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**STANDING COMMITTEE ON FOOD,
CONSUMER AFFAIRS AND
PUBLIC DISTRIBUTION
(2012-2013)**

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 Twenty-ninth Report of the Committee on Demands for Grants (2013-14) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs)}

THIRTY FIRST REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2013/ Bhadrapada, 1935 (Saka)

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STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2012-2013)

(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 Twenty- ninth Report of the Committee on Demands for Grants (2013-14) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs)}

Presented to Lok Sabha on -30.08.2013

Laid in Rajya Sabha on -30.08.2013



LOK SABHA SECRETARIAT
NEW DELHI

August, 2013/ Bhadrapada, 1935 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON FOOD, CONSUMER
AFFAIRS AND PUBLIC DISTRIBUTION – 2012-13**

Shri Vilas Muttemwar - *Chairman*

MEMBERS

Lok Sabha

2. Smt. Harsimrat Kaur Badal
3. Shri Shivraj Bhaiya
4. Shri Kantilal Bhuria
5. Shri Arvind Kumar Chaudhary
6. Shri Harishchandra Chavan
7. Shri Sanjay Dhotre
8. Shri Eknath M. Gaikwad
9. Shri Abdul Mannan Hossain
10. Shri Prataprao Ganpatrao Jadhav
11. Shri Sohan Potai
12. Shri Ponnamm Prabhakar
13. Shri C. Rajendran
14. Shri Purnmasi Ram
15. Shri Chandulal Sahu (Chandu Bhaiya)
16. Shri Adhi Sankar
17. Shri Suresh K. Shetkar^{@@}
18. Shri Jagdish Thakor
19. Shri Laxman Tudu
20. Vacant^{**}
21. Vacant^{***}

Rajya Sabha

22. Dr. Bhushan Lal Jangde
23. Shri Lalhming Liana
24. Smt Rajani Patil[@]
25. Dr. Bharatkumar Raut
26. Ms. Rekha
27. Dr. N. Janardhana Reddy
28. Dr. T.N. Seema
29. Shri Birender Singh
30. Shri Veer Singh
31. Shri Kaptan Singh Solanki

Shri Lalchand Kataria, MP ceased to be a member of the Committee consequent his appointment as Minister of State w.e.f 28.10.2012.

^{**}Vice Shri A. Sai Prathap has been nominated to the Committee on Chemicals and Fertilizers w.e.f.09.01.2013.

[@]Smt Rajani Patil has been nominated to the Committee on FCA&PD w.e.f. 18.03.2013.

^{@@} Shri Suresh K. Shetkar has been nominated to the Committee on FCA&PD w.e.f. 01.05.2013.

^{***} Vice Shri N. Chaluvarya Swamy, MP resigned from Lok Sabha w.e.f. 21.05.2013.

SECRETARIAT

- | | | |
|----------------------|---|----------------------|
| 1. Shri P. K. Misra | - | Additional Secretary |
| 2. Smt. Veena Sharma | - | Director |
| 3. Shri Khakhai Zou | - | Under Secretary |
| 4. Smt. Shikha | - | Executive Assistant |

INTRODUCTION

I, the Chairman of the Standing Committee on Food, Consumer Affairs and Public Distribution (2012-13) having been authorized by the Committee to submit the Report on their behalf, present this Thirty-first Report on Action Taken by the Government on the Observations/Recommendations contained in the Twenty-ninth Report of the Committee on Demands for Grants (2013-14) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

2. The Twenty-ninth Report was presented to Lok Sabha and laid in Rajya Sabha on 30th April, 2013. The Government vide their OM dated 29th July, 2013 have furnished their replies indicating Action Taken on the observations/recommendations contained in the Report.

3. The Report was considered and adopted by the Committee at their sitting held on 27th August, 2013.

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

5. For facility of reference and convenience, the Observations/Comments of the Committee have been printed in thick type in the text of the Report.

NEW DELHI
27 August, 2013
05 Shraavana 1935 (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 Twenty-ninth Report (15th Lok Sabha) on Demands for Grants (2013-14) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

1.2 The Twenty-ninth Report was presented to Lok Sabha/laid in Rajya Sabha on 30th April, 2013. It contained 27 observations/ recommendations. Action Taken Replies in respect of all the 27 observations/recommendations contained in the Report have been received and these have been categorized as follows:-

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

Serial Nos. – 1, 2, 5, 6, 7, 10, 12, 13, 15, 16, 17, 18, 19, 22, 23, 25, 26 and 27.

(Para. Nos. – 2.28, 2.29, 3.9, 3.19, 3.20, 3.39, 3.50, 3.54, 4.8, 4.21, 4.22, 5.11, 6.19, 7.12, 7.13, 8.8, 8.9 and 9.6).

(Chapter –II, Total 18)

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

Serial Nos. - 11 and 21.

(Para. Nos. – 3.49 and 6.21)

(Chapter –III, Total 2)

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

Serial Nos. - 8, 9 and 20.

(Para. Nos. – 3.32, 3.33 and 6.20)

(Chapter – IV, Total 3)

- (iv) Observations/Recommendations in respect of which the interim replies of the Government have been received:

Serial Nos. - 3, 4, 14 and 24

(Para. Nos. –2.30, 3.8, 3.61 and 7.18)

(Chapter – V, Total 4)

1.3 The Committee desire that the replies in respect of the Observations/Recommendations for which only interim replies have been received from the Government as reproduced in Chapter V as well as replies to the observations/recommendations contained in Chapter-I of this Report, be furnished to the Committee within three months from the presentation of the Report.

1.4 The Committee strongly emphasize that utmost importance should be given to the implementation of Observations/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 reason, the matter should be reported to the Committee in time with reasons for non-implementation.

1.5 The Committee will now deal with action taken by the Government on some of the recommendations.

A. Need for operationalisation of Consumer Fora as well as Case Monitoring System in various States/UTs for effective functioning of CONFONET Scheme

Recommendation (Sl. No. 5 Para No. 3.9)

1.6 The Committee in their earlier report observed/recommended as follows: -

"The Committee note that the Scheme of 'Computerization and Computer Networking of Consumer Fora in the Country, (CONFONET)' which was launched during the 10th Plan period in March, 2005 is proposed to be extended during 12th Plan with a total outlay of Rs. 70.00 crores. An amount of Rs. 6.60 crore has been released to NIC for the activities to be undertaken under the CONFONET Scheme during the year 2012-13. The Committee feel the initiative taken by the Department in implementing the Case Monitoring System under the CONFONET Project for capturing the entire life cycle of consumer complaints cases from registration till its disposal will go a long way in addressing the grievances of the Consumer and also instill faith of the consumers in the System. The Committee are, however, concerned to note that out of 640 locations being covered, only 340 Consumer Fora are operational so far and 288 Consumer Fora are

uploading cause lists while 191 Consumer Fora are uploading judgements. The Committee also note that the Department has taken replacement of Hardware, simplified the software to avoid specialized training and continue technical support manpower to ensure smooth functioning of the Scheme till particular location gets fully operational. The Committee, therefore, recommend that the Department should take all necessary steps to replace old hardware with new ones and also ensure that the Case Monitoring System is operational in all Consumer Fora. The Committee further urge the Department to ensure operationalization of Consumer Fora in all the Districts of the country during the 12th Plan period."

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

"Director General (NIC) has been requested to take all necessary steps to replace old hardware and ensure that the Case Monitoring System (CMS) is operational in all Consumer Fora, all the State/UT Governments have also been requested to ensure operationalisation of Consumer Fora in all the Districts of their State during the 12th Plan period."

1.8 Noting that out of 640 locations being covered, only 340 Consumer Fora were operational and 288 Consumer Fora were uploading cause lists while 191 Consumer Fora were uploading judgements, the Committee in their earlier Report had recommended the Department to take all necessary steps to replace old hardware with new ones and to ensure that the Case Monitoring System is operational in all Consumer Fora and had urged the Department to ensure operationalisation of Consumer Fora in all the Districts of the country during the 12th Plan period. In their action taken reply, the Government have stated that Director General (NIC) has been requested to take all necessary steps to replace old hardware and ensure that the Case Monitoring System is operational in all Consumer Fora. All the State/UT Governments have also been requested to ensure operationalisation of Consumer Fora in all the Districts of their State during the 12th Plan period. The Committee are not satisfied with the action taken reply of the Government as it does not indicate whether any Consumer Fora has actually replaced the old hardware with new ones. The reply is also silent about the number of Consumer Fora which have been operationalised till date, the number of them were uploading judgements and cause lists. The Committee would, therefore, like to be apprised about the number of Consumer Fora operational at present as well as Case Monitoring System operationalised in various States/UTs in pursuant to their recommendation.

B. Need to follow the revised guidelines of the Department and optimum utilisation of funds released to States/UTs for improving infrastructure of Consumer Fora

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

1.9 The Committee in their earlier report observed/recommended as follows: -

"The Committee note that under the Scheme 'Strengthening of Consumer Fora', financial assistance is provided for construction of Building and Non-Building Assets to State Commissions and District Fora. An amount of Rs. 3.84 crore has been released to 4 eligible States during 2012-13 against total outlay of Rs. 25 crore. Further, an amount of Rs. 1.40 crore is being released to Uttar Pradesh Government shortly and another proposal for sanctioning of a sum of Rs. 57.00 lakh to Tripura Government is under consideration. The Committee also note that the guidelines for the 12th Plan have been thoroughly revamped based upon the experiences and shortcomings observed during the last Plan period. The Committee further note that a total amount of Rs. 190 crores has been released to various States and UTs for improving infrastructure in Consumer Fora. Various steps such as filling up of vacancies, setting up of circuit benches, holding of Lok Adalats etc. have also been taken for strengthening infrastructure of Consumer Fora and for speedy disposal of consumer grievances. The Committee desire that the Department should take pro-active role and strictly follow up with various States/UTs to ensure that the revised guidelines are followed and the funds released to them are utilized properly so that sufficient infrastructure of Consumer Fora is created in all the States/UTs in the country."

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

"The revised guidelines have been circulated to all the States/ UTs through D.O. letters and Secretaries of States have been sensitized about proper utilization of funds through Video Conferencing by Secretary (Consumer Affairs)."

1.11 Noting that the guidelines for the 12th Plan have been thoroughly revamped by the Department based upon the experiences and shortcomings observed during the last plan period and that a total amount of Rs. 190 crores has been released to various States and UTs for improving infrastructure in Consumer Fora, the Committee in their original report had desired that the Department should take pro-active role and strictly follow up with various States/UTs to ensure that the revised guidelines are followed and the funds released to them are utilized properly so that sufficient infrastructure of Consumer Fora is created in all the States/UTs in the country. The Government, in their action taken reply, have merely stated that the revised guidelines have been circulated to all the States/UTs through D.O. letters and Secretaries of States have been sensitized about proper utilization of funds through video conferencing by Secretary (Consumer Affairs). The Committee find the reply of the Government as vague and non-committal. The Committee would, therefore, like to be apprised of the actual number of Consumer Fora created by the States/UTs in pursuant to their recommendation alongwith the amount of funds released and utilized by them.

C. Need for setting up of the Mediation Centers to expedite disposal of pending cases in Consumer Fora

Recommendation (S. No. 8, Para No. 3.32)

1.12 The Committee in their earlier report observed/recommended as follows: -

"The Committee note that besides the National Commission in New Delhi, 35 State Commissions and 632 District Fora have been established in the country for providing simple, inexpensive and time bound redressal of grievances against defective goods, deficient services, restrictive/unfair trade practices etc. adopted by any trader or person through summary trials. The Presidents of the National Commission and State Commissions have been empowered to constitute Benches with one or more members for speedy disposal of grievances of consumers. The Committee, however, are concerned to note that a large number of cases are pending in the National Commission, State Commissions and District Fora as these Consumer Fora could dispose of 86.55%, 84.13% and 92.35% cases respectively. The Committee find that non-filling up of vacancies by States/UTs, lack of adequate supporting staff, rising number of complaints etc. are the reasons for pendency of cases. The Ministry has decided to set up mediation centres, similar to Lok Adalat, in each District of India under the direct supervision of the District Forum to expedite disposal of pending cases. The Committee hope that the Government would pursue with the Planning Commission and the Ministry of Finance to expeditiously obtain their approval of the Memorandum for the scheme 'Consumer Counseling and Mediation' so that Mediation Centres are set up in every district of the country for speedy disposal of pending cases."

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

"Chief Secretaries/ Administrators of all States/UTs have been requested through letters and also through Video Conferencing by Secretary (Consumer Affairs), Govt. of India to ensure timely filling up of vacancies in Consumer Fora. As regards the setting up of the Mediation Centers, the Government is providing financial assistance to the State Governments during the 12th Plan."

1.14 While observing that a large number of cases were pending in the National Commission, State Commissions and District Fora due to non-filling up of vacancies by the States/UTs, lack of adequate supporting staff, rising number of complaints etc. and that the Ministry had decided to set up Mediation Centres in each District of India under the direct supervision of the District Forum to expedite disposal of pending cases, the Committee had expressed the hope that the Government would pursue with the Planning Commission and the Ministry of Finance to expeditiously obtain their approval of the Memorandum for the scheme 'Consumer Counseling and Mediation' so that Mediation Centres were set up in every district of the country for speedy disposal of pending cases. The Government in their action taken reply stated that Chief Secretaries/Administrators of all States/UTs have been requested through letters and also through video conferencing by Secretary (Consumer Affairs), Government of India to ensure timely filling up of vacancies in Consumer Fora. As regards the setting up of the Mediation Centres, the Government is providing financial assistance to the State Governments during the 12th Plan. The Committee deplore the casual approach of the Department as they have merely furnished stereotyped reply to most of the recommendations.

The Committee, therefore, reiterate their earlier recommendation and desire that the Government should obtain approval of the Memorandum for the scheme "Consumer Counseling and Mediation" from the Planning Commission and the Ministry of Finance so that Mediation Centres are set up in every district of the country for speedy disposal of pending cases.

D. Need to bring competition in selection procedure in order to ensure filling up of vacant post in Consumer Fora

Recommendation (S. No. 9, Para No. 3.33)

1.15 The Committee in their earlier report observed/recommended as follows: -

"The Committee are unhappy to note that as on 06.03.2013, as many as 3 posts of President and 22 Members are lying vacant in the State Commissions. Besides 100 posts of President and 249 posts of Members are also lying vacant in the District Forum across the country. The Committee note that the Department have requested the State Governments from time to time to take advance action for filling up vacancies of Presidents and Members and also maintain a panel of candidates for filling up further vacancies. Hon'ble Minister of the Department have also impressed upon the Hon'ble Chief Minister and Chief Secretaries of States/UTs to take immediate steps to fill up the vacancies in the Consumer Fora. The Committee also note that States are being asked to bring competition in selection procedure as done by Maharashtra. While appreciating the efforts made by the Department, the Committee are, however, constrained to say that too many posts of Presidents and Members are still lying vacant in various State Commissions and District Forums. The Committee, therefore, urge the Department to make more earnest efforts in persuading the States/UTs to fill up the vacancies in all the Consumer Fora so that cases are not kept pending due to vacancies in the State Commissions/District Fora."

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

"Chief Secretaries/Administrators of all States/UTs have been requested through letters and also through Video Conferencing by Secretary (Consumer Affairs), Govt. of India to make earnest efforts to fill up the vacancies in all the Consumer Fora so that the cases are not kept pending."

1.17 Expressing their unhappiness that too many posts of Presidents and Members are lying vacant in State Commissions and District Forum despite the fact that Hon'ble Minister of the Department have impressed upon the Hon'ble Chief Ministers and Chief Secretaries of States/UTs to take immediate steps to fill up the vacancies in the Consumer Fora, the Committee had urged the Department to make more earnest efforts in persuading the States/UTs to fill up the vacancies in all the Consumer Fora so that cases are not kept pending due to vacancies in the State Commissions/Districts Fora. In their action taken reply, the Government have merely stated that Chief Secretaries/Administrators of all the States/UTs have been requested through letters and also through Video Conferencing by Secretary (Consumer Affairs), Government of India to make earnest effort to fill up the vacancies in all the Consumer Fora so that the cases are not kept pending.

The Committee are not convinced with the reply of the Government which reflects casual approach towards their considered recommendation on such important issues. The Committee, therefore, reiterate their earlier recommendation and desire that the Government should take necessary action to persuade all States/UTs to fill up the vacancies in all the Consumer Fora.

E. Need to create separate interest bearing account by State Government as well as Consumer Affairs Department for better implementation of the Consumer Welfare Fund Scheme

Recommendation (S. No.10, Para No. 3.39)

1.18 The Committee in their earlier report observed/recommended as follows: -

"The Committee note that Consumer Welfare Fund was created to provide financial assistance to promote and protect the welfare of the consumers, create consumer awareness and strengthen consumer movement in the country. The financial assistance by the Central Government for setting up Consumer Welfare Fund has been enhanced to Rs. 10 crore as Corpus Fund and the Central Government share has also been increased to the ratio of 75:25 and in case of special category States, the ratio is 90:10. The Committee also note that 21 States have created CWF in their respective States whereas no response has been received from the remaining States/UTs so far. Delay in creation of a separate independent interest-bearing account by State Government and also delay in depositing their own share of Rs. 2.5 crores is creating difficulties in implementation of the scheme. Also most of the States do not have separate Consumer Affairs Department and it is mostly attached with Food and Civil Supplies Department whose official are pre-occupied with supply chain of food product and Public Distribution System. The Committee feel that all the States/UTs should be impressed upon to create separate independent interest bearing account as well as separate Consumer Department in their respective States/UTs for better implementation of the scheme. The Committee, therefore, recommend the Department to take the matter with the State Government at the highest level and also urge the remaining States/UTs to set up Consumer Welfare Funds in order to promote and protect the welfare of the Consumers."

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

"The valuable recommendation of the Committee has been noted. Secretary (Consumer Affairs) in a recent video conference with all States/UTs has impressed upon them to create separate account for Corpus Funds and also for creating separate Administrative Department for Consumer Affairs."

1.20 Having noted that delay in creation of a separate independent interest bearing account by State Government and also delay in depositing their own share of Rs. 2.5 crores is creating difficulties in implementation of the Consumer Welfare Fund Scheme and that most of the States do not have separate Consumer Affairs Department, the Committee had recommended the Department to take up the matter with the State Government at the highest level and also urge the remaining States/UTs to set up Consumer Welfare Funds in order to promote and protect the welfare of the consumers. The Government in their action taken reply have stated that the valuable recommendation of the Committee had been noted. Secretary (Consumer Affairs) in a recent Video Conference with all States/UTs have impressed upon them to create separate account for Corpus Funds and also for creating separate Administrative Department for Consumer Affairs. The Committee would urge the Government to take necessary steps so that all the State Governments/UT Administrations do create separate Corpus Fund Accounts as well as separate Consumer Departments in their respective States/UTs. The Committee would like to be apprised of the action taken by each of the States/UTs in this regard.

F. Need for strengthening price monitoring mechanism to contain the rise and prices of essential commodities

Recommendation (S. No.15, Para No. 4.8)

1.21 The Committee in their earlier report observed/recommended as follows: -

"The Committee note that the Price Monitoring Cell (PMC) of Department of Consumer Affairs has been monitoring retail and wholesale prices of essential commodities based on the information furnished by the State Food and Civil Supplies Department. With the addition of 4 essential commodities in the year 2010-11, the Department is presently monitoring the prices of 22 essential commodities on daily basis from 55 centres of the country. The Price Monitoring Cell generally studies the international and domestic market trends of major commodities from various sources and the information is incorporated in the notes for high level meetings of the Committee of Secretaries (COS) and Cabinet Committee on Prices (CCP) for taking considered policy decisions on prices. The Committee are concerned that retail prices of pulses, edible oils, tea and onion keep rising though the retail prices of urad dal, vanaspati and sunflower declined over the last one year. Retail prices of most of the 22 essential commodities also registered an upward trend over a period of one year and the variation is as high as Rs. 37 in case of loose tea, Rs. 17 in onion and Rs. 18 in Gram dal. Though the Government have taken several steps to contain rise in prices of essential commodities such as reducing import duty to zero, duty free import of white and raw sugar, ban in export of edible oils, imposition of stock limit from time to time, etc., yet the prices of essential commodities still increasing. The Committee, therefore, strongly recommend that the Department in consultation with other concerned departments should step up their efforts to contain rise in prices of essential commodities by strengthening monitoring mechanism, market interventions etc."

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

"The Department has noted the suggestion to strengthen price monitoring mechanism, market intervention etc to contain rise in prices of essential commodities. Accordingly additional infrastructure is being created under various Plan Schemes."

1.23 While noting that the Department is presently monitoring the prices of 22 essential commodities on a daily basis from 55 centres of the country and that the Government have taken several steps to contain rise in prices of essential commodities such as reducing import duty to zero, duty free import of white and raw sugar, ban in export of edible oils and imposition of stock limit from time to time, etc, yet the prices of essential commodities were still increasing, the Committee had strongly recommended that the Department, in consultation with other concerned Departments, should step up their efforts to contain rise in prices of essential commodities by strengthening monitoring mechanism, market interventions, etc. In their action taken reply, the Government have stated that the Department has noted the suggestion to strengthen price monitoring mechanism, market intervention, etc. to contain rise in prices of essential commodities. Accordingly, additional infrastructure is being created under various Plan Schemes. The Committee hope that the creation of requisite infrastructure would help in strengthening price monitoring mechanism in time to come. The Committee, therefore, desire to be apprised of the details of additional infrastructure being created under various Plan Schemes, at the earliest.

G. Need to increase number of food items under Food Safety Management System and monitor maintenance of standards while granting licence to private entrepreneurs

Recommendation (S. No. 20, Para No. 6.20)

1.24 The Committee in their earlier report observed/recommended as follows: -

"While observing the physical targets and achievements of the BIS for the scheme System Certification, the Committee note that the achievement was 54 against the target of 150 during 2012-13. The Committee are not convinced with the reasons furnished by the Department that there are other certifying bodies for Management System Certification and the certification schemes under Management Systems are voluntary in nature. The Committee feel that, though, certification scheme under management systems are voluntary in nature the Department has failed to achieve even 40% of their target. The Committee also note that there are only 7 licences in operation under the scheme Food Safety Management Systems as per IS/ISO 22000 and 5 licences for Service Quality Management System as per IS/15700. In this context, the Committee were informed that three schemes were yet to be approved and 'Creating Awareness Through Publicity of BIS certified products' scheme was dropped as it had overlapping objectives with other schemes of the Department.

The Committee are shocked to note that during the year 2012-13, i.e. the first year of 12th Plan, the BE of the new schemes proposed under the Plan period was 9.40 crores which was drastically revised to Rs. 0.20 crore and till December 2012 Rs. 0.19 crores was spent. The Committee are disappointed to note the casual approach of the Ministry towards their mandate. The Committee feel that there is lack of proper planning, farsightedness and coordination on the part of the Ministry. The Committee also feel that scheme Creating Awareness Through Publicity of BIS product proposed under 12th plan is very important for creating awareness regarding standards. Therefore, the Committee recommend that creating awareness through publicity of BIS, being the primary responsibility of the Department should continue as a scheme.

The Committee, further, recommend that under Food Safety Management System, number of licence should also be increased on other essential food items other than milk and milk products so that maximum food items should be covered and come under the purview of BIS certification. But at the same time, the Committee desire that the Department should ensure and monitor maintenance of standards while granting licence to private entrepreneurs."

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

"BIS has been informed of Committee's observations on very few license on Food Safety Management Systems (IS/ISO/22000) and Service Quality Management System (IS/15700) and the need for regular checking of standards of private entrepreneurs."

1.26 While observing that there are only 7 licences in operation under the scheme Food Safety Management Systems as per IS/ISO/22000 and 5 licences for Service Quality Management System as per IS/15700 and that the scheme for 'Creating Awareness Through Publicity of BIS certified products' was dropped as it had overlapping objectives with other schemes of the Department, the Committee had recommended that creating awareness through publicity of BIS product certification, being the primary responsibility of the Department, should continue as a scheme. The Committee further recommended that under Food Safety Management System, number of licence should also be increased on other essential food items other than milk and milk products so that maximum food items should be covered and come under the purview of BIS certification. The Committee had also desired that the Department should ensure and monitor maintenance of standards while granting licence to private entrepreneurs. The Government, in their action taken reply, have merely stated that BIS has been informed of the Committee's observations on very few license on Food Safety Management System (IS/ISO/22000) and Service Quality Management System (IS/15700) and the need for regular checking of standards of private entrepreneurs. The Committee deplore the attitude of the Ministry in taking their considered recommendation in a casual manner. The Ministry have merely informed BIS about Committee's observation without spelling out the steps taken in this direction. The Committee, therefore, reiterate their earlier recommendation that creating awareness through publicity of BIS product certification should continue as a scheme. The Department may also take necessary steps to increase the number of licence on other essential food items to bring them under BIS Certification.

H. Need to expedite Recruitment Rules to fill up vacant post in FMC on permanent basis

Recommendation (S.No.22, Para No. 7.12)

1.27 The Committee in their earlier report observed/recommended as follows: -

"The Committee note that the Forward Market Commission has an effective strength of 71 officers/staff against the sanctioned strength of 132 officer/staff including all the Group A, B, C & D posts. The Committee were surprised to note that the strength of officers/staff even went down in comparison to last year. The Committee further observe that in the Group 'A' category against the sanctioned strength of 51, only 21 posts are in position and 26 posts are vacant. Similarly, in Group 'B' 4 against the sanctioned of 18, and 50% of the posts under Group 'C' are unfulfilled. The Committee also find that besides there being a large number of vacancies, the SCs/OBCs communities are also not adequately represented in Group 'A, B & C' categories and STs are not represented at all in three categories of employees other than Group 'D'. The Committee, are of the view, that existence of such a large number of vacancies in a small organisation like FMC would not only hamper its functioning but would rather diminish effectiveness of the organisation. The Committee, therefore, reiterating its recommendation made during Demands for Grants (2012-13), strongly urge the Department/FMC to make further sincere efforts to fill up all the vacancies in all categories of post."

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

"The FMC is taking regular actions to fill up the vacancies of 39 Group A posts. The Recruitment Rules for these posts have been submitted for approval of the competent authority. However, since the approval is yet to be received, these posts are being filled up on deputation basis. During 2012-2013 action was initiated to fill up 23 vacancies and 13 Officers were selected for appointment on deputation, out of which 6 Officers have already joined. All efforts are being made to fill up the vacant posts expeditiously."

1.29 Expressing the view that the existence of a large number of vacancies in a small organisation like Forward Market Commission (FMC) might hamper the functioning as well as effectiveness of the organisation, the Committee had reiterated its earlier recommendation made during Demands for Grants (2012-13) and strongly urged the Department/FMC to make further sincere efforts to fill up all the vacancies in all categories of post. The Government in their action taken reply have stated that the FMC is taking regular actions to fill up the vacancies of Group A posts. The Recruitment Rules for these Posts have been submitted for approval of the competent authority. However, since the approval is yet to be received, these posts are being filled up on deputation basis. The Government have further stated that during 2012-13 action was initiated to fill up 23 vacancies and 13 officers were selected for appointment on deputation, out of which 6 Officers have already joined. All efforts are being made to fill up the vacant posts expeditiously. The Committee are of the view that filling up vacant posts on deputation basis due to non-approval of the Recruitment Rules might lead to a situation where persons appointed on deputation might return to their parent organisation, resulting in the various posts of the organisation becoming vacant again. The Committee, therefore, urge the Government to make earnest efforts for getting the Recruitment Rules approved by the Competent Authority so that posts in all categories are filled up on permanent basis.

Chapter-II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (S. No. 1, Para No. 2.28)

The Committee note that during the 11th Plan period the total amount allocated to the Department of Consumer Affairs as Budget Estimates was Rs. 1076.00 crores which was subsequently reduced at Revised Estimate stage to Rs. 857.00 crores whereas the total actual expenditure incurred during the entire 11th Plan period was Rs. 757.93 crores having unspent balance of Rs. 100 crores. In the 12th Plan period during the year 2012-13, the BE was kept at Rs. 241.00 crores which was revised to Rs. 150.00 crores at RE stage and the actual expenditure incurred upto February, 2013 was only Rs. 125.15 crores. The Committee find that the performance of the Department is unsatisfactory not due to scarcity of funds but due to non-utilization of funds. A detailed study of schemes in 11th Five-Year Plan document produced before the Committee, shows that under the scheme Consumer Protection/Capacity Building/Consumer Helpline, the average expenditure in percentage utilization was never satisfactory. Since the year 2007-08 it varies from 37.60% to 67.77%, which is very low. Similarly, under the scheme, Bureau of Indian Standards, since 2007-08 except the year 2011-12, where percentage utilization was 94.21%, percentage utilization was as low as 2.78% in the year 2008-09. The Committee, further note that under the same Scheme, the Department was able to spend only 11.68% of total allocation of 11th five-year Plan. Similarly, under the scheme Weight & Measures, National Test House and Forward Market Commission total percentage utilization were 81.37%, 66.44% and 33.31% respectively in 11th Five-Year Plan. The Committee strongly feel that since last six years there has been trend of miscalculation while preparing the Budget Estimates and under utilisation of the funds allocated at Revised Estimate stage. The Committee are disappointed to note that performance of the Department is not up to the expectations as the Department was not able to spend the allocated funds in the stipulated time period and therefore, did not achieve desired outcome. The Committee feel that the Department could have opened more Centres of Bureau of Indian Standards and Hallmarking Centres in the Country, had intensive awareness campaign for consumer welfare and initiated consumer helpline in States which are not covered till date so that funds could not remain unutilized in the said period. The Committee are of the view that this continuous oversight and improper assessment of the Department reflects deterioration in their performance. The Committee, therefore, recommend that the Department should make proper assessment and broaden their activities on project/schemes in accordance with the funds allocated so that funds do not remain unutilized and performance of the Department can be improved.

Reply of the Government

2.2 The valuable Recommendations of the Committee have been noted by Department and BIS for strict compliance in future. Spread of awareness about Consumer helplines, and Hall marking activities of BIS will be substantially increased as recommended.

[Ministry of Consumer Affairs, Food & Public Distribution,
Department of Consumer Affairs,
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Recommendation (S. No. 2, Para No. 2.29)

2.3 The Committee note that from the very first year of the 12th Plan period i.e. 2012-13 the momentum of funds utilization under various ongoing schemes/projects is unsatisfactory. The Committee are unhappy to note that under the scheme Consumer Awareness (Publicity) only Rs. 56.53 crores was spent against the BE of Rs. 89.00 crores upto 28.02.2013. Similarly, under the scheme Strengthening of Price Monitoring Cell, for the year 2012-13 against BE of Rs. 3 crores, which was reduced to Rs. 0.75 crores at RE stage, the Actual Expenditure was nil. The Committee observed the same pattern of BE, RE and Actual Expenditure of all ongoing Plan schemes in 11th Plan period that continued in 1st year of 12th Plan too.

The Committee are not convinced by the reasons given by the Department that due to requirement of holding Expenditure Finance Committee Meeting (EFC)/Standing Finance Committee (SFC) in first year of 12th Plan they could not perform as most of the schemes were awaiting EFC approval from Planning Commission and expenditure is always the least in the first year of every plan. It goes without saying that the Department of Consumer Affairs are entrusted with the larger responsibility of providing welfare to the consumers of such a vast country, the Government has to bring changes in their way of functioning. The Committee feel that the Department needs methodological changes to carry out their mandate. The Committee, therefore, strongly recommend that the Department should strictly review their performance in 11th five year Plan and take pre-emptive steps so that 12th Plan period does not suffer with the same infirmities as experienced during the 11th Plan period and total outlay of 12th Plan period could be properly utilized in effective implementation of various schemes/projects run by the Department".

Reply of the Government

2.4 Observation of the Committee has been noted. The Department has recently amended the guidelines of various schemes providing for more decentralization and enhancement of norms. This will ensure higher and faster utilization of funds in future schemes.

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Recommendation (S. No.5, Para No. 3.9)

2.5 The Committee note that the Scheme of 'Computerization and Computer Networking of Consumer Fora in the Country, (CONFONET)' which was launched during the 10th Plan period in March, 2005 is proposed to be extended during 12th Plan with a total outlay of Rs. 70.00 crores. An amount of Rs. 6.60 crore has been released to NIC for the activities to be undertaken under the CONFONET Scheme during the year 2012-13. The Committee feel the initiative taken by the Department in implementing the Case Monitoring System under the CONFONET Project for capturing the entire life cycle of consumer complaints cases from registration till its disposal will go a long way in addressing the grievances of the Consumer and also instill faith of the consumers in the System. The Committee are, however, concerned to note that out of 640 locations being covered, only 340 Consumer Fora are operational so far and 288 Consumer Fora are uploading cause lists while 191 Consumer Fora are uploading judgements. The Committee also note that the Department has taken replacement of Hardware, simplified the software to avoid specialized training and continue technical support manpower to ensure smooth functioning of the Scheme till particular location gets fully operational. The Committee, therefore, recommend that the Department should take all necessary steps to replace old hardware with new ones and also ensure that the Case Monitoring System is operational in all Consumer Fora. The Committee further urge the Department to ensure operationalization of Consumer Fora in all the Districts of the country during the 12th Plan period.

Reply of the Government

2.6 Director General (NIC) has been requested to take all necessary steps to replace old hardware and ensure that the Case Monitoring System (CMS) is operational in all Consumer Fora, all the State/UT Governments have also been requested to ensure operationalisation of Consumer Fora in all the Districts of their State during the 12th Plan period.

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

Recommendation (S. No.6, Para No. 3.19)

2.7 The Committee observe that for the Scheme 'Strengthening of Consumer Fora', the BE were Rs. 19.00 crore and Rs. 25.00 crore during the year 2011-12 and 2012-13 respectively which were drastically reduced to Rs. 9.35 crore and Rs. 5.48 crore at RE stage and the Actual Expenditure incurred were Rs. 6.77 crore and Rs. 3.84 crore only. The Department stated that 2012-13 being the first year of the 12th Plan, the schemes required appraisal and approval by the competent authority like Standing Finance Committee/Expenditure Finance Committee, etc. which is a time consuming procedure and are the reasons for major variation at BE and RE stage. The Committee further note that allocation of funds at RE stage were less due to non-fulfillment of the pre-conditions for release of central assistance namely providing land for construction of building, creation of posts of President/Members in Consumer Fora, furnishing of Utilization Certificates of grants released earlier etc. by various States. The Committee are not fully convinced with the reasons cited by the Department regarding non-utilization of allocated funds in full because such issues could be sorted out by timely action and regular consultation with the States. The Committee, therefore, recommend that the Department should make earnest efforts to utilize the allocated funds in full so as to strengthen the Consumer Fora in the country. The Committee further desire that the Department should take up the matter with the States and ensure that they fulfill the desired pre-conditions for release of Central Assistance under the scheme.

Reply of the Government

2.8 Chief Secretaries / Administrators of all States/ UTs have been requested through letters and also through Video Conferencing by Secretary (Consumer Affairs), Govt. of India to ensure full utilisation of allocated funds and also to ensure that the States fulfill the desired pre-conditions for release of Central Assistance under the scheme.

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

2.9 The Committee note that under the Scheme 'Strengthening of Consumer Fora', financial assistance is provided for construction of Building and Non-Building Assets to State Commissions and District Fora. An amount of Rs. 3.84 crore has been released to 4 eligible States during 2012-13 against total outlay of Rs. 25 crore. Further, an amount of Rs. 1.40 crore is being released to Uttar Pradesh Government shortly and another proposal for sanctioning of a sum of Rs. 57.00 lakh to Tripura Government is under consideration. The Committee also note that the guidelines for the 12th Plan have been thoroughly revamped based upon the experiences and shortcomings observed during the last Plan period. The Committee further note that a total amount of Rs. 190 crores has been released to various States and UTs for improving infrastructure in Consumer Fora. Various steps such as filling up of vacancies, setting up of circuit benches, holding of Lok Adalats etc. have also been taken for strengthening infrastructure of Consumer Fora and for speedy disposal of consumer grievances. The Committee desire that the Department should take pro-active role and strictly follow up with various States/UTs to ensure that the revised guidelines are followed and the funds released to them are utilized properly so that sufficient infrastructure of Consumer Fora is created in all the States/UTs in the country.

Reply of the Government

2.10 The revised guidelines have been circulated to all the States/ UTs through D.O. letters and Secretaries of States have been sensitized about proper utilization of funds through Video Conferencing by Secretary (Consumer Affairs).

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

Recommendation (S. No.10, Para No. 3.39)

2.11 The Committee note that Consumer Welfare Fund was created to provide financial assistance to promote and protect the welfare of the consumers, create consumer awareness and strengthen consumer movement in the country. The financial assistance by the Central Government for setting up Consumer Welfare Fund has been enhanced to Rs. 10 crore as Corpus Fund and the Central Government share has also been increased to the ratio of 75:25 and in case of special category States, the ratio is 90:10. The Committee also note that 21 States have created CWF in their respective States whereas no response has been received from the remaining States/UTs so far. Delay in creation of a separate independent interest-bearing account by State Government and also delay in depositing their own share of Rs. 2.5 crores is creating difficulties in implementation of the scheme. Also most of the States do not have separate Consumer Affairs Department and it is mostly attached with Food and Civil Supplies Department whose official are pre-occupied with supply chain of food product and Public Distribution System. The Committee feel that all the States/UTs should be impressed upon to create separate independent interest bearing account as well as separate Consumer Department in their respective States/UTs for better implementation of the scheme. The Committee, therefore, recommend the Department to take the matter with the State Government at the highest level and also urge the remaining States/UTs to set up Consumer Welfare Funds in order to promote and protect the welfare of the Consumers.

Reply of the Government

2.12 The valuable recommendation of the Committee has been noted. Secretary (Consumer Affairs) in a recent video conference with all States/UTs has impressed upon them to create separate account for Corpus Funds and also for creating separate Administrative Department for Consumer Affairs.

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

Recommendation (S. No.12, Para No. 3.50)

2.13 The Committee note that for setting up of Consumer Clubs in Schools/ Colleges a grant of Rs. 10,000/- per consumer club is admissible and this scheme has been decentralized and transferred to the Governments of States/UTs w.e.f. 1.4.2004. Proposals can be submitted now to the Nodal Officer in the Food, Public Distribution and Consumer Affairs Department of the respective States/UTs by eligible organizations/VCOs. The Committee also note that an amount of Rs. 317 lakhs have been released since 2008-09 and 7749 consumer clubs have been sanctioned in 23 States/UTs. The Department have been vigorously pursuing the remaining States/UTs to implement the scheme. The Committee feel that setting up consumer clubs in Schools/Colleges would go a long way in creating awareness about the consumer rights amongst the school/college students. The Committee, therefore, recommend that the Department should persuade and convince the remaining States/UTs to set up Consumer Clubs in as many schools and colleges as possible.

Reply of the Government

2.14 The Department has been vigorously taking up the matter of setting up of Consumer Club with the concerned States/UTs through reminders/video conferencing. A video conference was conducted by this department on 27th, 28th & 30th May, 2013 highlighting the importance of setting up of consumer Clubs for making younger generation aware about the Consumer Rights.

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Recommendation (S. No.13, Para No. 3.54)

2.15 The Committee note that the Consumer Protection Cell Scheme aims to render secretarial assistance to the Department in administering the Consumer Protection Act and other related activities including holding of review meetings, annual conferences of National Consumer Disputes Redressal Commission (NCDRC) and Central Consumer Protection Council (CCPC). Payment of professional fees to Government counsels in court cases arising out of consumer issues etc. are also met out of the provisions under the Consumer Protection Cell Head. Though the State Governments are responsible to constitute State Consumer Protection Council (SCPC) and District Consumer Protection Councils (DCPCs) under the Consumer Protection Act, the Committee feel that the Department should monitor and keep themselves informed of the meetings held and decisions taken by the SCPC/DCPCs. The Committee, therefore, recommend that the Central Consumer Protection Council should monitor the meetings of the SCPCs/DCPCs.

Reply of the Government

2.16 The suggestions have been noted for compliance and will be taken in the Agenda items of CCPC Meeting. Moreover, all the State/UT Governments have also been requested to constitute and to hold meetings of State Consumer Protection Councils (SCPCs) and District Consumer Protection Councils (DCPCs) as per the provisions of Consumer Protection Act, 1986.

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Recommendation (S. No.15, Para No. 4.8)

2.17 The Committee note that the Price Monitoring Cell (PMC) of Department of Consumer Affairs has been monitoring retail and wholesale prices of essential commodities based on the information furnished by the State Food and Civil Supplies Department. With the addition of 4 essential commodities in the year 2010-11, the Department is presently monitoring the prices of 22 essential commodities on daily basis from 55 centres of the country. The Price Monitoring Cell generally studies the international and domestic market trends of major commodities from various sources and the information is incorporated in the notes for high level meetings of the Committee of Secretaries (COS) and Cabinet Committee on Prices (CCP) for taking considered policy decisions on prices. The Committee are concerned that retail prices of pulses, edible oils, tea and onion keep rising though the retail prices of urad dal, vanaspati and sunflower declined over the last one year. Retail prices of most of the 22 essential commodities also registered an upward trend over a period of one year and the variation is as high as Rs. 37 in case of loose tea, Rs. 17 in onion and Rs. 18 in Gram dal. Though the Government have taken several steps to contain rise in prices of essential commodities such as reducing import duty to zero, duty free import of white and raw sugar, ban in export of edible oils, imposition of stock limit from time to time, etc., yet the prices of essential commodities still increasing. The Committee, therefore, strongly recommend that the Department in consultation with other concerned departments should step up their efforts to contain rise in prices of essential commodities by strengthening monitoring mechanism, market interventions etc.

Reply of the Government

2.18 The Department has noted the suggestion to strengthen price monitoring mechanism, market intervention etc to contain rise in prices of essential commodities. Accordingly additional infrastructure is being created under various Plan Schemes.

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

Recommendation (S. No.16, Para No. 4.21)

2.19 The Committee note that the task of Price Monitoring Cell is to monitor the Prices of 22 essential Commodities collected from 55 centres spread across the country through the Civil Supplies Department of the States/UT Governments and other matters related to price scenario. The Department proposes to add 10 Centres annually to increase the number of collecting centres to 100 by the end of the XII Plan. The Department organized a 'National Workshop on Prices' in July, 2010 to have an interface between the officials of PMC and States to discuss the technicalities of price collection and reporting. In house training was also provided to the PMC officials for better modes of presentation and other possible applications of data through MS Excel. The Committee appreciate the efforts made and steps taken by the Department to improve the functioning of the PMC. The Committee, however, urge the Department to make more earnest efforts to improve the efficient functioning of the PMC by organizing frequent workshops, training of officials and opening of reporting centres etc.

Reply of the Government

2.20 The recommendation of the Committee has been noted for compliance. In fact, under the proposed new scheme of 'Strengthening of the Price Monitoring Cell', with an allocation of Rs.1081 lakhs for the XII Plan (2012-2017), an allocation of Rs.184 lakh has been made for the year 2013-14. Of this amount, Rs. Rs.76 lakh has been proposed towards Strengthening of Price Monitoring at the Centre which is to be achieved as indicated below:

1. Organising regional workshops/ training programmes to facilitate capacity building of existing manpower in PMC.
2. Subscribing to the web services of Professional Organisations engaged in the field. This is required to undertake research work related to availability and trend of prices of essential commodities.
3. Hiring professionals (Domain experts) from the open market that may include Agricultural Economists, Statisticians and Econometricians for a more detailed analysis.
4. Engaging private organisations for conducting research studies and surveys.

Necessarily, the price data being obtained have to be made sufficiently authentic, representative and robust. To facilitate this, the number of centres reporting prices across the country is proposed to be increased from 57 at present to about 100 during the XII Plan Period. During each year of the Plan Period, 10 new centres are proposed to be included. After consultation with States and concerned Central Ministries, additional items are also proposed to be included for price monitoring.

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Recommendation (S. No.17, Para No. 4.22)

2.21 The Committee observe that no expenditure was incurred against the BE of Rs. 2.70 crore in the year 2012-13 under the scheme strengthening of Price Monitoring Cell. Again BE of Rs. 1.65 crore has been proposed for the year 2013-14. A plan scheme of PMC has been shown for budgetary purposes alongwith Forward Market Commission (FMC) for which approval of Expenditure Finance Committee (EFC) was required. The Department is also facing problems in collection and reporting of prices such as lack of uniform mechanism for transmission of data, methodology of collection, authentication and validation of data by the States/UTs, absence of nodal officers in some States, inadequate studies to explain trends in prices, research to understand the nature of demand for specific commodities etc. To overcome these problems, the Department has taken various measures to strengthen the PMC in States by way of organizing training programmes, subscribing the web services of professional organizations, hiring of professionals and engaging private organizations for conducting research studies and surveys. The Department has also asked all the States/UTs to nominate nodal officers with whom the Department should interact for information or clarification. While appreciating the steps taken by the Department for strengthening the PMC and State PMCs, the Committee recommend that thorough training be given to manpower employed in collection and tabulation of data, organize regular workshop at regional and national levels and upgrade the IT infrastructure including software systems etc, so as to improve the efficiency and reliability of the PMC and State PMCs.

Reply of the Government

2.22 While strengthening price monitoring at Centre, it is also proposed to strengthen the reporting units in the States. During the year 2013-14 an amount of Rs.99 lakh is earmarked towards this which also includes allocations to North East States and UTs. The details in this regard are as follows:

Strengthening of Price Monitoring Cell in States

1. By getting trained manpower employed in the collection and tabulation of data at the State level and where necessary with support of a Data Entry Operator (DEO) to be selected by the State Governments dedicated to price collection and monitoring.
2. By organizing regular workshops at the regional and national level to get the feedback from field workers and discuss the practical problems being faced in the collection and reporting of prices.
3. By providing IT infrastructure such as computers, printers and UPS etc. in respect of new centers to be taken up and upgradation in respect of hardware already given.

Strengthening of IT infrastructure at the Central level

IT infrastructure is to be strengthened at the Centre i.e., at National Informatics Centre (NIC), for which an amount of Rs.9 lakh has been proposed for 2013-14.

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Recommendation (S. No.18, Para No. 5.11)

2.23 The Committee note that existing practice for verification of sophisticated Weight & Measures instruments is done through Legal Metrology Department of the States/UTs. However, for sharing the workload for increasing the capacity and available infrastructure of testing, the Union Government has drafted new rules, which provide for setting up Government Approved Test Centres (GATC) all over the country for which legal vetting and notification of the rules are in process. The Committee have been informed that under the scheme Strengthening Legal Metrology Infrastructure of States/UTs, new proposal for the construction of Controller office in 12 States and establishment of Research & Development (R&D) Centres in 5 States is proposed. The Committee observe that in the 12th Plan, Rs. 300 crores have been allocated under the head Weights and Measures and Rs. 53.76 crores was granted for the first year of the 12th Plan i.e. 2012-13. The Committee are disappointed to note that despite having so many proposals, the Department were able to spend only 39.60 crores out of Rs. 53.76 crores. The Committee hope that the Government will make every sincere effort to complete the project of opening controller office in 12 States and R&D Centres in 5 States on urgent basis by utilizing the fund allocated for the purpose within a definite time period. The Committee are of the view, that the Department should make earnest efforts to open Government Approved Test Centres (GATC) all over the country for advantage of the consumer at large so that the workload for increasing the capacity and available infrastructure of testing in States could be shared. The Committee would also like to be apprised of the action taken in regard to above proposals made by the Department, during the year 2013-14.

Reply of the Government

2.24 The Department is making sincere effort to complete the project of constructing controller offices in 12 States and R&D Centres in 5 States on urgent basis by utilizing the fund allocated for the purpose within a definite time period.

The recommendation of the Committee has been noted and all necessary steps are being taken to open Government Approved Test Centres (GATC) all over the country for advantage of the consumer at large. The Rules governing GATC has been vetted by Ministry of Law in June 2014 and is being published in Gazette.

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Department of Consumer Affairs,
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Recommendation (S. No.19, Para No. 6.19)

2.25 The Committee note that under the Plan Scheme on Gold Hallmarking, central assistance for setting up Assaying & Hallmarking Centres has been extended in locations where no centre exists. The Committee also note that as on 31.01.2013 there were 200 Assaying & Hallmarking Centres established in the country of which 20 Centres were set up in 2012-13 (upto 31.01.2013). The Committee are disappointed to note that in the year 2012-13 the Department has failed to set up any Assaying & Hallmarking Centres by providing central assistance. The Committee observed that under Gold Hallmarking Scheme certain modifications have been made and the financial assistance for setting up of Assaying & Hallmarking Centre under the schemes, was revised from 15% to 30% to private entrepreneur and 50% to PSUs. For North East States/Special Category States/Rural Areas the assistance was revised from existing rate of 30% to 50% to private entrepreneur and 75% to PSUs.

While noting that setting up of Assaying & Hallmarking Centres is a market driven activity where promoters are private entrepreneurs, the Committee feel that the Department should concentrate on popularizing this scheme through consumer awareness campaign by making the consumer aware of the benefits of Hallmarked Gold Jewellery so as to increase the demand of Hallmarked Jewellery in the market. This would encourage the entrepreneurs to setup more Assaying & Hallmarking Centres in the country. The Committee further reiterate their earlier recommendation made in the 18th Report on Demands for Grants (2012-13) that the Department should review the formalities of the Government scheme to simplify the procedure & suitably increase the financial assistance given under the Hallmarking scheme so as to attract private entrepreneurs to come forward not only in metropolitan cities but also in remote rural areas and open more centres of assaying and hallmarking throughout the country.

Reply of the Government

2.26 It has been decided to continue the Scheme for setting up of A&H Centres in the 12th Plan.

Procedure of accepting applications in form of Expression of Interest from entrepreneurs for setting up of A&H Centres at deficient locations, North East States, Special Category States and Rural areas has been liberalized. Now an entrepreneur can apply for subsidy for an A&H Centre in above referred areas at any time of the year for which perpetual invitation on BIS website has been hosted.

Consumer Awareness Programmes are regularly conducted on benefits of purchasing Hallmarked Jewellery. Department of Consumer Affairs, also releases advertisements both print and electronic medium on advantage of Hallmarked Jewellery.

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Recommendation (S. No.22, Para No. 7.12)

2.27 The Committee note that the Forward Market Commission has an effective strength of 71 officers/staff against the sanctioned strength of 132 officer/staff including all the Group A, B, C & D posts. The Committee were surprised to note that the strength of officers/staff even went down in comparison to last year. The Committee further observe that in the Group 'A' category against the sanctioned strength of 51, only 21 posts are in position and 26 posts are vacant. Similarly, in Group 'B' 4 against the sanctioned of 18, and 50% of the posts under Group 'C' are unfulfilled. The Committee also find that besides there being a large number of vacancies, the SCs/OBCs communities are also not adequately represented in Group 'A, B & C' categories and STs are not represented at all in three categories of employees other than Group 'D'. The Committee, are of the view, that existence of such a large number of vacancies in a small organisation like FMC would not only hamper its functioning but would rather diminish effectiveness of the organisation. The Committee, therefore, reiterating its recommendation made during Demands for Grants (2012-13), strongly urge the Department/FMC to make further sincere efforts to fill up all the vacancies in all categories of post.

Reply of the Government

2.28 The FMC is taking regular actions to fill up the vacancies of 39 Group A posts. The Recruitment Rules for these posts have been submitted for approval of the competent authority. However, since the approval is yet to be received, these posts are being filled up on deputation basis. During 2012-2013 action was initiated to fill up 23 vacancies and 13 Officers were selected for appointment on deputation, out of which 6 Officers have already joined. All efforts are being made to fill up the vacant posts expeditiously.

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(Please see Para No. 1.29 of Chapter-I of the Report)

Recommendation (S. No.23, Para No. 7.13)

2.29 The Committee, further note that despite employing officers on deputation, there is always scarcity of officers and staff with the FMC. The Committee note that there is no proper procedure for recruitment to employ officers/staff in the FMC, due to which only higher posts which comes under Group 'A' are filled and other category of Group 'B' and 'C' posts of Economic Officer, Stenographers, Junior Research Assistants, Upper Division Clerks, Lower Division Clerks are majorly vacant.

The Committee feel that, though, FMC is a small organisations but it is very necessary to have its working staff strength to run the organisation efficiently as FMC is entrusted with important economic regulatory functions that should not be hamper by these problems. Non-availability of suitable candidates on Group B & C posts, as only higher posts can be filled up by the deputation process, the Committee feel that other than deputation, Department/FMC may consider to establish a proper recruitment Cell to fill up the vacant posts in the category of Group 'B' and 'C' so that FMC can recruit officers/staffs of its own and will not depend upon other organisations to have adequate manpower to perform efficiently.

Reply of the Government

2.30 For filling up the vacancies falling under Group B and C, a team consisting of Director and Deputy Director has been formed. The action for finalization of RRs and filling up the post of other Group B and C is being expedited, in due compliance of recommendation of the Standing Committee.

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Recommendation (S. No.25, Para No. 8.8)

2.31 The Committee note that for prevention of unethical trade practices like hoarding and black-marketing etc. the "Prevention of Black-Marketing and Maintenance of Supplies Act, 1980" is being implemented by the State Governments/UT Administrations. The Committee further note that based on the provisions under the Sub-Section 4 of the Section 3 of the Act, the State Governments which are passing detention order, are reporting the facts together with the grounds of detention as well as other connected particulars to the Department of Consumer Affairs within the stipulated period of 7 days. The Committee have been informed that during the year 2012, 231 detention orders were reported to Central Government by three States namely Tamil Nadu, Gujarat and Maharashtra. The Committee appreciate the gesture shown by these States and hope that this will be followed by other States as well as it would help in preventing unethical trade practices in the country in times to come. The Committee, therefore recommend the Department to take follow up action with these State Governments in accordance with the grounds of detention furnished by them so as to prevent such practices in future.

Reply of the Government

2.32 In view of the above recommendations of the Standing Committee, a D.O. letter (dated 29th May, 2013) has been sent by Secretary (CA) to Chief Secretaries/ Administrators of all States/UT Admns and requesting them to action under the provisions of both the EC Act 1955 and PBM Act 1980. A Video Conference was also held on 27th and 28th May, 2013 by Secretary (CA) with State Secretaries in charge of Consumer Affairs of all States/UTs and reiterated the need for enforcement of the provisions of EC Act 1955 and PBM Act 1980.

[Ministry of Consumer Affairs, Food & Public Distribution,
Department of Consumer Affairs,
O.M No. H-11012/5/2013-P&C Dated 29.7.2013]

Recommendation (S. No. 26, Para No. 8.9)

2.33 The Committee note that there is low conviction vis-à-vis the number of persons arrested and prosecuted during 2012 as the number of persons arrested, prosecuted and convicted were 4022, 3256 and 413 respectively. The same trend was observed in the previous years. However the number of persons convicted during 2012 has increased from 30 when compared from the previous year. The Committee further note that some of the States namely Bihar, Chhattisgarh, Gujarat and Punjab have furnished the reasons for instance witnesses not turning up or even if they do turn up their turning hostile, not drawing up proper FIRs which is thrown out by the courts, cases investigated by the police go off track and are not investigated properly, transfer of judges and lack of special courts/Fast Track Courts for low conviction. The Committee feel that the provision of the Act to prevent unethical trade practices like hoarding and black-marketing is not taken in true spirit by the various organizations of the Government of the States/UTs. Taking this issue merely through video conferencing will not resolve the matter. The Committee, therefore, recommend the Department to co-ordinate with all States/UTs and discuss the matter at higher level so as to resolve the various reasons furnished by the States for low convictions.

Reply of the Government

2.34 In view of the above recommendations of the Standing Committee, a D.O. letter (dated 29th May, 2013) has been sent by Secretary (CA) to Chief Secretaries/ Administrators of all States/UT Admns and requesting them to action under the provisions of both the EC Act 1955 and PBM Act 1980. A Video Conference was also held on 27th and 28th May, 2013 by Secretary (CA) with State Secretaries in charge of Consumer Affairs of all States/UTs and reiterated the need for enforcement of the provisions of EC Act 1955 and PBM Act 1980.

[Ministry of Consumer Affairs, Food & Public Distribution,
Department of Consumer Affairs,
O.M No. H-11012/5/2013-P&C Dated 29.7.2013]

Recommendation (S. No. 27, Para No. 9.6)

2.35 The Committee note that in response to Special Leave Petition (SLP) filed by the workers of Super Bazaar, the Hon'ble Supreme Court allowed the Government to try and revise the Super Bazaar through open bidding. As a consequence, M/s Writers and Publishers Ltd. has been accepted as the highest bidder. The Committee are surprised to note that despite Supreme Court's orders dated 14.03.2011 which empower the Central Registrar, Multi-State Cooperative Society to issue directions from time to time and which shall be complied to by the highest bidder, there is an indication of non-implementation of directions as can be inferred from fresh petition filed in Supreme Court by the workers. The Committee have been further informed that the Hon'ble Supreme Court has fixed the next date of hearing on 01.05.2013. The Committee feel that waiting till the date of hearing of Supreme Court will further affect the effective functioning of Super Bazaar. The Committee, therefore, recommend that the Department themselves should take up the matter to check the authenticity of the petition filed by the workers against non-implementation of the orders of Supreme Court and strict action should be taken in case of non-compliance of the said orders.

Reply of the Government

2.36 In due compliance of Hon'ble Supreme Court's latest order dated 10.5.2013 the Department has started hearing all stake holders like Trade Unions, Suppliers, bidder etc to explore possibility of floating a scheme or a new business plan to resume Super Bazar.

[Ministry of Consumer Affairs, Food & Public Distribution,
Department of Consumer Affairs,
O.M No. H-11012/5/2013-P&C Dated 29.7.2013]

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

Recommendation (S. No. 11, Para No. 3.49)

The Committee note that the National Consumer Helpline Scheme was set up in collaboration with the Delhi University at a cost of Rs. 3.13 crore. The Delhi University has been granted an amount of Rs. 378 lakh for taking up the second phase of the National Consumer Helpline (i.e. from 1st April, 2010 to 31st March, 2013). The Committee also note that 28 States/UTs have been sanctioned funds for setting up State Consumer Helpline on similar lines as the National Consumer Helpline. The State Consumer Helpline will extend services in regional language of the State concerned besides Hindi and English. The State Consumer Helpline is presently functional in 16 States/UTs only. While arrangements have been made with the IIPA, New Delhi and ASCI, Hyderabad to train the helpline staff, the Department has advised the State Governments to take the help of NGOs/VCOs to run the State Consumer Helplines, if necessary. Standard software has been developed and supplied free of cost. The Committee are, however, of the view that while it is essential to ensure that the National Consumer Helpline as well as the State Consumer Helplines are functional at all times, there is also need to create awareness of the consumers about the existence of these helplines. Moreover, State Consumer Helplines should be set up in the remaining States/UTs also. The Committee, therefore, recommend that while ensuring that these helplines are functioning efficiently, the remaining States/UTs should be persuaded to set up State Consumer Helplines at the earliest by extending financial assistance to them.

REPLY OF THE GOVERNMENT

3.2 National Consumer Helpline was setup by the department in collaboration with university of Delhi in 2005. The 2nd phase of project was sanctioned in March, 2010 at a cost of Rs. 378 lakh for a period of three years. The project period expired on 31st March, 2010. The Department has now approved the extension of National Consumer Helpline to its 3rd phase at a cost of Rs. 4 crore for a period of three years in order to address Consumer Redressal.

The department has been vigourously pursuing remaining State/UTs for implementation of State Consumer Helpline. A D.O. letter in this regard from Secy (CA) to concerned State/UTs was issued on 13th June, 2013 highlighting the necessity of implementing the scheme. A video conference was conducted by the department on 27th, 28th& 30th May, 2013 with state secretaries in charge of Consumer Affairs exhorting them to ensure that the scheme is implemented in all Sates/UTs.

[Ministry of Consumer Affairs, Food & Public Distribution,
Department of Consumer Affairs,
O.M No. H-11012/5/2013-P&C Dated 29.7.2013]

Recommendation (S. No.21, Para No. 6.21)

3.3 As regard to Human Resource Development and Capacity Building in educational institutions, the Committee observe that balance amount available with the BIS as on 31.03.2012 was Rs. 41.80 lakhs against total amount of Rs. 50 lakhs released for the Scheme. The Committee were informed that the scheme of Human Resource Development/Capacity Building in Educational Institutions was approved on 27th March, 2008 with an outlay of Rs. 7.00 crores and 21 Institutions/Universities were short-listed for introduction of the curriculum. Evolution of curriculum was in progress in consultation with the identified Universities/Institutes. The Committee are disappointed to note that the scheme could not make headway as introduction of standardization in curriculum in the educational institutions is not under the purview of BIS, therefore, it was recommended that this scheme need not be continued under the 12th Plan. Accordingly the balance amount of Rs 49.98551 (including interest) was surrendered.

The Committee are shocked to know that it took the Department four years to realize that introduction of the process of Standardization and Standards relating to important socio-economic sectors in curriculum of Professional, Technical and Higher Education Institutions does not come under the purview of Bureau of Indian Standards. The Committee take strong note of the lethargic approach of the Ministry and, therefore, strongly recommend that the Department should strictly follow the mandate before making schemes which are not under the purview of the Ministry so that the crucial funds are not wasted in this manner.

REPLY OF THE GOVERNMENT

3.4 Observations of the Committee has been noted for future guidance.

[Ministry of Consumer Affairs, Food & Public Distribution,
Department of Consumer Affairs,
O.M No. H-11012/5/2013-P&C Dated 29.7.2013]

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

Recommendation (S. No. 8, Para No. 3.32)

The Committee note that besides the National Commission in New Delhi, 35 State Commissions and 632 District Fora have been established in the country for providing simple, inexpensive and time bound redressal of grievances against defective goods, deficient services, restrictive/unfair trade practices etc. adopted by any trader or person through summary trials. The Presidents of the National Commission and State Commissions have been empowered to constitute Benches with one or more members for speedy disposal of grievances of consumers. The Committee, however, are concerned to note that a large number of cases are pending in the National Commission, State Commissions and District Fora as these Consumer Fora could dispose of 86.55%, 84.13% and 92.35% cases respectively. The Committee find that non-filling up of vacancies by States/UTs, lack of adequate supporting staff, rising number of complaints etc. are the reasons for pendency of cases. The Ministry has decided to set up mediation centres, similar to Lok Adalat, in each District of India under the direct supervision of the District Forum to expedite disposal of pending cases. The Committee hope that the Government would pursue with the Planning Commission and the Ministry of Finance to expeditiously obtain their approval of the Memorandum for the scheme 'Consumer Counseling and Mediation' so that Mediation Centres are set up in every district of the country for speedy disposal of pending cases.

REPLY OF THE GOVERNMENT

4.2 Chief Secretaries/ Administrators of all States/UTs have been requested through letters and also through Video Conferencing by Secretary (Consumer Affairs), Govt. of India to ensure timely filling up of vacancies in Consumer Fora. As regards the setting up of the Mediation Centers, the Government is providing financial assistance to the State Governments during the 12th Plan.

[Ministry of Consumer Affairs, Food & Public Distribution,
Department of Consumer Affairs,
O.M No. H-11012/5/2013-P&C Dated 29.7.2013]

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

Recommendation (S. No. 9, Para No. 3.33)

4.3 The Committee are unhappy to note that as on 06.03.2013, as many as 3 posts of President and 22 Members are lying vacant in the State Commissions. Besides 100 posts of President and 249 posts of Members are also lying vacant in the District Forum across the country. The Committee note that the Department have requested the State Governments from time to time to take advance action for filling up vacancies of Presidents and Members and also maintain a panel of candidates for filling up further vacancies. Hon'ble Minister of the Department have also impressed upon the Hon'ble Chief Minister and Chief Secretaries of States/UTs to take immediate steps to fill up the vacancies in the Consumer Fora. The Committee also note that States are being asked to bring competition in selection procedure as done by Maharashtra. While appreciating the efforts made by the Department, the Committee are, however, constrained to say that too many posts of Presidents and Members are still lying vacant in various State Commissions and District Forums. The Committee, therefore, urge the Department to make more earnest efforts in persuading the States/UTs to fill up the vacancies in all the Consumer Fora so that cases are not kept pending due to vacancies in the State Commissions/District Fora.

REPLY OF THE GOVERNMENT

4.4 Chief Secretaries/Administrators of all States/UTs have been requested through letters and also through Video Conferencing by Secretary (Consumer Affairs), Govt. of India to make earnest efforts to fill up the vacancies in all the Consumer Fora so that the cases are not kept pending.

[Ministry of Consumer Affairs, Food & Public Distribution,
Department of Consumer Affairs,
O.M No. H-11012/5/2013-P&C Dated 29.7.2013]

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

Recommendation (S. No. 20, Para No. 6.20)

4.5 While observing the physical targets and achievements of the BIS for the scheme System Certification, the Committee note that the achievement was 54 against the target of 150 during 2012-13. The Committee are not convinced with the reasons furnished by the Department that there are other certifying bodies for Management System Certification and the certification schemes under Management Systems are voluntary in nature. The Committee feel that, though, certification scheme under management systems are voluntary in nature the Department has failed to achieve even 40% of their target. The Committee also note that there are only 7 licences in operation under the scheme Food Safety Management Systems as per IS/ISO 22000 and 5 licences for Service Quality Management System as per IS/15700. In this context, the Committee were informed that three schemes were yet to be approved and 'Creating Awareness Through Publicity of BIS certified products' scheme was dropped as it had overlapping objectives with other schemes of the Department.

The Committee are shocked to note that during the year 2012-13, i.e. the first year of 12th Plan, the BE of the new schemes proposed under the Plan period was 9.40 crores which was drastically revised to Rs. 0.20 crore and till December 2012 Rs. 0.19 crores was spent. The Committee are disappointed to note the casual approach of the Ministry towards their mandate. The Committee feel that there is lack of proper planning, farsightedness and coordination on the part of the Ministry. The Committee also feel that scheme Creating Awareness Through Publicity of BIS product proposed under 12th plan is very important for creating awareness regarding standards. Therefore, the Committee recommend that creating awareness through publicity of BIS, being the primary responsibility of the Department should continue as a scheme.

The Committee, further, recommend that under Food Safety Management System, number of licence should also be increased on other essential food items other than milk and milk products so that maximum food items should be covered and come under the purview of BIS certification. But at the same time, the Committee desire that the Department should ensure and monitor maintenance of standards while granting licence to private entrepreneurs.

REPLY OF THE GOVERNMENT

4.6 BIS has been informed of Committee's observations on very few license on Food Safety Management Systems (IS/ISO/22000) and Service Quality Management System (IS/15700) and the need for regular checking of standards of private entrepreneurs.

[Ministry of Consumer Affairs, Food & Public Distribution,
Department of Consumer Affairs,
O.M No. H-11012/5/2013-P&C Dated 29.7.2013]

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

Chapter-V

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

Recommendation (S. No. 3, Para No. 2.30)

The Committee are unhappy to note that during the last three years number of Utilization Certificates received from the States/UTs in respect of funds allocated to implement various schemes/projects of the Department have not been submitted on time. The Committee note that during the year 2010-11 under the ongoing scheme Consumer Protection, States like Punjab, Tripura, Nagaland, Kerala, Sikkim and Gujarat have not furnished Utilisation Certificates. Similarly, in the same year, under the head Consumer Welfare (publicity), States like Tamil Nadu, (special project), Mizoram, Sikkim (special project) were provided Rs. 48 lakh, Rs. 16 lakh and 8 lakh respectively for which Utilization Certificates were not submitted. Likewise, under the scheme Weight & Measures the Utilisation Certificates of some of NE States viz. Assam, Manipur, Mizoram, Sikkim and Tripura were still pending. Under BIS scheme, Arunachal Pradesh, Meghalaya, Sikkim and Mizoram did not report utilization on time inspite of several reminders sent. The Committee, were informed that the State Governments could not utilize the funds due to difficulty in finding the land for the construction work, delay in releasing the funds by the State Governments themselves and long time taken by the construction work. The Committee were also informed that the Department makes constant efforts to obtain Utilization Certificates by written reminders, messages, video conferences telephonic request and personal interactions. The Committee also note that some of States like Arunachal Pradesh, Meghalaya, Odisha and Sikkim have not been provided further financial Assistance due to non-receipt of Utilisation Certificates of the grants released earlier. Appreciating these measures, the Committee feel that, other than stopping financial assistance to States in case Utilisation Certificates are not submitted on time, the Department may consider to impose penalty of paying interest on unutilized fund by the State Governments till the funds are not utilized or Utilization Certificate is not submitted. The Committee feel that Department should also constantly monitor the physical output in terms of construction works and assets created by the States. In case of States, which could not utilize the fund due to difficulty in finding land, the Department should vigorously pursue such State Governments to remove this bottleneck at the earliest.

REPLY OF THE GOVERNMENT

5.2 The Comments of the committee have been noted for strict compliance in future. The suggestions for charging interest in cases of idle unutilised funds in the hands of States and UTs is under examination in consultation with Finance and Planning Divisions.

[Ministry of Consumer Affairs, Food & Public Distribution,
Department of Consumer Affairs,
O.M No. H-11012/5/2013-P&C Dated 29.7.2013]

Recommendation (S. No. 4, Para No. 3.8)

5.3 The Committee note that Consumer Protection Unit of the Department is mandated to administer the Consumer Protection Act, 1986. The Government has been striving to ensure that the Act remain vibrant and meets the objectives for which the Act has been amended thrice during the years 1991, 1993 and 2002. The Act is being amended again through the Consumer Protection (Amendment) Bill, 2011 on which the Committee have already submitted their report to the Parliament on 19.12.2012. The Committee have made several observations/recommendations with regard to widening the provisions of the Act, facilitating quicker disposal of cases, rationalizing the qualifications and procedure for selection of President/Members of the Consumer Fora at the State level and Members at the National level. The Committee hope that the Government will accept all their observations/recommendations and implement them in letter and spirit and ensure that the objectives of the Act are achieved.

REPLY OF THE GOVERNMENT

5.4 The report has been circulated to NCDRC and State Governments for appropriate implementation of Committee's observations / recommendations. As for as observations relating to amendment bill are concerned, these are being examined in consultation with various stakeholders.

[Ministry of Consumer Affairs, Food & Public Distribution,
Department of Consumer Affairs,
O.M No. H-11012/5/2013-P&C Dated 29.7.2013]

Recommendation (S. No. 14, Para No. 3.61)

5.5 The Committee note that consumer awareness is essential for good governance though it may not be an easy task to educate the entire population of the country with different background and level of literacy. The Committee are aware that the Department is making various publicity campaigns through the print and electronic media including 'Jago-Grahak-Jago' campaign to create awareness amongst the consumers. The Department has conducted a study in the year 2012 through IIM, Lucknow to ascertain awareness level of consumers in the country with a sample size of 2000 persons of which 400 were selected from NE region. Such study is proposed to be commissioned during the 12th Plan to ascertain extent of awareness in remote or backward areas among various States. The Committee appreciate that the Department has accorded priority concern to tackling the menace of misleading advertisements and recently issued campaigns covering issues of real estate, education, banking, pharmaceuticals, consumer rights, hallmarking, misleading advertisements, wastage of food etc. The Committee are happy to note that the National Law University, Bangalore has been assigned the task of drafting a legislation on Misleading Advertisement. The Committee are, however, concerned that rampant misleading advertisement on various products and services remained unchecked till today. The Committee, therefore, strongly recommend that the Department should vigorously pursue with the National Law University, Bangalore and the Ministry of Information and Broadcasting to expeditiously complete drafting of the legislation and obtain comments thereon respectively.

REPLY OF THE GOVERNMENT

5.6 National Law University is actively working on drafting a legislation on Misleading advertisement. Meanwhile, the Department has mooted a proposal to constitute an Inter-Ministerial Committee to take up the case of unfair trade practices including misleading advertisements in Consumer Fora.

[Ministry of Consumer Affairs, Food & Public Distribution,
Department of Consumer Affairs,
O.M No. H-11012/5/2013-P&C Dated 29.7.2013]

Recommendation (S. No. 24, Para No. 7.18)

5.7 The Committee are happy to note that the shift from conventional Price Ticker Board(PTB) to GPRS enabled ticker boards, the Committee also note that the project for dissemination of spot and futures prices in commodities of relevance is implemented in consultation with AGMARKNET. During the year 2012-13 under phase IV, 409 PTBs have been installed till January, 2013 at various locations having heavy farmer footfall. The Committee while examining installation of PTBs under Price Dissemination Project in each phase find that so far 1863 PTBs have been installed since 2009-10, whereas in some of the UTs like Andaman Nicobar, Lakshadweep, Dadra & Nagar Haveli, Daman & Diu and North East Region viz. Sikkim, Meghalaya and Mizoram not a single PTBs has been installed. Besides this, targets under phase NER (2010-11) as well as under phase IV, there has been shortfall in achievement of physical targets. The Committee, therefore, recommend that work relating to installation of PTBs in NE Region, phase IV and other projects under phase IV may be expedited.

REPLY OF THE GOVERNMENT

5.8 Commission has asked National Exchanges to study the feasibility of installation of Price Ticker Boards in UTs like Andaman and Nicobar Islands, Lakshadweep, Dadra and Nagar Haveli, Daman and Diu and NER states such as Sikkim, Meghalaya and Mizoram. Once their report is received, the Commission will take necessary follow up action in this regard.

[Ministry of Consumer Affairs, Food & Public Distribution,
Department of Consumer Affairs,
O.M No. H-11012/5/2013-P&C Dated 29.7.2013]

NEW DELHI
27 August, 2013
05 Sravana 1935 (Saka)

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

**STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND
PUBLIC DISTRIBUTION (2012-13)**

**MINUTES OF THE THIRTY SECOND SITTING OF THE STANDING
COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION
HELD ON TUESDAY, THE 27th AUGUST, 2013**

The Committee sat from 1500 hrs. to 1545 hrs. in Room No. 115-A, First floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Vilas Muttemwar - Chairman

MEMBERS

LOK SABHA

2. Shri Arvind Kumar Chaudhary
3. Shri Eknath M. Gaikwad
4. Shri Ponnamm Prabhakar
5. Shri Purnmasi Ram
6. Shri C. Rajendran

RAJYA SABHA

7. Dr. Bhushanlal Jangde
8. Smt. Rajani Patil
9. Dr. T.N. Seema
10. Shri Veer Singh

SECRETARIAT

- | | | |
|----------------------|---|----------------------|
| 1. Shri P.K.Misra | - | Additional Secretary |
| 2. Smt. Veena Sharma | - | Director |
| 3. Shri Khakhai Zou | - | Under Secretary |

At the outset, Hon'ble Chairman welcomed the Members to the sitting convened for consideration and adoption of two draft Reports of the Committee (2012-13) on (i) 'Bureau of Indian Standards (Amendment) Bill, 2012' and (ii) the Action Taken by the Government on the observations/recommendations of the Committee contained in the Twenty-ninth Report of the Committee (2012-13) on Demands for Grants (2013-14) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

Appendix-II
(Vide Para No. 3 of Introduction of the Report)

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

- (i) **Total Number of Recommendations:** **27**
- (ii) Observations/Recommendations which have been accepted by the Government:
- Serial Nos. – 1, 2, 5, 6, 7, 10, 12, 13, 15, 16, 17, 18, 19, 22, 23, 25, 26 and 27.
- (Para. Nos. – 2.28, 2.29, 3.9, 3.19, 3.20, 3.39, 3.50, 3.54, 4.8, 4.21, 4.22, 5.11, 6.19, 7.12, 7.13, 8.8, 8.9 and 9.6).
- (Chapter –II, Total 18)**
Percentage: 66.67
- (iii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:
- Serial Nos. - 11 and 21.
- (Para. Nos. – 3.49 and 6.21)
- (Chapter –III, Total 2)**
Percentage: 7.41
- (iv) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:
- Serial Nos. - 8, 9 and 20.
- (Para. Nos. – 3.32, 3.33 and 6.20)
- (Chapter – IV, Total 3)**
Percentage: 11.11
- (v) Observations/Recommendations in respect of which the interim replies of the Government have been received:
- Serial Nos. - 3, 4, 14 and 24
- (Para. Nos. –2.30, 3.8, 3.61 and 7.18)
- (Chapter – V, Total 4)**
Percentage: 14.81