

EIGHTEENTH REPORT
STANDING COMMITTEE ON FOOD, CIVIL
SUPPLIES AND PUBLIC DISTRIBUTION
(2002)

(THIRTEENTH LOK SABHA)

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

*[Action Taken by Government on the Recommendation contained in
the Fifteenth Report of the Committee on Food, Civil Supplies and
Public Distribution on Demands for Grants (2002-2003) of the
Ministry of Consumer Affairs, Food and Public Distribution
(Department of Consumer Affairs)]*

Presented to Speaker on **14.8.2002**

Laid in Rajya Sabha on **12.8.2002**

Presented to Lok Sabha on _____



LOK SABHA SECRETARIAT
NEW DELHI

August, 2002/Sravana, 1924 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON FOOD,
CIVIL SUPPLIES AND PUBLIC DISTRIBUTION (2002)

Shri Devendra Prasad Yadav — *Chairman*

MEMBERS

Lok Sabha

2. Shri Vishnu Dev Sai
- *3. Shri Sahib Singh Verma
4. Shri Mansinh Patel
5. Shri Ram Chandra Veerappa
6. Shri Ram Naresh Tripathee
7. Shri Namdeorao Harbaji Diwathe
8. Shri Shyam Bihari Mishra
9. Shri Abdul Hamid
10. Smt. Preneet Kaur
11. Shri Rameshwar Dudi
12. Shri Tara Chand Bhagora
13. Shri Sujan Singh Bundela
14. Shri Sisram Ola
15. Shri A.P. Abdullakutty
16. Shri Bajju Ban Riyan
17. Shri Ram Sagar Rawat
18. Shri Rajbhar Babban
19. Shri Ezhilmalai Dalit
20. Capt. (Retd.) Inder Singh
- **21. Shri Nagmani
22. Shri Jai Prakash
- *23. Shri M.V.V. S. Murthi
- **24. Shri Kishan Lal Diler
- **25. Dr. A.D.K. Jeyaseelan
- **26. Shri Bali Ram Kashyap
- **27. Shri Shivaji Mane
- **28. Shri Rama Mohan Gadde
- **29. Shri Ramshakal
- **30. Shri Tejveer Singh
- **31. Shri Dip Gogoi

Rajya Sabha

32. Smt. Bimba Raikar
33. Smt. Gurcharan Kaur
34. Shri Lajpat Rai
35. Shri M.A. Kadar
36. Dr. Swami Sakshi Ji Maharaj
37. Shri Vijay Singh Yadav
38. Shri Anil Sharma
39. Shri R.N. Arya
- ***40. Dr. (Ms.) P. Selvie Das
- *41. Shri C. Perumal
- **42. Shri Rishang Keishring
- **43. Shri Ravula Chandra Sekar Reddy
- *44. Shri S.K. Khabiruddin Ahmed
- **45. Shri Manohar Kant Dhyani

SECRETARIAT

1. Shri John Joseph — *Additional Secretary*
2. Shri Ram Autar Ram — *Joint Secretary*
3. Shri A.S. Chera — *Deputy Secretary*
4. Shri R. S. Mishra — *Under Secretary*

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- * Ceased to be a member of the Committee *w.e.f.* 18th January, 2002 (*vide* Bulletin Part -II, No. 2540, dated 18th January, 2002).
- ** Nominated to the Committee *w.e.f.* 19th April, 2002 (*vide* Bulletin Part II, No. 2814 dated 19th April, 2002).
- *** Nominated to the Committee *w.e.f.* 13th May, 2002 (*vide* Bulletin Part-II, No. 2879, dated 13th May, 2002).
- * Ceased to be a member of the Committee *w.e.f.* 1st July, 2002, consequent upon becoming Union Minister of Labour.
- ** Ceased to be a member of the Committee *w.e.f.* 5th July, 2002 (*vide* Bulletin Part-II No. 2995 dated 5th July, 2002).
- *** Nominated to the Committee *w.e.f.* 17th January, 2002 (*vide* Bulletin Part-II, No. 2575, dated 25th January, 2002).
- * Nominated to the Committee *w.e.f.* 8th April, 2002 (*vide* Bulletin Part-II, No. 2796, dated 10th April, 2002).
- ** Nominated to the Committee *w.e.f.* 22nd April, 2002 (*vide* Bulletin Part -II, No. 2832 dated 26th April, 2002).
- *** Nominated to the Committee *w.e.f.* 2nd May, 2002 (*vide* Bulletin Part-II, No. 2866 dated 7th May, 2002).
- * Nominated to the Committee *w.e.f.* 22nd May, 2002 (*vide* Bulletin Part-II, No. 2918 dated 27th May, 2002).
- ** Nominated to the Committee *w.e.f.* 2nd August, 2002 (*vide* Bulletin Part-II, No. 40013 dated 2nd August, 2002).

INTRODUCTION

1. The Chairman of the Standing Committee on Food, Civil supplies and Public Distribution (2002) having been authorized by the Committee to submit the Report on their behalf, present this Eighteenth Report on Action Taken by the Government on the recommendations/ observations contained in the Fifteenth Report of the Committee (Thirteenth Lok Sabha) on "Demands for Grants" (2002-2003) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

2. The Fifteenth Report was presented to Lok Sabha on 23rd April, 2002. The Government furnished their replies indicating Action Taken on the recommendations contained in the Report on 9th July, 2002. The Draft Action Taken Report was considered and adopted by the Standing Committee on Food, Civil Supplies and Public Distribution (2002) at their sitting held on 6th August, 2002.

3. An analysis of the action taken by the Government on recommendations contained in the Fifteenth Report of the Standing Committee (Thirteenth Lok Sabha) on "Demands for Grants" (2002-2003) is given in Appendix II.

New Delhi;
6 August, 2002
15 Shraavana, 1924 (Saka)

DEVENDRA PRASAD YADAV,
Chairman,
Standing Committee on Food, Civil Supplies
and Public Distribution.

CHAPTER I

REPORT

1.1 This Report of the Standing Committee on Food, Civil Supplies and Public Distribution deals with the Action Taken by the Government on the Observations/Recommendations contained in the Fifteenth Report (Thirteenth Lok Sabha) on Demands for Grants (2002-2003) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

1.2 The Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on the 23rd April, 2002. It contained 10 recommendations/observations.

1.3 Action Taken Notes in respect of all the 10 observations/recommendations contained in the Report have been received and categorized as follows:-

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

Para Nos. 1.12 and 4.11

(Chapter-II, Total-2)

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

Para Nos. Nil

(Chapter-III, Total-Nil)

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

Para Nos. 2.10, 3.12, 3.30, 3.31 and 4.10

(Chapter-IV, Total-5)

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

Para Nos. 3.11, 3.13 and 5.7

(Chapter V, Total-3)

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

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

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

Consumer Courts and Fora

Recommendation (Para No. 2.10)

1.7 Expressing concern over the steps taken by the Governments in regard to non-functional District Fora which showed an increasing trend and also their failure to maintain data of cases disposed of within the stipulated time, the Committee had recommended that the Government should vigorously persuade the State Governments to make these non-functional District Fora functional by filling the vacant posts of President and Members and to ensure that data of cases disposed of within the stipulated time is maintained by the National Commission for which Consumer Courts should be linked in a computer network.

1.8 The Ministry in their Action Taken Reply have stated that the matter has been taken up with the State Governments at various levels from time to time and that this will be continued. They also have stated that the issue has also been discussed in various meetings when the State Governments have been strongly advised to take effective steps to activate the non-functional consumer disputes redressal agencies without further delay. They have further stated that due to lack of supporting staff, statistical data reporting system on various parameters could not be developed and that full requirement of staff and funds had not been provided to the consumer disputes redressal agencies due to financial constraints. Regarding linking of consumer courts with computer network, it has been stated that inspite of a proposal to include the provision in the Tenth Five Year Plan to provide financial assistance in this regard, the same could not be accommodated in the very limited outlay provided to the Department. However, these matters would be a long term exercise.

1.9 The Committee are not satisfied with the reply of the Government. Though the Ministry took up the issue of filling of the vacant posts in the various District Fora with the State Governments in various meetings held in the months of February and March, 2002, no concrete result has been reflected in the reply of the Ministry in this regard. The Committee are of the opinion that regular follow up meetings with the State Governments in this regard should be held and, if need be, the matter should be taken at the highest level so that non-functional District Fora are made functional at the earliest. The Committee may also be informed of the steps taken and progress achieved in this regard.

National Cooperative Consumers' Federation (NCCF)

Recommendation (Para No. 3.12)

1.10 Pointing out the increase in the amount of dues particularly those of more than 3 years old, the Committee had recommended that Government should make special efforts to realize outstanding dues at the earliest.

1.11 The Ministry in their Action Taken Reply have stated that constant follow-up has been made by NCCF with sundry debtors for recovery of dues. During the period from 1.10.2001 to 31.3.2002, the recovery against dues of the NCCF in three major categories *i.e.* below one year, between 1-3 years and above three years is as follows:

(Figures in lakhs of Rs.)

Sl.No.	Position as on 30.9.2001	Additions during Oct. 2001 to March, 2002	Total dues as on 31.3.2002	Recoveries made from Oct, 2001 to March, 2002	Balance due as on 31.3.2002
1.	4808	24600	29408	19728	9680***
2.	455	(-15)*	450	62	368
3.	938	75**	1013	67	946
Total	6201	24670	20871	19857	11014

* Against the dues of Rs. 455 lakh as on 30.9.2001, an amount of Rs. 62 lakh has been recovered. However, the dues as on 31.3.2002 are increased by Rs. 5 lakh on account of change in the age of the dues from below one year to 1-3 years.

** Against the dues of Rs. 938 lakh as on 30.9.2001 representing above 3 years, although an amount of Rs. 67 lakh has been recovered but due to change in the age group of the dues, it has increased by Rs. 75 lakh from 1-3 years to 3 years and above.

*** Outstanding dues under current age group are increased on account of increase of sale by Rs. 246 crore during the period—October, 2001 to March, 2002.

1.12 The Committee are not satisfied with the reply regarding recovery of outstanding dues by NCCE. The Ministry in their Action Taken Reply have stated that increase in the volume of sales was the reason for increase in the outstanding dues which are less than one year old. However, the statement furnished by the Ministry clearly states that the increase in percentage of sales is around 80% while the outstanding dues lying for less than one year has increased by more than 100%. As regards the increase in the outstanding dues which are more than 3 years old, the Ministry have stated that that was due to change in the age group of dues. Thus, the Ministry have attempted to influence the Committee with unsubstantiated reasons while the amount of dues has virtually raised than the previous years. While reiterating their earlier recommendation, the Committee, therefore, strongly urge the Government to devise ways and means so that outstanding dues are realized at the earliest.

The Cooperative Store Ltd, (Super Bazar, New Delhi)

Recommendation (Para No. 3.30)

1.13 Expressing concern over the sorry state of affairs in the Super Bazar which suffered losses totalling to Rs. 62.96 crore, the Committee had recommended that the Government should accord top priority for settling the issues of Super Bazar in right earnest by exploring all possible alternatives or come forward with a revival package for running the branches of Super Bazar.

1.14 The Ministry in their Action Taken Reply have stated that they have been monitoring the performance of Super Bazar regularly and that senior officers of the Department of Consumer Affairs are also represented in the Board of Super Bazar. Further, the Super Bazar has been directed to curtail its expenditure and increase sales and internal savings. Rupees 26 crore financial assistance had also been extended to it. The Committee have also been informed that after considering various alternatives which were not found feasible, the Central Registrar of Cooperative Societies (CRCS) was requested to consider measures for winding up of Super Bazar under provisions of Multi State Cooperative Societies (MSCS) Act, 1984 as the liabilities of the Super Bazar were increasing day by day resulting in an unusual increase in the accumulated losses. The reply of the Ministry has further revealed that the CRCS had completed the inquiry u/s 69 of MSCS Act, 1984 into the affairs of Super Bazar on 25.2.2002 and that the decision of the CRCS was yet to be received.

1.15 The Committee are totally dissatisfied with the affairs of Super Bazar which has virtually come to a standstill. Even though the inquiry into the affairs of Super Bazar had been completed by the Central Registrar of Cooperative Societies (CRCS) on 25.2.2002, the decision is yet to be received. The Ministry themselves admitted in their Action Taken Reply that the liabilities of the Super Bazar were increasing day by day. It is ridiculous that even after four months of the completion of the inquiry, the decision of CRCS is still awaited. It has always been the stand of the Committee that Government should make efforts to run the Super Bazar in the interests of the consumers so that the purpose of its existence is not forfeited. It seems that the Government have not handled the issue properly. In the opinion of the Committee, the Ministry should have taken steps in advance so that matters don't end up in such manner. Even defaulters seem to have been treated softly. The Committee are also deeply concerned with the welfare of the staff and inventories attached with the Super Bazar. While reiterating their earlier recommendation, the Committee are of the firm view that the Government should take up the issue with the Central Registrar of Cooperative Societies (CRCS) and get it finalized at the earliest. The Committee would also like to know the steps taken by the Government for the welfare of the staff engaged in the Super Bazar and also the proper upkeep of the inventories attached with it.

Recommendation (Para No. 3.31)

1.16 Expressing serious concern over the sorry state of affairs in Super Bazar regarding leasing of its properties to Private Bodies, the Committee had recommended that a thorough investigation be conducted in the whole affairs and the officers responsible for maintaining the records should be booked without further loss of time and that the matter should immediately be referred to CBI as well as Central Registrar of Cooperative Societies.

1.17 The Ministry in their Action Taken Reply, have stated that the mistakes in leasing/renting certain properties to private persons/parties appeared to have been made mainly in 1970s and 1980s, that Super Bazar had been directed by them to maintain the records of assets and properties and to investigate the issue in details and fix responsibilities. After obtaining the report of Super Bazar the matter would be referred to appropriate authority for further investigation.

1.18 The Committee are not satisfied with the reply of the Government. Even though directions had been issued to Super Bazar to investigate the issue in detail and fix responsibilities, no time frame has been given by them for conducting and completing the investigation. This clearly shows that the Ministry have not taken the Committee's recommendation seriously. The Committee feel that such prolonged delay will further deteriorate the situation. While reiterating their earlier recommendation, the Committee strongly recommend that the report from Super Bazar should be obtained immediately and the matter be referred to appropriate authority (CBI) at the earliest. Steps taken and progress achieved in this regard should be intimated to the Committee within 3 months time.

Bureau of Indian Standards (BIS)

Recommendation (Para No. 4.10)

1.19 Expressing concern over the Government's inaction in regard to misuse of ISI marked goods flooding the market, the Committee had urged the Government to take the issue with BIS for testing larger number of samples so that consumers are not cheated. The Committee had also urged the Government to take the issue with the Department of Science and Technology for deploying machines using the latest technology in their laboratories.

1.20 The Ministry in their Action Taken Reply have stated that special efforts are being made to upgrade the testing technology in BIS spending on an average Rs. 30-40 lakhs per annum. They have also stated that a Laboratory Advisory Committee has also been constituted in the BIS under the Chairmanship of Director, National Physical Laboratory, New Delhi. As a result of such action BIS tested 31636 samples during the year 2001-2002 which is an increase by 3229 over the previous year's achievement with reduced testing staff. BIS will also make efforts to increase the testing personnel within the guidelines given by the Government from time to time and that constant efforts will continue to be made to upgrade and augment the existing testing facilities in BIS Laboratories by adding latest technology equipment to its existing testing range.

1.21 The Committee note that efforts are being made to upgrade testing technologies and to increase number of samples tested in the BIS laboratories which has brought some increase in the number of samples tested than that of previous year. However, given the fact that the market is flooded with spurious Indian Standards Institution (ISI) marked goods, the Committee are still not satisfied with the efforts of BIS. During the recent study tour of the Committee, they were informed that shortage of staff poses a hurdle in improving the quality and quantity of output due to which the functioning of BIS is a bit hampered as far as technical work is concerned. The Committee were also requested to take up the issue with the Ministry of Consumer Affairs, Food and Public Distribution so that required number of scientific officers are maintained for better functioning of the Bureau of Indian Standards. While reiterating their earlier recommendation, the Committee strongly recommend that the Government should take immediate steps to increase the number of scientific officers deployed in BIS and upgrade the technological standards in the BIS laboratories keeping in mind the extent of misuse of ISI marks and its net effect on the consumers.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1.12)

The Committee are not satisfied with the overall performance of the Ministry in regard to their percentage expenditures over Budget Estimate (2001-2002) in both Plan and Non-Plan allocations. The percentage expenditure during the year 2001-2002 in Plan and Non-Plan schemes stood at 45 and 80 respectively, which is even less than the expenditure incurred in the previous year. Even the funds allocated for Information and Technology and National Test House under Plan Heads could not be utilized fully. This is clearly indicative of the fact that the Monitoring Committee set up by the Ministry has not been able to deliver any good to the running schemes. Further, funds allocated under some of the heads have been diverted to other heads for petty matters such as maintenance of residence of President, National Consumer Disputes Redressal Commission (NCDRC), purchase of machinery and equipments, etc. clearly display poor planning. The reason put forth by the Ministry in regard to less expenditure on RRSL at Guwahati that the State Government could not provide alternative land for the project is not very convincing. In the opinion of the Committee the monitoring of the Ministry over its various schemes and also its coordination with the State Governments have not been up to the mark. The Committee, therefore, strongly recommends that the Ministry's monitoring mechanism should be further strengthened to ensure that the projects undertaken are completed within the stipulated time. The Committee further urge the ministry to take steps to release funds for the projects in a phased manner so that major spending at the fag end of the year may be avoided.

Reply of the Government

The expenditure figures furnished to the Standing Committee of Parliament was upto February, 2002.

The details of savings under Non-Plan Expenditure as on 31.3.2002 are given below:—

		(Rs. in lakhs)
(i)	Salaries/Wages	Rs. 80.00
(ii)	Others (Domestic Travel Expenses, Foreign Travel expenses etc.	Rs. 27.42
Total		Rs. 107.42
(iii)	Projects under Consumer Welfare Fund	Rs. 395.00
Grand Total		Rs. 502.42

The saving under non-plan expenditure upto 31.3.2002 was 2.86% of which major items of saving was under salary head. The savings was due to non-filling up of direct recruitment posts due to ban orders issued by the Ministry of Finance.

The Consumer Welfare Fund is a Public Account and as such the budget provision under this scheme does not lapse. The unspent balance goes back to the Public Accounts. This percentage non-plan expenditure upto 31.3.2002 is 97.14%

As regards plan expenditure it is submitted that this Department surrendered an amount of Rs. 71.00 lakhs as per details given below:

		(Rs. in Lakhs)
(i)	Contribution to Quality Council of India	Rs. 15.00
(ii)	Consumer Protection Unit	Rs. 12.00
(iii)	Weights & Measures Unit (Salary)	Rs. 2.00
(iv)	Capital Expenditure on Regional Reference Standard Laboratory, Guwahati	Rs. 42.00
Total		Rs. 71.00

The amounts at Sl. Nos. (i) & (ii) above have been surrendered for obtaining a Supplementary Grant under Capital Section for purchase of land for construction of NCDRC building. The savings under the scheme for Regional Reference Standard Laboratory, Guwahati are transferred to the Non Lapsable Fund for North Eastern States and Sikkim. The savings under this scheme was due to Court Case relating to land transferred the Government of Assam for construction of Laboratory building at Guwahati.

An expenditure of Rs. 29.58 lakhs out of budget allocation of Rs. 30.00 lakhs (including Rs. 2.00 lakhs re-appropriated from Major Head 3456 on 28th March, 2002) has been incurred under the scheme of Information and Technology.

The plan funds allocated for National Test House could not be utilized fully as the Government directed the NTH not to incur any expenditure pending its merger with the BIS. In view of this the budget provision under the Plan Funds was reduced from Rs. 3.35 crore in BE to Rs. 2.00 crore in RE. The details of savings under plan funds of NTH are as under:

Machinery and Equipment	Rs. 100.00 lakhs
Office Expenses	Rs. 33.00 Lakhs
Foreign Travel Expenses	Rs. 2.00 lakhs
Total	Rs. 135.00 Lakhs

The National Consumer Disputes Redressal Commission requested for additional funds amounting Rs. 28.30 lakhs. Being a small Department, the savings under the non-salary non-plan expenditure was very little and the amount was re-appropriated to meet their urgent requirements. In so far as re-appropriation of funds for purchase of machinery and equipments is concerned, it is submitted that the Department prepare the annual plan after the budget allocation is made for purchase of machinery and equipments based on the actual need of equipments for various laboratories. The equipments are purchased keeping in view the functional requirements of the region. It, therefore, becomes necessary to re-appropriate the amount from one laboratory to another laboratory. However, the entire budget provision is under the same major head 5475—Capital Outlay on Other General Economic Services.

The observation of the Committee to strengthen the monitoring of mechanism to monitor the progress of construction of laboratory building at Guwahati has been noted for compliance.

[Ministry of Consumer Affairs, Food & Public Distribution,
O.M. No. G-11027/1/2002-P&C, Dated 4th July, 2002]

Recommendation (Para No. 4.11)

As regards non-observance of National Building Code of India (NBC) by the State Governments, the Ministry should take up the matter with the Ministry of Urban Development and Poverty Alleviation so that State Governments are vigorously pursued to observe the NBC which in turn will save the lives of millions at the time of occurrence of disasters such as earthquake.

Reply of the Government

The Ministry of Urban Development and Poverty Alleviation have been requested again to take up the matter with the State Governments expeditiously and persuade them to observe the National Building Code.

[Ministry of Consumer Affairs, Food & Public Distribution O.M.
No. G-11027/1/2002-P&C Dated 4th July 2002]

CHAPTER III

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

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CHAPTER IV

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

Recommendation (Para No. 2.10)

The Committee note with concern that despite the Government's assurance last year during the examination of Demands for Grants that non-functional District Fora would be made functional, no sincere efforts have been made by them in this regard. In fact the number of non-functional District Fora has increased than that of the last year. This clearly shows that the Government did not take up the issue in right earnest. Another matter of grave concern for the Committee is that the National Commission is still not maintaining data regarding cases disposed of within the stipulated time. Though the Government have assured the Committee to take up the issue with the National Commission during the examination of the 'The Consumer Protection (Amendment) Bill, 2001' nothing has been done so far in this regard. The Committee, therefore, strongly recommended that the Government should vigorously persuade the State Governments to make these non-functional District Fora functional by filling the vacant posts of President and Members without further delay keeping in view the larger interests of the consumers of the country. The Government should also ensure that the data of cases disposed of within the stipulated time is maintained by the National Commission at the earliest as has been impressed upon by the participants in the National Conference of the Presidents of the State Commissions and Secretaries of State Governments and also assured by the Government during examination of the Consumer Protection (Amendment) Bill, 2001. For this, efforts should be made to link the Consumer Courts in a computer network so that information is readily available to the consumers for quick redressal of their grievances.

Reply of the Government

As informed earlier, it is the responsibility of the State Government to fill the vacant posts of the Presidents/Members in the State Commissions and District Forums. The Central Government has been taking up the matter with the State Government at various levels from time to time and will continue to do so to persuade the States/UTs make all efforts to avoid or at least minimize the delay in filling up vacant posts. The issue was also discussed in the Conference of the Presidents of State Commissions and Secretaries in-charge of Consumer Affairs in the States/UTs on 9-10 February, 2002 and again in the Central Consumer Protection Council meeting held on 23.3.2002. In these Meetings the State Governments were strongly advised to take effective steps to activate the non-functional consumer disputes redressal agencies without further delay.

In the above said Conference/meeting, among various other issues, the issue relating to the cases filed/disposed of/pending including the disposal of cases categorywise and period taken for final disposal, inability to decide cases within time norms, etc. were discussed. It was revealed that due to lack of supporting staff in the consumer disputes redressal agencies, the statistical data reporting system on various parameters could not be developed. In many of the States, full requirement of staff and funds have not been provided to the consumer disputes redressal agencies as the additional budgetary support required for the purpose is generally not agreed to by the Finance Departments of the States due to financial constraints.

The Department had made a proposal to the Planning Commission to include provision in the Tenth Five Year Plan to provide financial assistance for computerization and networking of all the consumer disputes redressal agencies in the country for collecting statistical information. However, this could not be accommodated in the very limited outlay provided to the Department. The Department is providing funds for computerisation of the National Commission. Similarly, all the State Governments were also requested in the Conference held on 9-10th February, 2002 to provide funds for computer facilities to all the redressal agencies functioning in the States. The States were further advised to avail of the services of the National Information Centre (NIC) central set up in their States/UTs. Computerisation of all consumer forums and installation of facilities for online transmission of data on disposal of cases and other related matters would be a long term exercise.

[Ministry of Consumer Affairs, Food & Public Distribution O.M.
No. G-11027/1/2002-P&C Dated 4th July 2002]

Comments of the Committee

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

Recommendation (Para No. 3.12)

The Committee take note of the fact that though the position of the outstanding dues recoverable from sundry debtors have improved in the year 2001-2002 from that of last year, Rs. 6201 lakh still remains to be recovered and that part of the outstanding dues is more than 3 years old. The Committee, therefore strongly urge the Government to make special efforts to realize the outstanding dues at the earliest which will also enable the Federation to make itself financially strong.

Reply of the Government

NCCF has informed that constant follow up is being made by them with sundry debtors for recovery of their dues. During the period from 1.10.2001 to 31.3.2001, the recovery against dues of the NCCF in three major categories i.e. below one year, between 1-3 years and above three years is as follows:

(Figures in lakh of Rs.)

Sl.No.	Position as on 30.9.01	Additions during Oct. 01 to March, 02	Total dues as on 31.3.2002	Recoveries made from Oct, 2001 to March, 2002	Balance due as on 31.3.2002
1.	4808	24600	29408	19728	9680***
2.	455	(-)5*	450	62	388
3.	938	75**	1013	67	946
Total	6201	24670	30871	19857	11014

* Against the dues of Rs. 455 lakh as on 30.9.2001, an amount of Rs. 62 lakh has been recovered. However, the dues as on 31.3.2002 are increased by Rs. 5 lakh on account of change in the age of the dues from below one to 1-3 years.

** Against the dues of Rs. 938 lakh as on 30.9.2001 representing above 3 years, although an amount of Rs. 67 lakhs has been recovered but due to change in the age group of the dues, it has increased by Rs. 75 lakh from 1-3 years to 3 years and above.

*** Outstanding dues under current age group are increased on account of increase of sales by Rs. 246 crore during the period October, 2001 to March, 2002.

NCCF has informed that they are deputing staffs from Head Office and Branches to follow up recovery. In some cases, assistance from the Department is also being obtained in this regard.

[Ministry of Consumer Affairs, Food & Public Distribution O.M.
No. G-11027/1/2002-P&C Dated 4th July 2002]

Comments of the Committee

(Please see Para No. 1.12 of Chapter I of the Report)

Recommendation (Para No. 3.30)

The Committee are deeply aggrieved over the sorry state of affairs in the Super Bazar which has established with the sole objective of fair and better trade practices to contain the rising trend of prices in the market and to provide commodities at reasonable prices. Super Bazar has virtually failed due to managerial inefficiencies and mismanagement. It gained profit till 1995 and after that it suffered losses totaling to Rs. 62.96 crore till date. Last year the liability of Super Bazar was 32.79 crore. Thus, in a year the liabilities have almost doubled and the Ministry have remained a silent spectator. The Ministry instead of taking corrective steps, have rather been shirking their responsibilities on one pretext or the other. In the opinion of the Committee the affairs in Super Bazar resulted in misuse of public money which could have been avoided. The Committee, therefore, strongly recommend that the Government should accord top priority for settling the issues of Super Bazar in right earnest by exploring all possible alternatives or should come forward with a revival package for running the Branches of Super Bazar. In case the Ministry find it difficult to cope with the problems of Super Bazar, they should reach some decision in regard to running of Super Bazar at the earliest so that the rising trend in liabilities should immediately be checked and public money could be saved.

Reply of the Government

Being a Multi-State Cooperative Society, the business and financial affairs of Super Bazar are finalised by the Board of Directors and the policy ensuring the business activities are approved by the Smaller Representative General Body of Super Bazar. The Super Bazar has reported that the Rs. 62.96 crores was the estimated liability on 31.3.2001 whereas the liabilities of Super Bazar towards supplier was Rs. 32.79 crores. The liabilities of Super Bazar have been increased due to poor financial position of the store. Being an Administrative Department, the Department of Consumer Affairs has been monitoring the performance of Super Bazar regularly and senior officers of this Department are also represented in the Board of Super Bazar. The

directions were issued to curtail the expenditures of Super Bazar and to increase the sales and internal saving of store. The Government of India had extended a financial assistance of Rs. 26 crores in the last two financial years to bridging the resource gap of Super Bazar. Simultaneously, the Department had considered various alternatives such as: (i) Transfer of Super Bazar to GNCT of Delhi, (ii) Transfer/amalgamation of Super Bazar to any viable cooperative society, (iii) Revival of Super Bazar with Govt. financial assistance.

After exhausting all the alternatives, it is decided with the approval of the Govt. to request Central Registrar of Cooperative Societies to consider measures for the winding up of Super Bazar under the provisions of Multi State Cooperative Society Act 1984 as the liabilities of the Super Bazar are increasing by the day resulting an unusual increase in accumulated losses and extending continued financial support through budgetary mechanism to sustain the existence of sick and non-viable cooperative society with uncertain hope of turn around in an indefinite time frame shall not be in public interest. The Central Registrar of Cooperative Societies has initiated an inquiry u/s 69 of MSSC Act 1984 into the affairs of Super Bazar. The inquiry has been completed on 25.2.2002. However, the decision of Central Registrar is yet to be received.

[Ministry of Consumer Affairs, Food & Public Distribution O.M.
No. G-11027/1/2002-P&C Dated 4th July 2002]

Comments of the Committee

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

Recommendation (Para No. 3.31)

The Committee cannot but dismay over the reply furnished by the Ministry regarding leasing of property of Super Bazar to Private Bodies and that record of the Super Bazar are in bad condition and that the information is not fully reliable. The Committee fail to understand as to why and how the matter was not brought to the notice of the Government earlier and no action seems to have been taken by the Government in this regard. This is a very serious lapse on the part of the then Managing Directors and Senior Officers of Super Bazar and the role of vested interests in this regard can also not be ruled out. The Committee, therefore, very strongly recommended that a thorough investigation should be conducted in the whole affairs and the officers responsible for maintaining the records should be booked without further loss of time. For this, the matter should immediately be referred to CBI as well as Central Registrar of Cooperative Societies. Steps taken in this regard should be communicated to the Committee within 3 months time.

Reply of the Government

As reported by Super Bazar, certain mistakes in leasing/renting certain properties to private persons/parties had been noted in the past. These mistakes appear to have been made mainly in 1970s and 1980s. The directions has been issued to Super Bazar for maintaining the records of assets and properties. The Super Bazar has been asked to investigate the issue in details and fix the responsibilities against the officials who were responsible for the missing/incomplete property records. After obtaining the report of Super Bazar the matter will be referred to appropriate authority for further investigation.

[Ministry of Consumer Affairs, Food & Public Distribution O.M.
No. G-11027/1/2002-P&C Dated 4th July 2002]

Comments of the Committee

(Please see Para No. 1.18 of Chapter I of the Report)

Recommendation (Para No. 4.10)

The Committee note with concern that BIS has not been able to achieve its objective which is clear from the fact that the market is overflowing with spurious goods and that too, bearing ISI marks. The Government have not been able to address this problem in view of the fact that the percentage of incidence of non-conformity of samples tested by BIS laboratories for the last 3 years has remained static. The reasons given by the Ministry such as decreasing number of testing personnel are not convincing to the Committee, keeping in view the fact that the ordinary consumer is cheated day by day. The assertion of the Government that laboratory reports do not directly conclude conformity or non-conformity of the samples which is determined at the user's end, clearly contradicts the very purpose of existence of BIS which acts as an effective link among the Government, industry and consumers. The Committee, therefore, very strongly urge the Government to take the issue with BIS for testing a larger number of samples so that consumers are not cheated. For this, more testing personnel may be deployed. The Government should also take the issue with the Department of Science and Technology for deploying machines using the latest technology in their laboratories.

Reply of the Government

BIS Certification Marks Scheme (ISI Mark) is a voluntary scheme, except for some items of mass consumption or the items that affect health & safety for which it has been made mandatory by the Government. BIS has regular control on the licensees who have been granted a licence to use Standard Mark (ISI Mark) on their product. Regular monitoring of the performance of such licensees is being done through a well-designed scheme of testing and inspection in vogue. BIS periodically draws samples of certified products from the factory as well as from the market. Testing of samples provides the necessary feedback which is used for reviewing performance of the licensee.

In addition, on receipt of a specific complaint/information, detailed investigation is carried out through its different offices located all over the country with a view to collect documentary and material evidences. Search and Seizure is also organized to seize the material wherever needed. Based on the information thus collected, which if found appropriate and tenable, criminal prosecution proceedings are launched in the court of law against the offending parties under BIS Act.

Special efforts are being made to upgrade the testing technology in BIS. On an average, an amount of Rs. 30-40 lakhs is spent per annum to upgrade the test facilities/infrastructure in BIS and its regional labs. Some of the facilities added in the last few years are as under:—

- (i) Conversion of LT supply to HT supply and 125 KVA DG set for Southern Region Office lab.
- (ii) Infrastructure facilities for Safety Glass and Helmet equipment for Central lab.
- (iii) Center Lathe Machine for Central lab.
- (iv) Equipment for Mineral Water Testing for Central lab.
- (v) DG set for Central lab.
- (vi) Hardness Testing Machine for Eastern Region Office lab.
- (vii) UV Visible Spectrophotometer for Bangalore Branch Office Lab.

For continuous and sustained improvement in laboratory activities, a Laboratory Advisory Committee has also been constituted in the BIS under the Chairmanship of Director, National Physical Laboratory, New Delhi. This Committee advises on policy matters relating to:

- (i) establishment, operation and expansion of laboratories.
- (ii) testing activities to support research and development programme of the BIS.

- (iii) participation in national and international accreditation system for testing and also for calibration.
- (iv) formulation of guidelines for facilitating the Bureau in recognizing any laboratory in India or abroad for the purpose of testing and associated activities.

As a result of above mentioned action, 31636 samples were tested during the year 2001-02, which was an increase by 3229 over the last years' achievement and that too with reduced testing staff. Thus BIS has already taken steps to increase the efficiency of BIS laboratories. Since BIS has limited capacity of testing, around 25% of the total samples to be tested are diverted to BIS recognized outside labs. The number of samples tested by such outside labs and BIS labs for the last 4 years is given below:—

Year	Samples tested in BIS laboratories	Samples tested in BIS recognized outside laboratories	Total
1998-1999	28838	8795	37633
1999-2000	27697	11811	39508
2000-2001	28407	10957	39364
2001-2002	31636	10022	41658

Notwithstanding aforesaid progress, BIS has been directed to make all out efforts to increase the number of samples being tested in BIS labs so that interests of the common consumers could be protected from the unscrupulous manufacturers and their spurious products. To facilitate expansion in testing functions and facilities, BIS will also make efforts to increase the testing personnel within the guidelines given in this context by the Govt. from time to time. In addition, constant efforts will continue to be made to upgrade and augment the existing testing facilities in BIS labs by adding latest technological equipments to its existing testing range.

[Ministry of Consumer Affairs, Food & Public Distribution O.M.
No. G-11027/1/2002-P&C Dated 4th July 2002]

Comments of the Committee

(Please See Para No. 1.21 of Chapter I of the Report)

CHAPTER V

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

Recommendation (Para No. 3.11)

The Committee are concerned to note the involvement of higher officers of NCCF in reported irregularities. The Committee have been informed that the guilty officers have been served with charge sheets/show cause notices after the inquiry conducted by the Government. The Committee are of the opinion that the Government should take immediate steps to dispose of the cases of irregularities at the earliest and the amounts embezzled, if any, by the guilty officers should be recovered without loss of time. The Committee would also like to have the details of these cases along with the penalties imposed upon the guilty.

Reply of the Government

The NCCF of India Ltd. is an autonomous cooperative society registered under the Multi State Cooperative Societies Act, 1984 having its own Board of Directors to decide about its business and other administrative matters. The NCCF has its own Vigilance Cell headed by a Chief Vigilance Officer, who looks after all vigilance matters in the NCCF. Regarding completion of investigations and inquiries against the guilty officers on the basis of the Reports received from the Ministry, the NCCF has already started process of holding the inquiries, which would be completed in accordance with the rules, within the shortest possible time. Charge-sheets have been issued in two cases while charge-sheet in another case is under issue. The report relating to supply of pulses to Government of Maharashtra is under further examination to fix the responsibility of the concerned officers. The details of the cases along with the penalties imposed would be communicated as soon as the Inquiry Reports are received by the NCCF and penalties on the basis of the findings of the Inquiry Officers are imposed by the Disciplinary Authority in the NCCF.

[Ministry of Consumer Affairs, Food & Public Distribution O.M.
No. G-11027/1/2002-P&C Dated 4th July 2002]

Recommendation (Para No. 3.13)

The Committee note that Sarvpriya Scheme was launched in July, 2000 for distribution of 11 selected items of consumer goods to benefit the lower income groups and those living in rural areas. The scheme, however, could not make much headway except in the States of Rajasthan, Tripura, Himachal Pradesh and Maharashtra. The reasons given by the Government in non-implementation of the scheme in other States that the State Governments/State Agencies do not want to involve their funds in not satisfying to the Committee. The Committee's experience in this regard has been different. During their study visit to Andaman and Nicobar Islands, the Committee were informed that neither from the Central Government nor from NCCF was any attempt made to launch the scheme in the Islands. It was on the insistence of the Committee that the Government of Andaman and Nicobar Islands placed an order in December, 2001 for supply of goods to NCCF. Keeping in view this fact, this Committee strongly recommend the Government to make sincere efforts in coordination with State Governments to make the scheme a success. For this, the Government should re-think over allocation of subsidy for running the scheme as it caters to the needs of the people belonging to lower income groups and those living in remote and rural areas. The Committee may be apprised of the steps taken and progress made in this regard.

Reply of the Government

(a) The matter regarding introduction of "Sarvpriya Scheme" by the State is being followed up constantly by the office and also by the Ministry. As earlier reported to the Committee, the State of Rajasthan, Tripura, Himachal Pradesh, Maharashtra have only introduced "Sarvpriya Scheme" and that too in a limited way.

(b) A.P. State has recently launched a 'Gruha Mitra Scheme' on the pattern of Sarvpriya Scheme but desired NCCF to supply the material on consignment basis. As the NCCF is not in a position to supply the goods on consignment basis, the State Government is not willing to purchase the stocks from the NCCF on its terms & conditions as circulated to all the State Governments for implementation of the "Sarvpriya Scheme".

(c) The Central Store, Andaman placed orders for supply of Soap & Pulses in small quantity in the months of January-February, 2002, which have already been supplied during the first week of March 2002. Further, follow up is being made with them for further orders.

A statement indicating the supplies of different items made to the State Governments during the year 2001-02 (ending as on 31.3.2002) is given in Annexure 'A'.

[Ministry of Consumer Affairs, Food & Public Distribution O.M.
No. G-11027/1/2002-P&C Dated 4th July 2002]

NATIONAL COOPERATIVE CONSUMERS FEDERATION OF INDIA LTD., NEW DELHI

Details of Supply of selected commodities under Sarvpriya Scheme during the month of March and up to March, 2002

S.No.	Name of the State	Commodity	Supplies made up to last month		5	Supplies made during March 2002		Progressive Total	
			Quantity	Value (Rs./Lakhs)		Quantity	Value (Rs./Lakhs)	Quantity	Value (Rs./Lakhs)
1	2	3	4	5	6	7	8	9	
1.	Rajasthan	Salt	1149.87 MTs.	22.66			1149.87 MTs	22.66	
		Tea	46203 Kg	43.61	945 Kgs.	0.98	47148 Kgs	44.59	
		Exercise Note book	341995 Pcs.	21.66			341995 Pcs	21.66	
		Pulses	80 Kgs.	0.02			80 Kgs.	0.02	
		Toilet Soap	1109 Pcs.	0.05			1109 Pcs.	0.05	
		Blankets	878 Pcs.	0.74			878 Pcs.	0.74	
		Total		88.74		0.98		89.72	

1	2	3	4	5	6	7	8	9
2	Himachal Pradesh	Toilet Soap	10746% Pcs.	33.46	29160 Pcs.	6.09	1276296 Pcs.	39.57
		Salt	5.00 MTs.	0.12			5.00 Mts.	0.12
		Tea	250 Kgs.	0.23			250 Kgs.	0.23
		Total		33.83		6.09		39.92
3	Maharashtra	Salt	1303.50 MTs.	36.44	1073 MTs.	22.07	1304.573 MTs.	38.51
		Tea	226.075 MTs.	133.50			226.075 MTs.	133.50
		Toilet Soap	67368 Pcs.	2.09	2530 Pcs.	0.08	69898 Pcs.	2.17
		Detergent Cake	72360 Pcs.	1.59			72360 Pcs.	1.59
		Total		173.62		22.15		195.77
4	Tripura	Toilet Soap	1200 cases	9.26	--	--	1200 cases	9.26
		Detergent Cake	600 cases	1.80			600 cases	1.80
		Mustard Oil	15000 Ltr.	5.79			15000 Ltr.	5.79
		Tooth Paste	1200 cases	28.68			1200 cases	28.68

1	2	3	4	5	6	7	8	9
		Exercise Notebooks	600 Dzn.	0.55			600 Dzn.	0.55
		Total		46.18				46.18
5.	A&N	Toilet Soap	-	-	2520 Pcs.	0.09	2520 Pcs.	0.09
		Pulver			2000 Kgs.	0.55	2000 Kgs.	0.55
		Total				0.64		0.64
		Grand Total		342.37		29.86		372.23

Recommendation (Para No. 5.7)

The Committee is not at all satisfied with the activities of the Weights and Measures Unit of the Ministry. The reply of the Ministry furnished to the Committee that the reason for decrease in the number of cases booked and convicted have to be obtained from the States clearly speaks their lack of coordination with State Governments. The Ministry themselves have agreed that the technical infrastructure of the Weights and Measures Department has to be improved in line with the developments in technology, that it has not been augmented so far due to resource constraints, is not convincing to the Committee. In the opinion of the Committee, Weights and Measures laws from the basis of commercial transaction in a civilized society and if the laws framed by the Government are not honored properly, the poor consumer is likely to be cheated in all eventualities. The Committee, therefore, very strongly recommend that the matter should be taken up with the State Governments on priority basis for overall improvements in the performance of Weights and Measures Department. The laws in this regard should be strictly enforced so that the ordinary person is not cheated. State Governments should be persuaded to make provision in their Tenth Five Year Plan to improve the technical standards of the laboratory and the technical capacity of the enforcement agencies. The Committee are also of the opinion that the Government should have a thorough monitoring over the functioning of Weights and Measures Departments of the States on a regular basis.

Reply of the Government

Secretary, Department of Consumer Affairs has addressed a letter to all the Chief Secretaries in the State Governments/Union Territories bringing to their attention the recommendation of the Standing Committee on Food, Civil Supplies and Public Distribution and requesting them to take urgent steps for overall improvement in the performance of Weights and Measures Department and provide adequate allocation of funds in the Tenth Five Year Plan for improving the technical standards of the laboratories and the technical capacity of the enforcement agencies. The Department will also take steps for closer monitoring of the functioning of Weights and Measures Departments of the States.

[Ministry of Consumer Affairs, Food & Public Distribution O.M.
No. G-11027/1/2002-P&C Dated 4th July 2002]

NEW DELHI;
6 August, 2002
15 Sravana, 1924 (Saka)

DEVENDRA PRASAD YADAV,
Chairman,
Standing Committee on Food, Civil Supplies
and Public Distribution.

APPENDIX I

MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION HELD ON FRIDAY, THE 6TH AUGUST, 2002

The Committee sat from 16.00 to 16.30 hours.

PRESENT

Shri Devendra Prasad Yadav — *Chairman*

MEMBERS

Lok Sabha

2. Shri Vishnu Dev Sai
3. Shri Ram Naresh Tripathee
4. Shri Abdul Hamid
5. Smt. Preneet Kaur
6. Shri Baju Ban Riyan
7. Shri Ram Sagar Rawat
8. Shri Rajbhar Babban
9. Shri Bali Ram Kashyap
10. Shri A.P. Abdullakutty

Rajya Sabha

11. Smt. Bimba Raikar
12. Shri Lajpat Rai
13. Shri R.N. Arya
14. Shri Ravula Chandra Sekar Reddy
15. Shri S.K. Khabiruddin Ahmed

SECRETARIAT

1. Shri Ram Autar Ram — *Joint Secretary*
2. Shri R.S. Mishra — *Under Secretary*

2. Consideration and adoption of Draft Eighteenth Report.

3. The Committee considered and adopted the Draft Eighteenth Report on Action Taken by the Government on the recommendations contained in their Fifteenth Report on Demands for Grants (2002-2003) relating to Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) without amendment.

4. The Committee, thereafter, authorised the Chairman to make consequential changes in the Report and present/lay the same in both the Houses of Parliament.

The Committee then adjourned.

APPENDIX II
(*Vide* Introduction of the Report)

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE
RECOMMENDATIONS CONTAINED IN THE FIFTEENTH REPORT
OF THE STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES
AND PUBLIC DISTRIBUTION (THIRTEENTH LOK SABHA)**

(i) Total Number of Recommendations	10
(ii) Recommendations/Observations which have been accepted by the Government	
Para Nos. 1.12 and 4.11	
Total	2
Percentage	20
(iii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's replies	
Para Nos.	Nil
Total	0
Percentage	Nil
(iv) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee	
Para Nos. 2.11, 3.12, 3.30, 3.31 and 4.10	
Total	5
Percentage	50
(v) Recommendations/Observations in respect of which reply of the Government is still awaited	
Para Nos. 3.11, 3.13 and 5.7	
Total	3
Percentage	30