve its performance with the existing resources and management at their end, without waiting for the passage of Forward Contracts (Regulation) Amendment Bill. The Committee are aware of the fact that the Forward Contracts (Regulation) Amendment Bill was introduced in Lok Sabha in 2008 to convert the Ordinance into the Act. However, it got lapsed due to dissolution of the 14th Lok Sabha. The Committee, therefore, recommend that the Government should re-introduce the Forward Contracts (Regulation) Amendment Bill in Parliament in order to strengthen the regulatory framework and confer autonomy on the regulators. The Committee also recommend that findings of the study conducted by the Government to ascertain the impact of the Future/Forward trading on small and marginal farmers be implemented in letter and spirit.

REPLY OF GOVERNMENT

2.20 The FMC is making all out efforts to ensure timely completion of all the activities entrusted to it despite the severe manpower constraints faced by it. Amendments to the FC(R) Act 1952 to strengthen the regulatory capabilities of FMC and enabling development of the commodities futures market on the desired lines is currently under the consideration of the Government. The expenditure for 2009-10 as on date is Rs. 2.92 crore and it is expected that the entire RE of Rs. 9.00 crore would be spent

The proposal for conducting a study to ascertain the extent to which small and marginal farmers have benefited from futures trading is under the consideration of this Ministry.

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Comments of the Committee

(Please see Para No.1.23 of Chapter I of the Report)

Recommendation (Sl. No. 13, Para No. 7.13)

2.21 The Committee note that the sanctioned strength of FMC is 136 out of which only 83 are in position while 53 posts are lying vacant. The Committee note with surprise that even 22 posts in Group 'C' and 'D' are lying vacant in FMC which in the opinion of the Committee is nothing but deplorable. The plea of the Government that posts of senior cadre could not be filled due to non-availability of suitable candidates is not convincing to the Committee. In the opinion of the Committee, there is no dearth of educated candidates with technical qualification who are in search of employment. The Committee, therefore, strongly recommend that Government should take urgent necessary action to fill up all the vacant posts of FMC without waiting for the passage of Forward Contracts (Regulation) Amendment Bill so that the regulatory work is not suffered for want of suitable candidates.

REPLY OF GOVERNMENT

2.22 The Comments of the Committee are noted for compliance. In this connection, it is clarified that the Forward Markets Commission is making every effort to ensure that all the posts are filled up on time. The Commission has initiated action on filling up the 14 posts of Directors and Deputy Directors (for Finance, IT, Legal and Economics). Interviews for the same were held on 30th and 31st December, 2009. Selection has been completed for these posts An advertisement has been sent to DAVP on 29th December, 2009 for filling up the post of Stenographer Group I & III. The post of Office Superintendent was advertised in Employment News on 25th July, 2009 but no application is received so far. The post of Hindi Translator was also circulated to various government departments more than two times, but due to merger of the pre-revised scale of Rs. 5000-8000, Rs. 5500-9000, and Rs. 6500-10500 as per the 6th CPC, resulting no financial benefits in the above said posts, no response was received. Regarding the other vacant posts of group B & C the regular incumbents are on deputation/ad hoc and, therefore, the said posts have to be kept vacant and cannot be filled up.

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Recommendation (Sl. No. 14, Para No. 8.10)

2.23 The Committee express their concern over the rising trend in prices of almost all the essential commodities, particularly the foodgrains during the last one year. The Committee observe from the trend in prices of foodgrains that the prices, especially pulses and sugar, raised from 50% to 100% during the last year. The Department of Consumer Affairs is entrusted *inter-alia* with the task of monitoring of the prices and availability of essential commodities in the country. The Price Monitoring Cell in the Department of Consumer Affairs prepares a daily report on the retail prices and circulate the same to PMO, Cabinet Secretariat, Ministry of Finance and other concerned Ministries and suggest measures for stabilizing the prices. The reasons for increase in the prices, especially the foodgrains, are (i) Growing demand due to increase in population and income (ii) Change in consumption pattern (iii) Diversion of foodgrains for fuel (iv) Hike in Minimum Support Price (v) Adverse weather and climate change (vi) Increase in crude oil prices (vii) Increase in freight rates and (viii) Delayed monsoon. The Committee are astonished to observe that when the reasons for hike in prices are well known to the Government, why it could not take advance action to control and stabilize the retail prices in the country. In order to control the prices of essential commodities, especially the foodgrains, the Government have taken a number of fiscal, administrative and monetary measures such as reduction on import duty to zero on rice, wheat, pulses and edible oil and imposing ban on their export, enhancement in MSP, maintaining the CIP (Central Issue Price) of wheat and rice for BPL and AAY, suspension of future trading in rice, wheat, urad and tur, reduction in prices of petrol and diesel, import of pulses and edible oils for distribution to poor families at subsidized rate, extension of validity of Central Notification and improved the production and productivity of foodgrains through National Food Security Mission (NFSM) and Rashtriya Krishi Vikas Yojana (RKVY). The Committee observe that despite the aforesaid measures taken by the Government, the prices of the essential commodities did not show any decreasing trend. The Committee feel that there is an urgent need to control the prices of essential commodities especially the foodgrains so that poor persons are able to take their two square meals within their limited income. The Committee, therefore, recommend that Government should, in consultation with the other concerned Departments, traders and FMC chalk out a strategy so that prices do not go beyond control. The Government should also make planned and concerted efforts to increase production, particularly of sugar and pulses.

<u>REPLY OF GOVERNMENT</u>

2.24 Government is taking long term and short term measures to improve the availability of pulses. The Ministry of Agriculture is concerned with improving the productivity and production in the long term in the agricultural sector. The Government has taken medium term initiatives such as Integrated Scheme of

Oilseeds, Pulses, Oil Palm and Maize(ISOPOM), National Food Security Mission (NFSM) and Rashtriya Krishi Vikas Yojna (RKVY) to improve production and productivity in agriculture. The Government has taken several other initiatives such as improving the availability through import of pulses, sugar, edible oil etc to bridge the demand and supply gap. The Government has recently taken various decisions to improve the availability of essential commodities like wheat, rice, sugar, edible oils and pulses. These measures are expected to soften the pressure on prices. Recent trends also indicate a reduction in prices of most essential commodities.

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(Department of Consumer Affairs)
H-11012/17/2009-P&C, Dated 16/03/2010

Comments of the Committee

(Please see Para No.1.26 of Chapter I of the Report)

Recommendation (Sl. No. 15, Para No. 8.11)

2.25 The Committee note that the Essential Commodities Act, 1955 and Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act, 1980 empowers the State Governments/UTs to take action against the unscrupulous persons indulging in hoarding and blackmarketing of essential commodities. The Committee find that number of persons arrested, prosecuted and convicted are much less as compared to the number of raids conducted by the enforcement machinery of the States/UTs during 2008-09 and 2009-10 (upto 31.08.09). In some of the States/UTs, namely Jharkhand, Nagaland, Lakshadweep, Bihar, Manipur, Sikkim, A&N Islands, the position is worst where not a single raid was conducted during 2008-09 and 2009-10. Consequently, the number of persons prosecuted and arrested were also Nil. The Committee note with serious concern that during 2008-09, the number of raids conducted were 2,68,775 whereas the number of persons arrested, prosecuted and convicted during the year were only 8001 (2.97%), 6425(2.39%) and 790(0.29%), respectively. The number of unscrupulous persons detained under the Prevention of Blackmarketing and Maintenance of Supply of Essential Commodities Act, 1980 is far from satisfactory. During 2008-09, 162 cases and during 2009-10, 92 cases (upto 31.03.2009) of detention have been reported from 5 States namely, Gujarat, Tamil Nadu, Orissa, Andhra Pradesh and Maharashtra. The Committee wonder as to why not a single raid was conducted by the enforcement machinery of States/UTs which furnished 'NIL' Reports. In the opinion of the Committee, there is a lack of coordination between implementing agencies and poor monitoring of the Department of Consumer Affairs over the functioning of the States/UTs. The Committee view the situation seriously and recommend that the Government should impress upon the State Governments/UTs to strengthen their enforcement machinery and conduct raids regularly so that the persons indulged in hoarding and blackmarketing are punished as per the law of the land.

REPLY OF GOVERNMENT

2.26 The enforcement of the Essential Commodities Act, 1955 lies with the State Governments/Union Territories. The State Governments/UT Administrations have been delegated powers to take necessary action under the provisions of both "The Essential Commodities Act, 1955 and "The Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act , 1980", to prevent mal-practices in essential commodities. However, for strengthening the Essential Commodities Act, 1955 and to curb price rise, hoarding and speculation some stern action has been initiated by Department of Consumer Affairs. Directions have been given to States/UTs from time to time to take necessary actions under both the Acts to prevent hoarding and smuggling.

2. Secretary (CA) has written on 5.1.2010 to the Chief Secretaries of all States/UTs, requesting them to organize special drives against hoarding and to send a factual report to this Department within 15 days containing inter-alia, the action taken and cases booked under the Essential Commodities Act so as to enable this Department to send a consolidated report to the Committee. In the meanwhile, the latest information available on Action Taken under the Essential Commodities Act, 1955 and the number of detentions under the Prevention of Blackmarketing and Maintenance of Supplies of Essential Commodities Act , 1980 as on 31.12.2009 are enclosed **(Annexure-I & II).**

3. The State Governments have been advised to take action under the provisions of Essential Commodities Act, 1955 on several occasions from time to time. Action taken in the recent past is indicated below:

(i) The recommendations of the Parliamentary Standing Committee on Food, Consumer Affairs & Public Distribution Committee contained in its 27th Report on Price Rise of Essential Commodities- Causes and Effects with special emphasis on import of wheat and enforcement of Prevention of Black Marketing and Maintenance of Supply of Essential Commodities Act, 1980 have also been communicated to the State Governments/UTs vide Secretary (Consumer Affairs)'s d.o. letter No.2/7/2007-ECR&E dated 09.02.2009 for taking immediate action to supply the information of detention cases with the prescribed time limit as per the Act.

(ii) Subsequently the observations of the 28th Report of the Standing Committee on Food, Consumer Affairs & Public Distribution on Demand for Grants(2008-2009) with the recommendation that Central Government should impress upon the State Government/UTs to strengthen their enforcement machinery and take all necessary measures to prevent hoarding and black marketing have been communicated to the Chief Secretaries of all the States/UTs vide Secretary (CA)'s d.o. letter dated 15.05.2009 wherein immediate action on the recommendations of the Standing Committee had been requested.

(iii) A Chief Secretaries conference had been held on 08.08.2009 wherein, inter-alia the need to implement the stock control orders had been emphasized by Secretary (CA). Secretary (CA) had written to all the Chief Secretaries vide letter dated 03.08.2009 reiterating the need to fix stock limits where Central Government had issued orders and also to enforce them strictly.

(iv) Hon'ble Minister had also convened a meeting with States/UTs Food Ministers on 19.8.2009 . Subsequently, the Hon'ble Minister has also written to all the Chief Ministers vide his letter dated 23.09.2009. Later in continuation to his letter dated 23.09.2009 he has again written a letter dated 12.12.2009 to all the Chief Ministers reiterating that State Governments have major role in checking prices of essential commodities by curbing malpractices through a set of administrative and regulatory measures. Hon’ble Minister has suggested that it is necessary to put in place and strengthening an appropriate mechanism for regular intensive monitoring of the prices of the commodities in order to promptly detect any short terms fluctuations and take necessary corrective actions, if necessary, through direct market intervention for adequate supplies of essential commodities to the consumers at affordable price. Hon’ble Minister has also reiterated the measures taken by the Central Government to augment availability of essential commodities, particularly pulses, including, a scheme of subsidized supply of pulses for distribution through PDS as has also been emphasized earlier in meetings. A scheme for publicity campaign for popularizing yellow peas dal has been finalized under which the States/UTs will be eligible for a maximum grant of Rs.20/10/5 lakh, depending upon the number of districts in the State/UTs.

(v) States/UTs have been requested vide Hon’ble Minister’s above letter to help in controlling prices by taking advantage of above mentioned new schemes and for ensuring adequate supplies of essential commodities to the consumer by strictly enforcing the provisions of Essential Commodities Act, 1955 and PBM Act, 1980 against unscrupulous elements including malpractices. Video Conferencing were also held with Food Secretaries of all State Governments/UT Administrations on 06.11.2009 and 13.11.2009.

(vi) In order to find out whether the penal provisions contained in the EC Act and the PBMMSEC Act, 1980 could be made more stringent and the reasons for low prosecutions/convictions vis-à-vis number of arrests made for violation of the provisions of the EC Act, a d.o. letter dated 30.12.2009 from Additional Secretary (CA) has been addressed to all Food Secretaries calling for this information. The Department had also held a video conference with Food Secretaries of all State Governments/UTs in the last week of January, 2010, where these issues were discussed.

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CHAPTER-III

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

-NIL-

CHAPTER-IV

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

Recommendation (Sl. No. 1, Para No. 3.11)

4.1 The Committee are not satisfied with the overall performance of the Department of Consumer Affairs in so far as expenditure incurred during 2008-09 is concerned. The Committee note that out of a total allocation of Rs.413.65 crore during 2008-09, the Department could utilize only Rs.341.11 crore i.e. Rs.151.71 crore for its plan schemes and Rs.189.40 crore for non-plan schemes. The Committee are also surprised to note that the expenditure on some of the important schemes viz. National Test House (NTH), Bureau of Indian Standards(BIS), Forward Market Commission(FMC) and project/scheme for North-Eastern Region was almost negligible. Out of total allocation of Rs.74.51 crore for these Schemes/Programmes, the expenditure was only Rs.5.37 crore during the financial year, indicating a poor planning by the Department. The reasons put forth by the Ministry that the BE was reduced at RE stage due to delay in evaluation and approval of the schemes by SFC/EFC is not convincing to the Committee. In the opinion of the Committee, the Department has not been able to improve its monitoring mechanism over schemes and make co-ordination between the evaluation agencies. The Committee, therefore, strongly recommend that the Department should make sincere efforts for getting clearance of the schemes without delay so that funds allocated are fully utilized during the financial year. The Committee also recommend that the Department should make sincere efforts to utilize the entire funds allocated for the Schemes/Programmes for the North-Eastern region so as to avoid its transfer to non-lapsable funds created for NE States. Steps taken in this regard should be communicated to the Committee within three months.

REPLY OF GOVERNMENT

4.2 A statement indicating year-wise Plan allocation/allocation for North Eastern Region and expenditure for North Eastern Region is given below:

Statement indicating year-wise allocation/expenditure

(Rs. in crore)

Year	Total Plan Allocation		Allocation for NE		Expenditure for NE
	BE	RE	BE	RE	
2006-07	163.00	150.00	16.75	15.01	17.95
2007-08	213.00	150.00	21.60	13.38	10.18
2008-09	209.00	160.00	20.90	16.00	11.97

The Plan allocation is distributed for the following major Plan Schemes of the Department.

a) Consumer Awareness
b) Consumer Protection
c) State Consumer Helpline
d) Strengthening of Forward Market Commission
e) Weights and Measures
f) National Test House
g) Bureau of Indian Standards including Gold Hallmarking

A few Plan schemes being implemented in this Department do not have scope for expenditure in the north eastern region, such as:

I. Construction of National Consumer Disputes Redressal Commision (NCDRC) Building, a sub-scheme of Consumer Protection.
II. Strengthening of Forward Market Commission as there is no commodity future exchange in NE Region.

The schemes of Consumer Awareness and Consumer Protection are implemented all over the country including the North Eastern State.

Under the 'CONFONET' scheme, a sub-scheme of Consumer Protection, the National Information Centre (NIC) is providing computer hardware and software to all the seven States in the North East and Sikkim. Similarly, under the scheme of strengthening of Consumer Fora the funds are provided to the States, on the basis of infrastructure requirements and land, provided by the State Government for the Consumer Fora.

National Test House (NTH) has a regional test centre/Laboratory at Guwahati. Funds are provided to NTH, Guwahati (Assam).

In the North Eastern region the trade participation is not significant, hence no expenditure was incurred in North Eastern States by FMC.

There is one Regional Reference Standards Laboratory(RRSL) in Guwahati. Funds meant for the North East are provided to this laboratory. Funds are also provided for strengthening of State infrastructure on the basis of the State Laboratories under Weights and Measures Scheme.

Thus every effort is made to ensure that the minimum expenditure prescribed for the North Easter Region is achieved.

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Comments of the Committee

(Please see Para No.1.8 of Chapter I of the Report)

Recommendation (Sl. No. 11, Para No. 6.12)

4.3 The Committee note that the scheme of Hallmarking of Gold Jewellery was launched by BIS in April 2000 to provide third party assurance to consumers of the purity of gold jewellery or its fineness. Under the scheme, a jeweller has to obtain Hallmark License from BIS to get his jewellery hallmarked. For this, the Government has set up Assaying and Hallmark Centres throughout the country. The Committee are unhappy to note that there was a declining trend in terms of physical achievements made during 2007-08 and 2008-09 against the target fixed. So far, 147 hallmarking centres have been set up in 17 States/UTs whereas the consumers of remaining 18 States/UTs, especially in the States of Bihar, Himachal Pradesh, J&K, Goa and North-eastern are deprived of the benefit of hallmarking scheme. Besides, there is one hallmarking centre each in Haryana and Punjab whereas 19 such centres have been set up in NCT, Delhi. The Committee do not appreciate the contention of the Department that the quantum of jewellery being produced/consumed in the other States/UTs is not sufficient, so setting up the Assaying and Hallmakring Centres in such centres may not be viable. In the opinion of the Committee, the Government should conduct a study to know the quantum of jewellery being produced/consumed in the remaining States/UTs and to ascertain the viability of setting up of Assaying and Hallmarking Centres. The Committee, therefore, recommend that the BIS should make sincere efforts to provide facility of Assaying and Hallmarking of Gold and Silver Jewellery in remote and backward areas so that the interests of consumers are protected by way of ensuring value of money.

REPLY OF GOVERNMENT

4.4 The Government or BIS has not set up any Assaying and Hallmarking Centre of their own. Setting up of such Centres is a commercial activity where entrepreneurs set up these Centres at locations of their choice, keeping the commercial viability in view. Government Scheme is intended to give encouragement for setting up of such Centres by extending financial assistance to entrepreneurs with preference being given for setting up of the Centres where no such Centre exists. The quantum of Government assistance is 30% of the cost of machinery and equipment, subject to maximum of Rs.30 lakh for setting up of the Centres in North Eastern Region, Himachal Pradesh, Jammu & Kashmir and Uttrakhand and 15% of the cost of machinery and equipment subject to maximum of Rs.15 lakh in other areas. So far the assistance has been extended only up to two Centres at important locations and four centres at the four metros/their satellite towns and major production/consumption Centres on need basis. The Scheme has been liberalized recently to increase the quantum of assistance to 30% of the cost of machinery and equipment subject to a maximum of Rs.30 lakh for setting up of the Centres in rural areas in the country. Since no Assaying & Hallmarking Centre has so far come up in North Eastern States, Himachal Pradesh, Uttrakhand and J&K

even with enhanced Central assistance, the scheme has been modified to consider requests for opening up of the Centres in these areas even without Expression of Interest. BIS has also invited fresh applications from various locations including North-Eastern Region, Himachal Pradesh, J&K and Uttrakhand and rural areas where no Centre exist, for setting up of Centres with Central assistance. BIS has also been organizing publicity campaigns on a regular basis to encourage setting up of more such Centres.

As regards the observations of the Committee that only one Hallmarking Centre each is in existence in Haryana and Punjab whereas 19 such Centres are available in the NCT and not even one Centre is in existence in North Eastern Region, it is stated that it is due to proximity of the said States to NCT from where the jewellers can get their jewellery hallmarked and transported easily to their destinations that more Centres have not come up there. Similarly, jewellers from North Eastern States prefer to get their jewellery hallmarked from Kolkata which is well connected with these States.

The Hallmarking Scheme, since its inception in 2000, has progressed considerably. The number of jewellers who have taken the license has gone up to 7701 as on 31st December, 2009 from 186 on 31st March, 2001. The total number of hallmarked jewellery articles has gone up to 721.47 lakh on 31st December, 2009 from 0.94 lakh on 31st March, 2001 and the number of articles hallmarked on annual basis has gone up to 199 lakh from 0.94 lakh during the same period.

To make the scheme of Central assistance more effective, the Government has commissioned an evaluation study of the same.

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(Department of Consumer Affairs)
H-11012/17/2009-P&C, Dated 16/03/2010
Comments of the Committee

(Please see Para No.1.20 of Chapter I of the Report)

CHAPTER-V

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

-NIL-

NEW DELHI;
9th August, *2010*
18 Sravana,1932(Saka)

VILAS MUTTEMWAR
Chairman,
Standing Committee on Food,
Consumer Affairs and Public Distribution.

CONFIDENTIAL

STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2009-10)

MINUTES OF THE TWENTY SECOND SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION HELD ON MONDAY, 9TH AUGUST, 2010

The Committee sat from 1500 hrs to 1555 hrs in Committee Room 'B', Parliament House Annexe, New Delhi.

Present

Shri Vilas Muttemwar - Chairman

Members

Lok Sabha

2. Smt.Harsimrat Kaur Badal
3. Shri Arvind Kumar Chaudhary
4. Shri Sanjay Singh Chauhan
5. Shri Mohinder Singh Kaypee
6. Shri Marotrao Sainuji Kowase
7. Shri Sohan Potai
8. Shri Purnmasi Ram

Rajya Sabha

9. Shri Lalhming Liana
10. Shri Shantaram Laxman Naik
11. Shri Kanjibhai Patel
12. Shri Veer Singh
13. Shri Kaptan Singh Solanki

Secretariat

1. Shri P.K.Misra - Joint Secretary
2. Smt. Veena Sharma - Director
3. Shri Jagdish Prasad - Additional Director

2. At the outset, Hon'ble Chairman welcomed the Members to the sitting of the Committee convened for consideration and adoption of two draft action taken reports pertaining to (i) the Department of Food and Public Distribution and (ii) the Department of Consumer Affairs respectively.

3. The Committee first took up for consideration the draft report on action taken by the Government on the observations/recommendations contained in the Second Report (15^{th} Lok Sabha) of the Committee on Demands for Grants (2009-10) relating to the Department of Food and Public Distribution and adopted the same with slight amendments.

4. The Committee then took up for consideration the draft report on action taken by the Government on the observations/recommendations contained in the Third Report (15^{th} Lok Sabha) of the Committee on Demands for Grants (2009-10) relating to the Department of Consumer Affairs and adopted the same without any amendment.

5. The Committee authorized the Chairman to finalize the aforesaid Reports and present the same to both the Houses of Parliament during the current Session of Parliament.

The Committee then adjourned.

/……………./

APPENDIX II

(*Vide* Introduction of the Report)

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

(i)	Total Number of Recommendations	15
(ii)	Recommendations/observations which have been accepted by the Government: Recommendation Nos. 3.12, 4.13, 4.14, 4.15, 4.21, 4.22, 4.30, 5.4, 6.11, 7.12, 7.13, 8.10 and 8.11.	
	Total	13
	Percentage	86.67
(iii)	Recommendations/observations which the Committee do not desire to pursue in view of the replies received from the Government: Recommendation Nos. –Nil-	
	Total	Nil
	Percentage	0
(iv)	Recommendations/observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration: Recommendation Nos. 3.11 and 6.12	
	Total	2
	Percentage	13.33
(v)	Recommendations/observations in respect of which the replies of the Government are still awaited. Recommendation No. –Nil-	
	Total	Nil
	Percentage	0