

THIRD REPORT
STANDING COMMITTEE ON
FOOD, CIVIL SUPPLIES AND
PUBLIC DISTRIBUTION
(1999-2000)

(THIRTEENTH LOK SABHA)

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

*[Action Taken by the Government on the Recommendations contained
in the Tenth Report of the Committee on Food, Civil Supplies and
Public Distribution on Demands for Grants (1999-2000)
of the Erstwhile Ministry of Food and Consumer Affairs
(Department of Consumer Affairs)]*

Presented to Lok Sabha on..... 3. 2000
Laid in Rajya Sabha on ... 15



LOK SABHA SECRETARIAT
NEW DELHI

February, 2000/Phalguna, 1921 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON
FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION
(1999-2000)

Shri Devendra Prasad Yadav — *Chairman*

MEMBERS

Lok Sabha

2. Shri A.P. Abdullakutty
3. Prof. S.P. Singh Baghel
4. Shri Shyamlal Bansiwal
5. Shri Ranen Barman
- *6. Shri Surender Singh Barwala
7. Shri Sujan Singh Bundela
8. Shri Namdeorao Harbaji Diwathe
9. Shri Rameshwar Dudi
10. Shri Abdul Hamid
11. Shri Jai Prakash
12. Shrimati Preneet Kaur
13. Shri Brijlal Khabri
14. Shri Shyam Bihari Mishra
15. Shri Aditya Nath
16. Shri Sisram Ola
17. Shri Mansinh Patel
18. Shri Laxmanrao Patil
19. Shri Bajju Ban Riyan
20. Shri Vishnu Dev Sai
21. Shri Abdul Rashid Shaheen

*Shri Surender Singh Barwala ceased to be a member of the Committee w.e.f. 24.01.2000
Vide Bulletin Part II (Para No. 400) dated 24.01.2000.

(iv)

22. Shri Kodikunnil Suresh
23. Shri Ram Naresh Tripathee
24. Shri Ram Chandra Veerappa
25. Shri Sahib Singh
26. Vacant
27. Vacant
28. Vacant
29. Vacant
30. Vacant

Rajya Sabha

31. Shri Sushil Barongpa
32. Shri W. Angou Singh
33. Shri Abdul Gaiyur Qureshi
34. Shri Lajpat Rai
35. Shri Dawa Lama
36. Shri M.A. Kadar
37. Shri Kaushok Thiksey
38. Shri D.P. Yadav
39. Shri Nanaji Deshmukh
40. Vacant
41. Vacant
42. Vacant
43. Vacant
44. Vacant
45. Vacant

SECRETARIAT

1. Shri Harnam Singh — *Joint Secretary*
2. Shri Krishan Lal — *Deputy Secretary*
3. Shri R.S. Mishra — *Under Secretary*
4. Smt. Manju Chaudhry — *Committee Officer*

INTRODUCTION

I, the Chairman of the Standing Committee on Food, Civil Supplies and Public Distribution (1999-2000) having been authorised by the Committee to submit the Report on their behalf, present this Third Report on Action Taken by the Government on the Recommendations/Observations contained in the Tenth Report of the Committee (Twelfth Lok Sabha) on "Demands for Grants" (1999-2000) of the erstwhile Ministry of Food and Consumer Affairs (Department of Consumer Affairs).

2. The Tenth Report was presented to Lok Sabha on 22nd April, 1999. The Government furnished their replies indicating action taken on the recommendations contained in the Report on 27th September, 1999. The Draft Action Taken Report was considered and adopted by the Standing Committee on Food, Civil Supplies and Public Distribution (1999-2000) at their sitting held on 7th February, 2000.

3. An analysis of the action taken by the Government on recommendations contained in the Tenth Report of the Standing Committee (Twelfth Lok Sabha) on "Demands for Grants" (1999-2000) is given in Appendix II.

NEW DELHI;
24 February, 2000
5 Phalgun, 1921 (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 recommendations contained in the Tenth Report (Twelfth Lok Sabha) on Demands for Grants (1999-2000)

1.2 The Report was presented to Lok Sabha on the 22nd April, 1999 and laid on the Table of Rajya Sabha on the 23rd April, 1999. It contained 16 Recommendations/Observations.

1.3 Action Taken Notes in respect of all the 16 Observations/Recommendations contained in the Report have been received and categorised as follows:-

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

Para Nos. 3.23, 3.24, 4.11, 5.11, 5.12, 6.6 and 6.7

(Chapter II, Total-7)

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

Para Nos. 2.18 and 5.10

(Chapter III, Total-2)

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

Para Nos. 2.19, 3.22 and 6.5

(Chapter IV, Total-3)

- (iv) Recommendations/Observations in respect of which reply of the Government is still awaited:

Para Nos. 2.20, 3.25, 4.12 and 5.9

(Chapter V, Total-4)

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

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

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

Consumer Courts and Fora

Recommendation (Para No. 2.19)

1.7 Expressing concern over the high pendency of cases in State Commission and District Fora, the Committee had recommended that the Government should, in coordination with the National Consumer Disputes Redressal Commission, enhance the monitoring over the Consumer Courts to reduce pendency of cases within a stipulated time frame.

1.8 The Ministry, in their Action Taken Reply, have stated that the Central Government, in consultation with the National Commission, have been doing continuous monitoring of pendency of cases. The Ministry have, further, informed the Committee that Secretary, Department of Consumer Affairs has been in touch with President, National Commission and with the Secretaries Incharge of Consumer Affairs in States/UTs in this connection as it is a continuous process.

1.9 The creation of Consumer Courts in addition to Civil Courts was aimed to provide a speedy trial and redressal of grievances of consumers. The pendency of cases in the Consumer Courts is constantly increasing as in the case of Civil Courts and the Consumer is finding no place for their complaints. The Committee do not appreciate high pendency of cases in courts even though the Government have been continuously monitoring these cases in such courts. The Committee are not at all satisfied with the reply put forth by the Ministry in this regard. The Committee, therefore, again strongly recommend that strict and concrete remedial steps be taken to clear the backlog at the earliest and Committee be apprised of progress achieved in this regard not later than three months.

Super Bazar

Recommendation (Para No. 3.22)

1.10 Taking note of the deteriorating condition of various branches of the Super Bazar and to make it a viable cooperative organisation to cater to the needs of consumers, the Committee had recommended that all efforts should be made to make the uneconomic branches of Super Bazar viable, outstanding dues of about Rs. 9.68 crores be recovered within a stipulated time and in any case not beyond the current financial year 1999-2000 and that the Super Bazar should purchase the essential commodities from the wholesale millers rather than from the open market to reduce costs.

1.11 The Ministry, in their Action Taken Reply, have stated that the Board of Directors of Super Bazar have decided to make efforts for reviving the unviable branches of Super Bazar instead of winding them up. Further in order to recover outstanding dues against credit sales, a special drive have been launched. The Ministry has further informed that the Super Bazar is facing financial crunch for which it has to procure pulses and spices against tender on credit from suppliers.

1.12 The Committee are not at all satisfied with the reply of the Government as no concrete steps have been taken by the Ministry so far to make the unviable branches of Super Bazar viable and also towards the recovery of outstanding dues amounting to about Rs. 9.68 crores within a stipulated time and in any case not beyond the current financial year (1999-2000). Also the reply of the Ministry is silent towards the Committee's recommendation regarding purchase of essential Commodities from the wholesale millers rather than from the open market to reduce cost. The Committee are of the opinion that the very purpose of the Super Bazar established to run on no profit no loss basis is totally defeated as the Government are still unable to provide essential goods to consumers at reasonable rates. While reiterating their earlier recommendation, the Committee urge the Ministry to take concrete steps to revive the unviabale branches and efforts should be made to recover outstanding dues without further loss of time and provide the essential goods to consumers at very reasonable rates. Steps taken and progress achieved in this regard should be communicated to the Committee within three months time.

Price rise of Essential Commodities

Recommendation (Para No. 6.5)

1.13 Exhorting the Government on the need to avoid any situation of scarcity of the kind experienced in 1998-99, when prices of essential commodities particularly onion showed an abnormal rise (*i.e.* Rs. 45/- Kg.), the committee had recommended that more items should be included under existing list of very essential commodities and the Government should examine the possibility of ensuring a minimum support price for produces like onion and potato and create enough storage facilities all across the Country.

1.14 The Ministry, in their Action Taken Reply, have stated that the price rise of certain essential commodities during 1998-99 was due to decline in area under cultivation, adverse climatic condition, shortfall in production and other seasonal variations. They have stated that keeping in mind the scarcity of onion, the Maximum Export Price was revised periodically from \$205 per MT in June to \$700 per MT in October, 1998 (when price of onion reached its zenith) which resulted in decline of export of onion to 46,373 MTs. compared to the export of 1,73,753 MTs. during the corresponding period a year ago. They have further stated that even though the Department of Consumer Affairs of the Union Government and the NCT of Delhi distributed onion in Delhi, the same could not be extended elsewhere due to certain factors like inability of NAFED to procure and make available onions in different parts of the country and infrastructural bottlenecks. Further they have informed the Committee that onion has been notified as an essential commodity under the Essential Commodities Act on 29.6.99 and NAFED has been directed to stock 10,000 MTs. of onion on Government account to meet any situation of scarcity in future. Regarding storage system, the Ministry, reportedly, have taken up the case with the Ministry of Food Processing Industry, Ministry of Agriculture and Finance Ministry.

1.15 The Committee are not convinced with the reply of the Government as situations of glut and scarcity are very common in regard to availability of commodities specifically in the case of onion

and potato in the market. The Committee fail to understand the logic behind export of onion inspite of the fact that there was shortfall of commodity, around the month of October, 1998. Further the reply of the Government is silent on the recommendation to examine the possibility of ensuring a Minimum Support Price for produces like onion and potato. The spirit of the recommendations has not been taken into account. The Committee, therefore, reiterate their earlier recommendation and desire the Government to devise suitable ways and means to arrest the constant price rise of essential commodities so that the interests of consumers and farmers are protected.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 3.23)

National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) is a body of Ministry of Agriculture and it caters to the needs of farmers and consumers. They are required to provide, remunerative prices for the crops of farmers and to supply essential commodities to consumers at a reasonable price and also to participate in market intervention operations. A total of Rs. 9.46 crore has been paid to NAFED during the year 1998-99 for Market Intervention Operation in Delhi only. The interest of consumers in other parts of the country was not looked after, even their operation was not fruitful. In addition to this, tonnes of onion was damaged due to lackadaisical attitude of the officials. The Committee, therefore, desire that in such high price situations not only the interests of the people of Delhi be kept in sight but similar Market Intervention Operation (MIO) be invoked in other parts of the country, especially North-Eastern States.

Reply of the Government

During the period July to November, 98, the onion prices showed an abnormal increase. The price increase was the highest at Delhi as compared to other parts of the country. The retail price per kg of onion touched Rs. 45 during October, 98. In order to provide onions to consumers at a reasonable price, the Department of Consumer Affairs had initiated public distribution of onion at Delhi from 14.7.1998. NAFED was the nodal agency to procure the onions from the producing areas and to supply the same at Delhi to the distributing agencies. The distributing agencies were allowed to sell the onions at the rate of Rs. 10 per kg and Rs. 2.00 was provided to the distributing agencies towards their handling charges. The actual losses suffered by NAFED in procuring and supplying onions at Delhi was reimbursed by the Department of Consumer Affairs. As against a normal daily demand of 500-600 tonnes in Delhi, the Department was distributing only a limited quantity of 50 tonnes per day. This was aimed to help

only the weaker sections of the society. Though the market intervention operation was undertaken in Delhi only, other State Governments were requested to take action to supply onions at a subsidised rate depending upon the price level in their respective States. The Government of Maharashtra, Andhra Pradesh and Tamil Nadu had undertaken similar operations at their own cost. The Government has also authorised NAFED to import 10,000 MTs of onions on a need based basis on Government account to augment the supplies. NAFED could import only 687 MTs of onions due to non-availability of onions in the neighbouring countries. There was no damage to the onions imported by NAFED on Government account.

2. The Committee's suggestion that in such high price situation, not only the interest of people of Delhi be kept in sight but similar market intervention operations be invoked in other parts of the country, especially North-Eastern States, has been considered in the Chief Ministers Meeting held on 27.11.98. It was decided in the meeting that if need arises, the State Governments may enter into market intervention operations in respect of perishable commodities like potatoes and onions as a last resort. Losses suffered out of such operation could be shared on a matching basis by the Central Government. A scheme to this effect is being worked out and necessary financial assistance would be extended to the State Governments as and when they take up such market intervention operations. The requirements of North-Eastern States has also been taken into account by the Special Study Group constituted to look into the problems of these States under the Chairmanship of Additional Secretary (Consumer Affairs).

[Ministry of Food and Consumer Affairs O.M. No. G-11027/4/99-
P&C Dated 27th September, 1999]

Recommendation (Para No. 3.24)

The Committee also recommend that defaulting agencies be brought to book. It is also the desire of the Committee that sufficient and appropriate storage facilities be available at all times to meet the demands of masses. The Committee further recommend that in any situation of scarcity, the Government should fix and enforce Maximum Selling Price.

Reply of the Government

The Committee's recommendation that sufficient and appropriate cold storage be made available at all times to meet the demand of masses was one of the conclusions emerged in the Chief Minister's conference held on 27.11.98. As a follow-up of this conclusion, the Department of Food Processing Industries, Ministry of Finance and Department of Rural Development are taking necessary steps to establish a chain of cold storage all over the country to store perishable items like potatoes, onions and other vegetables. Necessary refinancing facilities at lower rate of interest and subsidy etc. are being extended to establish new cold storages. As regards the suggestion to fix and enforce maximum selling price, it may not be possible to fix a uniform selling price of agricultural produces due to varietal differences, cost of production in different parts of the country, demand and supply situation and also due to highly perishable nature of these commodities.

[Ministry of Food and Consumer Affairs O.M. No. G-11027/4/99-
P&C Dated 27th September, 1999]

Recommendation (Para No. 4.11)

The BIS is formulating and providing standards, different types of product and quality certification to industries and is solely responsible to check the misuse of ISI certificates by traders/manufacturers. The different forms of misuse of ISI trade Mark by Non-Licencees are use of ISI mark by Licencees on Products, types, varieties, sizes, grades not covered under the licence and use of ISI mark during the suspension of licence by them. Many brands of food, pharmaceuticals, domestic electrical appliances, soaps and even bottled mineral water in the market fall short of the BIS standards. The consumers have regularly been bearing such injustice in the hands of manufacturers.

Reply of the Government

BIS operates a Product Certification which is primarily voluntary in nature. Out of 13,409 licences in operation, covering 1000 products, 130 products are under mandatory certification keeping in view the safety, health and items of mass consumption by the consumers. Pharmaceuticals are covered under the Drugs and Cosmetics Act which

comes under the purview of the Durgs Controller. Keeping in view the anxiety raised at different fora about quality of Mineral water, BIS has formulated the following Indian Standards:

1. IS : 13428 — 98 Packaged Natural Mineral Water
2. IS : 14543 — 98 Packaged Drinking Water

Both these standards have now been published and are amendable to certification. Directorate General Health Services, under the PFA Act intends to bring these products under Mandatory Certification.

BIS is also having a public grievance mechanism, through which a person dissatisfied with BIS certified products or any other activity may lodge a complaint to the Public Grievance Officers posted at all Regional and Branch Offices. BIS ensures that the complaints are settled to the utmost satisfaction of the complainant.

To save the common consumer from unscrupulous traders and manufacturers misusing the BIS Standard Mark, enforcement raids are carried out by various offices of BIS and prosecution cases are filed in the Court of Law. A policy decision has been taken to introduce use of hologram stickers on some of the ISI marked products to begin with, with a view to safeguard consumers interest and maintain credibility of the Standard Mark.

[Ministry of Food and Consumer Affairs F. No. G-11027/4/99-
P&C Dated 27th September, 1999]

Recommendation (Para 5.11)

To strengthen the Forward Markets Commission, on the request made by Government of India, World Bank has approved a grant of US\$ 0.49 million under Institutional Development Fund. Government of India is also to make a matching contribution of US\$ 0.079 million. The IDF grant will be used to finance consultancy services, training, workshops and equipments relating to different activities of the Commission. This project is to be completed by 2001. The Committee, desire that the whole amount be spent judiciously and the project be completed within the stipulated time.

Reply of the Government

The project approved by the World Bank is progressing, as per schedule and the grant of US\$ 0.49 million is being spent judiciously. The project is to be completed by May 2000. The project consists of the following elements:—

- (i) Technical assistance to the Commodity exchanges and Forward Markets Commission through consultancy assignments.

In all, 8 consultancies are proposed to be awarded. Out of this 8 consultancies, one consultancy has already been completed. Four more consultancies have been awarded. Two more consultancies are likely to be awarded shortly. One consultancy on Development of Software for Market monitoring and Surveillance for commodity exchanges and Forward Markets Commission is to be awarded only after the reports in respect of other relevant consultancies have been submitted. All the consultancies are expected to be completed within the stipulated time.

- (ii) Workshop and training programmes.

A workshop was organised on "Futures trading in Commodities" at Vigyan Bhavan on 17th and 18th September, 1998. The terms of reference of the various consultancies have been so framed as to include training courses for commodity exchanges and Forward Markets Commission officials, besides the reports to be prepared by the consultants. UNCTAD had provided US\$ 10000 for commodity trading activity in India. We used this opportunity to utilise this fund, and good office of UNCTAD, to organise a workshop on "Commodity Finance and Developing a Warehouse Receipts System for India" on 11th and 12th June, 1999 in Mumbai.

- (iii) Purchase of equipments.

Purchase of equipment is for enabling training facilities etc. Some part of purchase of the equipment has been completed.

- (iv) Visits to commodity exchanges and regulatory authorities outside India by office bearers of commodity exchanges and officers of the Forward Markets Commission and Government.

Three officers of the Forward Markets Commission/Government have attended the training programme organised by the Commodity

Futures Trading Commission (CFTC), the federal regulatory body for the exchanges organising futures trading in the USA. The FMC/Government officials and office bearers of commodity exchanges have also visited commodity exchanges in USA, Malaysia and Singapore. As a part of the project one more visit by the office bearers of the commodity exchanges and FMC/Government officials to the commodity exchanges and regulatory authorities in UK and Hungary is being planned shortly.

[Ministry of Food and Consumer Affairs, Department of Consumer Affairs: F. No. G-11027/4/99-P&C Dated: 27th September, 1999]

Recommendation (Para 5.12)

One of the purposes for which the IDA amount is to be spent is for the visit to commodity exchanges and regulatory authorities outside India by office bearers of commodity exchanges and FMC/Government officials. The Committee strongly recommend that visits by office bearers of commodity exchanges and FMC/Government officials must be minimized.

Reply of the Government

The Government have signed an agreement with the World Bank committing itself to the project as was finalised after mutual discussion. Visits by the office bearers of commodity exchanges and FMC/Government officials is only one of the components of the project. This was considered necessary to provide practical dimension to the project by enabling the office bearers of the commodity exchanges and FMC/Government officials to see for themselves how trading, clearing, etc. in those countries are actually conducted and regulated. This will, it is expected, improve the pace of reforms in Indian commodity markets and will facilitate implementation of recommendations to be made by consultants being appointed under the project. The number of visits has been kept to the minimum and expenditure on these visits will constitute a small part of the project.

[Ministry of Food and Consumer Affairs, Department of Consumer Affairs: F. No. G-11027/4/99-P&C Dated 27th September, 1999]

Recommendation (Para No. 6.6)

Watching the everyday price in different centres, the Committee find that normally the prices are higher in the North-Eastern Region compared to other centres and they require special treatment to see that our Public Distribution System succeeds. Consumers in the North Eastern States are at the mercy of unscrupulous traders even while the Essential Commodities Act, 1955 is in existence. Even at a time when Essential Commodities (Special Provisions) Act, 1981 was in force the profiteers, blackmarketeers and hoarders did not desist themselves from undertaking such anti-national and anti-social activities. Even in cases where consumers reported their grievances, the enforcement officials did not take timely action. There is also transport bottlenecks, perhaps the worst in India. Even the thin lines of roads connecting one settlement to another are hounded by bands of misguided youths who indulge in looting and robbing helpless travellers.

Reply of the Government

Maintenance of the law and order situation in any States/UTs is the responsibility of the concerned States/UTs. The implementation of the provisions of the Essential Commodities Act are delegated to the State Governments. In pursuance to the decision taken at the meeting of the Chief Secretaries of States/UTs held on 7.11.98, a Special Study Group to identify measures required to meet the needs of the North East States and Island Territories regarding supplies of essential commodities has been constituted under the Chairmanship of Additional Secretary, Department of Consumer Affairs. This Special Study Group had held several meetings with concerned States/UTs and suggested various measures to improve the availability of essential commodities in these States. The Central Government has notified onion as an essential commodity under EC Act on 29.6.99 to facilitate State/UT Governments for taking necessary action to prevent any hoarding or artificial shortage by traders/profiteers. The Minister for Food and Consumer Affairs has periodically requested the Chief Ministers of all States/UTs to take stringent action under EC Act against hoarders, blackmarketeers and other anti-social elements indulging in unfair trade practices in essential commodities.

[Ministry of Food and Consumer Affairs, Department of Consumer Affairs: O.M. No. G-11027/4/99-P&C Dated: 27th September, 1999]

Recommendation (Para No. 6.7)

In view of the above, the Committee strongly recommend that special attention be paid to the NE Region to ensure that the consumers in that region get the same quality and quantity of whatever essential commodities their counterparts in mainstream India get with the same ease. They should take special attention over the prevailing high price trend throughout the year in the North-Eastern Region. For this, they should do proper monitoring, liaison/coordination with State Governments and announce special packages if needed. For the secondary problems like looting and highway robbery and transport bottlenecks, the matter may immediately be taken up with the concerned Department of Central and State Governments.

Reply of the Government

The Special Study Group for North East States and Island Territories constituted on the recommendation of the Chief Secretaries Conference held on 7.11.98, is closely monitoring the prices and availability of essential commodities and taking appropriate steps to solve the problems. The Study Group under the Chairmanship of Additional Secretary, Department of Consumer Affairs consists of representatives also from Ministry of Home Affairs, Ministry of Railways and Department of Food and Civil Supplies. The Group visited the North-East States and had held detailed discussions to solve their problems of prices and availability of essential commodities. As far as secondary problems are concerned, the matter is being looked into by the Study Group in consultation with these State Governments. The prices of foodgrains supplied through PDS to the North East States are comparatively less than that of the other States. The Department of Food and Civil Supplies, Ministry of Railways, Ministry of Petroleum and Natural Gas are making coordinated efforts to supply the required essential commodities to the North East States.

[Ministry of Food and Consumer Affairs, Department of Consumer Affairs: O.M. No. G-11027/4/99-P&C Dated: 27th September, 1999]

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF REPLY OF THE GOVERNMENT

Recommendation (Para 2.18)

The aim of Consumer Protection Act, 1986 is to provide a speedy and free of cost redressal of grievances of consumers in respect of goods procured and services availed. The well off sections of consumers are wise and strong enough to get their grievances redressed through other machineries too. It is the responsibility of the Government to get the justice delivered to poor sections of the people also who are continuously being cheated irrespective of the fact whether the services sector come under the Government or private. While negligence done by private doctors come under Consumer protection Act and dealt accordingly in Consumer Courts, the Government doctors go scot free for the same offence. The Government has been contending that the Government doctors cannot be brought under Consumer Protection Act as their services are not rendered in lieu of payment made by consumers. If only this is the obstruction in providing justice to the needy consumers through Consumer Courts, a token fee of Rs. 1.00 may be charged so that the Consumer Protection Act may cover the Government Doctors under its purview. The Committee, therefore, desire that Government doctors may be brought under the Consumer Protection Act as a large section of poor people numbering more than 32 crores rush to Government Hospitals for treatment and many of them have to lose their lives due to sheer negligence by the Government doctors. Further, the Committee desire that the practice of treatment rendered by the Government doctors outside their official duties be totally banned and this must be done in consultation with Ministry of Health and Family Welfare as many patients lose their lives due to lack of timely treatment by Government doctors.

Reply of the Government

The issue was taken up with Ministry of Health. After consideration, the Ministry of Health and Family Welfare have stated that the Supreme Court of India in its Judgement in Civil appeal No.

628 of 1993 in the case of I.M.A. Vs V.P. Santha and others dated 13th November, 1995 has kept Government doctors rendering free service outside the purview of Consumer Protection Act, 1986. This Ministry has taken a stand that Government doctors may be kept outside the purview of Consumer Protection Act as the service rendered by Government and local bodies doctors are free from commercial motivation.

As regards ban on private practice by doctors, this is to be decided by the State Governments as the subject of health falls under the jurisdiction of State Governments. Private practice by Central Government doctors is not allowed and doctors are getting N.P.A. for this purpose.

[Ministry of Food and Consumer Affairs O.M. No. G-11027/4/99-
P&C Dated 27th September, 1999]

Recommendation (Para 5.10)

The forward/futures contracts are prohibited or suspended in a number of commodities including many essential commodities, consequently entering into such contract in these commodities, is an offense. In this regard the number of cases in which prosecution has been suggested are 31, 23, 18 for the years 1996-97, 1997-98, and 1998-99 respectively. There is no information about final prosecution. The Committee therefore, recommend that the enforcement activities be streamlined and not organisation/association be spared of prosecution which is involved in illegal forward/futures trading.

Reply of the Government

The responsibility for enforcing the provisions of the Act by way of raids, search and seizure, initiating prosecution etc. rests with the concerned State police authorities. Under the Act no powers are vested in the Forward Markets Commission. The only function assigned to Forward Markets Commission is to communicate information regarding illegal forward trading to the concerned police authorities. The State police authorities organise action against illegal forward trading, seize documents, send these documents to Forward Markets Commission for its expert advice and based on the advice it receives from the

Commission file charge-sheet in a Court of Law and further proceed with the matter. The seized documents are referred to Forward Markets Commission because of technical nature of documents seized during the raids. These documents are examined in the Enforcement Division of the Forward Markets Commission to see whether these documents disclose evidence of illegal forward trading.

The Forward Markets Commission on its part is regularly organising training programme for the Police Officers and Public Prosecutors to acquaint them with the Forward Contracts (Regulation) Act, 1952. The Forward Markets Commission has also taken steps to make sure that the documents received from police authorities are disposed off promptly.

[Ministry of Food and Consumer Affairs F. No. G-11027/4/99-P&C
Dated 27th September, 1999]

CHAPTER IV

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

Recommendation (Para No. 2.19)

Government had established Consumer Courts in 543 districts 32 State Capitals and a National Commission at Delhi for rendering justice free of cost to protect the interests of consumers against defect or deficiency of any goods or services delivered to them. As on 16th November, 1998, 55076 cases are pending before State Commissions and 211693 cases before District Fora. A scheme was introduced in 1995 wherein the Central Government gave a one time grant to the States to set up State Commissions and District Fora so that pending cases could be disposed of quickly. Under this the State Commission was to get Rs. 50 lakh and each District Fora Rs. 10 lakh. Under the One Time Grant (OTG) to States/UTs, the second, third and fourth instalments were to be disbursed only after achieving 50%, 75% and 100% of disposal of pending cases. But this criteria have not been strictly adhered to and was further relaxed to 70% and 90% for third and fourth instalments. But this target too could not be achieved specially in States like Jammu & Kashmir, Madhya Pradesh, Uttar Pradesh and West Bengal. The Committee have also come to know that there is considerable delay in appointment of Presidents/Members of the Fora. Maharashtra, Rajasthan, Uttar Pradesh, Bihar, Madhya Pradesh and Delhi are high pendency States. If the aggrieved consumers do not get the redressal of their grievances in time, the purpose of Consumer Protection Act (CPA) is bound to be defeated. Our aim should be to ensure no pendency in any Consumer Court. The Committee, therefore, recommend that Government should in coordination with National Consumer Courts, enhance the monitoring over these Consumer Courts to reduce pending cases within a stipulated time frame.

Reply of the Government

The Central Government, in consultation with the National Commission, have been doing continuous monitoring of pending cases in order to reduce their pendency in Consumer Courts. The Secretary,

Department of Consumer Affairs is in touch with the President, National Consumer Disputes Redressal Commission and with the Secretaries-Incharge of Consumer Affairs in States/UTs in this connection. This is a continuous process and this Department is actively engaged in monitoring the pendency of cases in courts.

[Ministry of Food and Consumer Affairs O.M. No. G-11027/4/99-P&C Dated 27th September, 1999]

Comments of the Committee

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

Recommendation (Para No. 3.22)

At present Super Bazar has 67 of its branches achieving sales below the monthly sale limit of Rs. 3 lakh which is considered to be unviable. The main reasons for losses are lack of experienced staff, downward trend in sale, the prices of goods being higher in some cases than the Open Market Price, delay in replenishing the stock etc. The Super Bazar was established to provide consumer goods and other items of daily needs at reasonable prices. Last year in 1998 it was observed that Super Bazar was selling pulses on a rate higher than the market retail price. This may be the reason for less turnover. This is aggravated due to inferior managerial efficiency. In addition to this the amount of credit sale outstanding as on 31st January, 1999 was Rs. 9.68 crore. After much effort a meagre amount of only Rs. 71.95 lakh could be recovered from 15.7.98 to 20.2.99. In the context of the above, the Committee strongly recommended that all efforts be made to make the uneconomic branches of Super Bazar viable and outstanding dues of about 9 crore be recovered within a stipulated time and in any case not beyond the current financial year 1999-2000. They should also purchase the essential commodities from the wholesale millers rather than from the open market to reduce costs.

Reply of the Government

The Super Bazar, Delhi is an autonomous cooperative organisation having its own Board of Directors to take decisions on business and administrative matters and the GOI do not interfere in such matters. The Super Bazar, Delhi has informed that the Board of Directors of Super Bazar has decided to make efforts for reviving the unviable branches instead of winding them up. In order to recover the outstanding amounts against credit sales, special drive have been

launched by the Super Bazar. This is expected to help in realising the outstanding amount. The Super Bazar is now facing financial crunch for which they have to procure pulses and spices against tender on credit from the suppliers. In order to meet its working capital requirements, the Super Bazar has informed that they propose to arrange a loan of Rs. 20 crores so that purchases from other sources against payment could be introduced.

[Ministry of Food and Consumer Affairs O.M. No. G-11027/4/99-
P&C Dated 27th September, 1999]

Comments of the Committee

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

Recommendation (Para No. 6.5)

The Committee cannot accept the contention of the Ministry that the fluctuation in the year 1998-99 in and around Delhi was due to shortfall in production. Some agro-scientists of our country are of the opinion that not more than 20% of the crops might be damaged due to drought or untimely rain. From April to October, 1998, with the concurrence of the Department of Consumer Affairs, about 2,05,700 tonnes of onion was exported even though scarcity of this commodity was felt during the first week of September the same year. The Government imported onions at rates higher than the rate at which it was exported. The Committee, therefore, once again reiterate their earlier recommendation that all out efforts should be made by the Government to prevent the emergence of any similar situation in future. The Government should also include more items under the existing list of very essential commodities. The Government should examine the possibility of ensuring a minimum support price for produces like onions and potato so that the interests of farmers are protected and the consumers are ensured of adequate supplies throughout the year. For this enough storage facilities should also be created all across the country.

Reply of the Government

During the year 1998-99, prices of certain essential commodities have exhibited a higher increase. This was mainly due to decline in the area under cultivation, adverse climatic conditions, shortfall in production and other seasonal factors. The kharif crop of onion arrives in the market generally from September. However, due to untimely and excessive rainfall in the producing areas during the month of September, 1998, the harvesting of kharif crop of onion was delayed by more than a month. The resultant shortfall and delay in the

availability coupled with increasing demand caused further increase in the prices. A temporary ban on export of onion was imposed during February to March, 1998. However, on the arrival of rabi onion crops, prices declined to normal levels and the ban was lifted from 8.3.98. Immediately after the lifting of ban, there was a higher volume of export of 1,97,383 tonnes during the three months of March to May, 1998. The prices of onion started moving upwards from the month of June, 1998. Realising the situation and also keeping in mind the export commitments already entered, the canalising agencies for exports of onion, viz., NAFED had revised the Minimum Export Price (MEP) periodically to higher levels to discourage exports. The MEP which was \$205 per MT in June, 1998 was raised to \$700 per MT in October, 1998. As a result of this revision of MEP, the export of onions from July to October, 1998 declined substantially and was only 46,373 MTs compared to the export of 1,73,753 tonnes during the corresponding period of 1997.

2. The retail prices of onions showed an abnormal increase in Delhi as compared to other parts of the country during July-October, 1998. In order to control the prices and also to protect the interest of the vulnerable sections of the society, the Department of Consumer Affairs initiated a scheme of public distribution of onions at a subsidised rate of Rs. 10 per kg. through the public distribution agencies at Delhi from 14.7.98. The scheme continued till end December, 1998. A total quantity of 5324 MTs of onions were distributed under the scheme. In addition to this, the Govt. of NCT of Delhi also distributed onions through their Civil Supplies outlets to control the prices. Similar action was also taken by State Governments of Maharashtra, Andhra Pradesh and Tamil Nadu to supply onions at subsidised rates to consumers. The Department of Consumer Affairs could not extend the public distribution of onion at a subsidised rate to other centres in the country due to non-availability of sufficient quantities of onions, lack of infrastructural facilities and inability of NAFED to procure and make available onions in different parts of the country.

3. In order to tide over the situation, import of onion was allowed under OGL at zero duty. Further, the Government had also authorised NAFED to import 10,000 MTs of onions on Government account on a need based basis to augment its availability in the country. However, the NAFED could import only 687 MTs of onions due to non-availability of onions in the international markets and also due to high cost of imports. The efforts by the private trade to import onions was also not successful. A total quantity of 5594 MTs of onions could only be imported under the OGL.

4. One of the main strategy of the Government to enhance the availability of onions is to increase its production. Onion being an agricultural produce, a reasonable price for the produce is the main motivation for farmers to go for cultivation of onions. As a result of this high price realisation during 1997-98, the production of onions during 1998-99 is estimated to be around 47.6 lakh tonnes, which is a record production. The Government has taken a number of steps to prevent the recurrence of the situation of 1998. The Central Government has notified onion as an essential commodity under EC Act on 29.6.99 to facilitate State/UT Governments for taking necessary action to prevent any hoarding or artificial shortage by traders/profiteers. The import of onion is placed under OGL at zero duty. A quantitative restriction on the export of onion was imposed for the period of March to May, 99. A quantity of 1.5 lakh tonnes of onions was allowed to be exported during this period. Export of onions from 1.6.99 is not permitted. In addition, in order to face any abnormal situation, the Government has directed NAFED to stock 10,000 MTs of onions on Government account for release through Public Distribution System if need arises.

5. As regards storage facilities, the Government has decided to implement a programme for establishing an efficient and cost effective cold storage system through the Ministry of Food Processing Industries. The Ministry of Food Processing Industries is providing financial assistance for setting up of cold storages. The Ministry of Agriculture has also requested the Finance Ministry to direct NABARD to extend the refinance to the commercial banks for providing term lending for cold storages/warehouses. Government is also providing 25% of subsidy towards the total cost of cold storage. The commercial banks have also been advised to extend term loans for construction of cold storages/warehouses for onion etc. NAFED and other agencies have been directed to work out the details of storage capacity to be created, state-wise, and the requirements of funds for the purpose.

[Ministry of Food and Consumer Affairs, Department of Consumer Affairs O.M. No. G-11027/4/99-P&C Dated 27th September, 1999]

Comments of the Committee

(Please see Para No. 1.15 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. 2.20)

The welfare of the consumer has been one of the paramount concerns of the Government in the post independence period. Policies have been formulated and legislations in this regard were enacted to protect the interests of consumers throughout the country. A total of 364 proposals have been cleared with financial sanction of about Rs. 3.11 crore from 1994 to 1998-1999. There has not been any proposal forthcoming since 1994-95 from Arunachal Pradesh, Goa, Nagaland, Sikkim, Tripura and most of the UT Administrations. There is the problem of anomaly. The number of proposals from some States like Andhra Pradesh with 58 and Tamil Nadu with 63 are extremely high while only one proposal has come up from the State of Punjab so far. The proposals are verified by the respective State Governments/UT Administrations. Only then the same are placed before the Standing Committee on Consumer Welfare Fund. The Committee, therefore, desire that genuine proposals of consumer organisations from every nook and corner of the country should reach the Standing Committee on Consumer Welfare Fund. The Government should chalk out a system by which the deserving NGOs/organisations receive the requisite financial assistance and their monitoring should be strengthened. As far as possible, the disbursement of funds should be made in proportion to the population of the States/UTs. Such allocated funds out of States/UTs may be subsequently divided among the deserving NGOs coming from the States. The Government must ensure even distribution of funds among the deserving NGOs out of Consumer Welfare Fund to achieve the desired results.

Reply of the Government

1. According to the procedure for grant of financial assistance from Consumer Welfare Fund, an NGO is required to submit an application in the prescribed form along with a project proposal for promoting consumer awareness. All the eligible applications are sent to the State Governments for their recommendations for verifying their genuineness

and capacity to undertake the work. The applications received, along with the recommendations of the State Governments, are considered by the Standing Committee of the Consumer Welfare Fund consisting of Secretary, Department of Consumer Affairs (Chairman); Secretaries, Department of Expenditure and Department of Rural Development; Chairman, Central Board of Excise and Customs, Department of Revenue; Director General, Bureau of Indian Standards and President, Consumer Coordination Council (an NGO) as members. It may be seen from the above procedure, that the committee only after ascertaining the genuineness and capacity to undertake the project, approves the financial assistance only to the deserving applicants which come from all over the country. Therefore, until and unless the organisations in a particular State apply for financial assistance, it is not possible to sanction financial assistance to them.

2. In order to become eligible for financial assistance from Consumer Welfare Fund, an agency/organisation should have undertaken activities in the field of consumer protection in each year during the last 3 years as per CWF Rules/Guidelines. The Standing Committee for CWF in their 22nd meeting held on 5th April, 1999 observed that because of this condition, even some deserving cases coming from north-east and island territories do not qualify. The Committee, therefore, felt that organisations working in these areas require encouragement due to special conditions prevailing in these regions. The Committee, therefore, decided to consider the applications received from north-east/island territory regions if the applicants have undertaken consumer protection activities even in any one of the last 3 years. In view of the above decision of the Standing Committee, it is hoped that the number of applications from the NGOs working in north-east/island territory regions will increase.

3. The State Governments have been requested to accord priority for creating consumer awareness among the people in order to strengthen the consumer movement in the country and also to set up Consumer Welfare Fund in the States. While doing so they have also been asked to publicize the availability of the Central Consumer Welfare Fund and encourage the NGOs and others to avail of the same for the purpose of creating consumer awareness. In July, 1998 all the then Members of Parliament were also requested by Minister for Food and Consumer Affairs to encourage the consumers to form voluntary consumer organisations at the village, block and district levels and advise them to get themselves registered under the Societies

Registration Act and to encourage them to avail financial assistance from Consumer Welfare Fund. A copy of the guidelines for applying for money from the Fund was also sent to all the then Members of Parliament. A special issue of "Upbhokta Jagran on Consumer Welfare Fund" was brought out in September, 1997 which was sent free of cost to all the voluntary consumer organisations whose names were included in the directory of VCOs published by this Department. The Standing Committee for CWF in their 22nd meeting has also decided that the State Governments/UTs may be requested to set up their own Consumer Welfare Fund out of their own funds. However, in case any State Government requires financial assistance from the Centre, seed money could be granted for the purpose by the Standing Committee.

4. Regarding allocation of funds among the States/UTs on the basis of population, it is stated that presently there is no shortage of funds in the CWF. Financial assistance is given to all the eligible and deserving applicants irrespective of the States to which they belong. As stated in para 1 above, the Standing Committee on the basis of recommendations of the State Governments, decides whether financial assistance should be given to the organisation, if so, the quantum of assistance to be given and the activities to be undertaken. It is for the eligible NGOs of the States to apply for the Fund.

5. Regarding strengthening of the monitoring system, it is stated that before releasing funds to the NGOs they are required to execute a bond to abide by the terms and conditions laid down in the Consumer Welfare Fund Rules. According to these terms and conditions, they are required to furnish half yearly reports of utilisation of funds, completion report of the project, its impact on consumers, audited record of all assets acquired from the fund, audited statement of accounts, full utilisation certificate and supporting newspaper clippings, cassettes, photographs, literature, receipts etc. in evidence of having conducted the programme. Presently, the monitoring work is undertaken alongwith other work of the CWF section with the existing staff. However, the previous Parliamentary Standing Committee as well as the audit party have already impressed upon the need for strengthening the existing monitoring machinery in the CWF. When the CWF section was created monitoring/settlement work was not due. The same has now become due and the number of applications in the CWF section has also increased many times. The Standing

Committee after considering all these relevant facts in its 22nd meeting held on 5th April, 1999 has decided that the following additional posts may be created.

Desk Officer	—	3
Steno Gr. 'D'	—	3
Computer Operator in the grade of LDC	—	3
Peon	—	1

The above proposal is under consideration in consultation with the Ministry of Finance.

[Ministry of Food and Consumer Affairs F. No. G-11027/4/99-P&C
Dated 27th September, 1999]

Recommendation (Para No. 3.25)

The function of supply in distribution of consumer goods is done by the National Cooperative Consumers Federation (NCCF). The accumulated losses of NCCF as on 31.3.1998 is Rs. 38.49 crore. Though the one time financial assistance of Rs. 8 crore will cover the existing loan liability of the NCCF with the banks, the Committee are still doubtful whether the performance of the NCCF will improve in future. It is strongly felt by the Committee that unless some structural improvement is considered by the Government, the future of NCCF will still remain bleak. They, therefore, recommend that besides proper utilisation of the one time grant, some structural reconstruction of the NCCF should be taken up otherwise the Govt. should try to streamline business so that NCCF could cover their loans themselves.

Reply of the Government

According to the information furnished by the NCCF, it has worked out a detailed business plan to consolidate their existing line of business and to diversify the same during the coming years in order to achieve higher sales targets and the desired profitability. A monitoring system has also been introduced by the NCCF to ensure the implementation of this business plan. The NCCF is also reviewing the working of their branches. During 1998-99 it has been reported by the NCCF that all their branches had earned net profit. The NCCF has however

indicated that the Voluntary Retirement Scheme which was introduced by them during 1991 is still in existence. So far 346 employees of the NCCF have been relieved under this Scheme. Though there is a complete ban on fresh recruitment of employees, the NCCF however contemplates to engage a few officials at the senior level on deputation/contract basis to strengthen the managerial cadre in order to bring about operational efficiency. It also contemplates to impart training to its employees by sending them to various cooperative and other educational institutions as also through the Consultancy and Promotional Cell, in order to improve their skill, knowledge and proficiency.

Out of the total financial assistance of Rs. 8 crores proposed to be given by the Government as one time financial assistance to the NCCF, an amount of Rs. 3 crores has been released to the NCCF on 30.7.1999. With this amount the NCCF has repaid its outstanding loan amount of Rs. 3.05 crores to the Delhi State Cooperative Bank Ltd., on 31.7.1999 in full and final settlement of their account. The claim of interest and penal interest amounting of Rs. 0.75 lakhs have however been waived by the bank. The NCCF is however negotiating terms to repay their outstanding loan amounting to Rs. 5.50 crores with M/s U.C.O. Bank. The release of the balance amount of Rs. 5 crores by the Government will be undertaken on finalisation of the repayment terms with M/s U.C.O. Bank. Thus with the release of this balance amount, the NCCF will become credit worthy for fresh financing by the financial institutions to meet its requirement of funds for their proposed level of business.

[Ministry of Food and Consumer Affairs O.M. No. G-11027/4/99-
P&C Dated 27th September, 1999]

Recommendation (Para No. 4.12)

BIS have conducted 95 raids in 1998 but the prosecution rate is very slow. Out of 133 old cases, only 36 cases have been decided. The Committee express their concern over the lengthy trial process taken in the courts and desire that some modifications in the rule/law/bye-laws may be made to sternly deal with the defaulters within stipulated time frame. The Committee, therefore, strongly recommend that enforcement and vigilance activities be strengthened further and if need be provisions of rules. Bye-laws under BIS Act be made stringent to arrest the menace of misuse of ISI Mark.

Reply of the Government

The Bureau of Indian Standards Act was enacted in 1986 to provide for the establishment of a Bureau for the harmonious development of the activities of Standardization, Marking and Quality certification of goods and for matters connected therewith or incidental thereto.

Over the years, with the increase in demand on BIS activities, specially in the field of product certification, it was felt necessary, to strengthen the Act in order to build the credibility and image of ISI mark among the consumers. Action for amending the Act has been initiated.

[Ministry of Food and Consumer Affairs F. No. G-11027/4/99-P&C
Dated 27th September, 1999]

Recommendation (Para No. 5.9)

The price discovery and price risk management are the two important functions of the Forward Markets Commission (FMC). Futures trading is being organised in pepper, gur, potato, castorseed, hessian and jute sacking. But the achievement in all these is not upto the mark. For example in turmeric, the exchange could not take place due to some internal weakness. Similarly in potato, the commodity exchange continues to suffer very low volumes of trading and thus the seasonal variation in the prices could not be curtailed. The Committee, therefore, desired that the Government should streamline its machinery to contain the seasonal variations and prices of commodities, more particularly essential commodities.

Reply of the Government

Price discovery and price risk management are two important functions of futures trading which is organised and regulated under the provisions of the Forward Contracts (Regulation) Act, 1952. The Forward Markets Commission's role is to monitor and regulate futures trading to ensure that trading is organised along proper lines. The important functions of the Forward Markets Commission are to advise the Central Government in respect of recognition of or the withdrawal of recognition from any association; to keep forward markets under observation and to take appropriate action; to collect and publish information regarding trading conditions in respect of goods to which

the Forward Contracts (Regulation) Act has been made applicable; to make recommendations with a view to improving the organisation and working of forward markets; to undertake inspection of accounts and other documents of recognised associations and to perform such other duties as may be assigned under the Act.

Presently futures trading is also permitted in turmeric, cotton, castor oil and coffee. This is over and above the commodities listed in Para 5.9 of the Committee's Report. The Government policy for forward trading was restrictive till 2-3 years back. With liberalisation of Government policy there is need for commodity exchanges to improve their working. Efforts in this direction are being made and towards this end the Forward Markets Commission has been holding regular discussions with the commodity exchanges where several suggestions for improving the working of commodity exchanges and increasing their volume of trading, strengthening their administrative structure, improving their financial position etc. have been made. A system of period inspections have also been institute. The World Bank Project is also for the purpose of improving the working of commodity markets in India. Whereas efforts to improve the working of commodity markets are continuing, considering that the policy regime was restrictive for three decades, it will take sometime for the commodity markets to improve their working. Incidentally the stoppage of trading in turmeric was because of the active role played by the Forward Markets Commission. There were frequent complaints from the market and Forward Markets Commission made certain suggestions to the Exchange. The Exchange has not been able to implement them so far and that is why trading in turmeric is not taking place.

[Ministry of Food and Consumer Affairs F. No. G-11027/4/99-P&C
Dated 27th September, 1999]

NEW DELHI;
24 February, 2000
5 Phalguna, 1921 (Saka)

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

APPENDIX I

MINUTES OF THE THIRD SITTING OF THE STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND PUBLIC DISTRIBUTION HELD ON MONDAY THE 7TH FEBRUARY, 2000

The Committee sat from 11.40 to 12.40 hours.

PRESENT

Shri Devendra Prasad Yadav — *Chairman*

MEMBERS

Lok Sabha

2. Prof. S.P. Singh Baghel
3. Shri Shyamlal Bansawal
4. Shri Namdeorao Harbaji Diwathe
5. Shri Abdul Hamid
6. Shri Jai Prakash
7. Shrimati Preneet Kaur
8. Shri Brijlal Khabri
9. Shri Aditya Nath
10. Shri Laxmanrao Patil
11. Shri Baju Ban Riyan
12. Shri Abdul Rashid Shaheen
13. Shri Ram Naresh Tripathee

Rajya Sabha

14. Shri Sushil Barongpa
15. Shri Abdul Gaiyur Qureshi
16. Shri Lajpat Rai

SECRETARIAT

1. Shri Krishan Lal — *Deputy Secretary*
2. Shri R.S. Mishra — *Under Secretary*

(i) Consideration and adoption of Draft First Report.

2. ** ** **

(ii) Consideration and adoption of Draft Second Report.

3. ** ** **

(iii) Consideration and adoption of Draft Third Report.

4. The Committee considered the Draft Third Report on Action Taken by the Government on the recommendations contained in their Tenth Report on Demands for Grants (1999-2000) relating to erstwhile Ministry of Food and Consumer Affairs (Department of Consumer Affairs) and adopted the report without any amendment.

5. The Committee, then, authorised the Chairman to make grammatical and consequential changes in the Reports 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 TENTH REPORT OF
STANDING COMMITTEE ON FOOD, CIVIL SUPPLIES AND
PUBLIC DISTRIBUTION (TWELFTH LOK SABHA)**

(i) Total Number of Recommendations	16
(ii) Recommendations/Observations which have been accepted by the Government.	
Para Nos. 3.23, 3.24, 4.11, 5.11, 5.12, 6.6 and 6.7	
Total	7
Percentage	44%
(iii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply.	
Para Nos. 2.18 and 5.10	
Total	2
Percentage	12%
(iv) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee.	
Para Nos. 2.19, 3.22 and 6.5	
Total	3
Percentage	19%
(v) Recommendations/Observations in respect of which final reply of the Government are still awaited.	
Para Nos. 2.20, 3.25, 4.12 and 5.9	
Total	4
Percentage	25%