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**STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS
AND PUBLIC DISTRIBUTION (2017-2018)**

SIXTEENTH LOK SABHA

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

{Action Taken by the Government on the observations/
recommendations contained in the Twenty-first Report of the Committee
(2017-18) on Demands for Grants (2018-19) pertaining to the Ministry of
Consumer Affairs, Food and Public Distribution (Department of Consumer
Affairs)}

TWENTY-THIRD REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2018/ Shravana, 1940 (Saka)

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Consumer Affairs, Food and Public Distribution (Department of Consumer
Affairs)}

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



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2018/ Shravana, 1940 (Saka)

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**Composition of the Standing Committee on Food, Consumer Affairs
and Public Distribution (2017-18).**

Shri J.C. Divakar Reddy, Chairperson

Lok Sabha

2. Shri Anto Antony
3. Shri R. K. Bharathimohan
4. Shri Babu Lal Choudhary
5. Shri Sanjay Haribhau Jadhav
6. Shri Sukhbir Singh Jaunapuriya
7. Shri Dinesh Kashyap
8. Shri Bhagwanth Khuba
9. Shri Dharmendra Kumar
10. Shri Ravinder Kushwaha
11. Smt. Sakuntala Laguri
12. Dr. Swami Sakshiji Maharaj
13. Shri Sunil Kumar Mondal
14. Shri Kamlesh Paswan
15. Shri Ram Chander Paswan
16. Smt. Priyanka Singh Rawat
17. Shri Bhola Singh
18. Shri Shibu Soren
19. Shri Nandi Yellaiah
20. Vacant[#]
21. Vacant[#]

Rajya Sabha

22. Smt. Misa Bharti
23. Shri Subhasish Chakraborty^{@**}
24. Shri Ripun Bora
25. Smt. M. C. Mary Kom
26. Shri Sakaldeep Rajbhar^{*}
27. Shri Amar Shankar Sable
28. Shri Veer Singh
29. Shri Ravi Prakash Verma
30. Shri B. Lingaiah Yadav^{\$}
31. Vacant

LOK SABHA SECRETARIAT

1. Shri P.V.L.N. Murthy	-	Joint Secretary
2. Shri Lovekesh Kumar Sharma	-	Director
3. Shri Khakhai Zou	-	Additional Director
4. Shri G. Guite	-	Under Secretary
4. Dong Lianthang Tonsing	-	Executive Officer

@ Shri Manas Ranjan Bhunia, MP (RS) nominated to the Committee w.e.f. 02.06.2018 Vice Shri Shadi Lal Batra, MP(RS) ceased to be a Member of the Committee consequent upon his retirement from the Membership of Rajya Sabha w.e.f. 02.04.2018.

** Shri Subhasish Chakraborty, MP (RS) nominated to the Committee w.e.f. 09.07.2018 Vice Shri Manas Ranjan Bhunia, MP (RS)

* Shri Sakaldeep Rajbhar, MP (RS) nominated to the Committee w.e.f. 02.06.2018 vice Shri Vinay Katiyar, MP(RS) ceased to be a Member of the Committee consequent upon his retirement from the Membership of Rajya Sabha w.e.f. 02.04.2018.

\$ Shri B. Lingaiah Yadav, MP (RS) nominated to the Committee w.e.f. 02.06.2018 Uice Ms. Rekha, MP (RS) ceased to be a Member of the Committee consequent upon her retirement from the Membership of Rajya Sabha w.e.f. 26.04.2018.

Shri C.S. Puttaraju, MP (LS) and Shri P.V. Midhun Reddy, MP (LS) ceased to be a Member of the Committee consequent upon their resignation w.e.f. 18.05.2018. and 20.06.2018 respectively

INTRODUCTION

I, the Chairperson of the Standing Committee on Food, Consumer Affairs and Public Distribution (2017-18) having been authorized by the Committee to submit the Report on their behalf, present this Twenty-third Report on Action Taken by the Government on the Observations/Recommendations contained in the Twenty-first Report of the Committee (2016-17) on Demands for Grants (2018-19) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).

2. The Twenty-first Report was presented to Lok Sabha and laid in Rajya Sabha on 9 March, 2018. The Government have furnished their replies indicating Action Taken on the recommendations contained in the Report on 9 July, 2018.

3. The Report was considered and adopted by the Committee at their sitting held on 25 July, 2018.

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

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

**NEW DELHI;
July, 2018
Sharavana, 1940(Saka)**

**J.C. DIVAKAR REDDY,
Chairperson,
Standing Committee on Food,
Consumer Affairs and Public Distribution.**

REPORT

CHAPTER - I

This Report of the Standing Committee on Food, Consumer Affairs and Public Distribution deals with the action taken by the Government on the Observations/Recommendations contained in the Twenty-first Report of the Committee (2017-18), (16th Lok Sabha) on Demands for Grants (2018-19) pertaining to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs)

1.2 The Twenty-first Report was presented to Lok Sabha and laid on the Table of Rajya Sabha on 9 March, 2018. It contained 20 observations/recommendations. Action taken replies in respect of all the 20 observations/recommendations contained in the Report have been received and these have been categorized as follows:-

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

Para Nos.:- 1.4, 2.10, 3.19, 3.20, 3.22, 3.31, 3.61, 3.69, 3.76, 3.86 and 3.95

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

Para No.:- 3.43, 3.77 and 3.87

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

Para No.:- 3.30, 3.42, 3.44 and 3.52

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

Para No. :- 2.11 and 3.4

1.3 The Committee desire that action taken notes on the Observations/Recommendations contained in Chapter I and final replies in respect of recommendations for which only interim replies have been given by the Government, should be furnished to the Committee expeditiously. The Committee strongly emphasize that utmost importance should be given to the implementation of Observations/Recommendations accepted by the Government. In case where it is not possible for the Government to implement the recommendations in letter and spirit for any reason, the matter should be reported to Committee in time with reasons for non-implementation.

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

A. Need for Additional Fund for the Department of Consumer Affairs.

Recommendation (Para No. 2.11)

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

" The Committee further note that against the demand of Rs. 3867.85 crore, the Department has been given an outlay of Rs. 1690.17 crore. The utilization of funds in the year 2017-18 was Rs. 3552.88 crore which is 97.8% of the RE of Rs. 3630.40 crore and 97.4% of the BE of Rs. 3645 crore. That is not a bad performance altogether. Even so, the Department of Consumer Affairs is given an outlay of Rs. 1785.17 crore allocation for the Financial Year 2018-19. This is hardly 45% of the BE for the year 2017-18. This amount appears to be too meagre to redress the plight of consumers of the country. The Committee, therefore, recommend that keeping in view the fact that the Department of Consumer Affairs has been entrusted with the mandate of consumer advocacy the Department should, at the instance of the Committee, approach the Ministry of Finance at the Revised Estimates stage and impress upon them about the need for more funds to do justice to the huge mandate of the Department. They desire to be apprised of the action taken along with the response of the Ministry of Finance in this regard."

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

"Department has been given an outlay of Rs. 1785.17 crore for the F.Y. 2018-19 as against the demand of Rs. 3988.76 crore. The allocated amount of Rs. 1785.17 crore has Rs. 1500 crore for PSF component and Rs. 285.17 crore for executing the schemes as well as non-scheme expenditure. Department has, through D.O. letters from Secretary(CA), requested Ministry of Finance for allocation of an additional amount of Rs. 81.50 crore for executing the schemes other than PSF which has different mechanism for fund requirements. However, no response has been received from the Ministry of Finance so far. In the circumstances, Department will approach the Ministry of Finance for additional fund at Revised Estimates stage by justifying the need for more fund and citing the recommendations made by the Standing Committee. As desired, the Standing Committee would be apprised of the action taken along with the response of Ministry of Finance in this regard at appropriate time. "

1.7 The Committee had recommended in their report on Demands for Grants (2018-19) that the Ministry of Finance (MoF) should be approached and for more funds for carrying out the mandate of consumer advocacy. The Department of Consumer Affairs (DoCA) have in the action taken reply, have stated that out of the allocated fund of Rs. 1,785.17 crore an amount of Rs. 1500 crore is for implementation of the Price Stabilization Fund (PSF) scheme. Rs. 285.17 crore is for execution of the scheme and non-scheme expenditure. The MoF has not responded to requests for additional funds and the Department is planning to approach the MoF once again at the RE (2018-19) stage. While appreciating the efforts made, the Committee desire that the DoCA once again articulate the need for more funds and resources for rights awareness and delivery of consumer justice. Action taken and results achieved therefrom may be apprised to the Committee.

B. Need for Additional Allocation of Fund for Consumer Protection

Recommendation (Para No. 3.4)

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

"The Committee note that the Department of Consumer Affairs administers Consumer Protection Act, 1986. Under Consumer Protection

Unit various schemes/projects are being implemented to improve the functioning of consumer fora. A scheme for Strengthening Consumer Fora, a scheme for Computerization and Networking namely CONFONET, State Consumer Helplines are some of the important programmes being implemented under Consumer Protection Unit. The Budget allocated under this Scheme during the year 2018-19 is Rs. 42.17 crore, which is way below the amount demanded for at the first place i.e. Rs. 73.16 crore. During the year 2017-18 the Department has incurred an expenditure of Rs. 20.84 crore, which is about 79% of RE of Rs. 26.40 crores. The Committee are of the view that Consumer Protection is a very important component of the Department of Consumer Affairs and the strengthening of various consumer for a envisaged under this scheme are essential and relevant under the present circumstances. They, therefore, recommend that the Department should approach the Ministry of Finance for additional allocation at the Revised Estimates stage and in any case before the passage of the Consumer Protection Bill, 2018. Also the Department should ensure that administrative and legal mechanism are within easy reach of consumers as early as possible."

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

" The Govt. will approach the Ministry of Finance for additional allocation at the Revised Estimates stage and certainly before the passage of the CP Bill, 2018. The Department will make endeavour towards administrative and legal mechanism to be within easy reach of consumers."

1.10 The Committee in this report in Demands for Grants (2018-19 of the Department of Consumer Affairs (DoCA) had recommended for approaching the Ministry of Finance (MoF) for allocation of funds over and above Rs. 42.17 crore allocated before the passage of the Consumer Protection Bill, 2018 and that administrative and legal mechanism be made within easy reach of consumer as early as possible. DoCA replies positively. However, the Committee desire that MoF should be requested to provide additional funds at the RE stage itself and the results of the efforts made in this direction be intimated to them. The DoCA should also chalk out a strategy to tackle possible problems that could occur for the consumers in the environment dominated by e-commerce companies vis-a-vis channels of regular trade.

C. Popularization of National Consumer Helpline

Recommendation (Para No. 3.20)

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

" The Committee note that the National Consumer Helpline (NCH) attend calls from consumers and provide information to complainants, provide advice and counseling for redressal of their grievances. It also partnered with 373 companies who can be approached on behalf of consumers, which is called Tier 1. In case of failure of Tier 1, consumers are advised to approach appropriate regulatory authorities/ombudsman which is Tier 2. Only in case of failure of Tier 2, they are advised to approach consumer courts. The Committee desire that the Department should make wide publicity of these practices to enable the consumers across the nook and corner of the country to be aware of such process so that the pre-litigation settlement of cases could be achieved through NCH. They therefore recommend that the Department should make all out efforts to strengthen the helpline and popularize the same by regular advertising and publicity conducted by the Department so that maximum number of aggrieved consumers can get relief without taking recourse to lengthy litigation process."

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

"The Department has taken many steps to strengthen the National Consumer Helpline (NCH) through better Staff structure, periodical training in emerging areas, monitoring systemic deficiencies and reviewing the protocol to be followed.

National Consumer Helpline (NCH) is currently equipped to deal with all types of consumer complaints, spanning various sectors. Through the training, information systems and operational support its counselors are able to provide authentic, quality advice and information to the consumers. The NCH service basket offers information and advice through phone and email services, SMS chat and online registration. It has also been able to enlist 423 companies and service providers in its convergence platform for quick resolution of complaints in shortest time possible. It also undertakes consumer advocacy and awareness programmes on a range of consumer issues. It is functioning from Indian Institute of Public Administration under the Centre for Consumer Studies.

The Zonal Helplines were recently set up in six Zones of the country at Ahmedabad, Bengaluru, Guwahati, Jaipur, Kolkata and Patna, and they have started functioning as extension of NCH to cater to growing regional needs. These have been outsourced to different agencies.

In addition, Consumer Helplines have been set up in each State Capitals under the ongoing scheme called "**State Consumer Helplines**" with financial support from Centre. These Helplines provide service in local language in addition to Hindi and English. They are also networked through a Common Resource Portal at IIPA and the State governments directly monitor their day to day functioning."

1.13 The Committee had recommended in the earlier report that Department should make all out efforts to strengthen the National Consumer Helpline and popularize the same through regular advertising and publicity so that maximum number of aggrieved consumers can get relief without taking recourse to lengthy litigation process. The Department of Consumer Affairs in their Action Taken Reply have stated that they are currently undertaking consumer advocacy and awareness programmes on a range of consumer issues through Indian Institute of Public Administration (IIPA) under the Centre for Consumer Studies The reply, however, is silent on the specifics of how the possibilities of getting pre-litigation settlement of cases can be achieved and gets incorporated in the advertising and publicity campaigns. The Committee, therefore, reiterate their recommendation that all-out efforts be made to popularize the National Consumer Helpline, and if need be, the Department of Advertisement and Publication (DAVP) of Ministry of Information and Broadcasting may be approached for the same. Action taken and results achieved may be intimated to the Committee in three months time.

D. Need for Computerisation of all Consumer Fora

Recommendation (Para No. 3.30)

1.14 The Committee earlier observed/recommend as under:

"The Committee note that against the target of computerization of 619 Consumer Fora, hardware had been supplied to 585, manpower was provided to 585 and 571 consumer fora are using on-line case monitoring system. The Committee observe that in this age of computerization and with the Government initiative on Digital India, the Department should take up the computerization of consumer fora in right earnest and complete them quickly so that the entire consumer movement would get a fillip to its activities and achieve a fully automated system of case management in place of the manual system."

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

"The Department is continuously engaged in computerization of the the three tiers of Consumer Fora so as to access information regarding various consumer cases at the click of a button."

1.16 The Committee in their earlier recommendation had asked the Department to take up the computerization of consumer fora in right earnest and complete them quickly so that the entire consumer movement would get a fillip to its activities and achieve a fully automated system of case management in place of the manual system. This was due to the fact that even after 10 years of implementation of computerisation in consumer fora, Online Case Monitoring System (OCMS) is yet to be done in 48 consumer fora, supply of hardware and manpower deployment is still not done in 34 Consumer fora, and the department is maintaining that they are continuously engaged in computerization of the three tiers of Consumer Fora. The Committee apprehend that unless the Government take proactive

steps in a time bound manner and not depend on performance of simple routine works, a picture of inefficiency would manifest. The Government need to be ready to be in a position to face the modern day challenges manifesting owing to operation of a large number of e-commerce firms. They, therefore, once again reiterate that the Department should take up the computerization of consumer fora in right earnest and go for a speedy completion of the same at the earliest.

E. Need for updating of Computer system in Consumer Courts

Recommendation (Para No. 3.31)

1.17 The Committee recommended as follows:-

"The Committee also note that the speed of server of National Informatics Centre (NIC) is very slow which gives out a bad signal even to the common man. The Committee therefore recommend that a new set of hardware and softwares with latest technology should be provided to NIC for faster online data transaction, data handling, data storage and data retrieval. All necessary maintenance works with respect to provision for updating data software and Anti-virus of the computer, printer and UPS in use should be made at the earliest."

1.18 The Ministry in their action taken note stated:-

"Under Confonet Project, there are two server setup at NIC, National Data Centre, Shastri Park to host Confonet Services for Consumers and Online Case Monitoring System (OCMS) for all Consumer Fora. The Public portal which is delivering Confonet Services like causelist, case status & Judgement search etc is not facing any performance issue.

However, it was reported earlier that sometimes OCMS application (Online Case Monitoring System) used by all Consumer Fora was facing slowness issue that was due to -

- a) Heavy load on the server during peak hour.
- b) Lack of hardware resources like RAM, CPU in Confonet Central server ; to handle heavy load during peak hour.
- c) Technologies used for developing OCMS has become old.
- d) Slow internet speed at Consumer For a.

In this regard, temporary remedial steps were taken up by upgrading the Virtual machine of Database Server installed at NIC - Shastri Park Data

Centre with additional RAM and Processor, available with the current physical server of Confonet project. By doing this, performance of the said server has been increased significantly now.

It is to mention that the permanent solutions of this problem w.r.t to the slowness of Confonet Servers have already been proposed and approved under next three year confonet scheme by the Department of Consumer Affairs, such as –

- Replacement of old servers with latest high-end servers.
- Development of OCMS with latest technologies.
- High-speed internet connectivity is required at user locations depending upon the number of PCs are being used/connected at consumer fora's end.

During next three year approved confonet scheme, provision for enhancement of Data centre servers and replacement of old Hardware have been kept under the scheme.

Regarding maintenance of Hardware, coordination with concerned Hardware vendors through the hired manpower deployed at consumer forums and further follow-ups by designated Confonet NIC State Co-ordinators / Confonet team at NIC Hqrs are being done for resolving the issues as early as possible.”

1.19 The Committee in their earlier Report had recommended that a new set of hardware and software with latest technology should be provided to NIC for faster online data transaction, data handling, data storage and data retrieval. The Government in their action taken reply, have stated that in spite of installation of computer hardware and software, Online Case Monitoring System (OCMS) application used by all Consumer Fora was facing slowdown due to (a) heavy load on the server during peak hours; (b) lack of hardware resources like RAM, CPU in Confonet Central server to handle heavy load during peak hours; (c) technologies used for developing OCMS have become obsolete; and (d) slow internet speed at Consumer Fora. Permanent solutions of various problems with respect to the

slowness of Confonet Servers have already been proposed and approved under confonet scheme for next three years:-

- a. Replacement of old servers with latest high-end servers;**
- b. Development of OCMS with latest technologies; and**
- c. High-speed internet connectivity**

During next three years, approved confonet scheme, provision for enhancement of Data centre servers and replacement of old Hardware have been kept under the scheme. Regarding maintenance of Hardware, coordination with concerned Hardware vendors through the hired manpower deployed at consumer forums and further follow-ups by designated Confonet NIC State Co-ordinators/Confonet team at NIC Headquarters are being done for resolving the issues as early as possible. While appreciating the consistent efforts put in by the Department of Consumer Affairs, the Committee desire that the matter may be taken up at highest level with the concerned Ministry for a more effective result.

F. Need for better advertisement and publicity campaigns

Recommendation (Para No. 3.42 & 3.44)

1.20 The Committee recommended in the earlier Report as follows:-

"The Committee note that one of the important functions of the Department of Consumer Affairs is protection of consumer interest/welfare and the scheme of consumer awareness is a step in that direction. With a population of more than 125 crore people, the job of creating consumer awareness will be a challenging task more so with the diversities on account of language, socio-economic profile, gender and demographic profile of the country. Educating them can only be undertaken as a sustained national programme with adequate resource and fund availability. The Department has been carrying out 'Jago Grahak Jago' campaign on various issues relating to consumer rights and responsibilities across diverse subjects. Publicity campaigns are made

through various electronic and print media such as television, radio, newspapers and outdoor advertisements. The Committee while appreciating the Department for taking several steps to create awareness of consumers' rights, desire that more such efforts be undertaken continuously and every effort be made to make it more result oriented.

The Committee also note that there are network of Consumer Courts/Fora, gold hallmarking and assaying centres and laboratories and National and State helplines for pre litigation settlement of claims, etc. There is also a prospect of consumer being able to file cases online. The Committee have apprehensions of the masses/consumers being unaware of such facilities. They, therefore, recommend that the regular advertising and publicity campaigns should invariably and specifically highlight the existence of such facilities."

1.21 The Ministry in their action taken note stated:-

" The suggestions have been noted "

1.22 The Committee in their earlier report had recommended that the creation of consumer rights awareness be made more result-oriented and that the existence of facilities for obtaining justice by the aggrieved consumers be highlighted in the regular publicity campaigns. In reply, the Department of Consumer Affairs have merely stated that the recommendation of the Committee are 'noted'. The reply however is silent on how the advertisement campaigns are being carried out or planned to be carried out to make it more result oriented. The Government have not stated if the consumers are aware of their rights or not. Instead of presenting a complete picture, the Government has indulged in using vague words like 'noted' in reply to recommendation of a Parliamentary Standing Committee. While noting this, they cautioned the Ministry to desist from giving such replies in future. The Committee, at the cost of sounding repetitive reiterate their earlier recommendations that advertisement and publicity campaigns should invariably and specifically highlight the existence of facilities for the convenience of any aggrieved consumer like consumer fora, test centres, helplines etc. The advertisements should as far as possible be simple, include a call to action by providing contact numbers and other details of such centres/foras. The campaigns may also present in clear and illustrative terms the relationship

between consumer and providers of goods and services. The Committee also desire that the 'Jago Grahak Jago' campaign be made more informative and concise, and if need be, a professional body may be roped in for the purpose. They desire to be apprised of the action taken in the matter.

G. Need for Early Functioning of Weights and Measures Infrastructures

Recommendation (Para No. 3.52)

1.23 The Committee earlier recommended as follows:-

"The Committee note that the Department of Consumer Affairs is undertaking strengthening of Weights & Measures infrastructure in States/UTs and also RRSL & IILM Ranchi and Rs. 45.00 crore has been allocated for the year 2018-19. The Committee hope that the available funds will be utilized fully for expanding the testing facility in mass, volume and length measurement, construction of buildings and procurement of necessary equipment. The Committee also appreciate that land has been purchased for the establishment of two new RRSLs at Varanasi (UP) and Nagpur (Maharashtra) and CPWD has been asked to prepare the design for the Construction of RRSLs buildings. The Committee desire that all these projects are executed on priority and completed by the target date i.e. 31.03.2020 without incurring any cost escalation."

1.24 The Ministry in their action taken reply stated as noted below:-

" All these projects will be executed on priority and completed by the target date i.e. 31.03.2020 without incurring any cost escalation."

1.25 The Committee had, in their earlier report on Demand for Grants (2018-19) recommended that projects on strengthening of Weights and Measures infrastructure be executed on priority. In reply the Government have stated that the projects would be completed by the target date i.e. 31.03.2020 without incurring any cost escalation. According to the Committee's understanding the projects were slated for completion earlier. For example RRSL Varanasi, UP was planned to be made functional during the financial year 2015-16. As such it is apparent that the project got delayed and is now sought to be completed by the year 2020. They further desire that concrete strategy to ensure completion of the projects in time,

be chalked out with accurate planning, taking into account all possible factors. The matter should be taken up with concerned parties at the highest level and the outcome be intimated to the Committee. They also desire to be clarified fo the actual status of projects such as RRSL, Varanasi etc.

H. Setting up of more A&H Centres

(Recommendation Para No. 3.61)

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

" The Committee note that 570 BIS recognized Assaying and Hallmarking (A&H) Centres are in operation. Setting up of A&H Centre is market driven and the entrepreneur decides to open such centre on his commercial judgement about the market. However, expression of interest for setting up of Centres in the North East and special category states of Sikkim, Jammu & Kashmir, Himachal Pradesh and Uttaranchal have been approved under the plan scheme with Central assistance. The Committee are of the view that setting up of more and more Assaying Centres may go a long way in the serving interest of the consumers. The Committee, therefore, hope that the Department would make all possible efforts to expedite the setting up of these new A&H Centres in the interest of the consumers."

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

"All the nine centres of North East and special category states of Jammu & Kashmir, Himachal Pradesh and Uttaranchal who have applied for expression of interest for setting up of A&H Centres during 2018-19, with central assistance have been approved for setting up the centre with central assistance. BIS has been regularly interacting with all these nine centres for an early setup and assistance required, if any. Due to continuous efforts of BIS, one centre at Silchar, Assam has been established and it has been informed by the other 8 centres that they are in the process of establishing."

1.28 The Committee in their original report had urged the Department of Consumer Affairs to make all possible efforts to expedite the setting up of new A&H Centres in the interest of consumers. In reply, the Department have stated that due to continuous efforts of BIS, one Centre at Silchar, Assam has been established and establishment of 8 more Centres are in

the pipeline. While appreciating the efforts made by the Department/BIS in the matter of establishing new A&H Centres, the Committee desire that the Department/BIS should ensure that the work relating to the setting up of the 8 A&H Centres are expedited in a specified time frame and completed without any delays. Also, the Department/BIS should ensure that there is a steady flow of communication between all concerned functionaries which will do away with the possibility of work suffering due to communication gap. They desire to be informed of the action taken/progress made in this regard.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1.4)

2.1 " The Committee note that the Action Taken notes on the action taken by the Government on the Observations/Recommendations contained in the Sixteenth Report of the Committee were furnished by the Government on 2 August, 2017 though the Report on Demand for Grants were presented to the House on 20 March, 2017. The Statement of the Minister under Direction 73-A was, however, made in Lok Sabha on 19 December, 2017 and Laid in Rajya Sabha on 22 December, 2017. The Action Taken Report was presented on 28 December, 2017. An analysis of the Action Taken Notes revealed that the Government has accepted 66.66% Recommendations of the Committee. The Committee did not desire to pursue 0% Recommendations. 6.66% Recommendations have not been accepted by the Government thus requiring reiteration. Replies in case of 26.66% Recommendations are of interim in nature. The Committee desire the Department to inform them the status of implementation of the recommendations which were of interim in nature and those in respect of which the replies have not been accepted by the Committee at the earliest."

Reply of the Government

2.2 " Final action taken by the Government on the recommendations which were interim in nature and those in respect of which the replies were not accepted by the Committee have been furnished to the Committee vide this Department's O.M. no. N-13/2/2018 dated 22nd June 2018. ."

{(Department of Consumer Affairs
(Ministry of Consumer Affairs, Food & Public Distribution)
O.M. No.N-13/7/2018-P&C)}

Recommendation (Para No. 2.10)

2.3 " The Committee note that the BE of 2017-18 was Rs. 3645 crore and the same was revised to Rs. 3630.40 crore at Revised Estimate (RE) stage but the Actual Expenditure (AE) was Rs. 3552.48 which is 97.8% of the RE figure. 96.3% of the fund was spent in the first quarter, 1.02% in the second quarter and 0.5% in the third quarter. Thus it is evident that the fund spending pattern is not uniform. Even in the year 2016-17 the Department incurred major spending in the 4th quarter of 156% of the RE figure. In both the years, there were almost no spending during the 3rd quarters. The Department's statement of 'requirements under Consumer Awareness Scheme and Price Stabilisation Fund (PSF), non submission of Utilisation Certificates, non booking of expenditure by CPWD and DAVP against L.O.A. (Letter of Authority) released, as reasons for such uneven

spending are not convincing. Such excuses only reflect lack of proper planning at appropriate stages. The Committee, therefore, desire that efforts should be made to utilize the entire budgetary allocations by uniformly spreading out across all the four quarters of the year and they further desire the Department to completely adhere to the guidelines issued by the Ministry of Finance on this aspect. They desire to be apprised of the road map laid out for the current fiscal on this aspect within three months of presentation of this Report. of the action taken along with the response of the Ministry of Finance in this regard."

Reply of the Government

2.4 "Procurement of Kharif pulses were undertaken under PSF scheme of the Department for building the buffer stock of upto 20 lakh tonnes of pulses. For this, 14.7 lakh tonnes of Kharif pulses were procured under PSF during Kharif Marketing Season (KMS) 2016-17 including Moong (2.19 lakh MT), Urad (0.89 lakh MT) and Tur (11.63 lakh MT). The significantly higher procurement of Kharif pulses resulted in expenditure in excess of allocation and a significant outstanding liability towards the procuring agencies viz. NAFED & FCI.

Also the procurement period for Rabi pulses was from 16th March to 15th July, 2017. Accordingly, the procurement of Rabi pulses were also undertaken. As arrivals of fresh Rabi pulses is time sensitive, procurement had to be undertaken within the specified time period. The tentative requirement of fund for procurement of Rabi pulses at the prevailing market rates, was about ₹2,890 crores.

The domestic procuring agencies had already incurred expenditure with an outstanding dues of ₹ 2708 crores for procurement of both Kharif and Rabi pulses till 24.04.2017. Therefore, in order to meet the expenses forward procurement of Rabi pulses and outstanding liabilities towards building pulses buffer, major component of funds under PSF had to be released in the first quarter of 2017-18. It is also submitted that as procurement of pulses for the buffer is to be undertaken from farmers during harvesting season from fresh crop and as fresh crops arrives only during few months of the year, spreading expenditure uniformly during the year may not be feasible."

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Recommendation (Para No. 3.19)

2.5 "The Committee note that the Department of Consumer Affairs has extended financial assistance to the States/UTs to strengthen infrastructure of Consumer Forum which includes building and non-building assets. 355 buildings have been constructed and 49 buildings are under construction. Under a separate initiative called "Clean Consumer Fora", 124 toilets have been constructed in 27 court 19 premises in 4 States. Also grants are released for construction of 834 toilets in 279 District Fora. The Committee desire that the implementation of the scheme be monitored closely. States that have not given proposals for construction may be convinced to give proposals and pending utilization certificates with regard to the projects already started be obtained at the earliest. The Committee desire that efforts made by the Department in this regard be apprised to them."

Reply of the Government

2.6 "The Department has been regularly requesting the States to seek assistance under Strengthening Consumer Fora Scheme. The Department also regularly requests the States to furnish pending utilization certificates and seek further assistance under the Scheme. Through communications from various levels and National Consultation Meeting with the State Government."

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Recommendation (Para No. 3.20)

2.7 " The Committee note that the National Consumer Helpline (NCH) attend calls from consumers and provide information to complainants, provide advice and counseling for redressal of their grievances. It also partnered with 373 companies who can be approached on behalf of consumers, which is called Tier 1. In case of failure of Tier 1, consumers are advised to approach appropriate regulatory authorities/ombudsman which is Tier 2. Only in case of failure of Tier 2, they are advised to approach consumer courts. The Committee desire that the Department should make wide publicity of these practices to enable the consumers across the nook and corner of the country to be aware of such process so that the pre-litigation settlement of cases could be achieved through NCH. They therefore recommend that the Department should make all out efforts to strengthen the helpline and popularize the same by regular advertising and publicity conducted by the Department so that maximum number of aggrieved consumers can get relief without taking recourse to lengthy litigation process. "

Reply of the Government

2.8 "The Department has taken many steps to strengthen the National Consumer Helpline (NCH through better Staff structure, periodical training in emerging areas, monitoring systemic deficiencies and reviewing the protocol to be followed.

National Consumer Helpline (NCH) is currently equipped to deal with all types of consumer complaints, spanning various sectors. Through the training, information systems and operational support its counselors are able to provide authentic, quality advice and information to the consumers. The NCH service basket offers information and advice through phone and email services, SMS chat and online registration. It has also been able to enlist 423 companies and service providers in its convergence platform for quick resolution of complaints in shortest time possible. It also undertakes consumer advocacy and awareness programmes on a range of consumer issues. It is functioning from Indian Institute of Public Administration under the Centre for Consumer Studies.

The Zonal Helplines were recently set up in six Zones of the country at Ahmedabad, Bengaluru, Guwahati, Jaipur, Kolkata and Patna, and they have started functioning as extension of NCH to cater to growing regional needs. These have been outsourced to different agencies.

In addition, Consumer Helplines have been set up in each State Capitals under the ongoing scheme called "**State Consumer Helplines**" with financial support from Centre. These Helplines provide service in local language in addition to Hindi and English. They are also networked through a Common Resource Portal at IIPA and the State governments directly monitor their day to day functioning."

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Comments of the Committee

(Please see Para No. 1.13 of Chapter - I of the Report)

Recommendation (Para No. 3.22)

2.9 " The Committee note that the Consumer Protection Cell/scheme in the Department of Consumer Affairs plays a very important role by rendering secretarial assistance in administering Consumer Protection Act and other related activities, responsible to holding meetings, workshops, seminars, conferences, celebration of national consumer day, celebration of world consumer rights Day, payment of legal charge to government counsels, payment of fees to consultants/consultancy agencies and expenses on other related activities. The Committee are of the opinion that the aforementioned activities

have potential to change the way people look at the institution of consumer rights assertiveness and protection. They therefore recommend that utmost care should be taken in organizing such events. They should chalk out plan of action through consultation and keeping stake holders informed about the activities carried out."

Reply of the Government

2.10 " The Department will take utmost care in organizing major events through consultation and also keeping the stakeholders informed about the activities carried out."

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Recommendation (Para No. 3.31)

2.11 " The Committee also note that the speed of server of National Informatics Centre (NIC) is very slow which gives out a bad signal even to the common man. The Committee therefore recommend that a new set of hardware and softwares with latest technology should be provided to NIC for faster online data transaction, data handling, data storage and data retrieval. All necessary maintenance works with respect to provision for updating data software and Anti-virus of the computer, printer and UPS in use should be made at the earliest."

Reply of the Government

2.12 " Under Confonet Project, there are two server setup at NIC, National Data Centre, Shastri Park to host Confonet Services for Consumers and Online Case Monitoring System (OCMS) for all Consumer Fora. The Public portal which is delivering Confonet Services like causelist, case status & Judgement search etc is not facing any performance issue.

However, it was reported earlier that sometimes OCMS application (Online Case Monitoring System) used by all Consumer Fora was facing slowness issue that was due to -

- a) Heavy load on the server during peak hour.
- b) Lack of hardware resources like RAM, CPU in Confonet Central server ; to handle heavy load during peak hour.
- c) Technologies used for developing OCMS has become old.
- d) Slow internet speed at Consumer For a.

In this regard, temporary remedial steps were taken up by upgrading the Virtual machine of Database Server installed at NIC - Shastri Park Data Centre with additional RAM and Processor, available with the current physical server of Confonet project. By doing this, performance of the said server has been increased significantly now.

It is to mention that the permanent solutions of this problem w.r.t to the slowness of Confonet Servers have already been proposed and approved under next three year confonet scheme by the Department of Consumer Affairs, such as –

- Replacement of old servers with latest high-end servers.
- Development of OCMS with latest technologies.
- High-speed internet connectivity is required at user locations depending upon the number of PCs are being used/connected at consumer fora's end.

During next three year approved confonet scheme, provision for enhancement of Data centre servers and replacement of old Hardware have been kept under the scheme.

Regarding maintenance of Hardware, coordination with concerned Hardware vendors through the hired manpower deployed at consumer forums and further follow-ups by designated Confonet NIC State Co-ordinators / Confonet team at NIC Hqrs are being done for resolving the issues as early as possible."

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Comments of the Committee

(Please see Para No. 1.19 of Chapter - I of the Report)

Recommendation (Para No. 3.61)

2.13 " The Committee note that 570 BIS recognized Assaying and Hallmarking (A&H) Centres are in operation. Setting up of A&H Centre is market driven and the entrepreneur decides to open such centre on his commercial judgement about the market. However, expression of interest for setting up of Centres in the North East and special category states of Sikkim, Jammu & Kashmir, Himachal Pradesh and Uttaranchal have been approved under the plan scheme with Central assistance. The Committee are of the view that setting up of more and more Assaying Centres may go a long way in the serving interest of the consumers. The Committee, therefore, hope that the Department would make all possible efforts to expedite the setting up of these new A&H Centres in the interest of the consumers."

Reply of the Government

2.14 " All the nine centres of North East and special category states of Jammu & Kashmir, Himachal Pradesh and Uttaranchal who have applied for expression of interest for setting up of A&H Centres during 2018-19, with central assistance have been approved for setting up the centre with central assistance.

BIS has been regularly interacting with all these nine centres for an early setup and assistance required, if any.

Due to continuous efforts of BIS, one centre at Silchar, Assam has been established and it has been informed by the other 8 centres that they are in the process of establishing."

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Comments of the Committee

(Please see Para No. 1.28 of Chapter - I of the Report)

Recommendation (Para No. 3.69)

2.15 " The Committee appreciate that in order to strengthen the NTH, the Government is planning to construct new buildings, augment testing facilities, digitalize records, creating digital database for introduction of e-office and modernizing nine laboratories. The Committee is however constraint to note that some of the major projects of the National Test Houses, such as Construction of Laboratory Buildings at NTH (SR) Chennai and G+4 Phase - II Building at NTH (WR) Mumbai, that was started way back in 2014-15 and 2013-14 respectively, have not been completed and are stated to be completed by the next financial year, that too subject to availability of funds. The NTH being an important institution for test and quality evaluation of under trial, engineering and consumer products in the country, such inordinate delay in important projects of the institution is a matter of concern. The Committee, therefore, strongly recommend that the Government should closely monitor implementation of the projects and ensure that these projects in Mumbai, Jaipur and Chennai are completed without any further loss of time. Also, steps should be taken to ensure completion of procurement of major machineries for Chennai, Ghaziabad and Jaipur during the current financial year positively."

Reply of the Government

2.16 "1. The Construction of NTH's building at Mumbai and Chennai are in advanced stage and may be completed by the current financial year. CPWD (SZ)-Chennai, so far, has not raised the demand for fund of 2018-19. Funds of Rs.2.04 Crore to the Electrical work and Rs. 3.00 crore for Civil work in 2018-19 to CPWD (WZ)-Mumbai has been released. An amount of Rs. 1.6492 crore has been released for electrical work at NTH Chennai.

The construction of additional one floor at existing building of NTH Jaipur has been completed. However, CPWO (NWZ) has not officially handed over the building to NTH. OG-NTH regularly interacts with the regional In-Charges for proper execution of the proposed work. Expenditure is also regularly monitored to assess the progress. Apart from that OG-NTH regularly visits the regional centres for physical verifications of assets. OG-NTH has visited NTH (WR)-Mumbai during the First Week of April, 2018 to monitor the progress of the On-Going Construction there. He along with the Director, NTH(WZ)Mumbai held a meeting with the Chief Engineer & Other senior Engineers of CPWO(WZ)Mumbai and necessary decisions have taken been taken for earliest completion of the construction.

2. In respect of installation of test facilities, it is apprised that complete facilities for testing have already been completed at NTH, Kolkata, except bromate test at Ghaziabad & Jaipur. The same facility will be created at NTH (SR), Chennai in the current financial year with addition of two more equipment Gas Chromatograph Mass Spectrometer and Integrating sphere with Tri-Stimulus Colorimeter (GCMS and IC). In Guwahati all test equipments have been procured. In tune with the policy of Govt. of India, NTH had conceived to implement State-of-the-Art Web Based Management Information System in NTH to promote e-Governance and provide user friendly services to it's customers. Accordingly MIS have been extended to all the Six Regions of NTH and have been connected with the main data centre at NTH Kolkata. NTH has started procurement through GEM & CPP Portal. In addition to that e-procurement has also been started in NTH.

3. For the financial year an amount of Rs.9.0 Crore has been allocated for Major Works & Rs.8.44 has been allocated for procurement of Machinery & Equipment. NTH will make all out efforts to expedite all the Programmes conceptualised in 2018-19 and NTH will ensure that the funds are fully and properly utilised during the current financial year."

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Recommendation (Para No. 3.76)

2.17 " The Committee observe that Rs. 2 crore has been allocated in BE of 2018-19 for the scheme of "Strengthening of Price Monitoring Cell" being implemented by the Department of Consumer Affairs for strengthening the existing mechanism of price monitoring, both at the Centre and State levels. The scheme also provides financial assistance to the States for capacity building and infrastructural support for their reporting centres. The Committee further observe that financial assistance were provided to 29 Centres located in 10 States, and 6 centres in Uttar Pradesh during the year 2015-16 and 2016-17 for strengthening of PMC. The Committee also note that for the financial year 2018-19, five conference-cum-training workshops are proposed in different zones of the country, and that the funds will be provided for hiring 1 Data Entry Operator (DEO) to each price reporting zones and 1 hand-held device with geo-tagging facilities for robust price reporting. The Committee hope that these proposals of the Department will be duly implemented within the outlay of Rs. 2 crore made for the year 2018-19."

Reply of the Government

2.19 " During 2018-19 (BE), Rs. 2 crore has been allocated for the scheme of 'Strengthening of Price Monitoring Cell' which provides financial assistance States/UTs for capacity building and infrastructural support. The scheme will also provide for new components of 1 Data Entry Operator (DEO) and 1 hand-held devicewith geo-tagging facilities for each centre during 2018-19. The Department has finalised the revised guidelines for the scheme and circulated the same to States/UTs inviting their proposals."

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Recommendation (Para No. 3.86)

2.20 " The Committee note that PSF was set up to tackle inflationary trends of some agro-horticultural commodities and so far the reconstituted Price Stabilization Fund Management Committee (PSFMC) under the chairpersonship of Secretary, Department of Consumer Affairs, have been held 25 meetings. The Committee also note that state-level corpus funds is created with Central-State sharing of 50:50, which is 75:25 in case of NE States. They desire to be apprise of the decisions taken during these meetings of the PSF Management Committee as well as the States/UTs that have created State-level Corpus funds. The Committee further desire that the States/UTs that have not so far created State-level corpus funds be persuaded to create the Corpus funds so that inflationary trends of essential agro-horticultural commodities could be tackled more effectively in the larger interest of the consumers."

Reply of the Government

2.21 " Major Decisions taken during the 25 meetings of the Price Stabilisation Fund Management Committee (PSFMC) are as follows:

i. *To expedite disposal of pulses, recommended constitution of two Coordination Committees on disposal of pulses- one for domestic pulses and other for imported pulses.*

ii. *Recommended the principle of 'first in first out' for disposal of pulses and fixation of age-criteria of pulses to be considered for market disposal.*

iii. *Recommended the dynamic reserve price criteria for disposal of pulses at market prices from the buffer stock.*

iv. *Finalized long-term disposal plan for pulses of the buffer stock.*

v. *Recommended 3 dispensations for disposal of pulses nearing or over shelf-life i.e. 1.12 lakh MT; 3.88 lakh MT; and 5 lakh MT.*

vi. *Recommended procurement of onions during 2016-17 and 2017-18.*

vii. *Recommended utilization of pulses in the buffer towards provision of 'Food Aid' to Afghanistan and other countries in co-ordination with MEA.*

viii. *Requested Central Ministries like M/o Tribal Affairs, M/o Social Justice & Empowerment, M/o HRD M/o Railways and M/o Health & Family Welfare which are providing assistance to States/UTs for hostels, institutions, schemes, etc. having food and nutrition component examine their funding norms and protein component of their food assistance may be provided in-kind from the pulses buffer, etc.*

ix. *Approved enhancing the buffer stock of pulses by 1 lakh tonnes under longterm G2G dispensation to be entered into with countries like Myanmar, Tanzania, and Malawi during 2016-17.*

x. *Allocation of pulses to various States/ UTs and Central agencies at subsidised rates during 2016-17 as per their demands and the approved allocation criteria. Recommended retailing Tur dal and Urad/ Urad dal at Rs. 120/ kg when prices were high.*

xi. *Allocation of pulses to NCCF for direct retailing in Delhi at subsidised rates during 2016-17.*

xii. *Recommended study on OTR and other issues concerning appropriate management and storage of pulses in buffer of 5 major pulses by Tariff Commission and CIPHET, ICAR.*

xiii. *Directed designated agencies to take all steps to ensure proper upkeep of pulses in the buffer stock and also to take urgent measures for expediting disposal of pulses nearing shelf-life from the buffer.*

xiv. *IIPR, Kanpur was requested to examine the buffer stock in various godowns/warehouses and to suggest measures for improving shelf-life.*

xv. *The Committee recommended that the reserve price for disposal of old stock of 1.12 LMT of pulses through open market sales/auction may be fixed at up to 10% below the indicative rate emanating from the approved criteria under one time dispensation for Tur and upto 15% below for Moong, Masur and Urad. State, Central agencies may also be offered pulses on the basis of last auction price received/approved with Price Discount of upto 5% for approval of CoS.*

xvi. *D/o SE & L (M/o HRD) should check the MDM scheme and the requirement of pulses should be provided to DOCA so that same could be met from central buffer.*

xvii. *M/o Railways and M/o Health & Family Welfare may take pulses from the Central buffer and the requirement of pulses should be provided to DOCA.*

xviii. *Recommended change in PSS guideline that would allow and facilitate transfer of PSS stock to PSF buffer.*

xix. *Approved procurement of 25,000 MT of Rabi onions during 2018-19.*

The fund and operations under the Price Stabilization Fund (PSF) Scheme is managed at the Centre by the Central Price Stabilisation Fund Management Committee (PSFMC) headed by Secretary of the administrative department and the Corpus Fund is managed by Small Farmers Agribusiness Consortium (SFAC) on behalf of the administrative department. In the States/UTs, the price stabilisation operations are to be managed by the State level PSFMC and operated out of the State level Corpus Fund. Interest free advances from the PSF corpus may be made both to Central Agencies and to State level Corpus. The State level Corpus is created with a sharing pattern between GOI and State in the ratio of 50: 50, which is 75:25 in case the North Eastern States.

Till date, State- level PSF has been created in Telangana, Andhra Pradesh, West Bengal and Odisha. In case of Tamil Nadu, proposal from State Government has also been received and some clarifications are being sought from them. A Video-conference was also held with States on 28th March, 2018 informing them again about the Operational Guidelines of the PSF and advising States to set up their own State level PSF for purposes of price stabilization of onion, potato and pulses."

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Recommendation (Para No. 3.95)

2.22 " The Committee note that a total Budget Allocation (BE) of Rs. 19.35 crore has been made for the year 2018-19 under Consumer Welfare Fund (CWF), created in 1992 as a non-lapsable Public Account Fund, from which financial assistance is provided to Voluntary Consumer Organisation (VCOs/Govt.)/Institutions for strengthening consumer movement. They also note that the BE and RE for CWF in 2017-18 was 17.45 crore, but the Actual Expenditure (AE) as on 12.02.2018 was only Rs. 11.77 crore. The Committee hope and expect that the Budget Allocation for Rs. 17.45 crore would be utilized productively and optimally during the financial year 2017-18 itself. The Committee have also been informed about details of Grants released under CWF scheme during the years 2014-15, 2015-16 and 2016-17, which have revealed that several VCOs/Institutions/Organisations have been recipients of CWF during these years.

The Committee desire that the Department should ensure that these VCOs/Institutions make proper utilization of the funds in a most productive manner by insisting upon them to undertake a social audit in this regard. The Committee also note that so far 13 States/UTs have set up corpus funds under the CWF. The Committee is of the view that the steps taken by the Government to convince the remaining States/UTs to set State Corpus Funds such as sending D.O. Letters form time to time has not yielded the desired results. Considering the need to create consumer awareness and strengthen the consumer movement in the country, the Committee strongly recommend that the Department of Consumer Affairs should vigorously pursue and impress upon the remaining States/UTs to set up State Corpus Funds in a time bound manner."

Reply of the Government

2.21 " While releasing grants CWF Rules, 1992 and CWF Guidelines, 2014 are followed to ensure proper utilization of funds. Following are some provisions prescribed in the CWF Guidelines, 2014 under SECTION-X to ensure proper utilization of the funds:-

- Execution of bond with members of the executive committee of the grantee organization mentioning to abide by the all the conditions of the grants in aid and not to divert to the grants or entrust execution of the scheme or work concerned to another institution (s) or organization (s).
- If, after release of grant the grantee fails to comply with the conditions of the bond then the signatory of the bond shall be liable to refund the whole or part of the grant with interest at 10% per annum thereon or the sum specified under the Bond.
- The grantee organization is required to furnish the audited Receipt & Payment accounts, Income & Expenditure Account and Balance Sheet of

- the project alongwith the Auditor's Certificate and report to the Department.
- The grantee organization is required to submit the Quarterly progress reports of the progress/implementation. The grantee institution is required to submit the performance-cum achievement report.
 - The project Holder/VCO shall not unilaterally re-appropriate funds available for different items in the project, i.e. amount sanctioned for one items shall not be spent on another items without prior written consent/ approval of the Department.
 - In respect of recurring grants the Department will release any amount sanctioned for subsequent financial year only after submission of utilization certificates on a provisional basis in respect of grant of the preceding financial year. Release of grant in excess of 75% of the total amount for the subsequent financial year will be made only after submission of final utilization certificate and the annual audited accounts relating to grants in aid released in the preceding year.
 - The project holder shall open a separate Bank Account for all aid from Department for the project and shall inform the name of the Bank and Account No. to the Department.
 - The Project Holder shall refund to the Department such part of the amount release with interest accrued thereon as remains unutilized on expiry of the Project period or earlier when the amount is no longer required for the purpose for which it was released.

In addition to above, this Department generally concludes Memorandum of Understanding (MoU) with the grantee organization for effective monitoring and proper implementation of the project. Monitoring Committee/Executive Committee meetings are conducted to review the projects and further installments are released after its recommendations. Thus, appropriate steps are taken to ensure proper utilization of funds.

In respect of the recommendation regarding pursuing vigorously and impressing upon the remaining States/UTs to set up State Consumer Welfare Fund in time bound manner, it is stated that the Department is considering to taking up again with all the States/UTs wherein these States/UTs will also be impressed upon to set up State Consumer Welfare Fund."

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CHAPTER III

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

Recommendation (Para No. 3.43)

3.1 "The Committee note that in the BE for 2018-19 Consumer Awareness (Advertising & Publicity) has been fixed at Rs. 70.00 crore. Even after utilizing 73.21% of the budget during 2017-18 (Rs. 45.39 crore out of Rs. 62 crore allocated), the Department has not been given a substantial increase in funds allocation under this scheme. The Committee understand the challenges of the Department in spreading consumer rights awareness among people and are of the view that a sustained national campaign is required to educate the consumers about their rights and welfare. The Committee further note that under this scheme, the Department also releases funds to States for educating consumers based on awareness programmes on local themes and other advertisements in local exhibitions, street plays, cultural functions etc. to educate the citizens about consumer rights. The Committee are of the firm view that the scheme of consumer rights awareness should be further strengthened for which allocation of more funds is required to spread the scheme to various parts of the country so that citizens are aware about their rights and the mechanism available for redressal of their grievances or complaints. The Committee, therefore, recommend that the Department should approach the Ministry of Finance for increased allocations for the scheme at the Revised Estimate stage. They desire to be apprised of the steps taken in this regard with outcome thereof.

"

Reply of the Government

3.2 " In keeping with the recommendations of the Standing Committee, an increased budget was proposed for publicity/Consumer Awareness at RE stage. However, it was not increased. In BE 2018-19, an amount of Rs. 70.00 crore has been allocated for Publicity/Consumer awareness as against Rs. 62 crore during 2017-18."

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Recommendation (Para No. 3.77)

3.3 " The Committee further note that there occurred variations in BE, RE and Actual Expenditures (BE - Rs. 2 crore, AE - Rs. 0.52 crore in 2015-16; BE - Rs. 0.50 crore, AE - Rs. 0.41 crore in 2016-17; BE - Rs. 1 crore, AE - Rs. 0.51 crore in 2017- 48) which the Department attributed as being caused by procedural delay in the transferring Major Head 3601 and 3602 to 3456 and due to the time

taken by States/UTs in registering their agencies/Department in Public Financial Management System from States/UTs in 2016-17, and by lack of proposal causing non-materialization of expenditure on N.E. States in 2017-18. The Committee recommend that these procedural hurdles be expeditiously sorted out by taking concrete steps so that such hurdles do not hamper the full utilization of Rs. 2 crore allocated in 2018-19."

Reply of the Government

3.4 "During the FY 2017-18, the AE stood at Rs. 0.93 crore against the BE of Rs. 1crore. During this period, financial assistances were provided to 28 centres located in 8 States and 1 Union Territory for strengthening of price monitoring centres. For the Financial year 2018-19, five conference-cum-training workshops are proposed in different zones of the country and provisions of financial assistance for strengthening PMC across State through capacity building, infrastructure support, manpower and handheld device with geo-tagging facility, which would facilitate due utilisation of the funds allocated."

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Recommendation (Para No. 3.87)

3.5 " The Committee also note that BE and RE of Price Stabilization Fund (PSF) scheme was Rs. 3500 crore and the Actual Expenditure was Rs. 3465.04 crore during 2017-18 whereas Rs. 1500.00 crore only has been allocated in BE of 2018-19. The Committee would like to know how the Department propose to utilize Rs. 1500.00 crore under the PSF Scheme during the year 2018-19. The Committee is of the view that the Department would not be in a position to do justice to the scheme during the current year considering the fact that the Actual Expenditure under the scheme during the previous year was Rs. 3465.04 crore. The Committee, therefore, recommend that the Department should impress upon the Ministry of Finance to allocate more funds under the scheme with appropriate justification."

Reply of the Government

3.6 " It has been decided by the government that procurement of pulses would be through the Price Support Scheme (PSS), in case prices were below MSP and through the Price Stabilization Fund (PSF), when price of pulses are higher than MSP. Requirement of pulses toward the central buffer, if any, when procurement are under PSS only would be met from the stock under PSS t with appropriate resource transfer. During KMS 2017-18 and RMS 2018, prices of pulses remained below MSP because of bumper production. Therefore, MSP support to farmers were extended through PSS. As large stock has already been

built through PSS, there was no immediate need for intervention under PSF. Also, a committee has been set-up under the Chairmanship of Member, Niti Aayog to recommend the quantum of pulses to be maintained in the Central Buffer. Based on the recommendation of this Committee, lien would be made on the pulses in PSS stock."

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CHAPTER IV

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

Recommendation (Para No. 3.30)

4.1 " The Committee note that against the target of computerization of 619 Consumer Fora, hardware had been supplied to 585, manpower was provided to 585 and 571 consumer fora are using on-line case monitoring system. The Committee observe that in this age of computerization and with the Government initiative on Digital India, the Department should take up the computerization of consumer fora in right earnest and complete them quickly so that the entire consumer movement would get a fillip to its activities and achieve a fully automated system of case management in place of the manual system."

Reply of the Government

4.2 " The Department is continuously engaged in computerization of the the three tiers of Consumer Fora so as to access information regarding various consumer cases at the click of a button."

{(Department of Consumer Affairs
(Ministry of Consumer Affairs, Food & Public Distribution)
O.M. No.N-13/7/2018-P&C)}

Comments of the Committee

(Please see Para No. 1.16 of Chapter - I of the Report)

Recommendation (Para No. 3.42)

4.3 " The Committee note that one of the important functions of the Department of Consumer Affairs is protection of consumer interest/welfare and the scheme of consumer awareness is a step in that direction. With a population of more than 125 crore people, the job of creating consumer awareness will be a challenging task more so with the diversities on account of language, socio-economic profile, gender and demographic profile of the country. Educating them can only be undertaken as a sustained national programme with adequate resource and fund availability. The Department has been carrying out 'Jago Grahak Jago' campaign on various issues relating to consumer rights and responsibilities across diverse subjects. Publicity campaigns are made through various electronic and print media such as television, radio, newspapers and outdoor advertisements. The Committee while appreciating the Department for taking several steps to create awareness of consumers' rights, desire that more

such efforts be undertaken continuously and every effort be made to make it more result oriented."

Reply of the Government

4.4 " The suggestions have been noted "

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Comments of the Committee

(Please see Para No. 1.22 of Chapter - I of the Report)

Recommendation (Para No. 3.44)

4.5 "The Committee also note that there are network of Consumer Courts/Fora, gold hallmarking and assaying centres and laboratories and National and State helplines for pre litigation settlement of claims, etc. There is also a prospect of consumer being able to file cases online. The Committee have apprehensions of the masses/consumers being unaware of such facilities. They, therefore, recommend that the regular advertising and publicity campaigns should invariably and specifically highlight the existence of such facilities."

Reply of the Government

4.6 " The suggestions have been noted "

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Comments of the Committee

(Please see Para No. 1.22 of Chapter - I of the Report)

Recommendation (Para No. 3.52)

4.7 "The Committee note that the Department of Consumer Affairs is undertaking strengthening of Weights & Measures infrastructure in States/UTs and also RRSL & IILM Ranchi and Rs. 45.00 crore has been allocated for the year 2018-19. The Committee hope that the available funds will be utilized fully for expanding the testing facility in mass, volume and length measurement, construction of buildings and procurement of necessary equipment. The Committee also appreciate that land has been purchased for the establishment of two new RRSLs at Varanasi (UP) and Nagpur (Maharashtra) and CPWD has been asked to prepare the design for the Construction of RRSLs buildings. The Committee desire that all these projects are executed on priority and completed by the target date i.e. 31.03.2020 without incurring any cost escalation."

Reply of the Government

4.8 " All these projects will be executed on priority and completed by the target date i.e. 31.03.2020 without incurring any cost escalation."

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Comments of the Committee

(Please see Para No. 1.25 of Chapter - I of the Report)

CHAPTER V

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

Recommendation (Para No. 2.11)

5.1 " The Committee further note that against the demand of Rs. 3867.85 crore, the Department has been given an outlay of Rs. 1690.17 crore. The utilization of funds in the year 2017-18 was Rs. 3552.88 crore which is 97.8% of the RE of Rs. 3630.40 crore and 97.4% of the BE of Rs. 3645 crore. That is not a bad performance altogether. Even so, the Department of Consumer Affairs is given an outlay of Rs. 1785.17 crore allocation for the Financial Year 2018-19. This is hardly 45% of the BE for the year 2017-18. This amount appears to be too meagre to redress the plight of consumers of the country. The Committee, therefore, recommend that keeping in view the fact that the Department of Consumer Affairs has been entrusted with the mandate of consumer advocacy the Department should, at the instance of the Committee, approach the Ministry of Finance at the Revised Estimates stage and impress upon them about the need for more funds to do justice to the huge mandate of the Department. They desire to be apprised of the action taken along with the response of the Ministry of Finance in this regard."

Reply of the Government

5.2 " Department has been given an outlay of Rs. 1785.17 crore for the F.Y. 2018-19 as against the demand of Rs. 3988.76 crore. The allocated amount of Rs. 1785.17 crore has Rs. 1500 crore for PSF component and Rs. 285.17 crore for executing the schemes as well as non-scheme expenditure. Department has, through D.O. letters from Secretary(CA), requested Ministry of Finance for allocation of an additional amount of Rs. 81.50 crore for executing the schemes other than PSF which has different mechanism for fund requirements. However, no response has been received from the Ministry of Finance so far. In the circumstances, Department will approach the Ministry of Finance for additional fund at Revised Estimates stage by justifying the need for more fund and citing the recommendations made by the Standing Committee. As desired, the Standing Committee would be apprised of the action taken along with the response of Ministry of Finance in this regard at appropriate time.

."

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Comments of the Committee

(Please see Para No. 1.7 of Chapter - I of the Report)

Recommendation (Para No. 3.4)

5.3 "The Committee note that the Department of Consumer Affairs administers Consumer Protection Act, 1986. Under Consumer Protection Unit various schemes/projects are being implemented to improve the functioning of consumer fora. A scheme for Strengthening Consumer Fora, a scheme for Computerization and Networking namely CONFONET, State Consumer Helplines are some of the important programmes being implemented under Consumer Protection Unit. The Budget allocated under this Scheme during the year 2018-19 is Rs. 42.17 crore, which is way below the amount demanded for at the first place i.e. Rs. 73.16 crore. During the year 2017-18 the Department has incurred an expenditure of Rs. 20.84 crore, which is about 79% of RE of Rs. 26.40 crores. The Committee are of the view that Consumer Protection is a very important component of the Department of Consumer Affairs and the strengthening of various consumer for a envisaged under this scheme are essential and relevant under the present circumstances. They, therefore, recommend that the Department should approach the Ministry of Finance for additional allocation at the Revised Estimates stage and in any case before the passage of the Consumer Protection Bill, 2018. Also the Department should ensure that administrative and legal mechanism are within easy reach of consumers as early as possible."

Reply of the Government

5.4 "The Govt. will approach the Ministry of Finance for additional allocation at the Revised Estimates stage and certainly before the passage of the CP Bill, 2018. The Department will make endeavour towards administrative and legal mechanism to be within easy reach of consumers."

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Comments of the Committee

(Please see Para No. 1.10 of Chapter - I of the Report)

NEW DELHI;
____ July, 2017
____ Shravana, 1940(Saka)

J.C. DIVAKAR REDDY,
Chairperson,
Standing Committee on Food,
Consumer Affairs and Public Distribution.

APPENDIX I

MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2017-18) HELD ON WEDNESDAY, 25 JULY, 2018

The Committee sat from 1500 hrs. to 1530 hrs. in Committee Room 'B', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri J.C. Divakar Reddy - Chairperson

Members

Lok Sabha

2. Shri R.K.Bharathimohan
3. Shri Babu Lal Chaudhary
4. Shri Sukhbir Singh Jaunpuriya
5. Shri Bhagwant Khuba
6. Shri Dharmendra Kumar
7. Shri Ravinder Kushwaha
8. Smt. Priyanka Singh Rawat
9. Shri Bhola Singh
10. Shri Nandi Yellaiah

Rajya Sabha

11. Shri Ripun Bora
12. Shri B. Lingaiah Yadav

SECRETARIAT

1. Shri Lovekesh Kumar Sharma - Director
2. Shri Khakhai Zou - Additional Director

2. At the outset, Hon'ble Chairperson welcomed the Members to the sitting of the Committee convened for consideration and adoption of the Draft Reports on Action Taken by the Government on the observations/recommendations contained in the 20th and 21st Reports of the Committee on Demands for Grants (2018-19) of the Ministry of Consumer Affairs, Food and Public Distribution pertaining to the (i) Department of Food and Public Distribution, and (ii) Department of Consumer Affairs respectively. He also took the opportunity of welcoming three new members from Rajya Sabha viz. Shri Subhasish Chakraborty, MP, Shri Sakaldeep Rajbhar, MP and Shri B. Lingaiah Yadav, MP who have recently been nominated to the Committee.

3. Thereafter the Committee took up for consideration the Draft Reports. After due deliberations, the Committee unanimously adopted the said two Action Taken Reports without any amendment/modification.

4. The Committee then authorized the Chairperson to finalize the aforesaid Draft Reports and present the same to Parliament in the current Monsoon Session of Parliament.

5. The Committee also discussed to undertake an on-the-spot Study Visit either to Punjab and Rajasthan or Madhya Pradesh and Odisha during the month of August, 2018. After due deliberation, the Committee decided to visit some of the places in Rajasthan and Punjab.

The Committee then adjourned.

APPENDIX II

(Vide Para No. 4 of Introduction of the Report)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE TWENTY-FIRST REPORT OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2017-18)

(SIXTEENTH LOK SABHA)

- (i) Total number of Recommendations: 20
- (ii) Observations/Recommendations which have been accepted by the Government :
Para Nos.:- 1.4, 2.10, 3.19, 3.20, 3.22, 3.31, 3.61, 3.69, 3.76, 3.86 and 3.95

(Chapter – II, Total - 11)
Percentage : 55%
- (iii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government

Para Nos. 3.43, 3.77 and 3.87

(Chapter – III, Total - 3)
Percentage : 15%
- (iv) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Para No. 3.30, 3.42, 3.44 and 3.52

(Chapter – IV, Total - 4)
Percentage : 20%
- (v) Observations/Recommendations in respect of which the interim replies of the Government have been received.

Para No.:- 2.11 and 3.4

(Chapter – V, Total - 2)
Percentage : 10%