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STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2021-22)

SEVENTEENTH LOK SABHA

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

DEMANDS FOR GRANTS (2022-23)

NINETEENTH REPORT



LOK SABHA SECRETARIAT NEW DELHI

March, 2022/ Phalguna, 1943 (Saka)

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(SEVENTEENTH LOK SABHA)

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

DEMANDS FOR GRANTS (2022-23)

Presented to Lok Sabha on 22.3.2022 Laid in Rajya Sabha on 22.3.2022



LOK SABHA SECRETARIAT NEW DELHI

March, 2022/ Phalguna, 1943 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS & PUBLIC DISTRIBUTION@

Shri Sudip Bandyopadhyay

Lok Sabha

- 2. Dr. Farooq Abdullah
- 3. Shri Girish Bhalchandra Bapat
- 4. Shri Shafiqur Rahman Barq
- 5. Shri G. S. Basavaraj
- 6. Ms. Debasree Chaudhuri
- 7. Shri Sunny Deol
- 8. Shri Anil Firojiya
- 9. Shri Selvam G.
- 10. Shri Rajendra D. Gavit
- 11. Shri Sanganna Amarappa Karadi
- 12. Shri Khagen Murmu
- 13. Shri Mitesh Rameshbhai (Bakabhai) Patel
- 14. Shri Subrat Pathak
- 15. Smt. Himadri Singh
- 16. Smt. Kavita Singh
- 17. Shri Nandigam Suresh
- 18. Shri Saptagiri Ulaka
- 19. Shri Rajmohan Unnithan
- 20. Shri Ve.Vaithilingam
- 21. Vacant *

Rajya Sabha

- 22. Shri Satish Chandra Dubey
- 23. Smt. Roopa Ganguly
- 24. Shri K. G. Kenye
- 25. Dr. Fauzia Khan
- 26. Shri Hishey Lachungpa
- 27. Shri Rajmani Patel
- 28. Shri Sakaldeep Rajbhar
- 29. Dr. Anbumani Ramadoss
- 30. Shri Ramji
- 31. Shri G. K. Vasan

LOK SABHA SECRETARIAT

- 1. Shri Shiv Kumar Joint Secretary
- 2. Dr. Vatsala Joshi Director
- 3. Shri Ram Lal Yadav Additional Director
- 4. Shri Dong Lianthang Tonsing Under Secretary

@Constituted w.e.f. 13.09.2021 vide Lok Sabha Bulletin Part II No.3189 dated 09.10.2021. *Shri Bhagwant Mann ceased to be Member consequent upon his resignation as Member of Lok Sabha w.e.f. 14.03.2022.

INTRODUCTION

- I, the Chairperson of the Standing Committee on Food, Consumer Affairs and Public Distribution (2021-22) having been authorized by the Committee, present on their behalf the Ninteenth Report (Seventeenth Lok Sabha) on Demands for Grants (2022-23) relating to the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs).
- 2. The Committee examined/scrutinized the detailed Demands for Grants (2022-23) of the Ministry which were laid on the Table of the House on 9th February, 2022. The Committee took oral evidence of the representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) on 24th February, 2022.
- 3. The Committee wish to express their thanks to the officers of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) for appearing before the Committee and furnishing the material and information which the Committee desired in connection with the examination of the Demands for Grants (2022-23).
- 4. The Draft Report was considered and adopted by the Committee at their sitting held on 16th March, 2022.
- 5. For facility of reference and convenience, the observations/recommendations of the Committee have been printed in bold type in the body of the Report.

New Delhi March, 2022 Phalguna,1942 (Saka) SUDIP BANDYOPADHYAY
Chairperson
Standing Committee on Food,
Consumer Affairs and Public Distribution

CHAPTER - I

INTRODUCTORY

Role of the Department

The Department of Consumer Affairs (DCA) is one of the two Departments under the Ministry of Consumer Affairs, Food & Public Distribution.

- 1.2 The mandate of the Department is consumer advocacy. India has been a pioneer in consumer advocacy with the Consumer Protection Act (CPA), a path breaking legislation, enacted in 1986 and with the establishment of a separate Government Department dedicated to consumer affairs as early as in 1997.
- 1.3 Further, the New Consumer Protection Act, 2019 came into force on 20th July, 2020 in India, replacing the previous enactment of 1986. The New Act overhauls the administration and settlement of consumer disputes in India. It provides for strict penalties, including jail terms for adulteration and for misleading advertisements. More importantly, it now prescribes rules for the sale of goods through e-commerce. Translating this mandate into action entail:
 - Enabling consumers to make informed choices;
 - Ensuring fair, equitable and consistent outcomes for consumers; and
 - Facilitating timely and effective consumer grievance redress

(P. 11, AR)

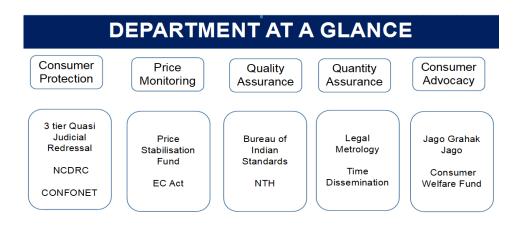
- 1.4 The Department has been entrusted with administering: -
 - The Consumer Protection Act,2019
 - The Essential Commodities Act, 1955 (Supply, Price and Distribution of Essential Commodities not dealt with specifically by any other Department).
 - Prevention of the Black marketing and Maintenance of Supplies of Essential Commodities Act, 1980;
 - Legal Metrology Act, 2009;
 - Regulation of Packaged Commodities.

- The Standards of Weights and Measures.
- Price Stabilisation Fund
- The Emblems and Names (Prevention of Improper Use) Act, 1952.
- The Bureau of Indian Standards Act, 2016.
- Consumer Cooperatives.
- Monitoring of prices and availability of essential commodities.
- National Test House.

[P. 1, 9 AR]

1.5 The Minister of Consumer Affairs, Food and Public Distribution on 09.02.2022 laid on the Table of Lok Sabha the Detailed Demands for Grants (2022-23) relating to the Department of Consumer Affairs. The Detailed Demands for Grants for the Department of Consumer Affairs shows a gross budgetary provision of Rs. 1762.38 Crore. This includes Rs. 1599 Crore for Scheme and Rs.163.38 Crore for Non-Scheme.

[P. 64 of Replies to LoP]



1.6 The Committee have been informed that the gross BE, RE and AE for the year 2021-22 are Rs. 3237.60 Crore, Rs.2717.14 Crore and Rs. 2210.04 Crore respectively. The combined figures for BE, RE and AE pertaining to the years 2020-21, 2021-22 and BE for 2022-23 as on 11.02.2022 are as follows:

(Rs. In Crore)

HEAD	2020-21								2021-22				2022-23			
	Scheme		Non-Scheme		Total AE	Scheme		Non-Scheme		ne	Total AE (upto 11. 02.2022)	Scheme	Non- Scheme			
	BE	RE	AE	BE	RE	AE		BE	RE	AE	BE	RE	AE		BE	BE
Secretariat & Ec onomic Service	0.00	0.00	0.00	105.00	96.26	92.78	92.78	0.00	0.00	0.00	103.60	105.39	87.25	87.25	0.00	125.88
Consumer Awar eness (Publicity)	60.00	42.50	42.25	0.00	0.00	0.00	42.25	44.50	23.00	21.99	0.00	0.00	0.00	21.99	25.00	
Consumer Prote ction	49.00	40.41	39.18	0.00	0.00	0.00	39.18	44.00	42.00	33.44	0.00	0.00	0.00	33.44	40.00	
Legal Metrology & Quality Assur ance	62.00	42.74	41.02	0.00	0.00	0.00	41.02	55.00	18.15	6.24	0.00	0.00	0.00	6.24	17.00	
National Test H ouse	20.00	14.00	13.43	0.00	0.00	0.00	13.43	23.50	13.50	9.39	0.00	0.00	0.00	9.39	14.75	
Strengthening of Price Monitoring Cell	2.00	1.00	0.99	0.00	0.00	0.00	0.99	2.00	1.50	1.38	0.00	0.00	0.00	1.38	1.50	
BIS Gold Hallm arking & Assayi ng Centres and Sta ndardisation of Quality Control	2.00		1.00	0.00		0.00		1.50	0.10	0.00		0.00	0.00		0.75	
Price Stabilizati on Fund	2000.0	11800.0 0	11135.3 0	0.00	0.00	0.00	11135.3 0	2700.0 0	2250.0 0	2016.00	0.00	0.00	0.00	2016.00	1500.00	
Consumer Welfare Fund	0.00	0.00	0.00	*261.00	*261.00	22.92	22.92	0.00	0.00	0.00	@263.50	@263.5 0	34.35	34.35	0.00	37.50
Total	2195.0 0	11941.6 5	11273.1 7	366.00	357.26	115.70	11388.8 7	2870.5 0	2348.2 5	2088.44	367.10	368.89	121.60	2210.04	1599.00	163.38

1.7 As regards the Statement showing provisions in the Budget for Central and Centrally Sponsored Scheme-Plan Scheme Estimates for the year 2022-23, the Department has furnished figures as follows:

(Rs. in Crore)

SI.	Scheme	2022-23
No.	Scheme	Allocation
1	Consumer Protection (Strengthening Consumer Fora / ICGRS/ CONFONET/Consumer Protection Cell)	40.00
2	Consumer Awareness (Publicity)	25.00
3	Strengthening of Price Monitoring Cell (PMC)	1.50
4	Strengthening of Legal Metrology Infrastructure (Weights &Measures)	17.00
5	Strengthening National Test House (NTH)	14.75
6	Bureau of Indian Standards (BIS)	0.75
	Total	99.00
7	Price Stabilization Fund	1500.00
	Grand Total	1599.00

1.8 On a query regarding financial allocation, the Department, in its reply, has informed that a BE of Rs. 2974.1 Crore was allocated for the Department of Consumer Affairs in 2021-22 which was revised to Rs. 2453.64 Crore at RE stage. The Actuals remained upto Rs. 2175.69 Crore as on 11.02.2022 i.e. 88.67% excluding the allocation under the Consumer Welfare Fund. For the ensuing Budget year of 2022-23, the BE has been kept at Rs. 1724.88 Crore.

[P. 64 of Replies to LoP]

1.9 When asked about the reasons for drastic reduction from the BE to RE of the year 2021-22 and further reduction in allocation for 2022-23, the Department of Consumer Affairs has stated that the main reason for this reduction was less allocation under Price Stabilization Fund (PSF) as per the ceiling prescribed by Ministry of Finance. They have further stated that a provision of Rs. 2700 Crore under PSF for BE 2021-22 was made which had been reduced to Rs. 2250 Crore at RE stage.

[LOP 1A(b), P. 2].

1.10 The Committee note that Budget Estimates (BE), Revised Estimates (RE) and Actual Expenditure (AE) for the year 2021-22 had been kept at Rs. Rs.2974.1 Crore Rs.2453.64 Crore and Rs.2175.69 Crore respectively. The Committee further note that the BE during 2021-22 was reduced by 17.5% at RE stage and kept at Rs. 2453.64. Even, this reduced AE could not be met by the Department at Actual Stage and it fell short by 11.3%. The Committee note with concern that the BE of 2022-23 has however been sharply reduced by 70.2% compared to RE of 2021-22 and has been kept as low as Rs.1724.88 Crore. If the allocation for PSF i.e. Rs. 1500 Crore for 2022-23 is deducted from the total amount of BE of Rs. 1724.88 Crore, this allocation remains to the tune of Rs. 224.88 Crore only which is also 18% lower than the BE for 2021-22 which was kept at Rs. 274.10 Crore. The reasons for the reduction has been attributed to the ceiling imposed by the MOF and downward revision of allocation for Price Stabilisation Fund. The Committee are apprehensive that this drastic reduction in the allocation for 2022-23, the Department of Consumer Affairs would not be able to implement its Major Schemes, which are directly connected with the common people of the country. The Committee, therefore, recommend the Ministry to act proactively and approach the Ministry of Finance to convince them to lift ceiling imposed as such for augmenting the fund for its Major Schemes exclusively dedicated to the consumers in the country. At the same time, the Committee would also impress upon the Department to take strong measures and keep a close monitoring of the Expenditure for proper implementation of Central Schemes with reference to the imperative demands and the targets fixed in respect of each of these Major Schemes.

CHAPTER - II

IMPLEMENTATION OF THE COMMITTEE'S RECOMMENDATIONS

The Tenth Report (17th Lok Sabha) of the Standing Committee on Food, Consumer Affairs and Public Distribution on Demands for Grants (2021-22) of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) was presented to Lok Sabha on 19 March, 2021 and laid on the Table of Rajya Sabha the same day. The Report contained 21 Recommendations/Observations.

- 2.2 The Minister concerned is required to make a Statement under Direction 73-A of Directions by the Speaker, Lok Sabha about the status of implementation of Recommendations/observations contained in the original Report of the Committee within six months of presentation of Report to the Parliament. Statement under Direction 73-A in the context of the Tenth Report (17th Lok Sabha) was made by the Minister of Consumer Affairs, Food and Public Distribution on 30th July, 2021 in Rajya Sabha and on 3rd August, 2021 in Lok Sabha.
- 2.3 On the basis of Action Taken Replies received on 25 June, 2021 from the Department of Consumer Affairs in respect of the Tenth Report (17th Lok Sabha), the Committee presented the Action Taken Report to the Parliament on 7 December, 2021. The Committee commented on the Action Taken Replies furnished by the Department in respect of the observations/recommendations of the Committee at Para Nos. 2.9, 3.4, 4.27, 4.29, 5.7, 7.14, 7.15, 7.17 and 8.12 of the Tenth Report (17th Lok Sabha).
- 2.4 The Committee note with concern that the Action Taken Replies in respect of the Observations/Recommendations contained in the Tenth Report (17th Lok Sabha) of the Committee were furnished by the Government a few days after expiry of the stipulated period of three months i.e. on 25 June, 2021- though the Report on Demand for Grants was presented to the House on 19 March, 2021. The Statement of Minister under Direction 73-A was, however, laid in Rajya Sabha on 30 July 2021 and in Lok Sabha on 3 August, 2021. Thereafter, the Action Taken Report was

presented on 7 December, 2021. An Analysis of the Action Taken Replies revealed that the Government had accepted 80.95% of the Observations/Recommendations of the Committee. Though, the Committee did not desire to pursue 9.52% of the Observations/Recommendations, yet they found that the replies of the Government in case of 4.76% of the Observations/Recommendations were of interim nature. The Committee hope and trust that the Department will strictly adhere to the laid down procedures and stick to time limit - in respect of Action Taken Statement made in respect of the Recommendations/Observations contained in their Reports in future, in letter and spirit and also inform them about the status of implementation of the Recommendations, the Replies, in respect of which were of interim nature and also in respect of those Replies on which the Committee had commented/reiterated in their Action Taken Report.

CHAPTER - III

DEMANDS FOR GRANTS (2022-23) – AN OVERVIEW

The Department, in a reply, has informed the Committee that in the ensuing Budget of 2022-23, a BE of Rs 1599 crore has been proposed as Demands for Grants (2022-23) of the Department of Consumer Affairs for the Central Sector Schemes.

[Reply to LoP 1 (b), P. 7, 67 & 68]

3.2 On a query of schemes/programmes/ projects, the Department has informed that the schemes/programmes/projects are being implemented by the Department of Consumer Affairs through its two umbrella schemes namely (1) Consumer Protection and (2) Legal Metrology & Quality Assurance. Apart from these two Umbrella Schemes, the Department also implements Price Stabilization Fund (PSF) and Consumer Awareness (Advertising and Publicity) programme. The Umbrella Scheme of Consumer Protection covers (a) Scheme of Strengthening Consumer Commissions (SCC), (b) Computerization and Computer Networking of Consumer Commission in the Country (CONFONET) and (c) Integrated Consumer Grievances Redressal System (ICGRS).

[P.1-2 PM]]

3.3 On being asked by the Committee about the Scheme of Legal Metrology and Quality Assurance, the Department has informed that under this Scheme there are three sub-schemes vi.(1) Strengthening of the Legal Metrology and enforcement; (2) Strengthening of National Test House; and (3) Strengthening of Gold Hallmarking, Standard related Capacity building and Research and Development Work.

[Reply to Point No.1, P. 3&4 PM]

3.4 The Committee note that the Demands for Grants (2022-23) of the Department of Consumer Affairs have been pegged at Rs.1599.00 Crore for the Central Sector Schemes. These Schemes/programmes/projects are implemented by the Department of Consumer Affairs through its two Umbrella Schemes i.e., The Consumer Protection and Legal Metrology & Quality Assurance. The Committee

note that besides these umbrella schemes, the Department also implements Price Stabilization Fund (PSF) and Consumer Awareness (Advertising and Publicity) **Programmes. While the Umbrella Scheme of Consumer Protection covers Schemes** of Strengthening Consumer Commission, Computerization and Computer Networking of Consumer Commission in the Country (CONFONET), Integrated Consumer Grievances Redressal System (ICGRS), the Scheme of Legal Metrology and Quality Assurance covers Strengthening of the Legal Metrology, the National Test House and Gold Hall Marking, Standard related capacity building and research and development work. It goes without saying that the Schemes being implemented by the Government through the Department of Consumer Affairs are of utmost importance which encompass a wide range of activities for the welfare of the consumers of the country. Though, the Committee note that the BE of Rs. 1599 Crore in 2022-23 has been kept lower to the RE of corresponding period of 2021-22 i.e. Rs. 2453.64 Crore and the Actual Expenditure of Rs. 2175.69 Crore (which remained lower to the allocation), yet they emphasize that the Department should take all out efforts and leave no stone unturned to utilize this fund towards fullest execution of their Schemes in a judicious way with proper planning, so that no amount is surrendered to the Government Exchequer and maximum people are benefitted thereby.

CHAPTER - IV

CONSUMER PROTECTION

The Department has informed about main objectives of the Consumer Protection Programme as under:

- To create suitable administrative and legal mechanisms which would be within the easy reach of consumers and to interact with both Government and non-Governmental Organizations to promote and protect the welfare of the consumers.
- To involve and motivate various sections of society including consumer organizations, women and youth to participate in the programme.
- To generate awareness among consumers about their rights and responsibilities, motivate them to assert their rights and not let them compromise on the quality and standards of goods and services and to seek redressal of their disputes in Consumer Commissions, if required.
- To educate the consumers to be aware of their rights & social responsibilities.
- to provide a meaningful consumer protection through proper legislation.

[Para 4.1, P. 38 of AR]

4.2 When asked about the BE, RE and AE for the year 2021-22, the Department has replied that the BE for the year was kept at Rs 44 Crore which was reduced to Rs. 42.00 Crore at RE Stage. Out of this allocation, the Department was able to spend only Rs. 33.44 Crore (as on 11.02.2022) i.e. upto 79.6%. For the year 2022-23 an amount of Rs. 40 Crore is allocated by the Government for the Consumer Protection. Besides there is an allocation of Rs.1.01 Crore for Central Consumer Protection Authority (CCPA)

[Annex-A to Q 1 reply, P.1, 2 & 64 & P. 9 DDFG]

4.3 The Department has further informed that the Government of India has been extending financial assistance under the Scheme to strengthen the infrastructure of Consumer Commission so that a minimum level of facilities are made available at each Consumer Commissions, which are required for their effective functioning. Computer

hardware, software and technical manpower are provided to the Consumer Commission for computerisation under the Scheme CONFONET. Also, an Integrated Grievance Redressal Mechanism in the way of National Consumer Helpline and 6 Zonal Helplines is working paralelly to help consumers to resolve their problems.

[Pages 1-5 of PM]

The New Act

4.4 On a question by the Committee as regards the legislative provisions, it has informed that with a view to modernise the Consumer Protection Act, 1986 and to further strengthen the Act in the new era of globalization, tools and technologies, e-Commerce markets, Consumer Protection Bill, 2019 was passed in the Parliament on 09.08.2019. The Consumer Protection Act, 2019 has since been implemented w.e.f. 20th July, 2020. The new Act repealed and replaced the 33 year old Consumer Protection Act, 1986.

[P.80, PM]

4.5 Further, the new act covers E-Commerce transactions which allows electronic filing of complaints, hearing and/or examining parties through video-conferencing for procedural ease and reduces inconvenience. It has also introduced the concept of product liability bringing within its scope, the product manufacturer, covers e-commerce transactions and allows electronic filing of complaints, hearing and/or examining parties through video-conferencing for procedural ease and reduces inconvenience. The New Act has also introduced the concept of product liability bringing within its scope, the product manufacturer, product service provider and product seller for any claim for compensation. Besides, it can also impose a penalty on the manufacturer/endorser for a false or misleading advertisement and can also prohibit them from endorsing a particular product or service apart from providing for mediation as an Alternate Dispute Resolution mechanism for making the process of dispute adjudication simpler and quicker and reduce pressure on consumer courts.

[P. 80 PM]

4.6 The Department has also informed that under the provisions CP Act, 2019, the executive agency i.e. the Central Consumer Protection Authority has been set up and

came into effect w.e.f 24.07.2020. It is empowered to conduct investigations into violations of consumer rights and institute Complaints / Prosecution through its Investigation Wing headed by a Director-General. The authority can also take suo-motu actions, recall products, order reimbursement of the price of goods/services, cancel licenses and file class action suits.

[P. 80 PM]

4.7 Asked about the allocations earmarked for Salaries and for Rent, Rates & Taxes for CCPA, the Department has submitted, in a reply, that the CCPA has taken a space measuring of 2121 sq. ft on lease from IIPA at the Institutes' Campus at Indraprastha Estate at Rs. 5,83,275+GST monthly rate as rent for which Rs. 65 lakhs for rent purpose have been allotted and Rs. 10 lakh has been provided for salaries purpose for any employee/consultant hired by CCPA for 2022-23.

[Reply to SLoP 4]

(a) Strengthening Consumer Commissions (SCC)

- 4.8 On a query made by the Committee about the SCC, the Department has submitted that under the provisions of the Consumer Protection Act, 2019, a three tier-quasi-judicial mechanism, called Consumer Commission, has been established at the District, State and National levels to provide speedy, simple and inexpensive resolution of consumer disputes. As per the provisions of the Act, it is the responsibility of the State Governments to establish and effectively run the District Commissions and State Commissions in their respective States/UTs. However, to supplement the efforts of the State Governments, the Department of Consumer Affairs, Government of India has been extending financial assistance under the scheme to strengthen the infrastructure of Consumer Commissions so that a minimum level of facilities are made available at each Consumer Commission, which are required for their effective functioning.
- 4.9 The Committee have also been informed that under the Scheme, financial assistance is provided to the State/UT Governments for construction of new buildings of the Consumer Commissions, carrying out addition/alteration/renovation of existing

building and grant for acquiring non-building assets such as furniture, office equipment, installing CCTV cameras etc.

[P. 1 PM]

- 4.10 As regards the funding pattern, the Department has submitted that the Budget Estimate for 2022-23 for SCC has been proposed to Rs.600 Lakh. During the year 2021-22, a total of Rs 800 Lakh in the BE and Rs. 279.40 Lakh in the RE have been allocated for Strengthening of Consumer Commission. The full amount of RE was spent on release of fund to Government of Karnataka for construction of District Consumer Commission building and Non-Building assets under SCC Scheme.
- 4.11 The BE, RE and AE for the years 2019-20, 2020-21 and 2021-22 were stated to be as follows:

(Rs. in Lakh)

Year	BE	RE	
			Actual Expenditure
2019-20	600	494	353.62
2020-21	800	266	117.38
2021-22	800	279.40	279.40
2022-23	600	-	-

[Reply to LoP 20 (a)]

4.12 The Committee specifically desired to know the targets fixed and plans/strategies drawn up to achieve the same during the year 2022-23, the Department of Consumer Affairs, in a reply, submitted that proposals received from some States such as Jharkhand, Chhattisgarh, Karnataka, Kerala, Odisha, Nagaland and Madhya Pradesh under the scheme, were under scrutiny and that funds would be released if the proposals are found complete and in order.

[Reply to LoP 20(b)]

(b) Integrated Consumer Grievance Redressal System (ICGRS)

4.13 The Department has informed that the Department of Consumer Affairs has set up a National Consumer Helpline (NCH) to handle consumer grievances. In addition, six

Zonal Consumer Helplines (ZCH) have been set up at Ahmedabad, Bengaluru, Guwahati, Jaipur, Kolkata and Patna as extension of National Consumer Helpline (NCH) to cater to the growing regional needs w.e.f. October, 2017. The ZCH is networked with the NCH through a common platform/software. All the activities related to consumer grievance redressal are funded from the scheme "Integrated Consumer Grievance Redress System (ICGRS)".

[Reply to Point No.1(c), P. 2 PM]

- 4.14 As regards the BE and RE during the year 2021-22 under the head, the Committee have been informed that Rs.900 lakh and Rs.700.34 lakh were provided in the BE and RE. However, the Actuals remained to the tune of Rs. 450.54 lakh.
- 4.15 On being asked about the number of cases/grievances received and action taken thereon during the years 2019-20, 2020-21 and 2021-22, the Department has submitted the following information:

FY	Docket Registered	General Enquiry (Non-Consumer Protection Act)	Grievances
2019-2020	741094	127750 (17.24%)	613344 (82.76%)
2020-2021	674820	95454 (14.15%)	579366 85.85%
2021-2022	606294	83047 (13.70%	523247 (86.30%

[Reply to Q 8(a) & (c), P.8]

4.16 The Committee have been further informed that NCH has Convergence with more than 630 companies. The Department of Consumer Affairs has furnished information about Redressal of matters through Convergence Route as follows:

FY	Convergence	Redressal by	Company	
	Registered	Company	Redressal (%)	
2019-2020	289483	269503	93.1	
2020-2021	353227	303433	85.9	
2021–2022	317449	266193	83.9	
Total	960159	839129	87.4	

[Slide No. 9, P.5 of PPT & Reply to LoP 8(c), P.8-10]

4.17 It may be seen that 93.1% (269503) of the total grievances registered through convergence route (289483) during the year 2019-20 had been settled. The figure for the year 2020-21 (303433 out of 353227) was 85.9%, and that between April, 2021 and January, 2022 (266193 out of 317449) 83.9 %. Thus the overall percentage of cases registered over the last 3 years, redressed by companies is 87.4%

[Reply to Q 8, P. 9]

4.18 During the year 2022-23, with an allocation of Rs. 660 Lakh, the Department set a target of increase in the number of complaints handled by 10.6% over the previous year.

[P. 15 OOM Framework]

State Consumer Helpline

4.19 On the question of discontinuation of the State Consumer Helpline Scheme, the Department has submitted that it has been discontinued as the work of State Consumer Helpline was overlapping with that of Zonal Consumer Helplines (ZCH) which caters to the complaints received across the Country through 6 ZCH centres setup in the country at Ahmedabad, Bengaluru, Guwahati, Jaipur, Kolkata and Patna having 60 desks (10 desks in each location) to handle complaints received in regional languages [Reply to LoP 16A ©(iv), P. 25 & LoP 30 (a) to (c), P.63]

4.20 The Department has also informed:

"The Zonal Consumer Helplines were set during October, 2017 to supplement the efforts of National Consumer Helpline by handling the consumers grievances received in regional languages. The consumers are connected to Zonal Consumer Helplines through common National toll free number of National Consumer Helpline (1800-11-4000 or 14404), therefore, they need not to have two different Helplines now (one for National/Zonal Consumer Helpline and other for State Consumer Helpline. Consumers have now one point of contact at pre-litigation stage which avoids confusion also as to which helpline to approach. Further, during last 3-4 years, it was being observed that except some 5-6 States, State Consumer Helplines were receiving very less calls.

Due to all these reasons, it was decided to discontinue State Consumer Helplines as these were serving the same purpose as is being done by Zonal Consumer Helplines. If in future, it is felt that complaints from some specific regions are increasing, seats in Zonal Consumer Helpline can always be increased in proportion."

[Replies to SLoP 7]

4.21 About the details of States/UTs covered and Language support the Department has submitted as follows:

Region	Location of ZCH	States/UTs covered	Language support other than English and Hindi		
1.Northern Region	Jaipur	J&K(UT), Ladakh(UT) Punjab, Himachal Pradesh, Haryana, Rajasthan, Chandigarh(UT)	Kashmiri, Punjabi and Dogri		
	Patna	Uttar Pradesh, Uttarakhand, Bihar, Jharkhand	Santhali, Maithili, Nepali, Urdu		
2.Southern region	Bengaluru	Andhra Pradesh, Karnataka, Telangana, Kerala, Tamilnadu, Puducherry(UT), Lakshadweep	Kannada, Malayalam, Tamil, Telugu and Konkani		
3.Eastern region	Kolkata	West Bengal, Odisha, Madhya Pradesh, Chhatisgarh, A&N Islands(UT)	Bengali, Oriya		
4.North-eastern Region	Guwahati	Assam, Meghalaya, Manipur, Tripura, Nagaland, Arunachal Pradesh, Sikkim, Mizoram	Assamese, Bengali, Manipuri		

5.	Western	Ahmedabad	Gujarat,	Maharastra,	Goa,	Gujarati, Marathi&Sindhi
Region	1		Daman &I	Diu and Dadra	&Nagar	
			Haveli(UT)	_	

[Replies to SLoP 7]

4.22 About the status of Grants Released / Pending UCs under the State Consumer Helpline Scheme (As on 31.01.2022), the Department have informed as follows:

(Rs.in lakhs) SI.	State/UT	Year of last	Last Released	Unsp. Balance
No.		Release	Amount	&Pending UC
1	Andhra Pradesh	2007-08	27.25	11.84
2	A &N Islands	2012-13	21.95	19.16
3	Arunachal Pradesh	2008-09	23.97	0
4	Assam	2016-17	40.86	40.86
5	Bihar	2013-14	27.14	8.35
6	Chandigarh	2021-22	5.84	0
7	Chhattisgarh	2014-15	27.24	27.24
8	Dadra Nagar Haveli	2010-11	21.95	21.95
9	Daman &Diu	2014-15	22.99	22.99
10	Gujrat	2010-11	5.49	0
11	Haryana	2017-18	38.77	0

12	Himachal	2014-15	18.30	25.92
	Pradesh			
13	Jammu	2017-18	29.88	29.88
	&Kashmir			
14	Jharkhand	2011-12	26.80	0.76
15	Karnataka	2017-18	27.24	27.24
16	Kerala	2020-21	21.68	21.68
17	Lakshadweep	2008-09	21.95	14.53
18	Madhya	2020-21	37.38	37.38
	Pradesh			
19	Maharashtra	2015-16	27.24	0.79
20	Manipur	2016-17	13.49	13.49
21	Meghalaya	2012-13	21.95	7.89
22	Mizoram	2015-16	13.49	0
23	Nagaland	2016-17	19.13	0
24	Odisha	2015-16	2.46	0
25	Punjab	2009-10	27.60	27.60
26	Puducherry	2020-21	26.98	16.69

27	Rajasthan	2021-22	27.24	27.24
28	Sikkim	2017-18	13.49	0
29	Tamil Nadu	2015-16	27.24	0
30	Telangana	2020-21	13.49	13.49
31	Tripura	2020-21	11.33	11.33
32	Uttar Pradesh	2019-20	32.78	0
33	Uttarakhand	2010-11	24.10	12.84
34	West Bengal	2017-18	11.89	23.10

4.23 As per information furnished by the Department, an amount of Rs. 464.24 Lakh given under the State Consumer Helpline Scheme is still outstanding against 24 States/UTs.

[Reply to LoP 9(d) & Annex-F, P. 12 & 70]

4.24 On being asked by the Committee to state the reasons therefor, the representative of the Department of Consumer Affairs submitted:

"State/UT Governments are being regularly requested through meetings/video conferencing and letters to furnish pending Utilization Certificates against the funds released to State/UT Governments under various schemes of this Department. The reply also stated that recently, meetings with Eastern States on 01.12.2021, Southern States on 25.01.2022 and with all State/District Commissions on

14.02.2022 were held wherein States/UTs were requested to furnish pending Utilization Certificates."

[Reply to Addl SLoP 2]

(c) Computerization and Computer Networking of Consumer Fora in the country, (CONFONET)

4.25 When asked about the computerization of Consumer Commissions, the Department in a written reply, submitted that under the scheme, the Consumer Commission at all the three tiers throughout the country were to be fully computerized to enable access of information and quicker disposal of cases. The project is being implemented by the National Informatics Centre (NIC). Under the scheme, hardware, software and technical manpower are provided to the Consumer Commission.

[P. 1 & 2 of PM]

4.26 The achievements of the Scheme were stated by the Department to be as under:

(i) Automatic cause list generation, (ii) Ready availability of case status, (iii) Quick view of case history, (iv)Quick search facility using case number, complainant name, respondent name etc., (v) Judgment search using free text search, (vi) Automatic notice generation after one time master entry, (vii) Various statistical reports generation. In the CONFONET website consumers can see/ get information with regard to the above aspects.

[P. 1 & 2 of PM]

Budgetary Allocation

4.27 When asked about the budgetary provision under CONFONET, the Department, in a reply, submitted before the Committee that BE, RE and AE for the CONFONET Scheme for the year 2021-22 is Rs. 2600 Lakh, Rs. 3200 Lakh and Rs. 2600 Lakh respectively. In other words, the Department made upward revision of the allocation at RE Stage, but utilized the amount originally allocated i. e. Rs. 2600 Lakh. The Department has intimated that remaining funds would be utilized by the end of the Financial Year. The allocation for the year 2022-23 is Rs. 2700 lakh.

[Reply to LoP 16 A(ii), P.24-25]

Achievement

4.28 On a query about the achievements made, the Department has informed that the hardware/ software have been replaced in 31 State Commissions, 6 Circuit Benches (CB)

and 378 District Commission. Procurement/ supply for new set of hardware is under process for 200 locations which includes 3 State Commissions, 1 CB and 196 District Commissions. The Department also informed that as per Confonet project, all consumer commissions need to be covered under the Confonet scheme which are functional and where site for installation of Hardware is ready. All such consumer commissions have been taken up and Confonet has been implemented over there. As and when informed by State Commission that any new consumer commission is setup/created/established, that has also been covered for implementation of Confonet scheme.

[Para 5.2.2, P.44 AR & Reply to LoP 22 ©, P. 34]

4.29 When queried about the locations where CONFONET have not yet been implemented, the Department has replied that on 13 locations, CONFONET HAS NOT YET BEEN IMPLEMENTED because these sites have not yet been ready / not functional till date as follows.

Sn	State	No. of remaining Consumer commission	Name of Consumer commission	Remarks
1	Arunachal Pradesh	4	Dibang Valley, Tirap, Kurung Kumey, Anjaw	Site not ready.
2	Chattisgarh	2	Narayanpur, Bijapur	Site not ready
3	Daman &Diu and Dadar Nagar Haviely	2	Site at Daman State Commission &Diu DCF is not ready.	Site at Daman State Commission &Diu DCF is not ready and consumer commission not functional.
4	J &K	1	Srinagar DCF	Site not ready
5	Nagaland	3	Peren, Longleng, Kiphire	Site not ready

6	Laddakh	1	Laddakh	Recently notified/Not yer functional
	Total	13(1SC=12DC)	Daman &Diu State Commission &12 District Commissions	

[Reply to LoP 22(c), P. 34-35]

4.30 The Department has elaborated that the targets of computerization of 13 Consumer Commissions and holding 6 training sessions to upskill 500 officials on the use of the same have been set.

[P.13, OOMF]

4.31 The Department has also explained that NIC(CONFONET) informed the Department that the 13 Consumer Commissions in above mentioned states are those locations, where site has not been ready for supply/installation of Hardware. However, e-Daakhil portal has been implemented in Chattisgarh, Nagaland and Arunachal Pradesh state. Concerned state has decided & informed that the mentioned non- covered District consumer commissions of these states are clubbed with other operational District commission in the state for entertaining the consumer complaints of above said non-covered Districts. Accordingly as informed by concerned State, its mapping has been done in e-Daakhil software.

[Reply to SLoP 9(i)]

e-Daakhil Portal

4.32 About the e-Daakhil Portal, the Department has informed the Committee that under CONFONET scheme, as on date, eDaakhil portal has been developed and implemented in NCDRC and 27 States/UTs (which covers 624 consumer commissions across the country) and consumers are facilitated for online filing of Consumer Complaints in these 624 Consumer Commissions.

4.33 The Department has further informed that several States had requested for the facility of online filing of Appeals and other type applications (IA/MA) in the State Commissions, so the desired facilities have been implemented in States from 24th December, 2021 onwards through eDaakhil portal.

[Reply to LoP 22(d), P.35]

Consumer Protection

4.34 The Committee observe that the Department of Consumer Affairs has enacted the Consumer Protection Act, 2019 which came into force w.e.f. 20 July, 2020. They note that an amount of Rs. 44 Crore was earmarked for Consumer Protection for the year 2021-22 which was revised to Rs, 42 crore at RE Stage. To their utter dismay, they find that even this amount was not spent in full and was short of about 20.2 % of the target as on 11.2.2022. The Committee understand that under this Head, various Schemes/Projects of the significant public importance such as strengthening of Consumer Fora, Computerization and Computer Networking of Consumer Fora (CONFONET), and Integrated Consumer Grievances Redressal System (ICGRS) are financed and implemented. The Committee, therefore, are of the opinion that unless and until the earmarked funds are utilized as per the allocation, the intended targets of these Schemes aimed at to safeguard the interests of the consumers in the country, will not be achieved. They, therefore, urge the Department to take stringent measures coupled with close monitoring of finances to make sure their full utilization.

4.35 The Committee note that an amount of Rs. 10 Lakh and Rs. 65 Lakh have been earmarked for the salary and Rent expenses of the Central Consumer Protection Authority (CCPA), which has been empowered to conduct investigations into violations of consumer rights and institute Complaints. They also note that the CCPA is functional from a rented site for which Rs.1.01 crore lakh has been earmarked. Keeping in view of the magnitude of the consumers of the country and their complaints, the Committee are of the considered view that the CCPA should have their own campus having spacious space to discharge their

duties and accommodate large number of consumers under a single roof instead of running from a rented premise having space crunch or so.

The Committee note that advertisements of various products are being launched on televisions, other electronic and print media without ascertaining their genuineness which mislead the consumers of the country to a great extent. The Committee observe that most of the consumers are not literate and or residing in remote, hilly and far-flung areas, are misled and easily trapped and brain-washed by such advertisements and as such are inclined to purchase the items so advertized without thinking the pros and cons and have to suffer a lot in due course. The Committee find it an act of deceit being perpetrated with the innocent consumers of the country. The Committee, therefore, recommend the Department to devise a mechanism to control this widespread menace and provide for a strict monitoring mechanism on fake adds to save the interests of the consumers. In this context, the Committee further desire that the Agency/company, whose adds are found fake as such be de-listed for the advertisement in future with imposition of hefty penalty and/or punishment to check and balance these advertisements flooded on the electronic and print media, etc. The Committee also recommend the Department to amend the relevant Acts for the purpose, if required.

Strengthening of Consumer Commissions

4.36 The Committee note that in order to supplement the efforts of the State Governments to run quasi-judicial Consumer Commissions commensurate to the Consumer Protection Act, 2019, the Department of Consumer Affairs is extending financial assistance to them to strengthen the infrastructure so that a minimum level of facilities are provided at each Consumer Commission required for their effective functioning. They, however, are constrained to note that in 2019-20, Rs. 600 Lakh was proposed at BE Stage which was revised to Rs. 494 Lakh and the Actuals remained only to the tune of Rs. 353.62 Lakh. Again, in 2020-21, the Actual Expenditure could not be met in full. The Committee find it to their utter dismay that even the reduced allocations are not being repeatedly met at AE Stage by the Department. The Committee do not understand the reasons for this trend. Against

this backdrop, the Committee remain apprehensive as to whether an amount of Rs.600 Lakh in BE of 2022-23 would hardly be spent in full and the funds might be surrendered to Government Exchequer. The Committee hope that the Department will take strong measures in formulating the plan prudently and spend the entire funds allocated to the Department in 2022-23.

4.37 The Committee note that in 2021-22, the total allocation of Rs. 279.40 Lakh was released to the State of Karnataka for construction of District Consumer Commission building and non-building assets. The Committee while appreciating the initiative, would like to be apprised of the status thereof. The Committee further note that the Department has received proposals from the States of Jharkhand, Chattisgarh, Karnataka, Kerala, Odisha, Nagaland and Madhya Pradesh for release of funds under the scheme. The Department has informed that these requests are under scrutiny. The Committee, therefore, urge the Department to expedite finalization of their requests on priority basis and release the fund immediately to avoid any hardships on this count.

National Consumer Helplines

4.38 The Committee note that the State Consumer Helpline Scheme has been discontinued. The Department has expressed the reason for this discontinuation to be overlapping with the work of the Zonal Consumer Helplines (ZCH). They also note that an amount of Rs. 464.24 Lakh has already been released under this Scheme and most of the States/UTs either has not utilized it or it is under-utilized also these States/UTs have not furnished their Utilization Certificates. The Committee do not understand what action the Department is going to take for the unspent/under-utilized funds by the States. The Committee, therefore, suggest the Department to vigorously pursue the matters with the States/UT Administrations to furnish Utilization Certificates and accordingly apprise them of the complete action taken in the matter.

Confonet

4.39 The Committee note that under the Scheme of Computerization and Computer Networking of Consumer Fora in the country (CONFONET), the Consumer Commissions at all the three tiers throughout the country are to be fully computerized to enable ease of access of information and quicker disposal of cases. They also note that hardware/software have been replaced in 31 State Commissions, 6 Circuit Benches (CB) and 378 District Commissions and procurement/supply of new set of hardware is under process for 200 more locations which includes 3 State Commissions, 1 CB and 196 District Commissions. The Committee are constrained to note that the scheme of CONFONET has not been implemented owing to the sites not made ready at 4 sites of Arunachal Pradesh, 2 sites each of Chhattisgarh, Daman & Diu and Dadar & Nagar Haveli, 1 in J&K, 3 in Nagaland and 1 in Laddakh. The Committee find it as a lackadaisical approach on the part of the Department and strongly recommend the Department to act proactively to accomplish the tasks as per mandate so as to refrain from causing any hardships to the consumers on this count. The Committee note that the Department has made a provision of BE of Rs. 27.00 Crore in the Budget of 2022-23 with the targets of computerization of 13 Consumer Commissions and holding 6 training sessions to upskill 500 officials on the use of the Confonet system during the year 2022-23. The Committee laud this initiative and desire the Department to vigorously speed up the modalities/site readiness, etc. required for installation of equipments/hardware at Consumer Commissions in conformity to the 'Digital India' initiative.

e-Daakhil

4.40 The Committee note that an e-Daakhil portal has been designed/developed and implemented in NCDRC and 24 States/UTs which facilitates the consumers for online filing of complaints in 624 Consumer Commissions. They further note that it has been functional in some of the States/UTs whereas many States/UTs are deprived of the facility. The Committee, therefore, desire that this facility should be

extended to all the Consumer Commissions at the earliest. The Committee would like to be apprised of the latest status as obtaining in the matter.

CHAPTER - V

STRENGTHENING OF PRICE MONITORING STRUCTURE

The Department has informed that the Essential Commodities Act, 1955 empowers the Government to regulate prices, production, supply, distribution etc. of essential commodities for maintaining or increasing their supplies and for securing their equitable distribution and availability at fair prices.

[Para 11.6, P. 118 AR]

Price Reporting Mechanism

5.2 The Department has apprised the Committee that Price Monitoring Division (PMD) was set up in 1998 for keeping a close watch on the prices of selected 22 food items as well as the structural and other constraints affecting their availability. This information are critical for ensuring timely intervention for improving the market availability and thereby moderating prices. Initially, PMD was tasked with monitoring prices of 14 essential food items across 18 centers in the country. Over the span of about 21 years, the coverage of commodities monitored by PMD has expanded to 22 and the number of reporting centers has increased to 179. The 22 commodities being monitored by PMD include five item groups i.e., Cereals (Rice & Wheat), Pulses (Gram, Tur, Urad, Moong, Masur), Edible Oils (Groundnut Oil, Mustard Oil, Vanaspati, Soya Oil, Sunflower Oil, Palm Oil), Vegetables (Potato, Onion, Tomato), and Other items (Atta, Sugar, Gur, Milk, Tea, and Salt). Retail and Wholesale prices of 22 essential food items are released every day by 5.00 P.M. based on the information compiled from 179 centers. To ensure the effective market intervention particularly pulses and vegetables, a professional agency namely, Agriwatch has been engaged with effect from December 2020 for the two years, to provide market intelligence through weekly meetings and develop an econometric model based price prediction.

[Para 0.1.1 & 10.1.2, P. 100 of AR, P. 16 of OOMF & Reply to LoP 10(g), P. 14]

Budgetary Allocation

5.3 On the query of BE, RE and AE for Strengthening of Price Monitoring Structure during 2021-22, the Department has submitted that the BE was proposed at Rs. 2.00 Crore which was reduced to Rs. 1.50 Crore. The Actuals remained to the tune of Rs. 1.38 Crore. The BE for 2022-23 has also been proposed equal to Re of the previous year of 2021-22 i.e. Rs. 1.50 Crore.

[Reply to LoP 6, P. 7, 67 & 68]

5.4 It has been stated that prices of essential food commodities are volatile and tend to get affected by several factors, such as mismatch in demand and supply, seasonality, supply chain constraints, artificial shortage created by hoarding and black marketing, rise in international prices etc. Sometimes slight disruptions in supply chain or damage due to heavy rains leads to spike in prices of agri-horticultural commodities. Conversely, bulk arrival and logistics problems have the potential of creating a situation of glut in the market and resultant dip in retail prices. Prices of essential commodities may vary from state to state due to imposition of local taxes by State Governments/UTs.

[Reply to LoP 10 (e) & 11(b), P. 13 & 16]

Essential Commodities Regulation & Enforcement

- 5.5 It has further been stated that the Government is administrating the Essential Commodities Act, 1955 and Prevention of Black-Marketing and Maintenance of Supplies of Essential Commodities Act, 1980 through the States/ UTs. At present, there are seven Essential Commodities viz. Drugs, Fertilizers, Foodstuffs, Hank Yarn, Petroleum and Petroleum Products, Raw Jute and Jute Textiles, Crop Seeds (food crops, cattle fodder, fruits and vegetables, Jute, cotton) included in the schedule of the EC Act. Most of the powers under the Act, has been delegated to States vide order dated 30.11.1974 for other than foodstuffs and vide order dated 09.06.1978 in respect of Foodstuffs. Central Government regularly advises States/ UTs to implement both the Acts effectively.
- 5.6 The Committee asked the Department about the Details of raids conducted by the States/UTs during the years 2019, 2020 and 2021 in connection with hoarding/black marketing etc., the Department, in a written submission, enumerated the data as below:

Year	Raids	Persons	Persons	Persons	Value of	Detention
	conducted	arrested	prosecuted	convict	goods	order
				ed	confiscated	issued
					(in lakhs)	
2019	139644	7467	4774	2376	4341.76	111
2020	165250	10005	3662	712	6570.44	196
2021	116872	15450	5620	1034	7625.38	160

[Reply to Point No. 19, P. 68 PM & Reply to LoP 13(c), P. 17]

Meetings with Stakeholders

5.7 When asked about the meetings with stakeholders, the Department replied that the role of the State Government is vital to ensure adequate availability of essential commodities at fair prices in the larger public interest. One of the ways in which States/UTs may facilitate achievement of this objective is by holding regular meetings with the traders/dealers of the essential food items to get feedback on price and availability of these items from them (traders/dealers) and impress upon them the need to desist from hoarding, speculative trading, profiteering, unfair and illegal trade practices like cartelling. In this context, all the States/UTs have been requested to hold regular meetings with stakeholders of essential food items at the State and district levels.

[Reply to Point No. 19, P. 68 PM]

Targets for 2022-23

5.8 On a query about the target for the ensuing Budget year of 2022-23, the Committee have been informed as follows:

"With the budget of Rs. 1.50 Crore for the year 2022-23, the Department has set a target of adding 50 new price reporting centres. It also plans to get services of at least 1 independent professional organization for studies related to price. The Department also plans to conduct 5 Zonal Conference cum training and Market Visit for each of the 5 zones."

[P. 16 OOMF]

5.9 The Committee note that an amount Rs. 2.00 crore was proposed at BE stage which was revised downward and kept at Rs. 1.50 crore. They are constrained to note that out of this allocation, the Department has spent to the tune of Rs. 1.38 crore as on 11.2.2022. The Committee apprehend that a little time is left in closure of the financial year 2021-22 and the remaining amount hardly been spent. Resultantly, the amount will have to surrender to the Government Exchequer. They, therefore, desire the Department to formulate their planning judiciously so as to leave no chance in spending the earmarked fund timely and consumers could not face any hardship on this count. The Committee further note that the Department plans to engage the service of independent professional organization for studies related to price. They also note that most of the powers under the Essential Act, 1955 and the Prevention of Black-Marketing and Maintenance of Supplies of Essential Commodities, 1980 have been delegated to States as per order dated 30.11.1974 and 9.6.1978. However, the central government regularly advises the States/UTs to implement relevant Acts effectively and enforcement is done through raids. The Committee find that in view of such a very high raids/prosecution/conviction/detention, only 10005 persons were arrested and out of this number only 712 persons were convicted in 2020. Likewise, in 2021, out of 15450 arrested persons, only 1034 were convicted. The Committee do not understand the rationale behind this downward trend in prosecution against raid. They apprehend that defaulters must have been taking the benefits of the loopholes of the provisions contained in the Acts or there may be connivance of officials for their letting from being prosecuted who may, after letting from prosecution, again involve themselves in malpractices. The Committee, therefore, desire the Department to find out the reasons for non-conviction of the persons arrested and not prosecuted and take immediate action to refrain them from indulgence in malpractices and if need be, to amend the relevant Acts.

CHAPTER - VI

PRICE STABILIZATION FUND

The Committee have been informed that the Price Stabilization Fund (PSF) was set up with a corpus of Rs.500 crore to tackle price volatility in some agri-horticultural commodities viz. onion, potato and pulses to protect the interests of consumers. These commodities are to be procured from farmers/farmer's association at the time of harvesting and stored for regulated release during lean season to help bring down their prices. Such market intervention by Government would not only help send the appropriate market signal but also deter speculative/hoarding activities. To begin with, the Fund was to be used only for market interventions in case of perishable agri-horticultural commodities such as onion and potato which showed extreme volatility of prices. Subsequently, pulses were also covered. Under the PSF, interest free working capital advance is provided to Central Agencies, State/UT Governments/Agencies to undertake such market intervention operations. Apart from domestic procurement from farmers/wholesale mandis, imports may also be undertaken under PSF.

- 6.2 The Department has further informed that as per the Government's decision, the PSF was transferred to the Department of Consumer Affairs (DoCA) w.e.f. 1st April, 2016. Price stabilization operations are determined at the Centre by the Central Price Stabilization Fund Management Committee (PSFMC) which was reconstituted on transfer of Scheme and is now headed by Secretary, Department of Consumer Affairs. The Corpus Fund is managed by Small Farmers Agribusiness Consortium (SFAC). There is also a Sub-committee for investing surplus from PSF corpus chaired by Financial Adviser, Ministry of Consumer Affairs, Food & Public Distribution. Till date, 53 meetings of the Re-constituted PSMFC have been held.
- 6.3 The Department has furnished the date of the Annual Budget Allocations and the Actual Expenditures under Price Stabilization Fund (PSF) from 2018-19 till 2021-22 as follows:

(Rs. in crore)

Year	Budget	Revised	Actual
	Estimates (BE)	Estimates (RE)	Expenditure (AE)
2018-19	1500	1500	1500
2019-20	2000	1820	1713
2020-21	2000	11800	11135.30
2021-22	2700	2250	2016*
2022-23	1500		

^{*} Expenditure till 31.12.2021

[P. 7-8 PM]

6.4 The Representative of the Department of Consumer affairs deposed before the Committee:

"Sir, we are providing them ten per cent of all the schemes. Sir, as you are
aware that we monitor the schemes at RE stage.
add ad, ad add addad ad addad We have seen that there
is always shortage in North-eastern States with this ten per cent. They do
not give the proposal in most of the times. $\square\square\square\square\square$ - $\square\square\square$ $\square\square$ $\square\square$
□□□ □□□ Whatever is the proposal, we keep on giving them."

- 6.5 During the course of Oral Evidence, the representatives of the Department of Consumer Affairs deposed before the Committee as follows:
 - "...there is a corpus available in PFS of the order of order of Rs. 5000 Crore".

[P. 47 of Proceedings dated 24.02.2022]

Onions Buffer

6.6 The Committee have been informed that a buffer of 2.08 LMT of onion was built in 2021-22 under the Price Stabilisation Fund by procuring Rabi-2021 harvest from farmers/FPOs during April to July, 2021. The stocks were released through open market sale from last week of August, 2021 in a calibrated and targeted manner to cities/States

where prices were found to be higher. State/UTs and government agencies (Safal/NCCF) were also offered at discounted rate of Rs.21/kg ex-storage locations for retail supply to consumers.

6.7 With regard to Onion procured or imported and the quantity spoiled in storage during 2019-20, 2020-21 and 2021-22 in the Central Stock, the Department, in a written reply, submitted the following information:

Year	Commodity	Department	Procurement	Amount Released in	Quantity lost (DRIAGE/ SHORTAGE
				Rs.(Crore)	/DUMPING)
	MT		MT		
2019-20	Onion (Rabi)	DOCA	57,372.94	61.11	18,657.37
2019-20	Onion (Kharif)	DOCA	914.98	5	0.64
2019-20	Imported onion (Turkey)	DOCA	13,013.25	325.50	2,093.92
2019-20	Imported onion (Egypt)	DOCA	5,513.24		12.05
2020-21	Onion (Rabi)	DOCA	98,740.60	124.80	26,637.81
2020-21	Onion (Kharif)	DOCA	104.24		4.97
2020-21	Imported onion (Egypt)	DOCA	2,950.35		37.03
2020-21	Imported onion (Iran)	DOCA	15.91		-
2021-22	Onion (Rabi)	DOCA	2,08,033.33	502.37	
Total			3,86,658.82	1,020.78	51,582.74

[Reply to LoP 14 (c) & (d), P. 19 and Subsequent Reply]

6.8 On the query of target for the year 2022-23, the Department has replied that it has set a target of procuring 2.5 LMT of onion and to also stabilize the degree of fluctuation in

prices of pulses. The target for procurement of pulses is 7.38 LMT of Tur, 3.45 LMT of Urad, 3.18 LMT of Chana and 1.00 LMT of Masur.

[P. 10 & 11 OOMF]

State Corpus Funds

6.9 On State Corpus Fund, the Department has responded that the States/UTs can avail of the funds from PSF for creating State-level Price Stabilisation Fund Corpus which shall be utilized for interventions to stabilize prices of Agri-horticultural Commodities. Interest free advances from the PSF corpus are provided on sharing basis between Gol and State in the ratio of 50: 50 (75:25 in case the North Eastern States). The price stabilization operations using the State-level Corpus are to be managed by the State-level Price Stabilisation Fund Management Committee. The list of States which created state-level PSF, the amount released from Centre and the commodities in which interventions are being taken up was stated to be as follows:

State-level Price Stabilisation Fund

State	PSF Corpus Fund	State's Share	Centre's Share	Commodity
	created	(₹ crore)	Released	
	(₹ crore)		(₹ crore)	
Andhra	100	50	50	Onion, Potato
Pradesh				&Pulses
Telangana	18.31	9.15	9.15	Onions
West Bengal	10	5	2.50	Onions
Odisha	100	50	25	Onion, Potato
				&Pulses
Tamil Nadu	10	5	2.50	Onion &Potato
Assam	200	50	75	Onion and Masur Dal
Total	438.31	169.15	164.15	

[Reply to Point No. C(a), P. 8, PM & Reply to SLoP 5]

6.10 Asked about the monitoring mechanism, the Department, in a written reply, has stated:

"the State Level Price Stabilization Fund (SLPSF) is to be monitored by the State Level Price Stabilization Fund Management Committee (SLPSFMC) notified by the State Government. It also stated that DoCA monitors the progress of utilization of State PSF Corpus thorough meetings/VCs and by seeking Utilization Status, Utilization Certificates and Account Statements from the States from time to time."

[Reply to LoP 15(b), P.22]

Commodities Buffer

The Committee note that Price Stabilization Fund (PSF) was set up with an initial Corpus of Rs. 500 Crore to tackle price volatility in some of the Agri-Horticultural Commodities like onion, potato and pulses to protect the interests of the consumers. The Committee also note that price stabilization operations are determined at the centre by the Central Price Stabilization Fund Management Committee (CPSFMC), headed by Secretary, Department of Consumer Affairs, which has held 53 meetings after its reconstitution. The Committee are happy to note that the Department has spent 93.60%, 94.36% & 89.6% of the allocated funds under PSF in the years 2019-20, 2020-21 and 2021-22 respectively. However, the Committee are constrained to note that a quantity of 51582.74 MT of onion has damaged due to spoilage during the years 2019-20 to 2022-21. They observe that the price of onions mounted to high during the recent months and damage of such quantity of onion reflects poor management on the part of the Department who has also set a target of procurement of 2.5 LMT of onion apart from other Essential Commodities in ensuing Budget year of 2022-23. Keeping in view the vast procurement of onion and its price fluctuation, the Committee desire the Department to take due care for proper storage of onions so as to refrain price fluctuation as and when noticed for facilitating consumers and to prevent the black-marketing. The Committee, also recommend the Department to carry out market intervention operations with due diligence, utmost sensitivity and have proper monitoring to meet the needs of consumers particularly in those areas which are prone to price destabilizations.

State Level Corpus Fund

6.12 The Committee note that State-level Corpus Funds are created with Centre-State sharing on 50:50 basis and with 75:25 basis in case of the NE States. They also note that between the years 2015-16 to 2019-20, a total of Centre's share of Rs. 164.15 Crore had been released for setting up of State Level Price Stabilisation Fund with Centre's share of Rs. 50.00 Crore in Andhra Pradesh; Telangana; West Bengal; Odisha; Tamil Nadu; and Assam. Though the utilisation of the fund is monitored by the Department through meetings/ video conferencing and by seeking States Utilization Certificates and Account Statements of the States concerned from time to time, yet the Committee find that many States either do not furnish the Utilization Certificates or delay in submitting the same. The Committee, therefore, recommend the Department to take proactive steps for strict monitoring of the Account Statements of the States to make sure due spending on its part and seeking Utilization Certificates mandatorily from them.

CHAPTER - VII

CONSUMER AWARENESS (ADVERTISING AND PUBLICITY)

The Committee have been informed that under the Scheme of Consumer Awareness, print, electronic and outdoor awareness, campaigns are undertaken through Bureau of Outreach and Communication (BOC) / National Film Development Corporation (NFDC), All India Radio (AIR), Doordarshan (DD) & Lok Sabha Television (LSTV). Under this Scheme funds are also released to State / UT governments for consumer awareness programmes based on local themes. These funds can be used for advertisements in print and electronic media, local exhibitions, street plays, cultural functions etc. to educate the citizens about consumer rights. In order to create awareness amongst the people living in rural & backward areas. The Department also takes part in important fairs / festivals of various States / UTs keeping in view of the fact that such fairs / festivals draw a large number of people from rural & backward areas. The Department is also actively using various social media platforms for generating consumer awareness. The Department is making use of Common Service Centres across the country by displaying posters on consumer awareness. Innovative campaigns have been run by way of scroll messages, laptop branding, news report captions on Lok Sabha Television and Doordarshan. Sponsored Radio Programmes (SRPs) in Northeastern region and Ad Libs (Messages by RJs) are being broadcast on All India Radio (AIR) to generate awareness.

[P 2-3 PM]

The Budgetary allocation

7.2 On a question of provisioning of BE, RE and Actuals in 2021-22 under this Scheme, the Department, in a written reply, interalia stated that a BE of Rs. 44.50 Crore was proposed for this year which was revised downward to Rs. 23.00 Crore. The Actual Expenditure in respect of Consumer Awareness (Advertising & Publicity) was Rs. 21.99 Crore. The allocation for the year 2022-23 is Rs. 25.00 Crore.

[Reply to LoP 6(b), P. 7 & 67]

Financial Achievement

7.3 The Department has stated that as on 11th February, 2022, 95.61% of the RE was utilized and that work is underway to utilize the remaining funds by the end of financial year.

[Reply to LoP 17(b)]

Focus on Social Media

7.4 Since the Government is focussed on generating awareness through social media at zero dissemination cost, with the BE for 2022-23 of Rs 25.00 Crore, it is proposed to use a reputed professional agency to increase social media presence and brand recognition. It is also proposed to create content in regional languages for dissemination.

[Reply to LoP 17(a) & (c)]

7.5 The Committee note that under the Scheme of Consumer Awareness, print, electronic and outdoor awareness campaigns are undertaken. They find that a BE of Rs. 44.50 Crore was proposed for the year 2021-22 and out of this proposal, only 51% i.e.Rs. 23 Crore was earmarked at RE Stage. The Committee find it to their utter dismay that out of this amount, the Department could utilise it to the tune of Rs.21.99 Crore i.e., 95.61% upto 11 February, 2022. In the Budget of 2022-23, an amount of Rs. 25 Crore has been proposed. The Committee do not understand that the Department proposes hefty amount at BE Stage which is revised drastically and even the revised funds are not fully utilized or remain unspent and are surrendered to Government Exchequer. The Committee, therefore, are of the firm opinion that the very purpose of the Scheme, thus, gets defeated and whole exercise of formulation of the Scheme proves to be of little avail, if the target of actual expenditure is not met in full and resultantly the amount has to be surrendered to the Government account. The Committee, therefore, desire the Ministry to formulate their plans realistically so that Scheme of such a vital nature is not hampered and as such the consumers do not face any hardship on this account. The Committee note that the Department has focused on generating awareness through social media at zero dissemination cost. The Committee laud this initiative of the Department and opine that this will go a long way if implemented in letter and spirit with no cost to Exchequer. The Committee would like to be apprised of the progress made in this regard.

CHAPTER - VIII

STRENGTHENING OF LEGAL METROLOGY AND QUALITY ASSURANCE

1. Weights and Measures

The Department has informed to the Committee that the Legal Metrology Act, 2009 (1 of 2010) has come into force w.e.f. 01.04.2011 after repealing the Standards of Weights & Measures Act, 1976 & the Standards of Weights & Measures (Enforcement) Act, 1985. The Central Government has made seven rules for the better implementation of the Act. The State Governments have also framed their Legal Metrology (Enforcement) Rules. The following Legal Metrology Rules have been framed under the Legal Metrology Act, 2009 for protection of consumer interest:

- a) The Legal Metrology (Packaged Commodities) Rules, 2011
- b) The Legal Metrology (General) Rules, 2011
- c) The Legal Metrology (Approval of Models) Rules, 2011
- d) The Legal Metrology (National Standards) Rules, 2011
- e) The Legal Metrology (Numeration) Rules, 2011
- f) The Indian Institute of Legal Metrology Rules, 2011
- g) The Legal Metrology (Government Approved Test Centre) Rules, 2013

[Para 9.1, P. 91 of AR]

Budgetary Allocation

8.2 On a question of budgetary allocation of the scheme, the Department has replied that the BE, RE and AE of the year 2021-22 for Strengthening Legal Metrology Infrastructure of States/UTs, Regional Reference Standards Laboratories (RRSLs) and Indian Institute of Legal Metrology (IILM), Ranchi and Time Dissemination are Rs. 15.00 Crore, Rs. 7.14 Crore and Rs. 6.51 Crore respectively. The BE for 2022-23 is Rs. 7.00 crore.

[Reply to Q 28(j) & (d), P 61 & 59]

Strengthening Legal Metrology Infrastructure of State/ UTs

- 8.3 The Department has stated that the objective of this scheme is to augment State's Legal Metrology Department infrastructure in holistic way namely construction of laboratory building, supply of equipments and capacity building of enforcement officials for effective implementation of weights and measures laws. The Scheme aims at better implementation of weights and measures laws, thus ensuring better consumer protection.
- 8.4 It has been further stated that this scheme is a continuing scheme after 12th Five Year plan period, which includes release of grant in aid for construction of laboratory buildings, supply of standard equipments for verification of weights and measures used in any transaction & protection and capacity building of Legal Metrology enforcement officials. Under the scheme proposal for the construction of Controller Office and establishment of R&D centre are also considered. Under the scheme provision for supply of Standard equipment like CNG/ LPG testing kits for dispensing units, sphygmomanometer testing kit, clinical thermometer testing kit, Mobile weighbridge testing kits, computers, printers etc. is made.

[Reply to Point No. 1B(a), P. 3 PM]

8.5 In respect of the grant-in-aid, the Department, in a written reply, submitted:

"Grant-in Aid was released to State Governments for Construction of Laboratory
Buildings viz-z-viz Secondary Standard Laboratory (SSL), Working Standard
Laboratory, Controller's Office etc. The Department received request from
Mizoram, Madhya Pradesh and Kerala, but no one submitted the earlier utilization
certificate for grant-in-aid and complete documents for the same and therefore,
grant-in-aid was not released. As regards supply of component demand for supply
of Standard Equipments to States/UTs, was received after B.E. was revised. The
Department has stated that for the financial year 2022-23 an amount of Rs. 3
Crore is earmarked and the Standard Equipments as demanded would be
delivered. The Department however successfully organized Workshop on New
Initiatives on Legal Metrology Act, 2009 for State Governments at NITS Noida
during 24-25 November, 2021."

Strengthening Regional Reference Standards Laboratory [RRSLs] and Indian Institute of Legal Metrology [IILM], Ranchi

- 8.6 The Committee have been informed that RRSLs serve as a vital link in dissemination of the values of national standards of Legal Metrology down to the commercial level. The laboratories maintain Reference Standards of appropriate accuracy for Verification of Legal standards of the States, Calibration of weighing and measuring instruments, Model approval tests of weighing and measuring instruments, Training and Seminars on weights and measures. Each laboratory provides calibration service to the industries in the region.
- (ii) RRSL, Ahmedabad, Bangalore, Bhubaneswar, Faridabad and Guwahati are accredited by NABL.
- (iii) At the premises of RRSL, Varanasi NTH and BIS are functing as satellite centre.
- (iv) One more RRSL at Nagpur, Maharashtra is in the pipe line.

[Para 9.2, P. 92 AR]

8.7 The Department, in a written reply, has stated that the objective of the scheme is to strengthen Regional Reference Standards Laboratories (RRSLs) by complementing the existing facility in mass, volume and length measurement. The said scheme is a continuing scheme after 12th Five year plan period. The scheme aims at providing new testing facilities for better consumer protection. Laboratory equipments like sphygmomanometer testing kit, clinical thermometer testing kit, Laser based length measurement instrument etc. are being provided to Regional Reference Standards Laboratory (RRSL) and Indian Institute of Legal Metrology (IILM), Ranchi for calibration of weights and measures used in any transaction & protection.

[Reply to Point No. 1B(b), P. 4 PM]

8.8 It has further been informed that RRSL, Varanasi was inaugurated by the Hon'ble Prime Minister on 23.12.2021. Further, in addition to the Pocket 'C' & 'D' land purchased earlier, fund for purchase of Pocker 'B' land at RRSL, Nagpur had been released and

utilization certificate, received by it. Letter of Acceprance of Tender (LOA) was issued to CPWD for Maintenance of RRSLs and also issued for construction of Hi-Tech Laboratory at RRSL, Bangalore, and the remaining work for Hi-Tech Laboratory would be completed soon. Another component is to supply the Standard Equipment's to RRSLs, but demand was received after B.E. was revised therefore the same was not achieved. For the financial year 2022-23 an amount of Rs. 4 Crore is earmarked and the Department has stated that fund would be released for construction of RRSL, Nagpur and maintenance of RRSLs. The Department, however, informed the Committee that training programs for Central Government Officials under Capacity Building was not achieved due to COVID-19 and that the programmes would be organized during the financial year 2022-23.

[Reply to LoP 28 (a) & (d), P. 56-59]

Abysmal achievement of Target

- 8.9 Asked about circumstances leading to abysmal achievement of Financial and Physical targets, the Department submitted:
- "(i) State Government's could not provide the utilization certificate for earlier grant-inaid released to them, due to which further grant-in-aid was not released during 2021-22. Also requisition was received from State Government's after Budget was revised.
- (ii) RRSL, Nagpur land was under encroachment due to which there is delay in construction and later on the encroached land was swapped with another portion of land. Now this department has requested to Deputy Director, RRSL, Nagpur to take necessary action for construction of RRSL. Also requisition was received from RRSLs after Budget was revised"

[Reply to LoP 28(c), P. 58]

Plans for Spending allocation for 2022-23

8.10 The Department has also informed the Committee that with regard to the Rs. 3.00 Crore earmarked for Strengthening of Legal Metrology Infrastructure of States/UTs, demand has been received from States including North East States for Standard

Equipment's which would be delivered. Also training programmes would be organized for Legal Metrology Officers of State Governments.

8.11 As regards Strengthening of RRSLs & IILM, it has been stated that the Department would deploy Rs. 4.00 Crore by releasing fund for construction of RRSL, Nagpur and maintenance of RRSLs and for organizing training programmes for Officers.

[Reply to LoP 28 (d), P. 59]

8.12 Further, the Standard equipments would be supplied to State Governments/RRSLs through India Government Mint, Mumbai.

[Reply to LoP 28 (e), P. 59]

Time Dissemination

8.13 On a question on Time Dissemination, it has been stated that in India, dissemination of Time, one of the seven base units, is being maintained at only one level which is at NPL, New Delhi. The Group of Secretaries on Science & Technology, constituted by the Cabinet Secretariat in 2016, recommend that, "Presently, Indian Standard Time (IST) is not being adopted mandatorily by all Telecom Service Providers (TSPs) and 'Internet Service Providers' (ISPs). Non-uniformity of time across different systems creates problems in investigation of cybercrime by the law enforcement agencies (LEAs). Hence, synchronization of all networks and computers within the country with a national clock is a must, especially for the real time applications in strategic sector and national security. Accurate time dissemination as well as precise time synchronization has significant impact on all societal, industrial, strategic and many other sectors like monitoring of the power grid failures, international trade, banking systems, automatic signaling in road & railways, weather forecasting, disaster managements, searching for natural resources under the earth's crust requires robust, reliable and accurate timing systems. On the request of Department of Scientific and Industrial Research (DSIR) the Department of Consumer Affairs has decided to disseminate the Indian Standard Time through five laboratories of Legal Metrology (LM) located at Ahmeddabad, Bengaluru, Bhubaneswar, Faridabad and Guwahati with the cooperation of National Physical Laboratory (NPL) and a budget provision of Rs. 100 crores has been

made. An Memorandum of Understanding (MoU) with CSIR- NPL for executing the project for setting up of atomic clocks for dissemination of Indian Standard Time has already been signed. Under the MoU, the hardware and software for setting up the time ensembles will be procured by NPL which shall also be responsible for installation and commissioning of the same including training on equipment operation to the LM personnel. NPL will handhold LM and shall provide requisite technical support. The MoU also envisages setting up of a Disaster Recovery Centre (DRC) at RRSL, Bengaluru. The operational laboratory space and technical manpower would be provided by the RRSLs and the project would be funded by the Department of Consumer Affairs. Implementation of Indian Standard Time and its dissemination will reduce the error in time dissemination to just a few milli to micro seconds. Accurate time dissemination would ensure national security and will enhance cyber security.

[Para 9.5, P. 93 AR]

Budgetary Allocation for Time Dissemination

8.14 When asked about the budgetary allocation of Time Dissemination, the Department, in a written reply, submitted that the BE, RE and AE for the project of Time Dissemination during the year 2021-22 are Rs. 30.00 crore, Rs. 9.736 crore and Rs.0.65 Crore (upto 3.12.2021) respectively.

8.15 Asked about the reasons for less expenditure, they have replied that out of Rs. 9.736 Crore, Rs. 9.035 Crore had been approved by the Competent Authority and that the fund would be released to National Physical Laboratory, New Delhi. For the year 2022-23 an amount of Rs. 10 Crore is allocated for Time Dissemination. The Department has stated in a written reply furnished to the Committee that fund would be released to National Physical Laboratory for establishment of Time Dissemination and Maintenance of Time Labs at RRSLs

[Reply to Point No. 4, P. 37 & Reply to LoP 28(f) & (d), P. 59]

8.16 The Committee have further been informed that an outlay of Rs. 100 crore has been provided for the Time Dissemination project to disseminate the Indian Standard Time through five laboratories of Legal Metrology (LM) located at Ahmedabad,

Bengaluru, Bhubaneswar, Faridabad and Guwahati. For implementing the same an MoU has been signed with National Physical Laboratory (NPL), Council for Scientific and Industrial Research (CSIR) on 28.12.2018. The project shall be completed by March, 2023. At present Rs. 57.88 Cr has been released to NPL, New Delhi, out of which 12.16 crore has been utilized.

[Reply to LoP 28(b)]

Target for Stamping IST

8.17 When asked about the target for proper stamping of IST in various transactions based on the National Clock, the Department, in a written reply, have stated as under:

"CSIR-NPL shall synchronize the secondary time ensembles at five RRSL locations to the Primary Time Scale of CSIR-NPL. DRC at RRSL, Bangalore would be installed and setup by CSIR-NPL for which traccability would be taken from International Bureau of Weights and Measures (BIPM), Paris, France. The reply also stated that the project is under development and thereafter policy would be formulated for time dissemination service under Legal Metrology Act, 2009 and rules made thereunder."

[Reply to LoP 28(g), P. 60]

8.18 The Department has elaborated that the Government has set a timeline of August, 2022 for proper stamping of IST in various transactions.

[Para 3.48 of 1st Report of FCA&PD (17th Lok Sabha) presented on 10.12.2019]

Strategies

8.19 As regards strategies adopted to meet the target of time dissemination, the Department has informed to the Committee that meetings were conducted with NPL, Officials, Indian Space Research Organisation (ISRO) & RRSLs under the Chairmanship of Higher Officials from time to time to meet the target for establishing the time dissemination project.

[Reply to LoP 28(h), P. 60]

8.20 On being asked as to whether the Department is concerned about modern day possibilities like power grid failures, it was informed that Legal Metrology Department is not concerned with the same.

[Reply to SLoP 17(ii)]

2. The Bureau of Indian Standards

8.21 The Bureau of Indian Standards was set up as a statutory organization under the Bureau of Indian Standards Act, 1986 by taking over the assets and liabilities of the Indian Standards Institution (ISI) that came into existence in 1947. The Bureau has its Headquarters in New Delhi. It has a network of 05 Regional Offices, 41 Branch Offices, 08 Laboratories and 01 Training Institute.

8.22 BIS Act 2016 came into force with effect from 12 October 2017, subsequently Governing Council was reconstituted and its third meeting was held on 01 March 2021 at BIS HQ New Delhi.

8.23 On the mandate of BIS, the Committee has been informed that the mandate of BIS is to formulate standards that promote quality of goods and services. The Bureau provides technical support to industries and services sector by way of updated standards, developing new standards in emerging areas, and providing certification of goods and services for ensuring quality and safety.

[Para 7.0, P. 53, AR]

Strengthening of Gold Hallmarking, Standard related Capacity Building and Research and Development Work

8.24 It has also been informed that BIS has been implementing the Plan scheme for setting up of gold Assaying and Hallmarking (A&H) centres in India with central assistance.

Budgetary Provision

8.25 On a query of budgetary provision, the Department, in a written submission, stated that the BE for the year 2021-22 was Rs. 0.75 Crore was revised downward to Rs. 0.10 Crore, but no expenditure was incurred. The BE for 2022-23 is Rs. 0.75 Crore.

[Reply to LoP 6(b), P. 7 & 68]

8.26 It has been further stated that an expenditure of Rs. 6.4 Lakh was incurred in the year 2021-22 for organizing 06 training programmes for various stakeholders under the scheme.

[Reply to LoP 25 (a), P. 46]

Infrastructure building- Setting up of Assaying & Hallmarking (A&H) Centres

8.27 Under this component setting up of Assaying & Hallmarking Centres under Government scheme is envisaged. The rate of one time financial assistance for 'Setting up of Gold Assaying and Hallmarking Centres' in India, where no Assaying & Hallmarking Centre (assisted or otherwise) exists is as follows:-

Area	Rate	
	To Private	To PSU
	Entrepreneur	
Normal	30%	50%
NE - North East States; SCS - Special Category	50%	75%
States; RA – Rural Areas, Special Category states		
includes the States, Sikkim, Jammu and Kashmir,		
Himachal Pradesh, and Uttarakhand. , Municipal Acts		
concerned is the basis for definition and identification		
of rural areas		

8.28 When asked about the financial allocation, the Department has informed in their written replies that for the year 2022-23, a BE of Rs 75 lakh has been allotted. The

amount would be utilized for providing assistance to AHCs given go-ahead for setting up the centre applied against the previous EOIs and for capacity building programme under the scheme. A target of setting up and recognition of 10 new Assaying and Hallmarking centres is set by the Department.

[P. 7, PM & P. 17 OOMF]

8.29 It has also been informed that Hallmarking of gold jewellery was started by BIS in April 2000 to provide third party assurance to consumers on the purity of gold jewellery or its fineness. The scheme for Hallmarking of silver jewellery/ artefacts was launched in October 2005. Under the Scheme, while the jewellers are granted registration to sell hallmarked jewellery, Assaying & Hallmarking centres are recognized to assay the purity of the jewellery submitted by the registered jeweller, along with declaration of purity and to apply hallmark on such jewellery which is found conforming to relevant Indian Standard including declared fineness.

8.30 Further, during the period from 1st January, 2021 to 31st December, 2021 number of hallmarking registration has grown from 34,487 to 1,31,894 while the number of BIS recognized Assaying and Hallmarking centres have increased from 943 to 990 during 1st January 2021 to 25th December 2021. The number has further increased to 1040 in February, 2022.

8.31 They have elaborated that quality control order for mandatory hallmarking of gold jewellery/artefacts has been issued on 23 June 2021 by the Govt. of India which makes hallmarking mandatory in 256 districts of the country where there is atleast one Assaying and Hallmarking centre. The mandatory hallmarking order is applicable on 14, 18 and 22 carats of gold jewellery/artefacts only. This order makes it compulsory for all the jewellers selling Gold jewellery and artefacts to register with BIS and sell hallmarked Gold jewellery and artefacts.

[Para 7.4, P. 58 AR & Reply to LoP 25(g), P. 47]

Interest for Setting up of AHCs

8.32 The Department, in a written reply, submitted that during the operative period 2021-22, 85 applications were received by it out of which 59 applicants were been given

a go ahead by the Implementation Committee in its 35th meeting held on 20 December 2021. The Department also stated that after the go ahead by the Implementation Committee, the applicants were advised to set-up the AHCs and be ready for the assessment preferably within 06 months.

[Reply to LoP 25 (e), P. 47]

8.33 The Department has further stated that with the COVID situation improving and implementation of mandatory hallmarking it is expected that during 2022-23 more centres would be set up in deficient districts under central assistance scheme and that BIS would also continuously follow-up with these applicants for an early setup and for assistance required if any.

[Reply to SLoP 19 (a)]

(b) Capacity building

8.34 On capacity building, the Department has stated that under the component of capacity building, organizing various training programmes, i.e. Artisan Training Programme, A&H Personnel Training Programme and BIS officers Training Programme is envisaged. For the year 2022-23, the Government has set a targets of organizing 10 training programmes for Artisans, 4 training programmes for A&H Centre Personnel and of training 25 Officers of BIS for Audit of A&H Centres. It also plans to hallmark 8 crore articles.

[P. 7 PM & P. 18 OOMF]

8.35 It has also been sted that the targets for training programme would be divided in the five Regional Offices of the BIS for 2022-23 with an advice to achieve the targets positively.

[Reply to SLoP 19(b)]

3. National Test House

8.36 On National Tent House, the Committee have been apprised that National Test House, a subordinate office under the administrative control of Department of Consumer affairs, Ministry of Consumer Affairs, Food & Public Distribution, Government of India,

traveled a long journey and in the year 2021, it completed 109 years of dedicated service to the Nation.

[Para 8.0, P. 71 AR]

8.37 The National Test House (NTH) has grown into a Laboratory of National Importance in the field of testing, quality evaluation and ensure the quality of almost all sorts of Industrial and Consumer products. It plays a pivotal role in the development of indigenous industries and serves as a vital link between industrial research and manufacture of finished products under rigid quality control. National Test House has its Headquarters at Kolkata and has a network of 6 regional offices at Kolkata, Mumbai, Chennai, Ghaziabad, Jaipur and Guwahati.

[DoCA website]

8.38 To enable NTH to play its role effectively in the field of quality control, material evaluation, standardisation, R&D activities and assistance in industrial development, it has been brought under the Plan scheme. The Scheme envisages creation, augmentation and modernisation of testing facilities for the benefit of the Society, Consumers, Manufacturers and Users in particular. The activities of NTH are supported by the Govt. of India in form of provision of funding.

[Para 8.9, P. 76 AR]

Budgetary Allocation

8.39 On a query of Budgetary allocation, the Department, in their written reply, stated that the BE, RE and AE for National Test House for the year 2021-22 are Rs. 23.50 crore, Rs.13.50 crore and Rs.9.39 crore respectively and the BE for the year 2022-23 is Rs. 14.75 crore.

[Reply to LoP 6(b), P. 7 & 67]

8.40 The Department has set a target of construction of 1 new laboratory building, renovation of 3 facilities and conducting 27,000 tests with an expected out come of increase by 3% of test certificates issued over the previous year.

[P. 18 OOMF]

Purchase of Machineries Over the Years

- 8.41 The Department intimated the Committee that during 2019-20, 37.7% (Rs. 1.204 Crore) of BE (Rs. 3.190 Crore) for purchase of various machinaries was utilized. The figures for the year 2020-21 are Rs. 3.340 Crore AE i.e. 90% of BE of Rs. 3.696 Crore. During the Year 2021-22, an amount of Rs. 1.962 Crore, i.e. 55% of BE of Rs. 3.550 Crore was utilized. :
- 8.42 Details of Major equipments procured under the Head 'ME' (Scheme) during the last three years under Central Purchase of NTH(HQ) furnished by the Department is given below:-

Table-1: FY	Details of Major equipments	
2019-20		
	□ QUV accelerated weathering tester for NTH(WR), Mumbai	
	□ Spares for Impulse Voltage Generator for NTH(NR), Ghaziabad	
2020-21	□ Ion Chromatograph for NTH(NR), Ghaziabad, NTH(SR), Chennai	
	&NTH (NWR), Jaipur	
	□ Gas chromatography–mass spectrometry (GC-MS) for NTH(SR),	
	Chennai	
2021-22	□ Atomic absorption spectroscopy (AAS) for NTH(WR), Mumbai	
	&NTH(NWR), Jaipur	
	□ Universal Testing Machine (UTM), Capacity-100kN for	
	NTH(WR), Mumbai	
	□ Universal Testing Machine (UTM), Capacity-10kN for NTH(SR),	
	Chennai &NTH(NER), Guwahati	
	□ Impulse Voltage Generator for NTH(SR), Chennai – Supply order	
	placed to the firm	
	□ Universal Testing Machine (UTM), Capacity-2000kN for	
	NTH(ER), Kolkata – Supply order placed to the firm	
	☐ Gas chromatography–mass spectrometry (GC-MS) for NTH(ER),	

Kolkata – Supply order placed to the firm	
□ Booster Transformer for NTH(ER), Kolkata – Supply order	
placed to the firm	

Less allocation and likely result

8.43 When asked about whether the Department of Consumer Affairs had been allocated Rs. 14.75 Crore against thei demand of Rs. 25.40 Crore and likely impact on the Schemes/proposals resultant to less allocation, the Department, in a written reply submitted as follows:

"Total 10 no. of Projects/ equipments were approved by the SFC such as Food testing laboratory, Test facility for Nano Science and Technology (SEM & XRD), Short circuit testing facility etc. for the purpose of Technical equipments for which supply order has been placed to the firms in FY 2021-22, for which payments will be released only after successful installation & commissioning of the equipments are also to be delayed on subjected to the availability of fund. These projects are likely to suffer as curtailment of the allotted fund".

[P. 91 PM & Reply to LoP 27A (a), P. 54-55]

Strengthening of Legal Metrology Implementation of States/UTs and RR8LS and IILM

8.44 The Committee note that the Department of Consumer Affairs is undertaking the strengthening of Weights & Measures (W&M) infrastructures of States/UTs as also of Regional Reference Standard Laboratories (RRSLs), which serves as a vital link in dissemination of the values of National standards of Legal Metrology down to the commercial level and the Indian Institute of Legal Metrology (IILM), Ranchi. They also note that out of the BE of Rs.15 Crore in 2021-22, an amount of Rs.7.48 Crore was earmarked at RE Stage for the Scheme and the Actual Expenditure was made to the tune of Rs.6.51 Crore as on 31.1.2022. The Committee find that still about Rs. one crore is yet to be spent. The Committee are not satisfied with this

pace of spending for execution of the Scheme of paramount importance. The Committee, therefore, urge the Department to bring discipline in their finances and formulate plans prudently and allocate funds judiciously so that no hurdle is faced on this count.

8.45 The Committee note that the Department of Consumer Affairs had released grant-in-aid to State Governments for construction of laboratory buildings vis-a-vis Secondary Standard Laboratory (SSL), Working Standard Laboratory, Controller's office, etc. and received requests from Mizoram, MP and Kerala. However, none of these States have submitted the Utilization Certificates and relevant documents for release of further aid. Resultantly, subsequent grant-in-aid was not released. The Committee further note that component demand for supply of Standard Equipments to States/UTs was also not met. The Committee are not satisfied with the reasons attributed by the Department that the requests were received after BE was revised. They are of the opinion that there is something amiss between the Centre and the States/UTs owing to improper coordination. Utmost alacrity was not shown on seeking the requests/demands/UCs from the States/UTs for release of funds in time. The Committee wish the Department to appoint their Coordinators having sound knowledge in the field to have complete coordination with States to refrain from any delay in release of funds for execution of the Centre's scheme in the States/UTs. The Committee also note that the Department have planned to organize Training Programmes for Legal Metrology Officers of the State Governments. They appreciate this initiative of the Ministry and desire the Department to design the Programme keeping in view the challenges being encountered by them during discharge of their duties.

Strengthening of RRSLs and IILM, Ranchi

8.46 The Committee are happy to note that the Department has taken steps for strengthening of RRSLs and IILM, Ranchi. They are, however, constrained to find that the land of RRSL, Nagpur, was under encroachment which delayed construction of the building. To their dismay, they find that the land was swapped

and a Deputy Director rank officer has been requested to take necessary action for construction. On the other hand, the Committee have been apprised that in the absence of receipt of utilization certificate for earlier grant-in-aid released by the Centre, next aid is not released. The Department has also informed that the requisition of the State was received after Budget was revised. The Committee opine that, the Department should have the first hand knowledge of the proposed construction of the Building for release of the fund The Committee find it a lackadaisical approach on the part of the Department which resulted into nonachievement of the targets and recommend the Department to coordinate with the States/UTs in right earnest in releasing grant for such vital Central Sector Schemes. The Committee note that the Department has made provisions for organizing training programmes for Central Government officials under Capacity Building Programme. They find that these training programmes were not organized due to COVID Pandemic. However, on other hand, the workshop on New Initiatives on Legal Metrology Act, 2009 for State Governments was successfully organized at NITS from 24-25 November, 2021. The Committee find it an act of carelessness and strongly recommend the Department to have uniformity in organizing all its Programmes.

Time Dissemination

8.47 The Committee note that the Cabinet Secretariat had inter alia recommended in 2016 that non-uniformity of time across different systems creates problems in investigation of cyber crimes by the Law Enforcement Agencies and resultantly synchronization of all networks and computers within the country with a National Clock is a must. For this purpose, implementation of Indian Standard Time (IST) and its dissemination will reduce the error in time dissemination to just a few milli to micro seconds. Accurate time dissemination would ensure national security and will enhance cyber security. The Committee are happy to note that the Department has undertaken the Project of Time Dissemination with a timeline set by march, 2023. The Committee do not understand the rationale behind the delay in establishing a very vital Project of the time dissemination having a bearing on the

societal, industrial and international trade, etc., but also national security and cyber crimes, which have been reached at paramount now-a-days. The Committee, therefore, recommend the Department to take swift action on the finalization of the Time Dissemination Project. The Committee would like to be apprised of the action taken for the purpose at the earliest.

Recognition of Assaying and Hallmarking Centres

8.48 The Committee note that the Bureau of Indian Standards (BIS) has been implementing the Plan Scheme for the setting up of Gold Assaying and Hallmarking Centres (AHCs) in the country by way of extending Central assistance. While under the Hallmarking Scheme, jewellers are granted registration, the Assaying and Hallmarking Centres are recognized to assay the purity of the jewellery submitted by the registered jewellers with declaration of purity, etc. The Committee also note that hallmarking of 14, 18 and 22 carats of Gold Jewellery have been made mandatory for jewellers selling gold and artefacts. But, however, the Committee find that out of 85 applications, only 59 applicants could only be permitted to set up the AHCs. However, the Department has assured the Committee that in 2022-23, setting up of more AHC centres would be expedited in deficient districts with follow up action by BIS and assistance required in the matter. The Committee are of the view that setting up of more AHCs will go a long way in serving the interests of the consumers of gold jewellery and to promote quality of goods and services as mandated under BIS. The Committee, therefore, recommend the Department to make all out efforts for early setting up of A&H Centres in the country to safeguard the interests of the consumers.

Capacity Building for AHC

8.49 The Committee are happy to note that the Department has planned training programmes for the artisans, personnel of Assaying and Hallmarking Centres (AHC) and officers of BIS during the Budget year of 2022-23 under their Capacity Building Programme. In their opinion, it is a good thinking especially seen against the scenario that the Department has set a target of hallmarking of 8 crore

jewellery articles during the year 2022-23. The Committee desire the Ministry to take robust measures in this regard and ensure due preparedness for running the Training Programmes as planned by the Department.

National Test House

8.50 The Committee are happy to note that the National Test House (NTH) has completed 109 years of dedicated service to the nation under the administrative control of the Centre, yet they are constrained to find that during the Financial Year 2021-22, an amount of Rs. 23.50 Crore was proposed at BE Stage which was revised drastically downward and kept as low as Rs. 13.50 Crore at RE i.e. 57% to BE. The Committee fail to appreciate that even after sharp reduction in BE, the Department was not able to spend the entire fund, which remained to the tune of Rs. 9.39 Crore. The Committee, therefore, desire the Ministry to be realistic in formulating the Plans and spent the earmarked fund judiciously.

CHAPTER - IX CONSUMER WELFARE FUND

Central Consumer Welfare Fund

The Department, in their written reply, has informed the Committee that money that is not refundable to the manufacturers etc. is credited to the Consumer Welfare Fund. The Consumer Welfare Fund Rules were framed and notified in the Gazette of India in 1992, under the Central Excise and Salt Act, 1944 (1 of 1944) pursuant to its amendment in 1991. On enactment of the CGST Act, 2017, the Consumer Welfare Fund has been setup under section 57 thereof. Rule 97 of the CGST Rules, 2017 deals with the Consumer Welfare Fund.

9.2 It has further stated that based on the decisions of the Standing Committee, Financial assistance from CWF is given to various consumer awareness/publicity programmes of DoCA, Autonomous Institutions like Universities/ Corporations/Educational Institutes etc., Central/State/UT departments/organisations, Voluntary Consumer Organizations (VCOs), Government bodies and States to promote and protect the welfare of the consumer, engaged in consumer awareness/protection activities, for consumer awareness/protection and strengthen consumer movement in the country.

[Para 3.1, P. 29 AR]

- 9.3 On a query by the Committee about the financial allocation, the Department has replied that the BE, RE and AE for the year 2021-22 are Rs. 263.50 Crore, Rs. 263.50 Crore, and Rs. 34.35 Crore respectively and the BE for 2022-23 is Rs. 37.50 Crore.
- 9.4 The Committee have also been informed as under:
 - " amount of fund given as financial assistance after scrutiny of proposals of Non-Government Organisations (NGOs) / Voluntary Consumer Organisations (VCOs) was Rs. 1,26,94,634/- in the year 2019-20 and Rs.21,42,168/- in the year 2020-21. Also the projects financed from the fund during the 2019-20, 2020-21 and 2021-22 were Rs. 4,80,94,193/-, Rs. 1,34,87,881/- and 226,00,00,000/- respectively."

[Reply to LoP 23(a) & (b), P. 36-42]

9.5 The Department has elaborated that during the year year 2021-22 an amount of Rs. 263.50 Crore was allocated in the RE out of which Rs. 226 which relates to CBIC stands transferred to Ministry of Finance (CBIC). An amount of Rs. 34.35 has been expended.

[Slide No. 56, P. 28 of PPT]

Consumer Welfare (Corpus) Fund in the States/UTs

9.6 On Consumer Welfare (Corpus) Fund, the Department, in its reply, submitted as follows:

"In order to strengthen the Consumer Welfare Fund in all the States/UTs, in the year 2010 it was decided that States/UTs which are willing to establish a corpus fund of Rs. 10.00 Crore would be supported by the Central Government by contributing 75% of that amount as Central share from the Central Consumer Welfare Fund. The State/UT Government to become eligible to receive the one time grant should deposit their share in a non-plan, non-lapsable public account. State/UT Government may draw up their guidelines for own administering this Fund, which should not be inconsistent with the Central guidelines."

[P. 12 of PM]

9.7 Asked about the response received for strengthening of Consumer Welfare Fund in each States/UTs, the Department has informed in their submission as under:

"Grant-in-aid to States, ratio 75:25 (Centre:State, 90:10 for Special Category States) for setting up Consumer Welfare (Corpus Fund) of Rs 20 crore (increased from Rs 10 crore in 2019).

17 States / UTs have set up Consumer Welfare (Corpus Fund) so far

Name of the States/UTs	Amount of Corpus established
	in Crores
Andhra Pradesh	10.00
Bihar	10.00
Gujarat	20.00
Haryana	10.00
Jharkhand	10.00
Karnataka	10.00
Kerala	10.00
Madhya Pradesh	20.00
Nagaland	10.00
Odisha	20.00
Rajasthan	20.00
Tamil Nadu	20.00
Telangana	10.00
West Bengal	20.00
Sikkim	5.00
Mizoram	2.00
Tripura	20.00

9.8 The Committee have further been informed that Rs. 25.10 Crore has been earmarked for creation of Corpus fund in the States/UTs and that if more States request for funds, then a request for more funds would be made at RE Stage. It further stated that all the States/UTs have been time and again advised through letters at various levels and through Video Conferencing to create State Consumer Welfare fund in their respective States/UTs and to utilise the same for generating consumer awareness and that the last such letter (from the level of JS) was issued in the first week of February, 2022.

[Reply to LoP 24(a) to (c), P. 43-44]

State Level Consumer Welfare (Corpus) Fund

9.9 The Committee note that the Department had decided that the States/UTs willing to establish a Corpus Fund of Rs. 20.00 Crore for creating State Consumer Welfare Fund, would be supported by the Central Government by contributing 75% of total amount as the Centre's share. For this eligibility, the States/UTs would require to deposit their share in a non-plan, non-lapsable public account. However, the eligible State/UT would be free to draw their own guidelines commensurate with the centre's guidelines for administering the Fund. The Committee find that as of now only 17 States/UTs have established this Fund. In their opinion, this number is not satisfactory. Considering the urgent need of creating consumer awareness in the scenario of increased technology and innovations to further empower the consumers rights and protect interests of the consumers, the Committee desire the Department to vigorously pursue the matter with the remaining States/UTs to create this fund as early as possible.

NEW DELHI; March, 2022 Phalguna 1943Saka SUDIP BANDYOPADHYAY,
Chairperson,
Standing Committee on Food,
Consumer Affairs and Public Distribution

MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2021-2022) HELD ON THURSDAY, 24 FEBRUARY, 2022.

The Committee sat from 1100 hrs. to 1330 hrs. in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Sudip Bandyopadyay - Chairperson

Members

Lok Sabha

- 2. Shri Shafiqur Rahman Barq
- 3. Shri Khagen Murmu
- 4. Shri Mitesh Rameshbhai (Bakabhai) Patel
- 5. Smt. Kavita Singh
- 6. Shri Ganesan Selvam
- 7. Shri Saptagiri Ulaka
- 8. Shri Rajmohan Unnithan

RAJYA SABHA

- 9. Smt. Roopa Ganguly
- 10. Shri Ramji
- 11. Shri G.K. Vasan

SECRETARIAT

- 1. Shri Shiv Kumar Joint Secretary
- 2. Dr. Vatsala Joshi Director
- 3. Shri Ram Lal Yadav Additional Director
- 4. Dr. Mohit Rajan Deputy Secretary

2. At the outset, the Hon'ble Chairperson welcomed the Members to the Sitting of the Committee convened to take Oral Evidence of the Representatives of the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) in connection with examination of the Demands for Grants (2022-23).

Representatives of the Ministry of Food, Consumer Affairs and Public Distribution (Department of Consumer Affairs)

SI. No.	Name	Designation
1.	Shri Rohit Kumar Singh	Secretary
2.	Shri G. Srinivas	AS&FA
3.	Ms. Nidhi Khare	Additional Secretary
4.	Shri Pramod Kumar Tiwari	DG (BIS / NTH)
5.	Shri Vineet Mathur	Joint Secretary
6.	Shri Anupam Mishra	Joint Secretary
7.	Dr. Kamkhenthang Guite	Economic Advisor

[The witnesses were then called in.]

- 3. Thereafter, the representatives of the Department of Consumer Affairs were called to depose before the Committee in connection with examination of Demands for Grants 2022-23. The Hon'ble Chairperson then welcomed the representatives of the Department of Consumer Affairs to the sitting of the Committee and invited their attention to the provisions contained in Direction 55 of the Directions by the Speaker, Lok Sabha regarding the proceedings to be treated as confidential.
- 4. The representatives of Department of Consumer Affairs with the permission of Chairperson made a powerpoint presentation highlighting major functions of the Department, Achievements and Activities, Consumer Protection, Bureau of Indian Standards (BIS), National Test House, Consumer Helpline, Central Consumer Protection Authority, Price Stabilization Fund,

CONFONET, Consumer Awareness (Publicity), Price Stabilization Fund (PSF), Time Dissemination (TD) Project, Budget Allocation and Expenditure etc.

- 5. The Secretary also briefed the Committee on various aspects of the Demands for Grants (2022-23) of the Department and highlighted various initiatives taken by them concerning the Department of Consumer Affairs. Besides, the matters such as 'Jago Grahak Jago', Consumer Helpline, penalty on fake advertisement, e-court system, BIS, e-commerce, e-dakhil, etc. were also discussed.
- 6. The Committee then sought clarifications on the issues related to the Demands for Grants (2022-23) of the Department of Consumer Affairs regarding National Consumer Helpline, advertisements, Consumer Commission, Hallmarking of gold, Buffer Stock of pulses, rice etc.
- 7. The Secretary, Department of Consumer Affairs replied to some of the queries. The Chairperson thanked the Secretary and other officials of the Department for appearing before the Committee for providing valuable information and also directed the Department to furnish written replies to the queries in respect of which the information was not readily available with them at the earliest.
- 8. The evidence was concluded.
- 9. A verbatim record of the proceeding of the Committee has been kept.

The Committee then adjourned.

MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON FOOD, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (2021-2022) HELD ON WEDNESDAY, 16 MARCH, 2022

The Committee sat from 1030 hrs. to 1100 hrs. in Committee Room 'C', Ground Floor, Parliament House Annexe, New Delhi On 16 March, 2022.

PRESENT

Shri Sudip Bandyopadhyay - Chairperson

Members

Lok Sabha

- 2. Dr. Farooq Abdullah
- 3. Ms. Debasree Chaudhuri
- 4. Shri Anil Firojiya
- 5. Shri Khagen Murmu
- 6. Shri Mitesh Rameshbhai (Bakabhai) Patel
- 7. Smt. Himadri Singh
- 8. Shri Ganesan Selvam
- 9. Shri Rajmohan Unnithan
- 10. Sh. Ve. Vaithilingam

Rajya Sabha

- 11. Smt. Roopa Ganguly
- 12. Shri K.G.Kenye
- 13. Dr. Fauzia Khan
- 14. Shri G.K. Vasan

SECRETARIAT

Shri Shiv Kumar - Joint Secretary

Dr. Vatsala Joshi - Director

3. Shri Ram Lal Yadav

Additional Director

4. Dr. Mohit Rajan

Deputy Secretary

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 Demands for Grants (2022-23) relating to the (i) Department of Food and Public Distribution, and (ii) Department of Consumer Affairs under the Ministry of Consumer Affairs, Food and Public Distribution.

3. Thereafter the Committee took up for consideration the following two Draft Reports

:-

- (i) The Demands for Grants (2022-23) of the Department of Food & Public Distribution; and
- (ii) The Demands for Grants (2022-23) of the Department of Consumer Affairs.
- 4. After due discussion, the Committee adopted both the Draft Reports without any amendments/modifications.
- 5. The Committee then authorized Hon'ble Chairperson to finalize the aforesaid Draft Reports and nominate the names of the Members to present the Reports to Parliament during the current Budget Session.
- 6. The Committee also decided to undertake an on-the-spot Study Visit in the month of May, 2022.

The Committee then adjourned.

Appendix - III
IMPORTANT RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE

SI, No.	Para No.	Recommendations/Observations
1.	2.	3.
·		
		convince them to lift ceiling imposed as such for augmenting the fund for its Major Schemes exclusively dedicated to the

consumers in the country. At the same time, the Committee would also impress upon the Department to take strong measures and keep a close monitoring of the Expenditure for proper implementation of Central Schemes with reference to the imperative demands and the targets fixed in respect of each of these Major Schemes.

2. 3.4

The Committee note that the Demands for Grants (2022-23) of the Department of Consumer Affairs have been pegged at Rs.1599.00 Crore for the Central Sector Schemes. These Schemes/programmes/projects are implemented Department of Consumer Affairs through its two Umbrella Schemes i.e., The Consumer Protection and Legal Metrology & Quality Assurance. The Committee note that besides these umbrella schemes, the Department also implements Price Stabilization (PSF) Consumer Fund and Awareness (Advertising and Publicity) Programmes. While the Umbrella Scheme of Consumer Protection covers Schemes of Strengthening Consumer Commission, Computerization and Computer Networking of Consumer Commission in the Country (CONFONET), Integrated Consumer Grievances Redressal System (ICGRS), the Scheme of Legal Metrology and Quality Assurance covers Strengthening of the Legal Metrology, the National Test House and Gold Hall Marking, Standard related capacity building and research and development work. It goes without saying that the Schemes implemented by the Government through the Department of Consumer Affairs are of utmost importance which encompass a wide range of activities for the welfare of the consumers of the country. Though, the Committee note that the BE of Rs. 1599 Crore in 2022-23 has been kept lower

4.	4.35	The Committee note that an amount of Rs. 10 Lakh and Rs. 65
		until the earmarked funds are utilized as per the allocation, the intended targets of these Schemes aimed at to safeguard the interests in the consumers in the country, will not be achieved. They, therefore, urge the Department to take stringent measures coupled with close monitoring of finances to make sure their full utilization.
		Fora (CONFONET), and Integrated Consumer Grievances Redressal System (ICGRS) are financed and implemented. The Committee, therefore, are of the opinion that unless and
		this Head, various Schemes/Projects of the significant public importance such as strengthening of Consumer Fora, Computerization and Computer Networking of Consumer
		target as on 11.2.2022. The Committee understand that under
		was not spent in full and was short of about 20.2 % of the
		the year 2021-22 which was revised to Rs, 42 crore at RE Stage. To their utter dismay, they find that even this amount
		of Rs. 44 Crore was earmarked for Consumer Protection for
		came into force w.e.f. 20 July, 2020. They note that an amount
		Affairs has enacted the Consumer Protection Act, 2019 which
3.	4.34	The Committee observe that the Department of Consumer
		amount is surrendered to the Government Exchequer and maximum people are benefitted thereby.
		Schemes in a judicious way with proper planning, so that no
		unturned to utilize this fund towards fullest execution of their
		Department should take all out efforts and leave no stone
		remained lower to the allocation), yet they emphasize that the
		Crore and the Actual Expenditure of Rs. 2175.69 Crore (which

Lakh have been earmarked for the salary and Rent expenses of the Central Consumer Protection Authority (CCPA), which has been empowered to conduct investigations into violations of consumer rights and institute Complaints. They also note that the CCPA is functional from a rented site for which Rs. 65 lakh has been earmarked. Keeping in view of the magnitude of the of the consumers of the country and their complaints, the Committee are of the considered view that the CCPA should have their own campus having spacious space to discharge their duties and accommodate large number of consumers under a single roof instead of running from a rented premise having space crunch or so.

The Committee note that advertisements of various products are being launched on televisions, other electronic and print media without ascertaining their genuineness which mislead the consumers of the country to a great extent. The Committee observe that most of the consumers are not literate and or residing in remote, hilly and far-flung areas, are misled and easily trapped and brain-washed by such advertisements and as such are inclined to purchase the items so advertized without thinking the pros and cons and have to suffer a lot in due course. The Committee find it an act of deceit being perpetrated with the innocent consumers of the country. The Committee, therefore, recommend the Department to devise a mechanism to control this widespread menace and provide for a strict monitoring mechanism on fake adds to save the interests of the consumers. In this context, the Committee further desire that the Agency/company, whose adds are found fake as such be de-listed for the advertisement in future with imposition of hefty penalty and/or punishment to check and balance these

		advertisements flooded on the electronic and print media,
		etc. The Committee also recommend the Department to
		amend the relevant Acts for the purpose, if required.
5.	4.36	4.36 The Committee note that in order to supplement the
		efforts of the State Governments to run quasi-judicial
		Consumer Commissions commensurate to the Consumer
		Protection Act, 2019, the Department of Consumer Affairs is
		extending financial assistance to them to strengthen the
		infrastructure so that a minimum level of facilities are
		provided at each Consumer Commission required for their
		effective functioning. They, however, are constrained to note
		that in 2019-20, Rs. 600 Lakh was proposed at BE Stage
		which was revised to Rs. 494 Lakh and the Actuals remained
		only to the tune of Rs. 353.62 Lakh. Again, in 2020-21, the
		Actual Expenditure could not be met in full. The Committee
		find it to their utter dismay that even the reduced allocations
		are not being repeatedly met at AE Stage by the Department.
		The Committee do not understand the reasons for this trend.
		Against this backdrop, the Committee remain apprehensive
		as to whether an amount of Rs.600 Lakh in BE of 2022-23
		would hardly be spent in full and the funds might be
		surrendered to Government Exchequer. The Committee hope
		that the Department will take strong measures in formulating
		the plan prudently and spend the entire funds allocated to the
		Department in 2022-23.
6.	4.37	The Committee note that in 2021-22, the total allocation of Rs.
		279.40 Lakh was released to the State of Karnataka for
		construction of District Consumer Commission building and
		non-building assets. The Committee while appreciating the
		initiative, would like to be apprised of the status thereof. The
		Committee further note that the Department has received

		proposals from the States of Jharkhand, Chattisgarh, Karnataka, Kerala, Odisha, Nagaland and Madhya Pradesh for release of funds under the scheme. The Department has informed that these requests are under scrutiny. The Committee, therefore, urge the Department to expedite finalization of their requests on priority basis and release the fund immediately to avoid any hardships on this count.
7.	4.38	The Committee note that the State Consumer Helpline Scheme has been discontinued. The Department has expressed the reason for this discontinuation to be overlapping with the work of the Zonal Consumer Helplines (ZCH). They also note that an amount of Rs. 464.24 Lakh has already been released under this Scheme and most of the States/UTs either has not utilized it or it is under-utilized also these States/UTs have not furnished their Utilization Certificates. The Committee do not understand what action the Department is going to take for the unspent/under-utilized funds by the States. The Committee, therefore, suggest the Department to vigorously pursue the matters with the States/UT Administrations to furnish Utilization Certificates and accordingly apprise them of the complete action taken in the matter.
8.	4.39	The Committee note that under the Scheme of Computerization and Computer Networking of Consumer Fora in the country (CONFONET), the Consumer Commissions at all the three tiers throughout the country are to be fully computerized to enable ease of access of information and quicker disposal of cases. They also note

that hardware/software have been replaced in 31 State Commissions, 6 Circuit Benches (CB) and 378 District Commissions and procurement/supply of new set of hardware is under process for 200 more locations which includes 3 State Commissions, 1 CB and 196 District Commissions. The Committee are constrained to note that the scheme of CONFONET has not been implemented owing to the sites not made ready at 4 sites of Arunachal Pradesh, 2 sites each of Chhattisgarh, Daman & Diu and Dadar & Nagar Haveli, 1 in J&K, 3 in Nagaland and 1 in Laddakh. The Committee find it as a lackadaisical approach on the part of the Department and strongly recommend the Department to act proactively to accomplish the tasks as per mandate so as to refrain from causing any hardships to the consumers on this count. The Committee note that the Department has made a provision of BE of Rs. 27.00 Crore in the Budget of 2022-23 with the targets of computerization of 13 Consumer Commissions and holding 6 training sessions to upskill 500 officials on the use of the Confonet system during the year 2022-23. The Committee laud this initiative and desire the Department to vigorously speed up the modalities/site readiness. etc. required for installation of equipments/hardware Consumer Commissions at in conformity to the 'Digital India' initiative.

9. 4.40

4.38 The Committee note that an e-Daakhil portal has been designed/developed and implemented in NCDRC and 24 States/UTs which facilitates the consumers for online filing of complaints in 624 Consumer Commissions. They further note that it has been functional in some of the States/UTs whereas many States/UTs are deprived of the facility. The

Committee, therefore, desire that this facility should be may extended to all the Consumer Commissions at the earliest. The Committee would like to be apprised of the latest status as obtaining in the matter. 10. 5.9 5.9 The Committee note that an amount Rs. 2.00 crore was proposed at BE stage which was revised downward and kept at Rs. 1.50 crore. They are constrained to note that that out of this allocation, the Department has spent to the tune of Rs. 1.38 crore as on 11.2.2022. The Committee apprehend that a little time is left in closure of the financial year 2021-22 and the remaining amount hardly been spent. Resultantly, the amount will have to surrender to the Government Exchequer. They, therefore, desire the Department to formulate their planning judiciously so as to leave no chance in spending the earmarked fund timely and consumers could not face any hardship on this count. The Committee further note that the Department plans to engage the service of independent professional organization for studies related to price. They also note that most of the powers under the Essential Act, 1955 and the Prevention of Black-Marketing and Maintenance of Supplies of Essential Commodities, 1980 have been delegated to States as per order dated 30.11.1974 and 9.6.1978. However, the central government regularly advises the States/UTs to implement relevant Acts effectively and enforcement is done through raids. The Committee find that line of in such а high very raids/prosecution/conviction/detention, only 10005 persons were arrested and out of this number only 712 persons were convicted in 2020. Likewise, in 2021, out of 15450 arrested persons, only 1034 were convicted. The Committee do not understand the rationale behind this downward trend in prosecution against raid. They apprehend that defaulters must have been taking the benefits of the loopholes of the provisions contained in the Acts or there may be connivance of officials for their letting from being prosecuted who may, after letting from prosecution, again involve themselves in malpractices. The Committee, therefore, desire the Ministry to find out the reasons for non-conviction of the persons arrested and not prosecuted and take immediate action to refrain them from indulgence in malpractices and if need be, to amend the relevant Acts.

11. 6.11

The Committee note that Price Stabilization Fund (PSF) was set up with an initial Corpus of Rs. 500 Crore to tackle price volatility in some of the Agri-Horticultural Commodities like onion, potato and pulses to protect the interests of the consumers. The Committee also note that price stabilization operations are determined at the centre by the Central Price Stabilization Fund Management Committee (CPSFMC), headed by Secretary, Department of Consumer Affairs, which has held 53 meetings after its reconstitution. The Committee are happy to note that the Department has spent 93.60%, 94.36% & 89.6% of the allocated funds under PSF in the years 2019-20, 2020-21 and 2021-22 respectively. However, the Committee are constrained to note that a quantity of 51582.74 MT of onion has damaged due to spoilage during the years 2019-20 to 2022-21. They observe that the price of onions mounted to high during the recent months and damage of such quantity of onion reflects poor management on the part of the Department who has also set a target of procurement of 4 LMT of onion apart from other Essential Commodities in

ensuing Budget year of 2022-23. Keeping in view the vast procurement of onion and its price fluctuation, the Committee desire the Department to take due care for proper storage of onions so as to refrain price fluctuation as and when noticed for facilitating consumers and to prevent the black-marketing. The Committee, also recommend the Department to carry out market intervention operations with due diligence, utmost sensitivity and have proper monitoring to meet the needs of consumers particularly in those areas which are prone to price destabilizations. 12. 6.12 The Committee note that State-level Corpus Funds are created with Centre-State sharing on 50:50 basis and with 75:25 basis in case of the NE States. They also note that between the years 2015-16 to 2019-20, a total of Centre's share of Rs. 164.15 Crore had been released for setting up of State Level Price Stabilisation Fund with Centre's share of Rs. 50.00 Crore in Andhra Pradesh; Telangana; West Bengal; Odisha; Tamil Nadu; and Assam. Though the utilisation of the fund is monitored by the Ministry through meetings/ video conferencing and by seeking States Utilization Certificates and Account Statements of the States concerned from time to time, yet the Committee find that many States either do not furnish the Utilization Certificates or delay in submitting the same. The Committee, therefore, recommend the Department to take proactive steps for strict monitoring of the Account Statements of the States to make sure due spending on its

them.

part and seeking Utilization Certificates mandatorily from

7.5 The Committee note that under the Scheme of Consumer Awareness, print, electronic and outdoor awareness campaigns are undertaken. They find that a BE of Rs. 44.50 Crore was proposed for the year 2021-22 and out of this proposal, only 51% i.e.Rs. 23 Crore was earmarked at RE Stage. The Committee find it to their utter dismay that out of this amount, the Department could utilise it to the tune of Rs.21.99 Crore i.e., 95.61% upto 11 February, 2022. In the Budget of 2022-23, an amount of Rs. 25 Crore has been proposed. The Committee do not understand that the Department proposes hefty amount at BE Stage which is revised drastically and even the revised funds are not fully utilized or remain unspent and are surrendered to Government Exchequer. The Committee, therefore, are of the firm opinion that the very purpose of the Scheme, thus, gets defeated and whole exercise of formulation of the Scheme proves to be of little avail, if the target of actual expenditure is not met in full and resultantly the amount has to be surrendered to the Government account. The Committee. therefore, desire the Ministry to formulate their plans realistically so that Scheme of such a vital nature is not hampered and as such the consumers do not face any hardship on this account. The Committee note that the Department has focused on generating awareness through social media at zero dissemination cost. The Committee laud this initiative of the Department and opine that this will go a long way if implemented in letter and spirit with no cost to Exchequer. The Committee would like to be apprised of the progress made in this regard.

13.

14.	8.44	The Committee note that the Department of Consumer Affairs
		is undertaking the strengthening of Weights & Measures
		(W&M) infrastructures of States/UTs as also of Regional
		Reference Standard Laboratories (RRSLs), which serves as a
		vital link in dissemination of the values of National standards
		of Legal Metrology down to the commercial level and the
		Indian Institute of Legal Metrology (IILM), Ranchi. They also
		note that out of the BE of Rs.15 Crore in 2021-22, an amount
		of Rs.7.48 Crore was earmarked at RE Stage for the Scheme
		and the Actual Expenditure was made to the tune of Rs.6.51
		Crore as on 31.1.2022. The Committee find that still about Rs.
		one crore is yet to be spent. The Committee are not satisfied
		with this pace of spending for execution of the Scheme of
		paramount importance. The Committee, therefore, urge the
		Department to bring discipline in their finances and formulate
		plans prudently and allocate funds judiciously so that no
		hurdle is faced on this count.
15.	8.45	The Committee note that the Department of Consumer Affairs
		had released grant-in-aid to State Governments for
		construction of laboratory buildings vis-a-vis Secondary
		Standard Laboratory (SSL), Working Standard Laboratory,
		Controller's office, etc. and received requests from Mizoram,
		MP and Kerala. However, none of these States have
		submitted the Utilization Certificates and relevant documents
		for release of further aid. Resultantly, subsequent grant-in-aid
		was not released. The Committee further note that
		component demand for supply of Standard Equipments to
		States/UTs was also not met. The Committee are not satisfied
		with the reasons attributed by the Department that the
		requests were were received after BE was revised. They are
		of the opinion that there is something amiss between the

Centre and the States/UTs owing to improper coordination. alacrity shown Utmost was not on seeking requests/demands/UCs from the States/UTs for release of funds in time. The Committee wish the Department to appoint their Coordinators having sound knowledge in the field to have complete coordination with States to refrain from any delay in release of funds for execution of the Centre's scheme in the States/UTs. The Committee also note that the Department have planned to organize Training Programmes for Legal Metrology Officers of the State Governments. They appreciate this initiative of the Ministry and desire the Department to design the Programme keeping in view the challenges being encountered by them during discharge of their duties.

16. 8.46

The Committee are happy to note that the Department has taken steps for strengthening of RRSLs and IILM, Ranchi. They are, however, constrained to find that the land of RRSL, Nagpur, under encroachment which delayed was construction of the building. To their dismay, they find that the land was swapped and a Deputy Director rank officer has been requested to take necessary action for construction. On the other hand, the Committee have been apprised that in the absence of receipt of utilization certificate for earlier grant-inaid released by the Centre, next aid isnot released. The Department has also informed that the requisition of the State was received after Budget was revised. The Committee opine that, the Department should have the first hand knowledge of the proposed construction of the Building for release of the fund The Committee find it a lackadaisical approach on the part of the Department which resulted into non-achievement of the targets and recommend the Department to coordinate with the States/UTs in right earnest in releasing grant for such vital Central Sector Schemes. The Committee note that the Department has made provisions for organizing training programmes for Central Government officials under Capacity Building Programme. They find that these training programmes were not organized due to COVID Pandemic. However, on other hand, the workshop on New Initiatives on Legal Metrology Act, 2009 for State Governments was successfully organized at NITS from 24-25 November, 2021. The Committee find it an act of carelessness and strongly recommend the Department to have uniformity in organizing all its Programmes.

17. 8.47

The Committee note that the Cabinet Secretariat had inter alia recommended in 2016 that non-uniformity of time across different systems creates problems in investigation of cyber crimes by the Law Enforcement Agencies and resultantly synchronization of all networks and computers within the country with a National Clock is a must. For this purpose, implementation of Indian Standard Time (IST) and its dissemination will reduce the error in time dissemination to milli to micro seconds. Accurate time iust a few dissemination would ensure national security and will enhance cyber security. The Committee are happy to note that the Department has undertaken the Project of Time Dissemination with a timeline set by march, 2023. The Committee do not understand the rationale behind the delay in establishing a very vital Project of the time dissemination having a bearing on the societal, industrial and international trade, etc., but also national security and cyber crimes, which have been reached at paramount now-a-days. The Committee,

		therefore, recommend the Department to take swift action on the finalization of the Time Dissemination Project. The Committee would like to be apprised of the action taken for the purpose at the earliest.
18.	8.48	The Committee note that the Bureau of Indian Standards (BIS) has been implementing the Plan Scheme for the setting up of Gold Assaying and Hallmarking Centres (AHCs) in the country by way of extending Central assistance. While under the Hallmarking Scheme, jewellers are granted registration, the Assaying and Hallmarking Centres are recognized to assay the purity of the jewellery submitted by the registered jewellers with declaration of purity, etc. The Committee also note that hallmarking of 14, 18 and 22 carats of Gold Jewellery have been made mandatory for jewellers selling gold and artefacts. But, however, the Committee find that out of 85 applications, only 59 applicants could only be permitted to set up the AHCs. However, the Department has assured the Committee that in 2022-23, setting up of more AHC centres would be expedited in deficient districts with follow up action by BIS and assistance required in the matter. The Committee are of the view that setting up of more AHCs will go a long way in serving the interests of the consumers of gold jewellery and to promote quality of goods and services as mandated under BIS. The Committee, therefore, recommend the Department to make all out efforts for early setting up of A&H Centres in the country to safeguard the interests of the consumers.
19.	8.49	The Committee are happy to note that the Department has planned training programmes for the artisans, personnel of Assaying and Hallmarking Centres (AHC) and officers of BIS

		during the Budget year of 2022-23 under their Capacity Building Programme. In their opinion, it is a good thinking especially seen against the scenario that the Department has set a target of hallmarking of 8 crore jewellery articles during the year 2022-23. The Committee desire the Ministry to take robust measures in this regard and ensure due preparedness for running the Training Programmes as planned by the Department.
20.	8.50	The Committee are happy to note that the National Test House (NTH) has completed 109 years of dedicated service to the nation under the administrative control of the Centre, yet they are constrained to find that during the Financial Year 2021-22, an amount of Rs. 23.50 Crore was proposed at BE Stage which was revised drastically downward and kept as low as Rs. 13.51 Crore at RE i.e. 57% to BE. The Committee fail to appreciate that even after sharp reduction in BE, the Department was not able to spend the entire fund, which remained to the tune of Rs. 12.23 Crore. The Committee, therefore, desire the Ministry to be realistic in formulating the Plans and spent the earmarked fund judiciously.
21.	9.9	The Committee note that the Department had decided that the States/UTs willing to establish a Corpus Fund of Rs. 20.00 Crore for creating State Consumer Welfare Fund, would be supported by the Central Government by contributing 75% of total amount as the Centre's share. For this eligibility, the States/UTs would require to deposit their share in a non-plan, non-lapsable public account. However, the eligible State/UT would be free to draw their own guidelines commensurate with the centre's guidelines for administering the Fund. The

Committee find that as of now only 17 States/UTs have established this Fund. In their opinion, this number is not satisfactory. Considering the urgent need of creating consumer awareness in the scenario of increased technology and innovations to further empower the consumers rights and protect interests of the consumers, the Committee desire the Department to vigorously pursue the matter with the remaining States/UTs to create this fund as early as possible.