

# **REPORT OF THE WORKING GROUP ON CONSUMER PROTECTION**



सत्यमेव जयते  
Government of India

## **Twelfth Plan (2012-17)**

### **Volume - II**

**SUBGROUP REPORT**

**GOVERNMENT OF INDIA  
DEPARTMENT OF CONSUMER AFFAIRS  
MINISTRY OF CONSUMER AFFAIRS, FOOD AND  
PUBLIC DISTRIBUTION**

# PREFACE

*The growing interdependence of the world economy and international character of many business practices coupled with the change in the concept of State from welfare to contracting have contributed to emergence of universal emphasis on consumer rights promotion and protection. Consumers, clients and customers world over, are on the move and demanding value for money in the form of quality goods and better services. Modern technological developments have no doubt made a great impact on the quality, availability and safety of goods and services but the fact of life is that the consumers are still victims of unscrupulous and exploitative trade practices. In view of this fact the Planning Commission, has selected 'Consumer Protection' as one of the subjects to be included as priority areas for the Twelfth Plan and constituted a Working Group to formulate a comprehensive set of policies, programmes and strategies to launch a strong policy paradigm for consumer protection.*

*The Working Group in its first meeting constituted six sub groups on (i) Consumer Protection & Redressal, ADR and Consumer Counseling; (ii) Consumer Awareness and Education; (iii) Standardization and Product Safety (iv) Testing Facilities and Legal Metrology (v) Internal Trade and Future Markets (vi) Price Monitoring and Market Intervention (strengthening of data and information base on prices of essential commodities). These sub group reports form the basis of the final report of the Working Group, which is in two volumes. I wish to place on record my appreciation and thanks to the members of the Working Group and of the sub groups especially the conveners of all the six sub groups for their active involvement and constructive suggestions. I would also like to express my thanks to Shri Pankaj Agrawala, Additional Secretary, Mrs. Ganga Murthy, Sr. Economic Advisor, Shri Manoj Parida, Joint Secretary Mrs. Anandi Ravichandarn, Economic Advisor, and Shri G. N. Sreekumaran, Joint Secretary, DCA for their help and keen interest in ensuring smooth functioning of the Working Group. I would also like to place on record my appreciation for the dedicated services rendered by all Members of the Working Group and Sub Groups and the officials of the Department in facilitating the work of the sub groups and the Working Group and to come out timely with this Report.*

**Date:**

**Place:**

**(Rajiv Agarwal)**  
**Chairman**

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**Planning Commission, Government of India Constitution of Working Group on Consumer Protection**

1.	Secretary, Department of Consumer Affairs	Chairman
2.	Director General, Bureau of Indian Standards	Member
3.	Chairman, Forwards Market Commission	Member
4.	Representative of Food Safety and Standards Authority of India, MoH & FW	Member
5.	Representatives of National Consumer Disputes Redressal Commission	Member
6.	Representative of Competition Commission of India	Member
7.	Adviser (Development Policy), Planning Commission	Member
8.	Representative of Ministry of Information and Broadcasting	Member
9.	Representative of NIC	Member
10.	Director, National Physical Laboratory	Member
11.	DG, National Test House, Kolkata	Member
12.	Representative of IIPA	Member
13.	Representative of Government of Uttar Pradesh	Member
14.	Representative of Government of Andhra Pradesh	Member
15.	Representative of Government of Gujarat	Member
16.	Representative of Government of Assam	Member
17.	Representative of CII	Member
18.	Representative of ASSOCHAM	Member
19.	Representative of FICCI	Member
20.	Joint Secretary (CPU), Department of Consumer Affairs	Member - Secretary

## Constitution of Sub - Groups of the Working Group on Consumer Protection

### Sub Group I: Consumer Protection & Redressal, ADR and Consumer Counseling

1.	JS(CPU), GOI, <a href="mailto:gn.sreekumaran@nic.in">gn.sreekumaran@nic.in</a>	Convener
2.	DIR(CPU)	Member
3.	Dir(P&C)	Member
4.	Dir(coop)	Member
5.	US(cpu)	Member
6.	Prof. Vijaya kumar VC, Ambedkar Law University, Chennai	Member
7.	Representative of CGIS MUMBAI	Member
8.	Representative of CCC, U.P.	Member
9.	Representative of CAI Chennai	Member
10.	REGISTRAR, NCDRC	Member
11.	SR. Tech Dir(NIC)	Member
12.	Representative of GOVT OF Tamil Nadu	Member
13.	Representative of GOVT OF Orissa	Member
14.	Representative of , GOVT OF Gujarat	Member
15.	Representative of , GOVT OF A.P.	Member
16.	Representative of COMPETITION COMMISSION	Member
17.	Representative of IIPA	Member
18.	INDIAN PROJECT MANAGER GIZ	Member
19.	DR.P.K. AGARWAL Addl. Chief Secy.(retd)W.B.	Member
20.	DIRECTOR, MAC, FICCI	Member
21.	Prof. S. S. Singh Director, NLIU Bhopal	Member
22.	DIR /ENFORCEMENT/FSSAI	Member
23.	Secy., ADR, DELHI	Member
24.	Representative of CII	Member
25.	Representative of ASSOCHAM	Member
26.	Representative of FICCI	Member



## Sub Group II: Consumer Awareness and Education

1.	JS(CA)GOI, js-ca@nic.in	Convener
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3.	DIR(CWF)	Member
4.	Representative of MIN. OF H&FW	Member
5.	Representatives of DAVP	Member
6.	Representatives of Doordarshan	Member
7.	Representatives of AIR-FM	Member
8.	Representatives of NFDC	Member
9.	Representative of I&B MINISTRY	Member
10.	PR. SECY, GOVT OF KERALA	Member
11.	Ms. PUSHPA GIRIMAJI	Member
12.	Representative of Society For Action Group, Gurgaon	Member
13.	Representative of CAG, Tamil Nadu	Member
14.	Representative of FICCI	Member
15.	Representative of IIPA	Member
16.	Representative of ASSOCHAM	Member
17.	Representative of CII	Member

### Sub-Group III: Standardization and Product Safety

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3.	DIR(BIS)	Member
4.	Dir(LM)	Member
5.	CEO, FSSAI	Member
6.	Brig. Sarin AFQC	Member
7.	Shri Ajay Mathur , BEE	Member
8.	Representative of Min. of Commerce	Member
9.	Representative of Min. of Environment	Member
10.	Representative of Min. of SME	Member
11.	Representative of CII	Member
12.	Representative of FICCI	Member
13.	Representative of ASSOCHAM	Member
14.	Representative of VOICE	Member

#### **Sub-Group IV: Testing Facilities and Legal Metrology**

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<b>3.</b>	DS(NTH)	Member
<b>4.</b>	DIR(LM)	Member
<b>5.</b>	DIR/NPL	Member
<b>6.</b>	Representative of CERC, Ahmedabad	Member
<b>7.</b>	Representative of FCAWB	Member
<b>8.</b>	Representative of GOVT OF U.P.	Member
<b>9.</b>	Controller Legal Metrology, Maharashtra	Member
<b>10.</b>	Representative of CII	Member
<b>11.</b>	Representative of FICCI	Member
<b>12.</b>	Representative of ASSOCHAM	Member
<b>13.</b>	Representative of VOICE	Member

**Sub-Group V: Internal Trade and Future Markets**

1.	Chairman/FMC, <a href="mailto:chairman.fmc@nic.in">chairman.fmc@nic.in</a>	Convener
2.	Sr. EA	Member
3.	E.A.	Member
4.	MD/NCCF	Member
5.	Dir(IT)	Member
6.	Dir(Coop)	Member
7.	Representative of govt. of M.P.	Member
8.	Representative of Govt of Gujarat	Member
9.	Secretary, Food, or his Nominee Govt. of Assam	Member
10.	Secretary, Food, or his Nominee Govt. of Maharashtra	Member
11.	Representative of Warehousing Development Corporation	Member
12.	CCA, DCA	Member
13.	Representative of ASSOCHAM	Member
14.	Representative of FICCI	Member
15.	Representative of CII	Member
16.	Commodity Participants Assn. of India	Member
17.	Representative of CUTS	Member

**Sub Group- VI: Price Monitoring and Market Intervention (strengthening of data and information base on prices of essential commodities)**

1.	Sr. Economic Adviser, <a href="mailto:srea-ca@nic.in">srea-ca@nic.in</a>	Convener
2.	MD(NCCF)	Member
3.	Economic Adviser	Member
4.	Representative of GOVT OF Tamil Nadu	Member
5.	Representative of GOVT OF Gujarat	Member
6.	Representative of GOVT OF Andhra Pradesh	Member
7.	Representative of GOVT OF Orissa	Member
8.	Representative of GOVT OF NCT of Delhi	Member
9.	Representative of Competition Commission of India(CCI)	Member
10.	Representative of National Council of Applied Economic Research(NCAER)	Member
11.	Representative of Central Statistical Organisation(CSO)	Member
12.	Representative of National Commodity Exchange(NCDEX)	Member
13.	Representative of NIC	Member
14.	Director(Cooperation)	Member

## **(I) REPORT OF SUB GROUP ON CONSUMER PROTECTION & REDRESSAL, ADR AND CONSUMER COUNSELING**

### **1. Introduction:-**

The Planning Commission has constituted the working group on “Consumer Protection” in the context of preparation of the twelfth five year plan. Department of Consumer Affairs, Government of India has constituted six Sub-Groups to evolve a comprehensive report for the Working Group. The Sub Group on “**Consumer Protection & Redressal, ADR and Consumer Counseling**” has been constituted with the Jt. Secretary, Consumer Protection Government of India, as its Convener. The Sub Group consisting of 25 members is expected to look at the policies of the State and Central Governments regarding Consumer Protection and to evaluate the activities undertaken for Consumer Protection and Redressal Mechanism during the eleventh five year plan and to come up with comprehensive set of policies, programmes and action plan to strengthen the Redressal Mechanism and to provide better Protection for Consumer.

The Sub-Group would look at issues relating to consumer protection and redressal, alternative dispute resolution and consumer counseling. The Sub-Group would also assess the existing Scheme on Strengthening of Consumer Fora and Establishment of State Helpline. It would take note of the proposals for amendment of the Consumer Protection Act and suggest further measures, if necessary.

#### **1.1 The Terms of Reference of the Sub Group**

The Sub-Group would also look at the broad issues for the Working Group which are as follows:-

- To review the existing framework and recommend a comprehensive set of policies, programmes and action plan in pursuit of a strong movement for consumer protection covering, inter alia, consumer rights to awareness, education, redressal of grievances and quality infrastructure, standardization & product safety.
- To identify specific areas requiring Government intervention and to suggest ways and means to enhance responsiveness of private sector to consumers.
- To make consumer disputes redressal more effective by providing for speedy and inexpensive systems and procedures.
- To make an assessment of resource requirements (year wise) for the purpose and manner of financing for the Twelfth Five Year Plan.

## **2. Consumer landscape:-**

2.1 Awareness of consumer rights varies in different regions in the country. It is very poor especially among the population in rural and far-flung areas of the country. Compared to the developed countries, the levels of consumer awareness in such a vast country with a large population like India is much lower. This is rooted in economic inequality, low levels of literacy and ignorance. Because of this, consumers are not able to assert their rights and on many occasions are exploited by the trade and industry and service providers. Protecting and promoting the welfare of consumers has thus become one of the major concern of the Govt. Educating more than 110 crore people of various categories of population particularly those in rural areas where consumers are more susceptible to exploitation, on various subject matters on consumer interests which are being dealt by different Ministries/ Department, is a gigantic task that can only be undertaken as a sustained national programme with adequate funds made available for the purpose.

2.2 Globalisation and liberalisation of trade and business has resulted in many products and services being available to the consumers. Growth in economy has resulted in increase in the purchasing power of the middle class section, which is the largest segment of the population. This has necessitated giving high priority for the protection of the consumers and promotion of responsible consumer movement in the country.

## **3. Current Scenario:-**

3.1 One of the most important milestones in the area of consumer protection/consumer movement in the country has been the enactment of the Consumer Protection Act, 1986. This Act has been necessitated because the well-organized sectors of manufacturers, traders and service providers with the knowledge of market and manipulative skills often attempt to exploit the consumers, in spite of the existence of various provisions of different laws for protecting their interests. Moreover, the increase in population has resulted in enormous pendency and delay in disposal of cases in the civil courts. . Hence, the Consumer Protection Act, 1986 was enacted to better protect the interests of consumers. It is one of the most progressive and comprehensive pieces of legislation and is umbrella legislation covering all goods and services. This is indeed a very unique and highly progressive piece of social welfare legislation. The provisions of this Act are intended to provide effective and efficient safeguards to the consumers against various types of exploitations and unfair dealings. Unlike other laws, which are basically punitive or preventive in nature, the provisions of the Act are also compensatory. It is a matter of great satisfaction that we have in our country a Statute which provides more effective protection to

the consumers than any corresponding legislation in force in other countries, which are considered to be much more advanced and industrialized. CPA has been in operation for about 25 years. A number of deficiencies and shortcoming in respect of its operation have come to light thereby requiring Amendments on three occasions, still leaving scope for further improvements. Despite all this it has stood the test of time and has been an effective tool in the hands of the consumers to ensure accountability of procedures of goods and providers of services. The Act is intended to provide simple, speedy and inexpensive redressal to the consumers' grievances. It also provides relief of a specific nature and awards compensation, wherever appropriate, to the consumer. The Consumer Protection Act, 1986 has ensured the rights of consumer for safety, information, choice, representation, redressal and consumer education. The Act provides for an exclusive three tier redressal machinery as an alternative to the civil court and other legal remedies available in the country, wherein an aggrieved consumer can seek redressal against any defect in the goods purchased or deficiencies in services availed, including restrictive/unfair trade practices adopted by such manufacturer and trader of goods/service provider.

### **3.2 The Salient Features of the Act are as under:**

- The Act provides for establishing a three-tier consumer dispute redressal machinery at the national, state and district levels.
- It applies to all goods and services.
- It covers all sectors, whether private, public or any person.
- The Act provides for relief of a specific nature and also for compensation to the consumer as appropriate.
- The Act also provides for setting up of Consumer Protection Councils at the Central, State and District levels, which are advisory bodies to promote and protect the rights of the consumers.
- The provisions of the Act are in addition to and not in derogation of the provisions of any other law for the time being in force.

### **3.3 Amendments to the Act**

Though the overall disposal rate and the performance of the Consumer Fora is considered to be impressive, still, the delay in disposal of cases by the redressal agencies at the District, State and National level including the level of pendency has been a cause of major concern for the Government. Therefore, the Government made comprehensive proposals to further amend the Act and brought the Consumer Protection (Amendment) Act, 2002 (62 of 2002). The amended provisions of the Act were brought into force from 15.3.2003. The provisions of the Amendment Act were mainly aimed at facilitating quicker disposal of complaints, enhancing the capability of redressal agencies,



strengthening them with more powers, streamlining the procedures and widening the scope of the Act to make it more functional and effective and also to strengthen Consumer Movement at the grass root level. The amended provisions empower the Senior most member to preside over the Bench in case the President is absent due to any reason so that the Forum functions uninterruptedly. Further, Presidents of the National Commission & the State Commissions have been empowered to constitute Benches with one or more Members for their effective functioning. As a sequel to the amendment in the Act, Consumer Protection Rules were amended, new provisions introduced wherever it was considered necessary. Similarly, the Consumer Protection Regulations, 2005 was notified by the NCDRC after getting the approval of the Central Government to supplement the Rules in order to provide a uniform procedure for day to day functioning of the Consumer Fora. The Consumer Protection Act was amended in the years 1991, 1993 and 2002 and proposals to further amend the Act are under consideration. The Consumer Protection Act has been amended thrice during the years 1991, 1993 and in 2002. Further amendments to the Consumer Protection Act, 1986 are presently under consideration. These amendments are aimed at:

- (a) Widening the scope and amplifying the provisions of the Act,
- (b) Facilitating quicker disposal of complaints and
- (c) Rationalising the qualifications and procedure of selection of President and Members of the Consumer Fora

### **3.4 Monitoring Performance**

The Department of Consumer Affairs and the National Commission have been periodically monitoring the functioning of the Consumer Fora and repeatedly impressing upon the Consumer Fora to dispose of the complaints within the prescribed time limits provided under the Act. For this purpose, States were advised to have more Benches in their State Commissions and also to hold Circuit Benches and to set up additional District Fora, wherever necessary.

Under section 24B of the Consumer Protection Act, 1986, National Commission has administrative control over all the State Commissions in the following matters, namely:

- Calling for periodical returns regarding the institution, disposal pendency of cases;
- Issuance of instructions regarding adoption of uniform procedure in the hearing of matters, prior service of copies of documents produced by one party to the opposite parties, furnishing of English translation of judgments written in any language, speedy grant of copies of documents;

- Generally overseeing the functioning of the State Commissions or the District Fora to ensure that the objects and purposes of the Act are best served without, in any way, interfering with their quasi-judicial freedom.

### **3.5 Indicators of Growing Consumer Awareness/Consumer Movement in India**

(a) There is an exclusive Department created in the Central Government for consumer protection/consumer welfare i.e. the Department of Consumer Affairs which accords a very high priority to the consumer protection programmes and to strengthening consumer awareness/movement in the country. Similarly, some State Governments have also created a separate Department or Directorate of Consumer Affairs on the request of the Central Government. Wherever not feasible, the name of the Department has been changed to include Consumer Affairs/Protection for the public knowledge.

(b) There are 629 District Fora at district level, 35 State Commissions at State level and one National Commission functioning in the country to render inexpensive and quick redressal to consumer grievances. Out of over 35 lakhs cases filed before the consumer disputes redressal agencies, 89.77% already stand disposed of.

(c) The Parliamentary Standing Committee of the Ministry has recognized the importance of consumer protection, while examining the demands for grants. The Committee made strong recommendations to the Planning Commission for substantial allocation of funds to the consumer protection programmes especially for undertaking the gigantic task of spreading consumer awareness and strengthen the infrastructure of the Consumer Fora in the country including their computerization and computer networking.

### **3.6 Responsibilities of Central and State governments**

According to the provisions of the Consumer Protection Act, 1986, while it is the responsibility of the Central Government to set up the National Consumer Disputes Redressal Commission (NCDRC) and to ensure its effective functioning, the responsibility for setting up the State Commissions and District Fora and their effective functioning rests with the State Governments/UT Administrations. State governments are also responsible for providing these consumer Fora with adequate manpower with basic knowledge of computer operations, infrastructure including ICT infrastructure namely computers, ups, network items etc. and funds for their effective functioning.

### **3.7 Interventions**

In terms of provisions of the Act, it is the responsibility of the State Governments to establish and effectively run the District Fora and State Commissions in their

respective States/UTs. However, to supplement the efforts of the State Governments, the Department of Consumer Affairs has been extending financial assistance to the States/UTs to strengthen the infrastructure of Consumer Fora.

### **3.7.1 Scheme on Strengthening Consumer Fora**

Although providing infrastructural facilities to the consumer Fora for their effective functioning is the responsibility of the State Governments/UTs; in order to supplement the efforts of the State Governments in this regard, the Central Government has been extending financial assistance for strengthening the infrastructure facility of the Consumer Fora. The scheme, 'Strengthening Consumer Fora' with an overall outlay of Rs. 54.50 crore, is being implemented during the last 4 years of the XIth Plan viz. 2008-09 to 2011-12, for extending financial assistance to States/UTs for strengthening the infrastructure of consumer fora so that minimum level of facilities required for their effective functioning are made available at each consumer forum. These include construction of new building of the consumer fora, carrying out additional/alteration/renovation of existing buildings and grant for acquiring non-building assets such as furniture, office equipment etc. The current guidelines for implementation of this scheme are at ANNEXURE- I. As per the guidelines it is the responsibility of the State Governments to provide the land for construction of a new building for a Consumer Fora. State wise details regarding financial assistance extended so far under various schemes for strengthening infrastructure of Consumer Fora and Utilization thereof is at ANNEXURE-II while the State wise details of funds released under the scheme of "Strengthening Consumer Fora" during the last three years is at ANNEXURE III. The State Governments are responsible for timely filling up of vacancies of President and Members in the State Commission and District Fora of their State. The latest State wise vacancy position as furnished by NCDRC is at ANNEXURE IV.

### **3.7.2 Evaluation of The Performance of Consumer Redressal System:-**

According to a study undertaken by IIPA in 5 States, the areas on which the Third Amendment has made remarkable impact are nature of complaint, number of hearings, number of adjournments and time taken in disposal of cases. However Third Amendment has not yet made any impact on the appearance of advocates. Analysis of data revealed that 85 per cent consumers preferred to engage advocates for their complaints, though the intention of the CPA is that the complainants could argue their case themselves in the consumer courts.

It was also noted that in rural areas in all five states appearance by advocates is more prevalent. Reasons for this may be illiteracy, lack of awareness about the consumer rights and ignorance of courts' procedure.

It is true that the provision of fee has generally been welcomed but at the same time need to have exemption to say up to Rs.25,000/- from fee, was forcefully pleaded by many consumers.

Analysis of data revealed that Third Amendment facilitated in achieving objective of quick and speedy remedy to a considerable extent. In nearly 52 per cent of cases at State Commissions the hearing was ranging from 1-6. However, at the Urban District Forums only 19 per cent of cases were disposed within 1-6 hearings (consisting 13% new and 6% old). At the District Forums rural only 18 per cent of cases were disposed of within 1-6 hearings. There is a sharp decrease in number of hearings in complaints decided after the Third Amendment. This is also true for the number of adjournments.

Efficient functioning of Consumer Forums can be judged by considering the disposal of complaints within the stipulated time frame of 90 days and 120 days. In this regard study reveals that time frame has hardly been strictly adhered to. In fact, only 19 per cent (16% new and 3% old) of over all cases at State Commissions, 9 per cent (8.04 % new and 0.52% old) at District Forums Urban and 21 per cent (18.50 new and 2.50 old) at District Forums Rural were disposed within the stipulated time. This need to be taken seriously in the interest of consumers and the credibility of consumer justice system.

While awarding costs, a conservative approach has been adopted by these Commissions/Forums. In appropriate cases the amount of compensation awarded should be commensurate with the loss and injury suffered by the complainant / respondent. In addition, the provision relating to punitive damages need to be utilized in public interest.

It seems that no complaint is being filed in relation to unfair trade practices, restrictive trade practices, hazardous goods/services, misleading advertisements. As a result the reliefs provided and introduced by the Third Amendment in relation to the above are not utilized. In these areas the role of governments and NGOs / VCOs is of prime importance particularly in absence of suo moto power to the Commissions / Forums.

#### **i. Ensuring speedy Disposal of Complaints filed in Consumer Fora**

As on 13.6.11, 3603281 cases had been filed in all three tiers of consumer dispute redressal agencies since inception and 32,03,978 cases stood disposed of, showing a commendable disposal rate of 89.77 %. State wise details of cases filed and disposed of as well as the percentage disposal rate in the State Commission and District Fora, as furnished by NCDRC may be seen at ANNEXURE V. The

National Commission is maintaining State-wise data in respect of cases filed, disposed of and pending, since inception, in the National Commission, State Commissions and District Fora. The position regarding disposal of cases as provided by the National Commission as on 13.6.2011 is as under:

Sl. No.	Name of Agency	Cases filed since inception	Cases disposed of since inception	Cases Pending	% of total Disposal
1.	National Commission	69465	60504	8961	87.10
2.	State Commissions	541478	440613	100865	81.37
3.	District Fora	2992338	2736379	255959	91.45
	Total	3603281	3237496	365785	89.85

The statement of cases filed, disposed of and pending, since inception, in the National Commission, State Commissions and District Fora (State-wise) may be seen at ANNEXURE VI & VII respectively. As far as NCDRC is concerned, the President is empowered to constitute Bench with one or more Members as may be considered necessary. At present, there are 5 Benches functioning in the NCDRC. One additional bench has been approved for dealing with pending cases disposal exclusively. NCDRC has identified **13** places for holding Circuit Benches. It had its first Circuit Bench at Hyderabad in the month of January, 2005, the second one at Bangalore in the month of January, 2006, the third one at Chennai in the month of January, 2007, the fourth one at Pune in the month of January-February 2008, the fifth one at Cochin in the month of March-April, 2009, the sixth one at Kolkata in the month of January-February, 2010 and the seventh one held at Ahmedabad during February-March 2011.

▪ **State Consumer Protection Councils (SCPCs) & District Consumer Protection Councils (DCPCs)**

The Act provides for the establishment of the Consumer Protection Councils at the National, State and District levels. While it is the responsibility of the Central Government to set up the Central Consumer Protection Council (CCPC), the responsibility for setting up the State Consumer Protection Councils (SCPCs) & District Consumer Protection Councils (DCPCs) rests with the State Governments. The state wise position regarding setting up of the SCPCs & DCPCs as available with this Department on the basis of information furnished by the States/UTs is at ANNEXURE-VIII. The objectives of these councils are to help the respective governments in adopting and reviewing policies for promoting and protecting the rights of the consumers. The citizens and organizations representing different interest groups and having concern for

consumer's rights protection are members of these councils. The main objective of these councils is to promote and protect rights and interests of consumers in the society.

### **3.7.5 Computerization and Computer Networking of Consumer Fora (CONFONET).**

Consumer Fora are being computerized and networked to enable dissemination of information leading to quicker disposal of cases. A project for Computerization and Computer Networking of Consumer Fora in the country, (CONFONET) was launched during the 10<sup>th</sup> Plan period at a cost of Rs. 48.64 crore. The project is being implemented by the National Informatics Centre (NIC) on a turnkey basis. The CONFONET project has been extended to 11<sup>th</sup> Plan with a total outlay of Rs. 25.69 crore. In the extended period of project, stress is being laid upon continued HR support by means of Technical Support Personnel (TSP) and training for eventual adoption of the system by the Consumer Fora themselves. An expenditure of Rs. 8.89 crore has been incurred during 2010-11. Out of 629 locations being covered under the scheme 519 Consumer Fora are uploading cause lists while 450 Consumer Fora are uploading judgments.

### **3.7.6. Construction of Building of the National Commission**

A new office building for National Commission is being constructed at INA, New Delhi, which is part of an Integrated Building Complex at INA, New Delhi at a cost of Rs. 19.91 crore. NCDRC has informed that the building is expected to be completed by June 2011. An allocation of Rs. 2.39 crore has also been made for providing infrastructural facilities in the building. TNCDRC is likely to shift to the new venue by end June –July 2011.

### **3.7.7. Central Consumer Protection Council**

The term of the last Central Consumer Protection Council (CCPC). CCPC expired on 13.09.2010 and the new CCPC has been constituted.

### **3.7.8. Setting up of the National Trade Practices Regulation Authority**

The proposal to set up a National Consumer Protection Regulatory Authority (NTPRA) in consultation with all stakeholders was under consideration. The Planning Commission and the Ministry of Finance (Department of Expenditure) did not agree to the proposal. The Ministry of Law & Justice advised that since the matter of regulation of unfair trade practice involving business to business transaction does not concern the end-consumers, it would be a fit case to amend the Competition Act, 2002 by the Ministry of Corporate Affairs in order to avoid

overlapping of jurisdiction of regulatory authorities. It was decided that the matter may be transferred to Ministry of Corporate Affairs for amending the Competition Act, 2002 or further necessary action as may be deemed fit.

### **3.7.9. Initiatives on ADR and Counselling**

#### **The State Consumer Helplines and National Consumer Helplines**

National Consumer Helpline was launched in 2005 in collaboration with the University of Delhi. Consumers from all over the country can access the toll-free number 1800-11-4000 and seek telephonic counseling, advice and guidance to sort out their consumer related problems. An independent evaluation conducted noted that there are very few calls originating from North East, West and non-Hindi speaking States. Since the service is available only in English and Hindi, State level Helplines were initiated which provides service in regional language, Hindi and English. This functions in 23 States at present. These Helplines will be networked and linked to a nodal Centre at IIPA where the central hub will be functioning. A uniform software platform has been provided to the States for this purpose.

#### **Consumer Online Resource & Empowerment (Core) Project:**

This is an Online Disputes Redressal forum (ODR) and is an initiative taken by the Ministry towards web based consumer awareness & protection programme aimed at identification of consumer problems and their redressal using Information Technology tools. The project is being executed through Consumer Coordination Council.

#### **Consumer Advice Centers(CAC)**

The consumer centers set up on pilot basis in the four States play a decisive role in as an extended arm of State Helplines and provide consumers with up to date, reliable information and independent consultation. The consumer advice centers in the Districts are the first point of contact for comprehensive consumer information and independent advice. And CAC assist members by ensuring high quality advice by establishing uniform advice standards. They provide an overview of the market and help consumers deal with complex market conditions. They also identify health and environmental aspects that could influence purchasing decisions.

#### **Mediation Advisory Centres**

In a joint initiative of FICCI and GTZ and Department of Consumer Affairs a Mediation Advisory Centre (MAC) is being implemented in four States on a pilot basis. MAC is expected to cater to pending cases referred by consumer fora as well as new cases coming directly or through the registrar. The mediation will be done through a panel of independent, neutral and trained mediators. This is purely a voluntary procedure.

#### **4. Strategic Plan for 2012-15**

4.1. As per the Strategic Plan of the Department it is our vision to protect the rights and interests of consumers, to spread awareness about consumer rights, duties and responsibilities and to promote consumer welfare by strengthening consumer movement in the country. Our mission is implementation of various consumer welfare schemes through progressive consumer related legislations and effective. Active participation of State Govts., academic and research institutions, schools and voluntary organizations will be sought to create a vibrant consumer movement in the country. Strict parameters regarding consumer products will be developed and enforced along with regular monitoring of prices to ensure the sovereignty of consumers.

#### **4.2 OBJECTIVES**

- To empower consumers by making them aware about their rights and responsibilities.
- To provide effective, inexpensive and speedy redressal system to Consumers.
- To strengthen the infrastructure on Consumer Fora through computerization and computer networking across the country.
- To augment the infrastructure of enforcement machinery of Legal Metrology Department of States/UTs and implementation of The Legal Metrology Act, 2009
- To assist Consumers by giving advice and guidance in Consumer related issues through National Consumer Helpline and State Consumer Helplines functioning in States/UTs across the country.
- To create avenues for Consumers for settlement of Consumer related cases through Mediation process involving Voluntary Organisations and settlement of Grievances
- To dispose off all Grievances and Complaints through a well established Grievances Redressal Mechanism

4.3 The mandate of this Department is to undertake measures for consumer protection, by creating awareness among people, speedy dispute redressal system and provide for quality products and services. Our stakeholders in this Mission



are basically consumers themselves who need to be educated and re-educated, Business organisations who can do a lot by putting in place an in-house Consumer grievances redressal mechanism, and be responsive to consumers, and the various Consumer organisations and academic institutions and research organisations who can supplement the efforts of the Government and could be vehicles for effective launch of a massive consumer movement in the country. Lastly we require the help of State governments in efficiently implementing various programmes at grassroots level.

#### **4.4 Strengths and weaknesses:**

- (i) The Department is small one compared to the task it has at hand.
- (ii) All activities affect the consumer finally in some way or other.
- (iii) As per Allocation of Business there are different ministries undertaking activities which has a direct bearing on consumer.
- (iv) There is no mandatory system to get prior clearance of this department before any new scheme or project is initiated.
- (v) Consumer protection is still of a lower priority among the State governments.
- (vi) As a result sufficient funds are not allocated for infrastructure and other recurring expenditure.
- (vii) This affects implementation of schemes.

#### **4.5 Learning agenda**

- Need to understand and find out the basic deficiencies in the enforcement of CP Act 1986 especially in the functioning of Consumer Fora and the councils at State and Dist. Level
- Understand best practices in other countries in providing consumer protection, product safety, ADR procedures.

- **Outline of Strategy**

- (i) Amending the important Acts administered by the Department and thereby bringing in provisions in tune with the time and necessitated by changes in economy, trade and business and consumer expectations is the basic strategy the Department.
- (ii) Come up with National Consumer policy which will enable this Department to effectively coordinate and intervene in the functions of those Departments which has a consumer inter-phase.
- (iii) Streamlining the functioning of State departments, and other line organisations and agencies is another area.

- (iv) Effective communication being the means for wider impact, exploring novel methods of awareness campaign is an area where a lot of innovation is possible.
- (v) Utilisation of IT tools in furthering improvement of the redressal system making it more efficient and transparent.
- (vi) Frequent meetings of the Central Consumer Protection Council, periodical workshops with various stakeholders like Ministries which has consumer interface, consumer organisations, academic and law institutions, training & research institutions and representatives of State governments and conference of State commission Presidents and Members provide ample opportunity to interact and understand the issues/ problems and take measures to mitigate them.
- (vii) Media committee meetings periodically to discuss new ideas/advisories and assess the impact of publicity measures undertaken.
- (viii) Bringing consumer interest in focus in all govt and private sector decisions. To that end the best practices being followed by other countries could be successfully implemented here after tailoring them to fit to our situation.
- (ix) The impact of various activities undertaken on consumer satisfaction need to be assessed periodically to learn from them and undertake mid course corrections/ modifications if necessary.
- (x) Associating State governments in a major way in implementing the programmes is of utmost importance.

- **12 th Plan Priorities.**

On the basis of appraisal of the current scenario we have prioritised the targets as under:-

- Promote a socio economic movement which seeks to protect the consumer rights
- Create an administrative and legal mechanism including ADR which would be fast and efficient and within the reach of Consumers.
- Engage media, civil society, organisations and business houses in enhancing awareness.
- Use of information technology tools for improved governance.
- Streamlining the legal provisions through appropriate changes in the CP Act.

- Building a climate for quality culture and consciousness and greater participation of Consumers in formulation and implementation of National Standards
- Setting up of State Consumer Helplines and consumer Advice Centers and linking them to a Mediation Centre in all States/UTs and networking across the country as a major Counseling cum Mediation Mechanism. State Consumer Helplines and Consumer Advice centers may include linkages to the grievances redressal mechanism for the PDS.

#### **5.1. 12<sup>th</sup> Plan strategy and implementation plan: -**

- Consumers need an inexpensive and quick grievance redressal mechanism to ensure that manufacturers and service providers are accountable for the price and quality that the consumers are entitled to. Accordingly, it is necessary to provide several methods of grievance redressal including those which are available in accordance with the provisions of the Consumer Protection Act. Thus, mediation or in-house grievance redressal should be tried, but without giving up the right of the consumer to obtain legal redress ;
- Amendment of Consumer Protection Act to make it more effective and tuned to reducing the backlog of cases.
- Of recent there has been derogation or poaching on the jurisdiction of Consumer Protection Act in some of the areas due to the orders passed by the Courts. Such loopholes in the Act should be plugged through appropriate amendments to the Act and Rules.
- Computerisation and Networking of consumer fora across the country so that consumers can file complaints and access their case status online.
- Setting up counselling and a mediation mechanism at pre-litigation stage and so as to reduce the burden of consumer courts and resolve disputes through out of court settlements.
- Provision of adequate infrastructure to Consumer fora so as to make them function effectively.
- Moving from manual system to computer based system to bring in more efficiency and transparency.
- Provision for monitoring the performance of functioning of District Fora by developing dynamic MIS Reports on the performances related to total no. of cases filed/ disposed and other related performance indicators.
- Provision of funds for the annual maintenance of confonet hardware items like computers, ups, replacement of ups batteries etc. under the Scheme on Strengthening Consumer Fora.

#### **5.2. Recommendations for 12<sup>th</sup> Plan period.**

Keeping in view of the terms of reference and the existing status of consumer protection, the Sub Group recommends the following strategy for the 12<sup>th</sup> Plan. The basic principle that is recommended for adoption is “Continuity with Change”. This essentially involves the following which are discussed below.

- Strengthening of the existing redressal mechanism to make it more efficient for delivering speedier justice
- Supplement the existing redressal system with an active ADR Mechanism.
- Building a strong consumer information and advisory system.
- Integrate the information, counselling and mediation mechanism into a structured format
- Review of Consumer Protection Act 1986 and take adequate measures to plug loopholes with a view to reduce delays and enhance its reach to new areas of consumer issues.
- Self Regulation and In-house redressal mechanism.
- Information Technology tools for better delivery of service

#### **Strengthening of the existing Redressal mechanism to make it more efficient for delivering speedier justice**

In the consumers context, the right to redress includes the right to receive compensation for misrepresentation of shoddy goods or unsatisfactory services and the availability of acceptable forms of legal aid or redress for claims. Though Consumer Protection Act is a comprehensive piece of legislation, it is plagued by inordinate delays in the delivery of justice, enforcement of orders etc. Large number of cases are pending. There are 3,94,583 cases pending at various levels. There are cases at all levels that are pending for more than ten years. Again, as regards the Business Codes of Ethics, these are voluntary in nature. Implementation of these are far from fair as such codes almost always lack of enforcement teeth, lack of requisite enthusiasm and attention of most State Governments in implementing the provisions of the Act, Consumer fora becoming like civil courts with Presidents asking for a more formal approach, and the reluctance of consumers to make use of the redressal system are some of the major bottlenecks in Consumer Protection. With an understanding of the ground realities, inherent flaws and other systemic problems, appropriate changes have to be brought in to establish a more effective redressal mechanism to protect the consumer in true sense.

Following are some of the measures that can be adopted to strengthen the formal redressal mechanism:

**a) Improvements to the procedure** –It can be achieved by proper implementation of the act & amendment to the act that would help to find solutions more quickly.

- To make the access to court for the consumers from rural areas possible & to ease access for the urban population, written procedure could be installed, guided by forms. These should be made available by consumer organizations, legal aid centres & local governments like panchayats as well as on internet.
- Admission hearings should be banned.
- Additionally to or instead of written procedure, rolling fora should be set up.
- Making unnecessary adjournments and forcing unnecessary hearings should be made unattractive for the Lawyers. To ensure this, a compound fees fixed by the Government should be charged depending upon the declared value of the complaint.
- The courts should be encouraged to implement the regulations of the CPA. The fora should be obliged to provide data on the number of adjournments given and on the amount of fees granted to evaluate the handling of this aspect of the procedure.

The fees for going to appeal should be increased for the manufactures. This will discourage manufactures from unnecessary appeals.

- Mechanisms should be found to find interested and competent members easily. The contribution of the members could be improved by appointing members with knowledge in the areas of consumer complaints –Banking, electricity, insurance, telecom, educational services.
- Computer training for staff & members should be made widely available, so they can use what they have at their hands.
- The district fora should be able to set aside their own ex-parte decisions.
- The fees for the district forum are very low, but it poses the problem for the consumers that they are not allowed to pay in cash. Abolishing fees completely or giving the possibility of paying in cash would make the access to the forum easier.
- The decisions of the consumer fora should be made available on the internet

**(b) Appointment of President, Members and other staff.**

- To initiate action at least six months in advance for filling up of future vacancies of Presidents / Members and to maintain standing panel for one year for immediate appointment to the post of members of District Forum/State Commission.

- Written examination and oral interview for appointment of the Members to the District Fora / State Commission.
- To avoid staff shortages such as in the grade of Stenographers, States/UTs can consider engaging services of such persons through outsourcing/contractual arrangements.
- Performance of the Presidents and Members of the Consumer Fora Should be reviewed at least once in a year by the committee constituted for the selection as per the provisions of the Act.
- Suitable provisions should be made for removal of President/Member of the Consumer Fora not only on account of misconduct but also on non-performance. The recommendations of the selection committee shall be binding on the government.
- Every Consumer Forum should try to dispose of 20 to 25 cases per week on the pattern of Lok Adalats

**(c) Forestalling delay in disposal.**

I. Cases must be disposed in the Consumer Fora within 90 to 150 days as per the provisions of Consumer Protection Act, 1986.

II. In case, it is not disposed off within the specified time limit, reasons for delay should be mentioned by the concerned President of the Forum and place before the selection committee every quarter.

- The Consumer Fora should have complete financial independence with sufficient budgetary allocation.

(i) All the landmark judgments should be published by the State Government for the knowledge of consumers and online uploading of disposals should be made as a rule.

(ii) Library – The District Fora should be provided funds for procuring Bare Acts, Journals and orders of the National Commission and State Commission.

- Control over staff in respect of State Commission and District Fora be given to the President of the State Commission and District Fora respectively.
- Salary – A uniform pattern of honorarium be given to the Presidents / Members of the State Commissions/District Fora because they are performing the same nature of duties all over the country. While working out the uniform pattern of honorarium the concept of whole time and part time forums may be taken into account.

- Video Conferencing needs to be popularized and held frequently from time to time with the Presidents and Members of Fora by the President of the State Commission.
- Additional Benches of State Commission and additional District Fora may be set up, wherever required for timely disposal of cases – Workload norms may be prescribed.
- Facility of on-line complaint registration should be initiated. The need for computerization in the district forum and its modernization for better functioning were emphasized.
- Allocation of more fund regarding office expenses etc. was considered facilitative to the effective functioning of the forum.
- Services of a stenographer should be provided to every member separately.
- It is generally observed that adjournments seems to be an universal factor, which is not in line with the basic purpose of CPA to provide quick Redressal for consumer grievance. It was also observed that almost all complainants were unaware about the provision for cost on adjournments, which is recently introduced by the regulation issued by the National Commission. So proper implementation of this provision may result into overcoming the problem of adjournment.
- To counter the increased number of cases the number of staff members should be increased at District Forums and in appropriate cases additional forums may be created.
- Lack of proper machinery to implement the orders of consumer courts - though, the Act contains the provision for attachment of property of the defaulters but the forums are not having sufficient manpower or supportive machinery to exercise this provision properly.
- Members should come from higher educational background preferably from legal background. One permanent member from the medical field who can assist the president in the matters related to medical negligence.
- The limitation period of two years to extend to three years as in civil suits. The limitation for filing appeal should be extended to 90 days.
- Appropriate arrangement should be made for proper execution of orders passed by Commissions and Forums.
- Mobile court could also be set up which can go to different places and can hear the complaint summarily.

For the efficient and effective functioning of the consumer Commissions/Forums, their organizational set up, manpower, infrastructure facilities, procedure and working facilities to the Presidents and Members need to be taken due care to keep their motivation high so that they can give their best to the cause of consumers rights and interest protection.

## **Supplement the existing redressal system with Alternate Dispute Resolution (ADR) Mechanism**

It has been rightly said that: 'Justice delayed is Justice denied'. An effective judicial system requires not only that just results be reached but that they are reached swiftly.' But the currently available infrastructure of courts in India is not adequate to settle the growing litigation within reasonable time. This situation is gradually becoming equally relevant in the case of consumer forums also, albeit to a lesser degree as of now. In this context, there is an imminent need to supplement the current infrastructure of forums by means of Alternative Dispute Resolution (ADR) mechanisms. Efforts towards ADR have met with considerable success and good results elsewhere in the world, especially in the litigation-heavy United States, where professional teams of mediators and conciliators have productively supplemented the dispute resolution and adjudication process.

In 1995 the International Center for Alternative Dispute Resolution (ICADR) was inaugurated by Shri P. V. Narasimha Rao, the then Prime Minister of India, who had observed:

"While reforms in the judicial sector should be undertaken with necessary speed, it does not appear that courts and tribunals will be in a position to hear the entire burden of the justice system. It is incumbent on government to provide at a reasonable cost as many modes of settlements of disputes as are necessary to cover the variety of disputes that arise. Litigants should be encouraged to resort to alternative dispute resolution so that the court system proper would be left with a smaller number of important disputes that demand judicial attention."

The greatest challenge that the justice delivery system faces today is the delay in the disposal of case. Alternative dispute resolution was thought of as a quick fix to meet this challenge. The considerable delay in reaching the conclusion in any litigation adds to the costs and makes the absence of an effective mechanism for their recovery even more problematic. Although the consumer fora encourage the aggrieved parties to contest the cases personally, instead of engaging the services of advocates, the opposite is often the case. Also, the presence of judicial persons in the bench has inevitably and regrettably, led to all the trappings of civil courts seeping in. The dire need of the hour is to lessen the burden of consumer fora and to adopt alternate dispute resolution mechanism.

The Alternate Dispute Resolution can be done by Mediation. Through Mediation, the consumer and the opposite party try to resolve the dispute with the help of a neutral third party called a Mediator. In the course of informal meetings, the mediator tries to resolve the differences between two parties. The primary object



of ADR movement is avoidance of vexation, expense and delay and promotion of the ideal of “access of justice” for all. ADR can be broadly classified into two categories; court-annexed options (it includes mediation, conciliation) and community based dispute resolution mechanism (Lok-Adalat).

*Justice Warren Burger*, the former CJI of American Supreme Court had observed:

“The harsh truth is that we may be on our way to a society overrun by hordes of lawyers, hungry as locusts, and bridges of Judges in numbers never before contemplated. The notion that ordinary people want black robed judges, well-dressed lawyers, and fine paneled court rooms as the setting to resolve their disputes is not correct. People with legal problems are like people with pain, who want relief and they want it as quickly and inexpensively as possible”.

The advantages of ADR system are briefly,

- Reliable information is an indispensable tool for adjudication. Judicial proceedings make halting progress because of reluctance of parties to part with inconvenient information. ADR removes this drawback in the judicial system. Information can be gathered more efficiently by an informal exchange across the table. Therefore, ADR is a step towards success where judicial system has failed in eliciting facts efficiently.
- In Mediation or Conciliation, parties are themselves prodded to take a decision. Since they are themselves decision-makers and they are aware of the truth of their position, the obstacle does not exist.
- The formality involved in the ADR is lesser than traditional judicial process and costs incurred are very low in ADR.
- Finality of the result, cost involved is less, the time required to be spent is less, possibility of avoiding disruption is more.

### **Relevance of ADR to India**

The object of the Legal Services Authority Act, 1987 was to constitute legal services authorities for providing free and competent legal services to the weaker sections of the society; to organise Lok Adalats to ensure that the operations of the legal system promote justice on a basis of equal opportunity. The concept of Lok Adalat is no longer an experiment in India, but it is an effective and efficient, pioneering and palliative alternative mode of dispute settlement which is accepted as a viable, economic, efficient, informal, expeditious form of resolution of disputes. It is a hybrid or admixture of mediation, negotiation, arbitration and participation. The true basis of settlement of disputes by the Lok Adalat is the principle of mutual consent, voluntary acceptance of conciliation with the help of counselors and conciliation. It is a participative, promising and potential ADR

mechanism Out of the methods of ADR, mediation is the most suited method for a country like India, because by and large people in India at least in the rural areas would like to settle their disputes amicably. The extent of Judicial Interference under the Arbitration Act defeated the purpose of speedy justice, although it was a move in the right direction. Arbitration had some ailments: (I) traditional adversarial system is run in a arbitration proceedings; (II) proceedings are delayed as both parties take lot of time presenting their submissions; (III) the cost of arbitration is much more than the ordinary ADR process, thereby, it does not attract the poor litigants; (IV) participatory role of the parties are neglected as the submissions are made by the counsels. Mediation to succeed creation of awareness and popularizing the methods is to be done. Department of Consumer Affairs has initiated the process under some of its projects. Training programmes on the ADR mechanism are of vital importance. IIPA or State level judicial academies can assume the role of facilitator or active doer for that purpose . The idea of running Mobile ADR Mediator system under the legal jurisdiction of consumer courts to help the exploited consumers in the market places and deliver instant justice just like Traffic Mobile Magistrate can be pilot tested. It is equally important to raise the consumer's awareness and their opponents –of the values of ADR. This should be done on as much levels as possible: National & State Commissions, District forums as well as government. Lectures in consumer clubs, handing out leaflets, doing public relation will help. Pilot project should be started in at least 10 different fora for about 1 year: urban & rural areas. The pilot projects should be accompanied by close evaluation. During 12 th Plan mediation Centers should be started in all Districts and State Capitals in a phased manner and infrastructure support may be provided to States/UTs for enabling this process. Mediation centers should be annexed to the District Fora /State Commission or on its premises and adequate publicity need to be provided so that consumers are aware of such facility.

### **Consumer Advice Centers (CAC) - building a strong consumer information and advisory system**

These centres at district level should offer:

- Advice on whether court procedure is adequate for the complainant
- Opportunity for referring the case to ADR techniques
- Advice on adequately written complaints & completion of necessary papers.
- The staff of the consumer centres could be recruited from consumer organizations.

The main aim of Consumer advisory Centres is to provide correct information on all aspects of consumer protection including guidance to take mediation to settle

disputes. The Consumer Advisory Centre may be established at District level with linkage to State Helpline and Mediation Centre.

**Integrate the information, counselling and mediation mechanism into a structured format:-**

The 12<sup>th</sup> plan should provide a scheme to fund CACs in each district and SCH in each state. These CACs can be run by NGOs, Voluntary Consumer Organizations known as VCOs, co-operative institutions, citizen service centers or other public spirited bodies who are already doing the work in the field of public welfare and charity after evolving guidelines for benchmarking such organizations. CAC may be located preferably in a market place where consumer will feel comfortable to approach it. There will be mediation Centres at the district and State level, which will arrange for settlement of disputes through mediation arising from Distt. Fora State Commission and CACs. They may also take up some important cases directly for mediation and settlement. The mediation Centres need to be funded by the State Government and in turn by the Central Government. Each CAC will have a minimum one Manager or Supervisor and three Consumer Advisors. It is proposed that in the 12<sup>th</sup> Plan the State Helplines, CACs and Mediation centers may be integrated into a composite structure providing for a permanent ,efficient and speedy mechanism that will cater to consumers with information, counseling and mediation, thus paving way for a structured and enduring ADR system. Appropriate training modules may be added to this using the capacity already created in IIPA.

**Review of Consumer Protection Act 1986 and related Acts**

Adequate measures to plug loopholes with a view to reduce delays and enhance its reach to new areas of consumer issues need to be taken. The Consumer Protection Act, 1986 is the umbrella Act that enshrined the consumer rights. Some other important pieces of legislation that have a bearing on consumer protection are :

- Bureau of Indian Standards Act, 1986
- Agricultural Produce (Grading and Marking) Act, 1937
- Essential Commodities Act, 1955
- Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980
- Motor Vehicles Act, 1988
- Drugs and Cosmetics Act, 1940
- Sale of Goods Act, 1930

The Acts dealing with other services like Pollution Control, Railways, Electricity, Transport, Communications, Insurance, Banking etc have provisions to protect

the consumer interests. All these legislations need to be reviewed in consonance with the provisions of the Consumer Protection Act, 1986.

A number of Ministries including those of Consumer Affairs, Food and Public Distribution, Health and Family Welfare, Chemicals and Fertilizers, Agriculture, etc. are involved in various issues related to the protection of the consumers. This makes the implementation of laws complicated. There should be proper coordination between such ministries which have consumer inter phase and all their policy decisions need to be vetted by Department of Consumer Affairs.

### **Self Regulation and In-house Redressal Mechanism**

**Nodal Department:** Department of Consumer Affairs, Food and Civil Supplies at State Government level should act as the Nodal department to focus exclusively on protecting the rights of consumers with special focus on redressal of consumer grievances, promoting standards of goods and services strengthen the various aspects of right to information so that laws can be strengthened and administrative arrangements can be streamlined. Projection of the Department of Consumer Affairs as a nodal Department for giving clearance to any policy formulations affecting consumers

**Consumer Protection Officer:** The Department of Consumer Affairs, Food and Civil Supplies should designate a special officer at state level as State Consumer Protection Officer and similarly at district level. All the Government Departments, Public Sector Undertakings and Private Establishments whose turnover is substantial should appoint Consumer Protection officer. The State Consumer Protection Officer should work in liaison with other departments and take up consumer related matters with other departments in order to protect the interests of consumers.

### **Implementation of Citizens Charter & Public grievances redressal system**

Government Departments, the organizations there under and the public sector undertakings which have public interface should revise their Citizens Charter, declaring commitments to the services they provide in line with instructions of Administrative Reforms Department. The Consumer Protection Officer of the respective department should be made responsible for implementation of Citizens Charter and Grievances redressal.

The Corporate Social Responsibility (CSR) must be brought into centrality to strengthen the protection of consumer rights in India. As many of them knowingly violate, blinded by profit motive, laws and procedures should be evolved to keep these violators in check. All marketers of products and services must have their own Consumer Care and Disputes Redressal system to attend

consumer rights violations. Massive dose of education is required to make the business responsible to protect consumer rights as a duty not as burden

### **Information Technology tools for better delivery of service**

Public service has to improve its use of technology in policy and program delivery to service citizen needs. In implementing and delivering the decisions of Govt., we need to do better at designing policies and programs in ways that take full advantage of modern technology and that are designed with flexibility and creativity, to meet citizens' needs. In other words, we need to become better at listening to citizens, particularly through the use of modern technology, Government needs to empower individuals and communities in ways that allow it and public servants to have effective exchanges with citizens. Information technology can play a crucial role facilitating communication between citizens and governments. Consumer Fora are being computerized and networked to enable dissemination of information leading to quicker disposal of cases. The project for Computerization and Computer Networking of Consumer Fora in the country, (CONFONET) being implemented by the National Informatics Centre (NIC) should cover all areas left out and enable online filing of complaints.

### **Conclusion**

The prospect of the consumer justice system in our country appears to be bright in view of the proactive policy, schemes / programmes adopted by the Government. However, the present drive and direction need to be supplemented by adopting different channels of redressal. And there is a dire need for the State Governments to give deserving priority to Consumer welfare and gear up themselves to meet the challenges thrown up by market economy. Involvement of trade and industry, civil society organizations and above all consumer themselves are vital for betterment consumer welfare in the years to come.

**DEPARTMENT OF CONSUMER AFFAIRS**

**GUIDELINES AND NORMS (INFRASTRUCTURAL BENCHMARKS) FOR THE SCHEME, 'STRENGTHENING CONSUMER FORA'**

1. Assistance would be released in respect of only that consumer forum where the post of President and Members has been created by the respective State/UT. Accordingly, while furnishing proposals, State/UT would have to certify that the posts of President and Members have been created in that consumer forum for which assistance is being sought.

2. Assistance under the scheme would be released to States for building purposes in the following order of priority:-

(i) Assistance for consumer forum where second instalment for buildings are still due from the earlier scheme of Integrated Project on Consumer Protection (IPCP);

(ii) Assistance for consumer forum, where the building works are in progress with funds already released by the Central Govt., but which would still remain incomplete even after full utilisation of the Central grant already released for want of additional funds;

(iii) Subject to availability of funds, assistance for consumer forum, where basic structure of the building is already complete or likely to be completed after full utilisation of the Central grant already released, but additional funds are required to create more space or for upgrading the infrastructure; and

(iv) Subject to availability of funds, assistance in respect of those consumer forum, for which no funds for buildings have been released so far by the Central Govt.

3. The Central Government assistance for building purposes, within the respective cost ceilings applicable for the category of consumer forum, would be limited to creation of built up area of 4,000 square feet in respect of a District Forum building and 10,000 square feet in respect of a State Commission building.

4. The design of the consumer forum building would be decided by the executing agency of the State Government depending on the size of the plot, nature of the soil, topography etc. However, the executive agencies should ensure

that on completion, the buildings should contain features such as Court Room (about 1000 square feet for a State Commission and about 800 square feet for a District Forum), Library, Visitors/Waiting Room for Consumers, Record Room, Computer Room, Chamber for President/Members, Room for Registry and Other Staff Members, boundary wall etc. Assistance in respect of building of circuit bench of the State Commission can also be considered, provided the State/UT proposes to create space for the circuit bench in the premises of the District Forum in that District where the circuit bench is to be located and that the building of the District Forum has been constructed/is being constructed with Central assistance under earlier schemes or under this scheme.

5. Wherever a new building is to be constructed, the State/UT would have to provide the land, either free of cost or bear the expenditure from its own resources. The States would have to indicate in their proposals seeking funds for new constructions; the details of the land such as location, size of plot, survey number etc.

6. For seeking assistance for consumer fora buildings, States/UTs would have to indicate to which category the consumer forum building would fall into, as per the following classification:-

- (i) Consumer forum located in metropolitan/A-1 class cities (as per classification of the Government of India for grant of HRA to its employees as per 6th CPC's recommendations);
- (ii) Consumer forum located in difficult/hilly/less accessible areas;
- (iii) Consumer forum located in State capitals; and
- (iv) Consumer forum in other areas.

7. Based on the above classification of consumer fora for building purposes, the Central Govt. assistance would be limited to the following ceilings:-

(i) At the rate of Rs. 2,000/- per square feet for consumer forum located in metropolitan/A-1 class cities [ceiling of Rs. 2.00 crores for State Commission for overall built up area of 10,000 square feet space and Rs. 80.00 lakh for overall built up area of 4,000 square feet];

(ii) At the rate of Rs. 1,500/- per square feet for consumer forum located in difficult/hilly/less accessible areas [ceiling of Rs. 1.50 crores for State Commission for overall built up area of 10,000 square feet space and Rs. 60.00 lakh for overall built up area of 4,000 square feet];

(iii) At the rate of Rs. 1,200/- per square feet applicable for consumer forum located in State capitals [ceiling of Rs. 1.20 crores for State Commission for overall built up area of 10,000 square feet space and Rs. 48.00 lakh for overall built up area of 4,000 square feet]; and

(iv) At the rate of Rs. 1,000/- per square feet applicable for consumer forum not falling into any of the above three categories [ceiling of Rs. 1.00 crore for State Commission for overall built up area of 10,000 square feet space and Rs. 40.00 lakh for overall built up area of 4,000 square feet].

8. Assistance for building would be released subject to the State/UT furnishing a cost estimate for the building work as in the prescribed format duly signed by the competent State Government authority as under:

[Amount in Lakh of Rupees]									
Sl. No	Name of the Consumer Forum	Category to which the consumer forum belongs [A, B, C or D] (*)	Details of Central Govt. assistance for the consumer forum building @			Physical progress report in respect of the building	Total built up area of the building (in square feet)	Estimated Cost (Revised Cost) for building work (#)	Assistance required
			AS	AR	AU				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

\* - A. Consumer fora located in metropolitan/A-1 class; B. Consumer fora located in difficult/hilly/less accessible areas; C. Consumer fora located in State capitals; and D. Consumer fora in other areas.

@ - AS - Amount Sanctioned; AR - Amount Released by Central Govt.; AU - Amount Utilised by State/UT

# - Enclose abstract of cost estimates in respect of each building work, giving broad details of items of work, duly signed by State Govt. agency

9. While furnishing the cost estimate, State/UT would have to indicate rates and certify that the cost estimates are equal to or less than the PWD rates for the same work.

10. For seeking funds; in addition to the amount still due as second instalment for buildings from the IPCP scheme, or for completion of ongoing building works initiated with Central Govt. assistance released earlier either under IPCP scheme (where both instalments have already been released) or under the schemes of One Time Grant of 1995/2004-05, or for carrying out addition/alteration/ renovation of existing buildings, the States should make a



realistic assessment of the requirement of additional funds depending upon the existing and future case load.

11. If after making assessment as in guideline '10' additional funds are required, the States would have to furnish revised cost estimates for these consumer fora buildings duly approved by the competent State Govt. authority and also indicate the status of utilisation of Central Govt. assistance released earlier in respect of that consumer forum building along with the physical progress of these buildings.

12. If some amount of assistance in respect of consumer fora building(s) from the earlier IPCP scheme is lying unutilised even after release of second instalment, due to reasons such as land not made available though promised earlier, inordinate delay in allotment of land etc. and if the State so wishes, the State may utilise the unutilised amount from the IPCP scheme on the ongoing building works of consumer fora subject to the ceilings indicated in para '7' above. However, before the States divert the unutilised funds from IPCP scheme, the proposal for diversion of funds would have to be approved by the Committee, for which the States would have to send a proposal as per guidelines '10 & 11' above.

13. As a result of diversion provided under guideline '12' above, the State would have to forego the assistance in respect of that consumer forum building, which though released under IPCP scheme, has not been utilised. If subsequently land is made available for such consumer forum, for which the assistance released under IPCP scheme is diverted to ongoing building works, the States would have to submit fresh proposals and fulfil the conditions specified in these guidelines.

14. As an exception, State/UT can purchase ready-made buildings/floors/flats at locations where land is not easily available. In such cases, the assistance of the Central Government would be limited to the ceilings indicated in guideline '7' above, irrespective of whether the cost of land is included in the overall cost or not.

15. (a) the grant for construction of new buildings would be released in two instalments.

(b) The additional funds for ongoing or incomplete building works, initiated with Central grant earlier would however, be released in a single instalment.

(c) Second installment of grant/ additional grant will be released for categories (a) & (b) above only on furnishing utilization certificate indicating 50% utilization of the total amount released till the date of application.

16. The release of second instalment would be further subject to the State/UT furnishing:-

- (i) Utilisation Certificate in the prescribed proforma of GFR 19A;
- (ii) Details of the money spent on each building (financial);
- (iii) A report of physical progress in respect of each building work; and
- (iv) A certificate duly signed by the Secretary in-charge of Consumer Affairs certifying that the physical progress is commensurate with the expenditure (linking the financial outflow with physical achievement).

17. Assistance for non-building assets would be released for the following items and within the overall cost ceiling of Rs. 18.75 lakh in respect of a State Commission and Rs. 7.50 lakh in respect of a District Forum, irrespective of the location of the consumer forum:

- |                          |   |
|--------------------------|---|
| (a) FURNITURE            | Dais & Court Table(s), Executive Tables and Chairs, Ordinary Tables and Chairs, Computer Table and Chair, Racks/Shelves, Cupboards, Cash Chest.   |
| (b) OFFICE EQUIPMENT     | Air Conditioner, Photocopier/Duplicating Machine, FAX, EPABX/Intercom System, Franking Machine, Water Cooler/Purifier, Desert Cooler, Heater/Blower, Ceiling and Pedestal Fan , Inverter/Power Back-up. |
| (c) COMPUTER PERIPHERALS | Scanner, Modem, Pen Drive, Data Back-up Drives.   |
| (d) REFERENCE BOOKS      | National Commission/Supreme Court judgements on consumer issues in book or electronic form, law books either in paper or electronic form.   |

18. Any other item, other than those listed in '17' above, can be procured by States/UTs, with the prior approval of the Central Government. However, no additional grant would be released for the same and the State/UT would have to procure the same from within the assistance sanctioned.

19. The assistance for non-building assets for a consumer forum would be released in a single instalment. However, where grant for construction of new building for that forum is also due, the non-building grant would be released along with the second instalment for that forum building.

20. The State/UT would have to seek the prior approval of the Central Govt. for diversion of funds, released in respect of one building under this scheme for utilisation in another building or for using the non-building grant for building purposes or vice-versa. Such cases would be considered on merits on a case to case basis.

21. States/UTs have to confirm that the proposal have been submitted in consultation with their respective State Commissions.

22. States/UTs would have to ensure provision in the State budget/ secure C.F. advance/ any other appropriate measure to enable timely releases to the implementing agency to avoid delays.

23. The scheme is intended for creation of permanent/ long lasting assets only and should therefore be used only for the purpose for which released. Hence, no recurring expenditure whatsoever shall be incurred by the States/UTs out of funds released under this scheme.

24. States/UTs would be expected to exercise due care & diligence and follow their procurement rules for purchase of furniture/equipments etc.

25. States/UTs would be required to fully utilise the total amount of the grant within twelve months from the closure of the financial year in which the last instalment of the grant is released. After utilisation of the grant, the State/UT would have to furnish Utilisation Certificate in the prescribed proforma in GFR 19A.

26. The status of utilization of the grant would have to be regularly reported in the quarterly progress reports furnished to the Dept. of Consumer Affairs.

27. The assistance released shall be open to examination/scrutiny etc. by Audit or any other agency on behalf of the Central Government.

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**ANNEXURE-II**

**STATE-WISE ALLOCATION OF FINANCIAL ASSISTANCE FOR  
CONSUMER FORA INFRASTRUCTURE**

(AMOUNT IN LAKH OF RUPEES)

SI No	Name of State/UT	OTG 1995		OTG 2004-05		IPCP		SCF		TOTAL
		AR	AU	AR	AU	AR	AU	AR	AU	
1	Andhra Pradesh	270	270	105	104.66	399.85	299.9	210.85		985.7
2	Arunachal Pradesh	170	170			404.55	202.8			574.55
3	Assam	280	231.45							280
4	Bihar	320	290.81	45						365
5	Chhattisgarh	60	60	75	75	492.64	296.62			627.64
6	Goa	70	70							70
7	Gujarat	250	250			628.17	616.17	901.58	402.55	1779.75
8	Haryana	210	210	45	45	186.59	116.9	75		516.59
9	Himachal Pradesh	170	170			205.07	85.36			375.07
10	Jammu & Kashmir	70	16.7				-			70
11	Jharkhand	120	62.37	75	75					195
12	Karnataka	250	250			542.11	410.74	384.61		1176.72
13	Kerala	190	190			432	265.5	38.43		660.43
14	Madhya Pradesh	440	440	105	98	670.04	449.52			1215.04
15	Maharashtra	360	360	45	45	404.24	259.81			809.24
16	Manipur	130	130			107.49	47.49			237.49
17	Meghalaya	120	120			75.86	75.86	29.6		225.46
18	Mizoram	80	80	75	75	246	246	7.72		408.72
19	Nagaland	120	120	15	15			204		339
20	Orissa	180	180	270	197.9	296.61	296.61	103.5		850.11
21	Punjab	180	180			123.43		113.43		416.86
22	Rajasthan	350	350	45	43.39	273.3	197.61	146.69		814.99
23	Sikkim	90	90			109.3	106.33	20.50		219.8
24	Tamil Nadu	270	112.02					.		270
25	Tripura	80	80			51.2	51.2	67.05	20.82	198.25
26	Uttar Pradesh	614	614			1402.19	1012.55	319.47		2335.66
27	Uttarakhand	66	66	75	12	239.54	131.18			380.54
28	West Bengal	220	220	45	45	91.7	67.18			356.7
29	A & N Islds.	70	34.6							70
30	Chandigarh Admn.	60	29.8							60

31	Dadra Nagar Haveli	60	19.88							60
32	Daman & Diu	70	12.75							70
33	Lakshwadeep	60	29.8							60
34	Delhi	70	70							70
35	Puducherry	60	60							60

NOTE:-

OTG - One Time Grant

IPCP - Integrated Project on Consumer Protection

SCF - Strengthening Consumer Fora

AR - Amount Released by Central Govt.

AU - Amount Utilised - as reported by State/UT

### ANNEXURE -III

State-wise Details of Assistance released during the last 3 years under the scheme of Strengthening of Consumer Fora (SCF) as on 31-03-2011

**(Amount in Lakhs of Rs.)**

	<b>Name of State</b>	<b><u>2008-09</u> Funds released</b>	<b><u>2009-10</u> Funds released</b>	<b><u>2010-11</u> Funds released</b>	<b><u>Total</u> <u>Amount</u> <u>Released</u></b>
1.	Andhra Pradesh	210.85	----	----	210.85
2.	Gujarat	508.25	393.33	455.50	1357.08
3.	Haryana	----	75.00	----	75.00
4.	Karnataka	384.61	----	----	384.61
5.	Kerala	-----	----	38.43	38.43
6.	Meghalaya	-----	29.60	----	29.60
7.	Orissa	103.50	-----	-----	103.50
8.	Punjab	-----	55.88	57.55	113.43
9.	Rajasthan	-----	146.69	----	146.69
10.	Sikkim	-----		20.50	20.50
11.	Tripura	20.85	-----	46.20	67.05
12.	Uttar Pradesh	91.81	-----	227.66	319.47
13.	Nagaland	----	----	204.00	204.00
14.	Mizoram	----	-----	7.72	7.72
	<b>Total</b>	<b>1319.87</b>	<b>700.50</b>	<b>1057.56</b>	<b>3077.93</b>

**ANNEXURE -IV**

**INFORMATION REGARDING VACANCY POSITION IN THE  
STATE COMMISSIONS AND DISTRICT FORUMS**

**(Update on 13.06.2011)**

Sl. No .	States	State Commission		District Forum		As on
		President	Member	President	Member	
	<b>National Commission</b>	<b>0</b>	<b>2</b>			<b>31.03.2011</b>
1	Andhra Pradesh	0	0	1	12	30.04.2011
2	A & N Islands	0	0	0	0	31.3.2006
3	Arunachal Pradesh	0	0	0	14	28.02.2011
4	Assam	1	0	0	13	30.04.2011
5	Bihar	0	1	0	10	31.12.2010
6	Chandigarh	0	0	0	0	30.04.2011
7	Chattisgarh	0	0	3	8	31.03.2011
8	Daman & Diu and DNH	0	0	0	2	31.03.2011
9	Delhi	0	1	0	1	30.04.2011
10	Goa	0	2	1	0	30.04.2011
11	Gujrat	0	0	4	17	30.04.2011
12	Haryana	0	1	4	4	31.03.2011
13	Himachal Pradesh	1	1	0	9	30.04.2011
14	Jammu & Kashmir	0	0	0	0	31.03.2009
15	Jharkhand	0	0	3	11	31.03.2011
16	Karnataka	0	0	2	7	30.04.2011
17	Kerala	0	0	0	1	31.12.2010
18	Lakshadweep	0	0	0	0	31.05.2011
19	Madhya Pradesh	0	1	0	45	30.04.2011
20	Maharashtra	0	4	8	27	28.02.2011
21	Manipur	1	0	0	1	31.12.2008
22	Meghalaya	0	0	0	0	30.09.2010
23	Mizoram	0	0	0	0	08.03.2010
24	Nagaland	0	0	0	0	31.12.2008
25	Orissa	0	0	1	6	31.03.2011
26	Puducherry	0	0	0	1	31.03.2011

27	Punjab	0	0	3	9	30.04.2011
28	Rajasthan	0	0	6	18	30.04.2011
29	Sikkim	0	0	0	4	31.12.2010
30	Tamil Nadu	0	0	1	3	30.04.2011
31	Tripura	0	0	0	0	30.04.2011
32	Uttar Pradesh	0	2	23	53	28.02.2011
33	Uttarakhand	0	0	1	8	30.04.2011
34	West Bengal	0	2	2	2	31.12.2010
	<b>TOTAL</b>	<b>3</b>	<b>15</b>	<b>63</b>	<b>286</b>	



**ANNEXURE-V****Total Number of Consumer Complaints Filed / Disposed  
since inception Under Consumer Protection Law****(Update on 13.06.2011)**

<b>Sl. No.</b>	<b>Name of Agency</b>	<b>Cases filed since inception</b>	<b>Cases disposed of since inception</b>	<b>Cases Pending</b>	<b>% of total Disposal</b>	<b>Remarks</b>
1	National Commission	69465	60504	8961	87.10%	
2	State Commissions	541478	440613	100865	81.37%	
3	District Forums	2992338	2736379	255959	91.45%	

**ANNEXURE-VI**

**Statement of Cases Filed / Disposed of / Pending in  
the National Commission and State Commissions**

**(Update on 13.06.2011)**

Sl. No.	Name of State	Cases filed since inception	Cases disposed of since inception	Cases Pending	% of Disposal	As On
	<b>National Commission</b>	<b>69465</b>	<b>60504</b>	<b>8961</b>	<b>87.10</b>	<b>30.04.2011</b>
1	Andhra Pradesh	26685	24089	2596	90.27	30.04.2011
2	A & N Islands	42	38	4	90.48	31.01.2008
3	Arunachal Pradesh	57	52	5	91.23	28.02.2011
4	Assam	2383	1512	871	63.45	30.04.2011
5	Bihar	14063	10101	3962	71.83	30.11.2010
6	Chandigarh	11227	10904	323	97.12	30.04.2011
7	Chattisgarh	7074	6748	326	95.39	30.04.2011
8	Daman & Diu and DNH	25	20	5	80.00	31.03.2011
9	Delhi	31925	30914	1011	96.83	31.05.2011
10	Goa	2195	2076	119	94.58	30.04.2011
11	Gujarat	36238	31687	4551	87.44	31.03.2011
12	Haryana	40020	31528	8492	78.78	30.04.2011
13	Himachal Pradesh	7195	6432	763	89.40	30.04.2011
14	Jammu & Kashmir	6131	5428	703	88.53	31.03.2011
15	Jharkhand	4693	3836	857	81.74	31.03.2011
16	Karnataka	39030	35399	3631	90.70	30.04.2011
17	Kerala	23736	22528	1208	94.91	30.04.2011
18	Lakshadweep	17	16	1	94.12	31.05.2011
19	Madhya Pradesh	37889	33359	4530	88.04	30.04.2011
20	Maharashtra	53080	35447	17633	66.78	28.02.2011
21	Manipur	139	96	43	69.06	30.09.2008
22	Meghalaya	247	169	78	68.42	30.09.2010
23	Mizoram	179	171	8	95.53	28.02.2011
24	Nagaland	94	64	30	68.09	31.12.2006
25	Orissa	20158	13901	6257	68.96	31.03.2011
26	Puducherry	903	864	39	95.68	30.04.2011
27	Punjab	26390	20133	6257	76.29	30.04.2011
28	Rajasthan	46826	43022	3804	91.88	30.04.2011
29	Sikkim	37	36	1	97.30	31.12.2010
30	Tamil Nadu	22449	19796	2653	88.18	30.04.2011

31	Tripura	1271	1247	24	98.11	30.04.2011
32	Uttar Pradesh	60351	31874	28477	52.81	28.02.2011
33	Uttarakhand	4224	3394	830	80.35	30.04.2011
34	West Bengal	14505	13732	773	94.67	31.12.2010
	<b>TOTAL</b>	<b>541478</b>	<b>440613</b>	<b>100865</b>	<b>81.37</b>	

**ANNEXURE-VII****Statement of Cases filed/disposed of/pending in District Fora****(Update on 13.06.2011)**

<b>Sl. No.</b>	<b>Name of State</b>	<b>Cases filed since inception</b>	<b>Cases disposed of since inception</b>	<b>Cases Pending</b>	<b>% of Disposal</b>	<b>As On</b>
1	Andhra Pradesh	184598	179636	4962	97.31	30.04.2011
2	A & N Islands	330	301	29	91.21	31.03.2006
3	Arunachal Pradesh	310	274	36	88.39	28.02.2011
4	Assam	13704	11976	1728	87.39	31.08.2010
5	Bihar	79000	68294	10706	86.45	30.11.2010
6	Chandigarh	42891	41494	1397	96.74	30.04.2011
7	Chattisgarh	32722	30186	2536	92.25	30.04.2011
8	Daman & Diu and DNH	162	144	18	88.89	31.03.2011
9	Delhi	217875	203463	14412	93.39	31.03.2011
10	Goa	6097	5506	591	90.31	30.04.2011
11	Gujarat	160777	142454	18323	88.60	30.04.2011
12	Haryana	204060	186030	18030	91.16	30.04.2011
13	Himachal Pradesh	53157	50021	3136	94.10	30.04.2011
14	Jammu & Kashmir	20792	18855	1937	90.68	31.12.2007
15	Jharkhand	33028	30494	2534	92.33	31.12.2010
16	Karnataka	141694	136350	5344	96.23	30.04.2011
17	Kerala	170497	163179	7318	95.71	30.04.2011
18	Lakshadweep	70	65	5	92.86	31.05.2011
19	Madhya Pradesh	165065	150090	14975	90.93	30.04.2011
20	Maharashtra	241076	223135	17941	92.56	31.03.2011
21	Manipur	1037	1012	25	97.59	30.09.2008
22	Meghalaya	750	635	115	84.67	30.09.2010
23	Mizoram	3466	2819	647	81.33	31.12.2010
24	Nagaland	246	205	41	83.33	30.6.2006
25	Orissa	85519	79729	5790	93.23	31.03.2011
26	Puducherry	2790	2563	227	91.86	30.04.2011
27	Punjab	139676	134697	4979	96.44	30.04.2011
28	Rajasthan	260388	235700	24688	90.52	30.04.2011
29	Sikkim	260	245	15	94.23	31.12.2010

30	Tamil Nadu	97324	92116	5208	94.65	30.04.2011
31	Tripura	2015	1807	208	89.68	30.09.2008
32	Uttar Pradesh	519807	438111	81696	84.28	28.02.2011
33	Uttarakhand	32714	31054	1660	94.93	30.04.2011
34	West Bengal	78441	73739	4702	94.01	31.12.2010
	<b>TOTAL</b>	<b>2992338</b>	<b>2736379</b>	<b>255959</b>	<b>91.45</b>	

**ANNEXURE -VIII****SETTING UP OF SCPCs/DCPCs:-**

as on 31.03.2011

<b>Sl. No.</b>	<b>Name of States/UTs</b>	<b>SCPCs</b>	<b>DCPCs</b>
1.	A & N Islands	Constituted	Constituted in both Districts.
2.	Andhra Pradesh	Constituted	Constituted in 7 out of 23 Districts
3.	Arunachal Pradesh	Constituted	Constituted
4.	Assam	Not Constituted	Not Constituted
5.	Bihar	Not constituted	Not constituted
6.	Chandigarh	Not given	Not given
7.	Chhattisgarh	Not given	Constituted in 16 out of 18 Districts
8.	D & N Haveli	Constituted	Constituted
9.	Daman & Diu	Constituted	Constituted
10.	Delhi	Information is not given.	
11.	Goa	Constituted	Constituted
12.	Gujarat	Constituted	Constituted in all 25 Districts
13.	Haryana	Information is not given by the State Govt.	
14.	Himachal Pradesh	Constituted	Constituted
15.	Jammu & Kashmir	Not Constituted	Not given
16.	Jharkhand	Not Constituted	Not Constituted
17.	Karnataka	Constituted	Constituted
18.	Kerala	Constituted	Constituted
19.	Lakshadweep	Constituted	Constituted
20.	Madhya Pradesh	Under consideration by State Govt.	
21.	Maharashtra	Constituted	Constituted in 2 out of 35 Districts
22.	Manipur	Constituted	Not constituted.
23.	Meghalaya	Constituted	Constituted
24.	Mizoram	Constituted	Constituted
25.	Nagaland	Constituted	Constituted
26.	Orissa	Constituted	Constituted
27.	Puducherry	Constituted	Constituted

28.	Punjab	Information is not given by State Govt.	
29.	Rajasthan	Information is not given by State Govt.	
30.	Sikkim	Information is not given by State Govt.	
31.	Tamil Nadu	Information is not given by the State Govt.	
32.	Tripura	Constituted	Not constituted
33.	Uttarakhand	Not intimated	Not intimated
34.	Uttar Pradesh	Information is not given by the State Govt.	
35.	West Bengal	Constituted	Constituted

**BUDGETARY PROPOSAL FOR CONSUMER PROTECTION & REDRESSAL, ADR  
AND CONSUMER COUNSELING**

<b>Sl. No.</b>	<b>Name of the Schemes</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>Total</b>
<b>1</b>	Strengthening of Consumer Fora	25.00	35.00	35.00	35.00	30.00	160.00
<b>2</b>	CONFONET	6.30	10.47	9.09	4.84	4.59	35.29
<b>3</b>	Consumer counseling and Mediation	8.40	21.00	33.60	46.20	53.76	162.96
<b>4</b>	State Consumer Helpline	5.00	5.33	5.67	5.67	5.67	27.34



## II REPORT OF SUB GROUP ON PRICE MONITORING AND MARKET INTERVENTION

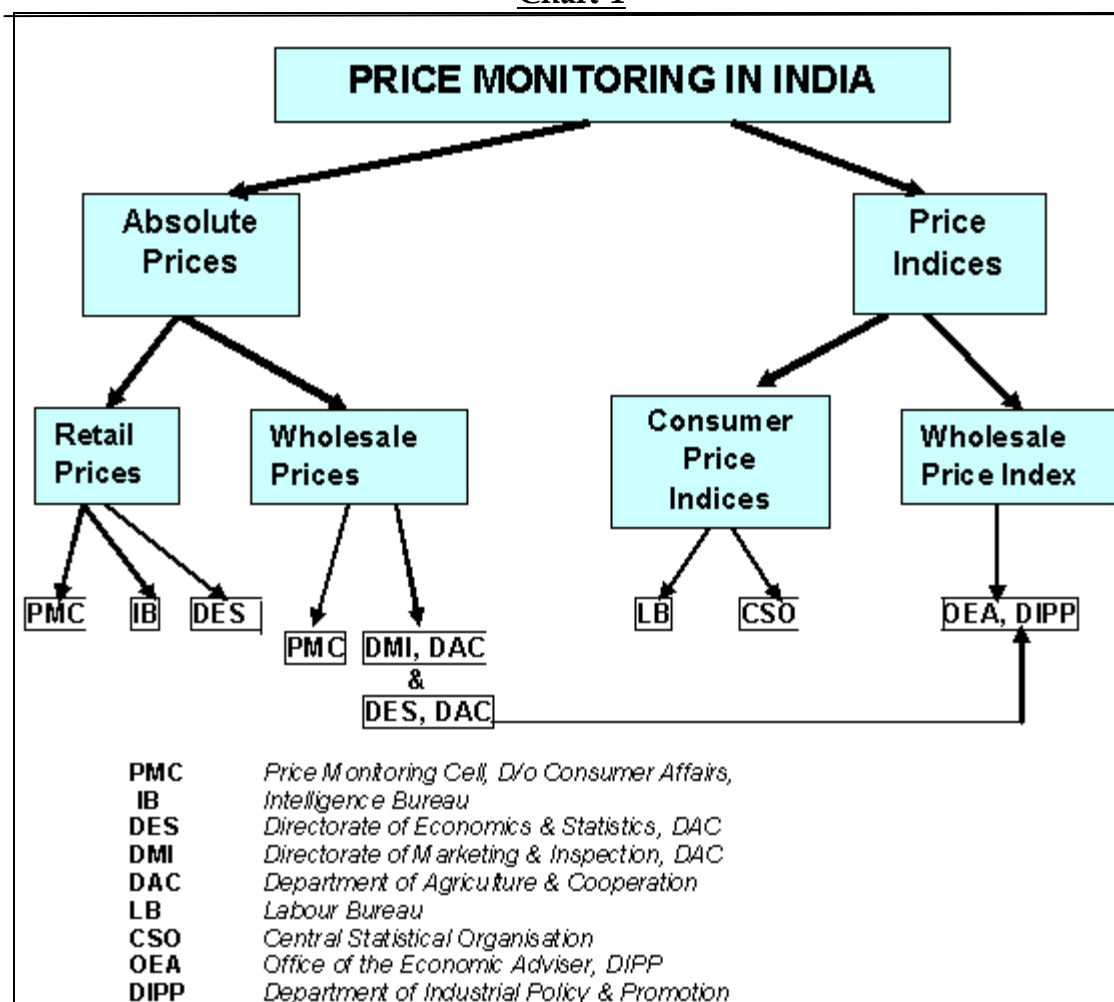
### i) INTRODUCTION

The sub-group on Price Monitoring and Market Intervention was carved out to study the system of price monitoring in India – specifically, the existing system of daily price collection and measures to be taken to improve data collection and to strengthen the data and information base of prices of essential commodities – and to review the scope for market intervention measures.

### ii) PRICE MONITORING IN INDIA

In India, monitoring of prices are done on a regular basis both from absolute prices and price indices (Chart-1)

Chart-1



Price data available in India can broadly be classified into two categories: prices

relating to bulk transactions and prices in respect of small transactions. Prices relating to bulk transactions include wholesale prices, farm harvest prices and such like. In contrast, retail (consumer) prices are essentially the prices paid by customers in respect of various commodities and services. Retail prices are customarily collected for those items which are contained in the consumer basket of goods of different segments of population such as Industrial Workers, Agricultural Labourers and Rural Labourers.

A number of Government Departments and agencies are involved in price collection and dissemination exercise. The agencies that collect different prices data have different objectives in data collection. This is also reflected in the protocols followed for the collection of prices. The data so collected by the agencies is also released by them in different forms. Price Monitoring Cell of the Department of Consumer Affairs collects and disseminates wholesale and retail prices of selected essential food items.

A comparative chart of the agencies involved in reporting of price data is given in Table 1.

<b>Table 1: Nature of Data Reporting by Different Agencies</b>					
<b>Data Source</b>	<b>No of Centres/ Quotations</b>	<b>Commodities Covered</b>	<b>Form of data</b>	<b>Periodicity</b>	<b>Lag</b>
Office of the Economic Adviser, DIPP	5482 Quotations	676	Whole sale Price Index	Weekly for Primary and Fuel & Power/ Monthly for Manufacturing and all commodities	2 weeks / One month
Labour Bureau, Shimla	78	120-130	CPI(IW), CPI(AL), CPI(RL)	Monthly	1 Month
Central Statistical Organisation	Urban - 310 centers -1114 quotations Rural-1181 centers		CPI-Urban CPI-Rural	Monthly	1 month
Directorate of Economic Statistics	87	45 Food Items	Wholesale & retail prices	Weekly	2 Weeks

Department of Agriculture & Cooperation					
Price Monitoring Cell, Department of Consumer Affairs	49	22	Wholesale and retail prices	Daily	Real time basis (Same day)

### III ACTIVITIES OF PMC DURING THE ELEVENTH FIVE YEAR PLAN

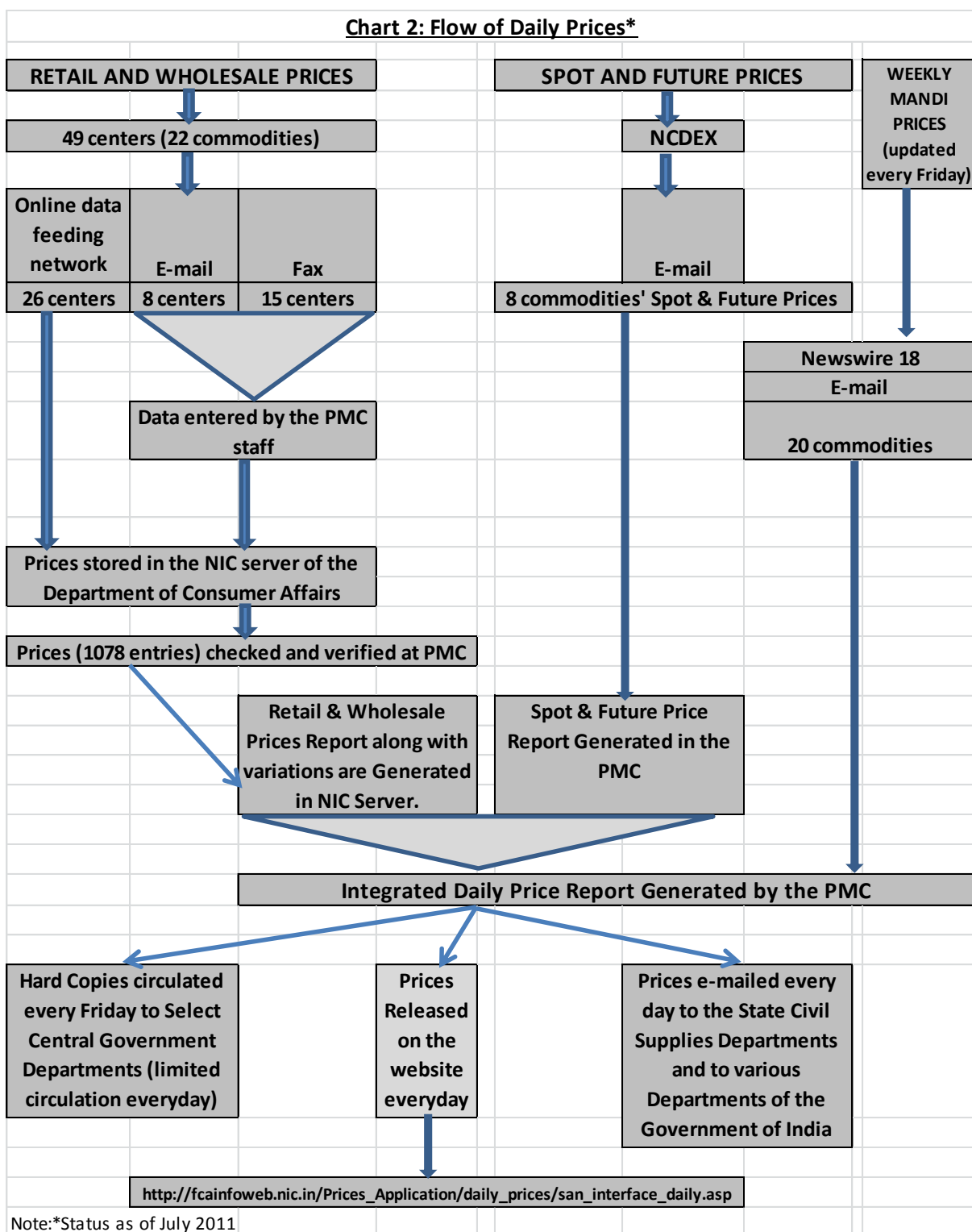
The Price Monitoring Cell (PMC) in the Department of Consumer Affairs was created in 1998, with the task of monitoring prices on 14 essential commodities across 18 centers in the country. It was set up as a secretariat to the Cabinet Secretariat. Over the span of 12 years of its creation, the scope of PMC has widened and deepened.

As of now, PMC is responsible for monitoring prices of selected essential commodities. The activities of the cell includes monitoring retail and wholesale prices on a daily basis and Mandi prices on a weekly basis. Prices are reported daily in the website. PMC analyses the price situation and brings them to the notice of high level committees, such as Committee of Secretaries (COS), Cabinet Committee on Prices (CCP), through agenda notes prepared for their meetings, for appropriate policy interventions.

A gist of the activities of the PMC during the Eleventh Five Year Plan (2007-2012) include the following:

### IV PRICE MONITORING

PMC is the only government organization in the country collating and disseminating absolute prices (retail and wholesale) of select essential commodities on an almost real time basis every day (Chart 2). Price monitoring is done for 22 essential commodities for 49 markets spread across the country representing North, West, East, South and North-Eastern regions of the country. All the centres are state capitals/prominent cities of different States. The number of centres in a state varies depending on the geographical size of the state (**See Annexure-I for details**). The variety of the item for which prices are reported remain same for a given centre though these may vary from one centre to another. Mostly, prices are reported for the Fair Average Quality of the item for a given centre.



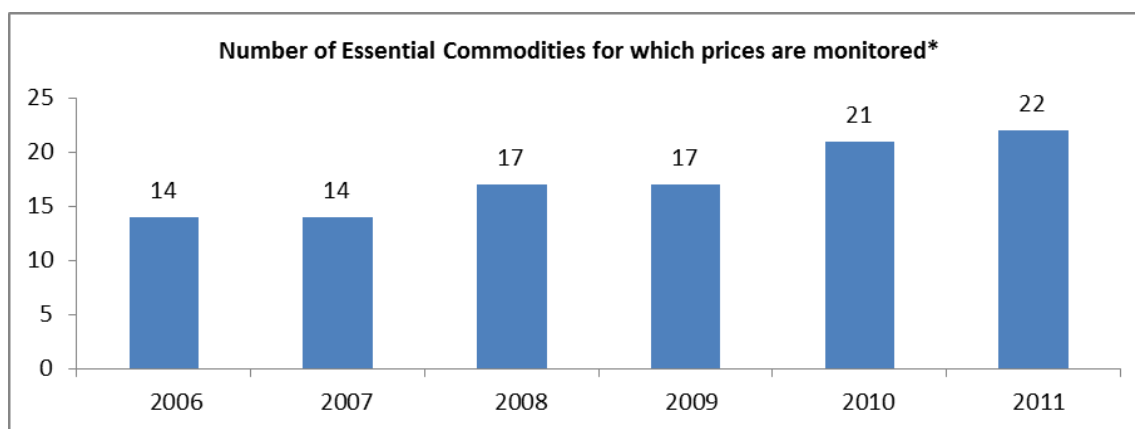
Retail and wholesale prices are received from the State Civil Supplies Departments of the respective state governments either online or by fax. As of

now, prices for 26 centers are being received online. 8 centers are sending prices by e-mail and the remaining 15 centers are sending daily prices by fax (**Annexure-II**).

Prices are received by 3 to 4 pm daily. PMC compiles this data and releases the Daily Price report the same day by 5 pm. The gap between obtaining price report from the states, feeding them into the system and then releasing the daily report containing 1078 entries is less than two hours.

The number of commodities for which prices are monitored has been progressively increased from 14 (in 2006) to 17 (in 2008) to 21 (in 2010) and further to 22 (in 2011) (as shown in chart 3 below). The commodities currently monitored are Rice, Wheat, Atta, Gram Dal, Tur Dal, Masoor Dal, Moong Dal, Urad Dal, Groundnut Oil, Mustard Oil, Vanaspati, Soya Oil, Sunflower Oil, Palm Oil, Sugar, Tea, Salt, Potato, Onion, Gur, Milk and Tomato

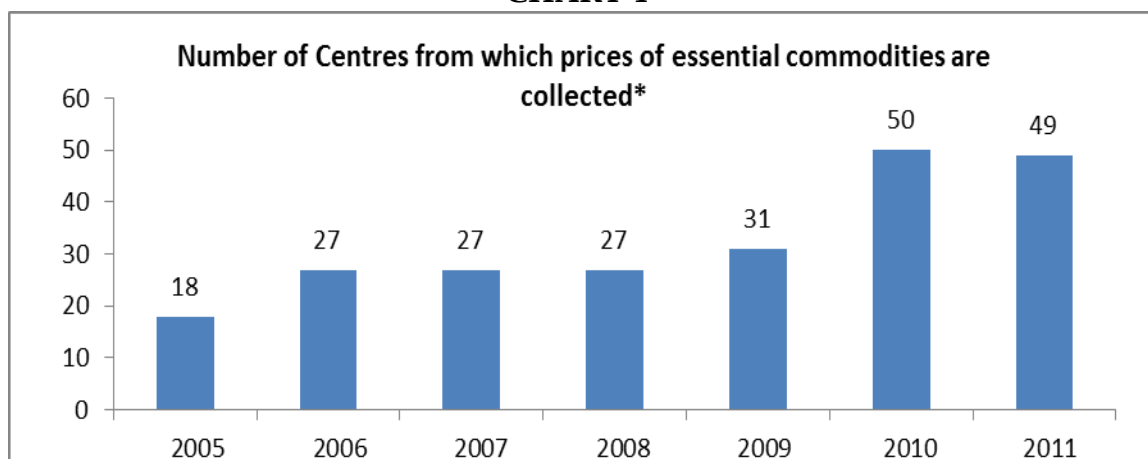
**CHART 3**



<b>14 Commodities monitored upto 2007 are:</b> <i>Rice, Wheat, Atta, Gram Dal, Tur Dal, Groundnut Oil, Mustard Oil, Vanaspati, Sugar, Tea, Salt, Potato, Onion, Milk,</i>
<b>3 commodities added in 2008 are:</b> <i>Masoor Dal, Moong Dal, Urad Dal,</i>
<b>4 commodities added in 2010:</b> <i>Soya Oil, Sunflower Oil, Palm Oil, Gur</i>
<b>1 commodity added in 2011:</b> <i>Tomato</i>
<i>* Status as on July 2011</i>

Simultaneously, the centres from where the prices are obtained have also increased in number; they have almost trebled as shown in chart 4.

**CHART 4**



*\* Status as on July 2011*

Wholesale prices were hitherto reported for 37 centres on a weekly basis; now they are being reported on a daily basis for 49 centres; these are the same centres for which retail prices are reported.

Prices are collected and reported by the Department of Civil Supplies in the States on daily basis for the retail and wholesale prices. All centres do not necessarily report prices for all commodities (as demand for some commodities is region specific).

## **V PRODUCTION AND DISSEMINATION OF PRICE REPORTS**

Daily Price Report consists of the following:

Retail and wholesale prices of the selected 22 essential commodities in Delhi and variations of these prices compared to one week back, one month back, three months back, six months back, one year back, and two years back.

Daily retail and wholesale prices of the same 22 commodities for all 49 centers.

Variation in retail prices for each commodity over a period of last two weeks.

Spot and future prices of selected 8 essential food items/agricultural commodities which are traded in the National Commodity Exchange.

Comparative Mandi and retail prices of 20 essential commodities and their variations over last one week, one month, three months, six months, and one year as reported by the NEWSWIRE 18.

## **VI PRICE ANALYSIS AND POLICY INTERVENTION**

The prevailing price situation, as well as factors which impact on prices, in both domestic and international markets, are studied and brought to the notice of high level committees, such as Committee of Secretaries (COS), Cabinet Committee on Prices (CCP), through agenda notes prepared for their meetings, for appropriate action at the policy level.

The decisions taken at the Cabinet Committee on Prices (CCP)/ Committee of Secretaries (COS) meetings are conveyed to the Ministries /departments concerned to take appropriate action. The decisions taken in these meetings are implemented by the Ministry/Department concerned which is charged with the responsibility of the subject matter of the decision. Department of Consumer Affairs (PMC) monitors the action taken on those decisions by the concerned Ministries/departments and submits the action taken report before the Cabinet/CCP/COS.

Of late, work has been undertaken to analyse commodities price volatilities in India at the instance of G-20 Study Group on Commodities Price Volatilities.

## **VII MARKET INTERVENTION ACTIVITIES**

Regular retail price reviews have been instrumental in deciding on strategies for market intervention to stabilize the market and ensure that shortages do not adversely affect the consumers, particularly the vulnerable section of the population. In this context, market intervention activities undertaken for pulses and certain vegetables like onion deserve special mention.

### **(i) Market Intervention for Pulses**

In the context of rising prices due to the increasing gap between supply and demand for pulses, two schemes were introduced to improve their domestic availability.

Scheme for market intervention under which reimbursement of losses upto 15% of landed cost and service charge of 1.2% of CIF value is allowed to the designated import agencies (PSUs/Cooperatives) for import of pulses, since 2006-07. This scheme has been discontinued after 31.3.2011.

Scheme for distribution of imported pulses by designated import agencies (PSUs/Cooperatives) at subsidized rates by State Governments, at the rate of Rs 10 per kg, since 2008-09. Currently, this scheme is being implemented under which five designated agencies (viz., MMTC Ltd., STC Ltd., PEC Ltd., NAFED and NCCF), import pulses and supply to the States/UTs for distribution in the Public Distribution System. The designated importing agencies have played a dominant role in bridging the gap between demand and supply of pulses in the domestic market.

## **(ii) Market Intervention for Onion**

The crop failure of Onion during the kharif and late kharif season in 2010 caused a huge spike in the onion prices across the country, the retail and wholesale prices which were already moving northwards suddenly shot up in the third week of December 2010. In some centres, it went up by more than 100%. The price movement was more or less same in the major mandis of onion producing areas. Along with other trade measures the Government also decided to encourage import of onions to soften the prices in domestic markets. Public Sector undertakings such as PEC, and STC were instructed to import onions for domestic consumption. A scheme evolved under which NAFED and NCCF were instructed by the Government to undertake the retail sale of onion through their respective outlets at the prices below the prevailing market prices.

## **VIII DIRECT MARKET INTERVENTION TO DISTRIBUTE ESSENTIAL COMMODITIES THROUGH CONSUMER CO-OPERATIVES.**

1. During the time of scarcity, the private trade had shown a tendency to take undue advantage of such condition to exploit the consumers by charging of higher prices. Availability and cost of retail products of daily use is one major area where Government intervention is necessary. This requires elimination of middlemen and providing goods to the users at reasonable prices. Lack of market integration is one of the factors that give rise to emergence of the intermediaries. This is an area where the Cooperative sector can play a major role.

2. Consumer cooperatives in India have played an important role in safeguarding the interests of consumers, especially at times of scarcity, when the private trade often fails to render the required services to the consumers. The Government has felt a need for providing financial support to all those organizations procuring food stuffs i.e. pulses, oil seed, onions and other vegetables, milk and milk products during price rise and ensuring the supply of these products to the real users at a reasonable price so that the purpose of market intervention could be achieved. The experience of last few years has shown that that efficient and timely market intervention by this Department is an essential



task to ensure the availability of the goods to avoid the exploitation of consumers by the private traders during scarcity of goods when the prices of pulses, onions, sugar and milk were going upward and these products were away from the reach of common man.

3. Consumer Cooperative Societies handle distribution of a wide range of essential commodities such as food grains, pulses, edible oil, tea, sugar, iodized salt, textiles, toiletries and cosmetics, books and stationery, drugs and medicines, household goods and general merchandise items etc.

4. National policy of the Government of India on cooperatives recognizes cooperatives as a distinct economic sector and an integral component of the socio-economic system of the country and an effective and potential instrument of socio-economic development.

5. The NCCF was established in 1965 as the apex body of consumer cooperative societies in the country, registered under the Multi-State Cooperative Societies Act with its head office at New Delhi, NCCF operates through a network of 32 branches located in different parts of the country. The main function of the NCCF is to provide supply support to its member consumer cooperative societies and other agencies for distribution of consumer goods at reasonable and affordable rates and also to assist and promote organizations and consumer cooperative institutions in areas which are not being addressed by the state federations or wholesale societies.

6. The Ministry of Consumer Affairs, Food & Public Distribution had set up a Working Group under the Chairmanship of Secretary, Department of Consumer Affairs, to explore the possibility for expanding and improving the functioning of NCCF.

7. The Working Group noted that NCCF and other consumer cooperatives could be engaged as major conduits for procurement of agricultural commodities (foodgrains/pulses) under various schemes and distribution of consumer goods imported by other govt. agencies be entrusted at reasonable prices for the benefit of consumers. The Working Group observed that connecting producers to consumers without long chain of intermediaries is a challenge which could be best met by the consumer movement in cooperative sector and therefore the role of NCCF in this regard is quite important. The establishment of integrated value chains from small scale producers to the large cross section of consumers could be significant step in this direction.

8. The Working Group had therefore recommended that NCCF needs to concentrate on small scale producers for getting connected to the consumers.

And that NCCF should develop over the period of time develop a large scale partnership between small scale producers, stockists and suppliers, retail shops and large scale consumers by establishing a brand image of NCCF. This could be done through an advertising campaign wherein retailers at the retail end, the small scale producers on the production end and stockiest and suppliers on the logistic end would partner with NCCF to make produce available from producers to the consumers at the least possible cost. The partners in this framework should get the advantage of exclusive supply of consumer goods released by Government Departments or being imported by Government Agencies, items under PDS shops whenever they are being supplied outside the PDS shop. Suppliers under schemes like ICDS, mid-day meal etc. may be given to such a well-established network of small producers and large scale consumers. Keeping in view the reforms in agricultural marketing, NCCF could enter into the field of direct marketing of agricultural produce with the help of the framework to be established as above without opening their own centers of purchases or storage or retail shops but only by connecting such players together in an integrated value chain where the individual facilities still are owned by the respective private traders.

8. Implementation of the recommendations of the Working Group would help in creating a strong and viable consumer cooperative sector headed by the NCCF capable of undertaking socio-economic activity, dedicated supply line for essential commodities and available infrastructure of the organization.

9. Consumer cooperatives form an institutional set up to ensure distributive justice to the common man including the vulnerable section of the society. It aims at providing essential commodities at reasonable prices. As a national policy, consumer cooperatives have been encouraged and developed as a democratic institution owned, managed and controlled by its members for protection of the interest of the common consumers. The presence of consumer cooperatives has been working as a force of market intervention and an alternative channel of distribution for the common man, To a great extend extent it has been successful in protecting the interest of the common man and stabilising the prices.

10. The Government has already taken some adequate measures to ensure the availability of the product to the consumers of all sectors at reasonable prices. However to avoid the impact of any unforeseen situation in future it is proposed that a budgetary allocation of Rs.100 crores for market intervention during the 12<sup>th</sup> plan may be provided . The amount of Rs.100 crores (with a maximum of Rs.20 crores / year) will be utilized for market intervention only to ensure the availability of food stuffs and vegetables to the consumers especially to vulnerable sections of the society at reasonable prices.

## **IX CHALLENGES AHEAD FOR PRICE MONITORING CELL**

- a) Improve the representativeness of the sample by progressively increase the number of price reporting centres. At present the States of Sikkim, Goa and Manipur do not have any centre.
- b) Enhance robustness of data by increasing the number of reporting centres. The price report of PMC compares favourably with other price measures such as the Wholesale Price Index (WPI), Consumer Price Index (CPI) and Department of Economics and Statistics (Ministry of Agriculture).
- c) Ensure adoption of a uniform methodology for collection and reporting of data across the selected centres.
- d) Boost efforts to improve the efficiency of data collection and reporting. Obtain authenticated and validated data and ensure maximum compliance of data entry from the selected centres in respect of the listed commodities.
- e) Engage in appropriate research studies/surveys to improve data/information collection and get feedback on policy interventions.
- f) Build and manage a strong data base and generate user friendly price reports.
- g) Understand the nature of demand for specific commodities, changes/shifts in demand and their impact on prices.
- h) Sponsor research studies to understand the trends in the prices of essential commodities and factors which influence the supply of essential commodities at regional, national and global level.
- i) Study the magnitude of gap between the retail and wholesale prices and the causes of such gap along with the direct and indirect measures that could be used as market interventions for reducing the gap between wholesale and retail prices and also the impact of such market interventions.

## **X STRATEGY FOR THE TWELFTH PLAN**

### **Redefining the scope of PMC**

The Standing Committee of this Department as well as the Estimates Committee on 'Drought Management, Food grains Production and Price Situation' recommended that the role of the PMC should be redefined in view of the dynamic nature of the domestic and global markets. The task to set up a 'credible data collection and monitoring system' requires multi-tasking at different levels. There is, therefore, an urgent need to strengthen the Price Monitoring Cell. In this context, a proposal to convert the PMC to a full-fledged division, an Essential Commodities Monitoring Division (ECMD), was sent to Department of Expenditure in 2010 for approval.

Strengthening of PMC will not only require the building of a strong data base but also the concomitant research and analysis work. Additional functional staff and enhanced technological systems, will lead to increased efficiency, improvement in the quality of data collection and in monitoring the domestic availability of pulses.

**(i) Schemes for Strengthening the Price Monitoring Cell**

With the widening and deepening of the scope of PMC, the schematic changes that need to be introduced/ strengthened include:- .

**(ii) Strengthening of Price Monitoring Cell (at the Centre)**

**1.) Converting PMC into Essential Commodities Monitoring Division (ECMD)-** To ensure the quality, reliability and regularity of the data, PMC needs to be strengthened by the deployment of additional manpower. One under Secretary level post and one Section Officer level post is urgently required. Personal Assistants and Assistants cum Data Entry Operators will also be required to achieve this task. Two Joint Director/Director level posts have already been created in the Department.

**2.) Organizing Training Programmes for the Officials of PMC-** Analyzing the trend of prices and availability of essential commodities requires constant updating of the knowledge base and skills of the officials engaged in this work. Officials of PMC will be deployed to national as well as international training programmes organized on price related subjects by national/international organisations/Universities etc.

**3.) Subscribing to the Services of Professional Organisations -** To undertake the research work related to availability and trend of prices of essential commodities, subscription to the services of organisations such as Newswire 18, Agriwatch, Indiatat and/or similar services is essential. For instance, Indiatat provides time series data on various parameters of the Indian as well as global economy, while Newswire 18 and Agriwatch provide valuable insights into the national and international commodity markets.

**4.) Hiring Professionals (Domain experts) -** To handle the challenges of commodity analysis both technology and qualified personnel are required . PMC in its present status is not endowed with the required resources considered adequate.

A range of professionals with Agricultural Economists, Statisticians and Econometricians will help in utilizing the comprehensive data and assist PMC in providing concrete inputs in policy formulation.

**5.) Engaging private organisations for conducting research studies and surveys-** There are rough estimations regarding the consumer base in India but strictly no consumer profile on data relating to aggregate demand of specific

essential commodities. Studies on the demand side aspects of essential commodities require detailed field surveys, which need to be planned, designed and executed in a systematic and professional manner. This task may be outsourced to the professional organisations that are well versed in this field.

6.) **Market Intervention Schemes** require designated officers and staff for regular monitoring of the domestic availability of pulses and onions; constant liaising with representatives of PSUs/Cooperatives for information on status of imports and supply of imports of pulses to State Governments. In addition, it would be advisable to post an accounts officer at the STS level for checking all records/documentation on receipt of claims for reimbursement of losses for onward submission to the Internal Finance Division (IFD). In the case of the PDS scheme of pulses, the reimbursement claims of PSUs, complete in all respects, have to be settled within one month of submission.

### **(iii) Strengthening of Price Monitoring Cells in the States**

Prices are collected and reported by the respective State Civil Supplies Departments on daily basis. Quality and authenticity of data largely depend on the efficiency of the Price Monitoring Cells in the State Governments. Strengthening the State Price Monitoring Cells along with the PMC in Consumer Affairs will address the issues in holistic manner. The State PMCs is proposed to be strengthened in the following ways:-

- By employing trained manpower in the collection and tabulation of the data at the State Level. A suitable data entry operator (DEO) can be selected by the state governments under Centre's payroll.
- By organizing regular workshops at the Regional and National Level to get the feedback from field workers and discuss the practical problems being faced in the collection and reporting of prices.
- By providing IT infrastructure such as Computers, Printers, and UPS etc to enable the State PMCs for online reporting of prices.
- By increasing the sample size in order to obtain representative sets of price data. With a designated DEO at each Centre, States will be induced to progressively increase the number of centres from 49 (existing) to 100 by the end of Twelfth Five Year Plan. This will enhance the robustness of the data.

## **XI STRENGTHENING NATIONAL INFORMATICS CENTRE (NIC) IN THE DEPARTMENT**

- i. Data center servers and system software would be required to upgrade the online system of PMC.
- ii. It is proposed to engage services of Solution architect and Developers for a period of around six months to prepare Data Ware Housing and Analysis application and to bring in Business Intelligence into the whole system. A

- data warehouse is planned with the huge volume of data presently being generated to facilitate the generation of analytical reports.
- iii. To support the day to day operations and to meet additional reports/query requirements, modifications in the software, it is proposed to hire services of at least one Programmer for the full plan period.

## **XII MARKET INTERVENTION SUPPORT MEASURES**

### **Existing Measures**

As stated under para 3.7, Central agencies are also involved in market intervention methods, such as in the case of imports and disposal of pulses, edible oils, onions etc. The aim of such interventions is to increase availability of essential commodities. The objective of involving Central agencies is to take advantage of their trade operations and incentivise them to procuring and selling essential commodities in the domestic market within their commercial ambit. This is expected to cool market sentiments.

The role of the Civil Supplies Corporations and Cooperatives in providing essential commodities at reasonable rates is also crucial. A scheme for strengthening capacity of State Civil Supplies Corporations/Consumers Marketing Federations for effective market intervention in essential commodities is operated by Department of Food and Public Distribution (DFPD). Cooperatives such as the National Cooperative Consumers' Federation of India Ltd (NCCF) and National Agricultural Cooperative Marketing Federation of India Ltd (NAFED) can also be strengthened to achieve these objectives.

State governments, being closer to the market, have also to take proactive measures. In a market driven economy, State Governments can better influence the prices of essential commodities by intervening in the market by selling these essential commodities at specific retail outlets at prices below the prevailing market prices. This has been done by some state governments, for instance, Maharashtra, Goa and Delhi.

### **Other Interventions**

Cold storage facilities are inescapable for storage of perishable items. Creation of efficient storage infrastructure would go a long way in purchasing such items from the farmers/producers and releasing them gradually into the market to bridge supply demand mismatches.

When prices are rising, it is essential that action is swift and efficient. A special fund may be created for meeting emergencies such as when prices of essential

commodities spike requiring urgent action at market stabilization. Creation of a Price Stabilisation Fund to undertake market interventions and to improve domestic supply of essential commodities could be considered.

Strengthen the NCCF and NAFED to achieve the objectives of effective market intervention by providing essential commodities at reasonable rates.

Provision of mobile vans to NAFED and NCCF from the Consumer Welfare Fund may be explored for supporting NAFED and NCCF in market intervention activities. In the aftermath of the recent onion crisis, NAFED was provided mobile vans from the Consumer Welfare Fund which were effectively used in swiftly stabilising onion prices.

### **Recommendations of the sub-group:**

Given the utility of the price data and the unique position of the PMC, two broad sets of recommendation are made:

- a. To achieve and maintain the quality and robustness of daily price data, the following are suggested:
  - (i) Constitution of an Expert Committee to Review the Price Collection mechanism and to suggest strengthening of the existing system.
  - (ii) Strengthening Price Monitoring Cell at the Centre,
  - (iii) Strengthening Price Monitoring Cells at the States, and
  - (iv) Strengthening National Informatics Centre at the Centre.
- b. To achieve the objectives of effective market intervention it is necessary to strengthen the NCCF and NAFED through the creation of cold storage infrastructure and market stabilisation fund.

## ANNEXURE-I

## YEAR-WISE CENTERS\*

S. No.	Centers from which prices were collected in 2005	S. No.	Centers added in 2006	S.No.	Centers added in 2010	S.No.	Center deleted in 2011
<b>NORTH ZONE</b>							
1	DELHI	1	Chandigarh	1	HISAR		
2	SHIMLA	2	Shrinagar	2	KARNAL		
3	LUCKNOW	3	Jammu	3	MANDI		
		4	Amritsar	4	BHATINDA		
		5	Ludhiana	5	KANPUR		
		6	Dehradun	6	VARANASI		
				7	AGRA		
<b>WEST ZONE</b>							
4	AHMEDABAD	7	Raipur	8	JODHPUR		
5	BHOPAL			9	KOTA		
6	MUMBAI			10	NAGPUR		
7	JAIPUR			11	INDORE		
				12	RAJKOT		
<b>EAST ZONE</b>							
8	PATNA	8	Ranchi	13	BHAGALPUR		
9	BHUBANESHWAR			14	CUTTACK		
10	KOLKATA			15	SAMBALPUR		
				16	SILIGURI		
<b>NORTH-EAST ZONE</b>							
11	GUWAHATI	9	KOHIMA	17	ITANAGAR	1	KOHIMA
12	SHILLONG			18	DIMAPUR		
13	AIZWAL						
14	AGARTALA						
<b>SOUTH ZONE</b>							
15	HYDERABAD			19	Vijaywada		
16	BANGLORE			20	DHARWAD		
17	T.PURAM			21	ERNAKULAM		
18	CHENNAI			22	DINDIGUL		
				23	THIRUCHIRAPALLI		
<b>18 Centers</b>		<b>27 Centers</b>		<b>50 Centers</b>		<b>49 Centers</b>	

\* Status as on July 2011



## ANNEXURE-II

## CENTRE-WISE DATA REPORTING SYSTEM \*

S. No.	Online Data Feeding	S. No.	Reported by e-Mail	S. No.	Reported by Fax
<b>NORTH ZONE</b>					
1	Delhi	1	Chandigarh	1	Hisar
2	Shimla	2	Shrinagar	2	Karnal
3	Mandi			3	Jammu
4	Lucknow			4	Amritsar
5	Kanpur			5	Ludhiana
6	Varanasi			6	Bhatinda
7	Agra			7	Dehradun
<b>WEST ZONE</b>					
8	Raipur	3	Jaipur	8	Jodhpur
9	Ahmedabad			9	Kota
10	Rajkot				
11	Bhopal				
12	Indore				
13	Mumbai				
14	Nagpur				
<b>EAST ZONE</b>					
15	Patna			10	Ranchi
16	Bhagalpur			11	Kolkata
17	Bhubaneswar			12	Siliguri
18	Cuttack				
19	Sambalpur				
<b>NORTH-EAST ZONE</b>					
		4	Guwahati	13	Itanagar
		5	Shillong	14	Aizwal
		6	Agartala	15	Deemapur
<b>SOUTH ZONE</b>					
20	Hyderabad	7	Banglore		
21	Vijaywada	8	Dharwad		
22	Thiruvanthapuram				
23	Chennai				
24	Dindigul				
25	Thiruchirapalli				
26	Ernakulam				

\* Status as on July 2011

## Price Monitoring and Market Intervention

(Rs. in Lakh)

<b>Purpose for which funds are Required</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>Period 2012-17</b>
Converting PMC into ECMD	20.40	22.44	24.68	27.15	29.87	<b>124.54</b>
Organizing Training Programmes for the Officials of PMC	25	26.25	28.88	30.32	31.84	<b>142.29</b>
Subscribing to the Services of Professional Organisations	20	22	24	26	28	<b>120</b>
Hiring Professionals (Domain experts)	30	33	36.30	39.93	43.92	<b>183.15</b>
Engaging private organisations for conducting research studies and surveys	50	52.50	55.13	57.89	60.78	<b>276.30</b>
<b>Total</b>	<b>145.4</b>	<b>156.19</b>	<b>168.99</b>	<b>181.29</b>	<b>194.41</b>	<b>846.28</b>

### b. strengthening of NIC

Strengthening National Informatics Centre (NIC)	<b>10</b>	<b>11</b>	<b>12.1</b>	<b>13.31</b>	<b>14.64</b>	<b>61.05</b>
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### c. Strengthening of PMCs in States

Employing Trained Manpower at state	120	158	201.60	249.6	302.4	<b>1031.6</b>
Organizing Workshops	10	11	12.1	13.31	14.64	<b>61.05</b>

IT Infrastructure to Centres	20	25	31.25	39.06	48.83	<b>164.14</b>
<b>Total</b>	<b>150</b>	<b>194</b>	<b>244.95</b>	<b>301.97</b>	<b>365.87</b>	<b>1256.79</b>

**D. Direct Market Intervention to Distribute Essential Commodities through Consumer Co-operatives**

Direct Market Intervention to Distribute Essential Commodities through Consumer Co-operatives	2000	2000	2000	2000	2000	10000
<b>GRAND TOTAL ((a+b+c+d))</b>	<b>2305.4</b>	<b>2361.19</b>	<b>2426.04</b>	<b>2496.57</b>	<b>2574.92</b>	<b>12164.12</b>

### **III. REPORT OF SUB GROUP ON CONSUMER AWARENESS AND EDUCATION**

Report of the Sub-group on “Consumer Awareness and Education is divided in three parts. Part I provides the background and highlights the importance of consumer right to education and awareness. In addition, it also provides review of Tenth and Eleventh Plans in the context of activities pursued by the Department of Consumer Affairs in relation to the budgetary support made available under the Plan period. It further provides information in regard to new initiatives adopted and implemented during the Plan period in order to provide boost to consumer protection movement with a thrust on activities, schemes and programmes relating to consumer education and awareness. Part II deals with strategies to be adopted and strengthening of existing schemes and programmes, particularly in relation to consumer education and awareness activities in a more expanded manner. Part III contains recommendations and suggestions emerging from the discussions and deliberation of the sub-group in the interest of consumer right to education and awareness.

#### **PART - I**

##### **1. Background**

1.1. Education is the most powerful tool for the progress and prosperity of any country. It is a social and political necessity. Undoubtedly knowledge is power. It is education, which transforms the individual's personality, enriches the mind, sublimates the emotions and illuminates the spirits. Education leads to liberation – liberation from ignorance, liberation from subjugation, liberation from exploitation, liberation from superstition and prejudice. Education has a well-defined role in creating conditions of change. In today's fast moving world, the frontiers of knowledge are enlarging with incredible swiftness contributing to emergence of knowledge society. The importance of education in general and the consumer's education and awareness in particular, cannot be overemphasized. It goes without saying that informed, educated and aware consumers are assets to the society. Education and information bring independence, which in turn contributes to the growth and development of individual's personality. Informed and educated citizen is considered to be 'sine quo non' for the success and well-functioning of any constitutional democracy. The importance of this has well been recognized under the Right to Information Act, 2005 which gives emphasis on an informed citizenry and transparency of information as vital components for the effective and meaningful functioning of the democracy. In the same way educated and informed consumers are facilitative to the functioning of the markets. Education and information help the consumers in making rational choice and protection of their rights and interests from trade and business exploitation. A combined reading of Articles 21 A, 45 and 51A(h) of the Constitution, Right to Information Act, 2005 and Consumer Protection Act, 1986 in relation to right to consumer education reveals the issue to be of a priority concern, to be supported by the appropriate instrumentalities of the government.

1.2 One of the dominant factors for the efficient functioning of national markets is the level of consumer awareness generated in the country. Where the literacy rate is high and

social awareness is greater, the consumers cannot be easily exploited. Two third of India's population is now literate. This may not be an ideal situation. However, the good thing is that the growth of literacy has overtaken the population growth resulting in a decrease in absolute number of non-literates. National Literacy Mission and continuing education schemes are providing opportunity of learning to the large number of people in the country. The level of consumer awareness varies from State to State depending upon the level of literacy and the social awareness of the people.

The main reasons for low level of consumer awareness in India are:-

- a. Vastness of the country, a large population of which is below poverty line
- b. The consumers are not able to assert and protect themselves due to the economic inequality, low level of literacy and ignorance and therefore, easily get exploited by the trade, industry and service providers.

Given the current level of socio-economic scenario in the country and the infancy of the consumer movement, there is a need to educate consumers about their rights and responsibilities through a concerted awareness-building programme.

The yardstick for judging whether the consumer awareness in a country is adequate or not can be seen through the ability of its citizens to get their due, free from any kind of exploitation and to get their voice heard as consumers, through the legislative and institutional framework available.

The Department of Consumer Affairs has been taking a number of steps to spread consumer awareness in the country in a holistic manner by involving other Departments under Centre, State Governments, VCOs and consumer activists etc.

**1.3 Creation of awareness** among consumers about their rights at the level of districts and talukas needs to be given high priority because of less education and poor knowledge amongst them. Often people living in remote and rural areas become victims of unlawful trade practices. In view of this, a national awareness programme requires to be launched aggressively at the grassroot level through State Government and local VCOs for the benefit of the more vulnerable categories of consumers such as:

1. Women and children;
2. Youth;
3. Farmers and rural families;
4. Middle and working class.

**1.4 Consumer education** is meant to ensure that the consumers have easy access to the knowledge and skills essential to be informed consumers. The right to consumer education envisages the right to knowledge and skills needed for taking actions to influence factors which affect consumers' decisions.

Consumer education also explores the wider dimensions of consumerism, beyond pure economic transactions and touches upon social, environmental, political, local, national

and global concerns. It can be used as a form of consumer protection, and can reduce burdensome regulation on industry, if well executed.

1.5 The right to consumer education is recognized under the Consumer Protection Act, 1986. The Union and State Governments have accepted the introduction of consumer education in school curriculum and progress has been made in some states. The IGNOU (Indira Gandhi National Open University) and Universities like Kota Open University are offering distant education on consumer education. Such courses/ programmes are focusing on the rights and responsibilities of the consumer and the role of government and voluntary agencies in consumer education. One such course offered is PGDCEL (Postgraduate Diploma in Consumer and Environmental Law). West Bengal has started a Diploma Course (1-year) on Consumer Affairs through Distance Education in collaboration with Netaji Subhash Open University. Some of the formal educational institutions are also offering graduate/post graduate courses on consumer issues. However, the thrust so far is quite unsatisfactory and has left the educational sector by and large untouched.

## **2. Consumer Rights**

2.1 The importance of consumer rights lies in their enforceability, which in turn depends largely on level of consumer education and awareness. In other words, it is not enough to have dynamic consumer laws in the country. There must be an equal thrust on education of all citizens on the consumer rights available to them and the mechanisms through which these rights, if violated can be redressed. History of rights, jurisprudentially speaking, is largely the history of fights about rights. To have rights is one thing and to be conscious of one's rights is entirely another.

2.2 The rights of consumer which are being sought to be promoted and protected through the legislative mandate available under the Consumer Protection Act, 1986 inter-alia include:

(a) The right to be protected against marketing of goods and services which are hazardous to life and property;

(b) The right to be informed about the quality, quantity, potency, purity, standard and price of goods or services, as the case may be to protect the consumer against unfair trade practices;

(c) The right to be assured, wherever possible to access to variety of goods and services at competitive prices;

(d) The right to be heard and to be assured that consumers interests will receive due consideration at appropriate fora;

(e) The right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers; and

(f) The right to consumer education.

2.3 From all these rights, it is the right to consumer education that can be said to be of paramount importance; since this is the gateway through which all other rights can be secured. In other words, right to consumer education forms the bedrock on which the edifice of other consumer rights stand. Therefore, the durability of super structure depends on the strength of the foundation. If the foundation is weak then the super structure is bound to collapse.

2.4 An aware consumer not only protects his own rights but also induces efficiency in the economy which enables a country to become globally competitive. Hence, enforcement of consumer rights and emergence of empowered class of consumers lays the foundation of a strong and vibrant economy which is globally competitive.

### **3. Awareness of Consumer Protection Act, 1986**

After the enactment of the Consumer Protection Act, 1986, the first independent evaluation of the implementation of this Act was through a study by the IIPA in 1994, where it was found that a large majority of consumers belonging to various categories and income groups were still ignorant of the existence of the CPA and the redressal agencies created under it. The majority of respondents both in urban and rural areas indicated that they had not taken advantage of the Act mainly, because of lack of awareness of their rights and remedies available to them under the CPA.

### **4. Review of Consumer Awareness in XIth Plan:**

The thrust given to consumer awareness in the XIth Five Year Plan and the sustained multi media publicity campaign has resulted in a significant improvement in the level of consumer awareness in the country. In the Xth Five Year Plan a survey was commissioned through ORG Centre for Social Research by the C&AG w.r.t. C.P. Act. It was revealed that only about 34% respondents were aware of consumer rights and a high percentage of 82% remained ignorant of C.P. Act.

4.1 Due to a significant increase in the outlay for consumer awareness in the 11th Plan, there has been a commendable increase in the awareness about the consumer rights as brought out from various studies conducted from time to time. The study got conducted through Indian Institute of Mass Communication during August-September, 2006 and through M/s Santek Consultants in April to June, 2009 have established that a sizeable proportion of the citizens are now aware about their consumer rights. Also, a sizeable population has learnt about the campaign being run as “Jago Grahak Jago” and supports the need for it. The survey conducted through IIMC covered 12 States, 36 Districts and 144 villages and the survey through M/s Santek Consultants covered 12 States, 59 Districts and 290 villages.

4.2 The latest study through M/s Santek Consultants also focused on the regional variations. A significant proportion of the respondents ranging from 55% to 88% in the States such as Madhya Pradesh, Jharkhand, Gujarat, Tamilnadu, West Bengal, Uttar

Pradesh, Haryana, Rajasthan and Delhi were revealed to have started exercising their consumer rights after being made aware through the multimedia publicity campaign “Jago Grahak Jago” of the Department.

## **5. Consumer Awareness as a Thrust Area and consequential Enhancement in Budget**

Consumer awareness and protection has been recognized as a major thrust area for the Government of India consequent to a decision taken in the 50th National Development Council (NDC) meeting held on 21-12- 2002.

5.1. It is relevant to mention here that during the Tenth Plan, the allocation of the Department of Consumer Affairs was merely Rs.55.00 crore for the entire Plan period, out of which Rs.15.50 crore was for consumer protection and awareness.

5.2 The 11th Plan has seen a significant ramp up of budgetary support for consumer awareness and protection. In the 11th Five Year Plan the total allocation was significantly revised upwards to Rs.409 crores for consumer awareness alone. The annual allocations and the actual expenditure during the five year period 2007-2012 is attached as Annexure I. The budgetary requirement for the 12<sup>th</sup> Plan is Rs. 665 crores is at Annexure II.

## **6. Multi-media Campaign (2005-07)**

6.1 With the substantial increase in plan resources from the year 2005-06, the Department was able to draw up an ambitious multi-media campaign on consumer awareness through professional advertising agencies.

6.2 As per existing advertising policy of the Central Government, advertisement to the media by Government Departments have to be routed through the Directorate of Advertising and Visual Publicity. A couple of years back, NFDC under I&B Ministry has also been authorized similarly in r/o electronic media. Same is being followed.

## **6.3 Multi-media campaign (2007-11)**

In 11th Five Year Plan, the Department had undertaken a series of initiatives to ensure that the campaign could be done through empanelled producers of DAVP/ Print agencies and thus a mechanism has been put in place to ensure creation of creatives on a sustained basis.

6.4 The mechanism of regular monitoring of the campaign was created by establishing an Empowered Committee chaired by Secretary, Consumer Affairs and a Multi-Media Committee chaired by Joint Secretary, Department of Consumer Affairs. The Empowered Committee under the chairmanship of Secretary, Department of Consumer Affairs has representatives from Ministry of I&B, consumer activist and academicians. The Multi-Media Committee under the chairmanship of Joint Secretary has representatives from DAVP, DD, AIR, and VCOs associated with consumer activities. The Multi-Media Committee has been entrusted with the responsibility of implementation of the Media Plan and creation of content as per the theme approved by the Empowered Committee.



The Empowered Committee monitors the inter-se allocation for different media, as well as identification of subjects / themes for publicity.

6.5 A significant achievement of the 11th Plan had been to broad base the publicity campaign. The Department initially started with the publicity on subjects / issues within its administrative jurisdiction, such as awareness of Consumer Protection Act, Grievances Redressal mechanism, Standardisation (ISI, Hall Mark etc.), Weights & Measures etc.

The Department had subsequently also taken up the issues of consumer interests that pertain to other Government Departments / Ministries / Regulatory Authorities such as Telecommunication (TRAI), Banking (RBI and Indian Banks Association), Insurance (Insurance Regulatory Development Authority), Financial Services (Department of Financial Services, Ministry of Finance), Medicines (National Pharmaceutical Product Authority, Department of Pharmaceuticals), Real Estate (Ministry of Housing and Poverty Alleviation), Education (Ministry of HRD), Travel Services (Ministry of Railways, Ministry of Civil Aviation, Ministry of Tourism), Energy Saving (Bureau of Energy Efficiency), Financial inclusion (Indian Banks Association), Census (Registrar General of India), Aadhaar Numbers (UIDAI), Swabhimaan (Banking Sector) and so on.

## **7. Physical Output in Xth Plan & XIth Plan :**

7.1 The major thrust in consumer awareness has started only from 2005-06 since earlier, the consumer awareness activities lacked adequate availability of funds. In consultation with the I&B Ministry, an interministerial Multi-Media Committee was put in place for overseeing the campaign

7.2. Out of this initiative has been born the 'Jago Grahak Jago' brand which has now become a recognizable name to the consumers in the country. It has also been recognized among the top ten campaigns by Economic Times.

7.3. The campaign has been carried out simultaneously through the electronic media, largely through 30 second spots on T.V. and radio jingles on topics ranging from MRP to gold Hallmarking, BIS / ISO certified products, expiry dates and consumer rights etc. Throughout the campaign, whilst information on consumer rights has been disseminated, the focus has been on empowering the consumer to enable him to take informed decisions, advising him about in house redressal mechanisms available with retailers, manufacturers and service providers, before he chooses to take his grievance before a consumer court. This has been a deliberate strategy in order to avoid a deluge of complaints in consumer courts, which would first need to have their existing infrastructure strengthened before being in a position to handle higher volume of cases.

7.4 In the 11th Five Year Plan the media campaign has taken a more structured shape. The campaign has ventured into new areas and in the previous 4 years of the 11th Five Year Plan has covered a lot of new issues with a focus on emerging areas where there has been a rapid increase in the consumer issues. Some of the issues covered as part of the Multi Media Publicity Campaign 'Jago Grahak Jago' are as below:

- Technology
- Banking
- Insurance

Financial Services  
Medicines  
Real Estate  
Education  
Travel Services  
Energy Saving  
Financial Inclusion  
Census  
Aadhar Numbers

7.5 The campaign has used all possible mediums required to reach out to the consumers in such a vast country. **Doordarshan** has a significant terrestrial reach and has been the biggest vehicle of campaign since it enables the Department to reach out to the focus areas in rural and remote areas of the country.

7.6 **All India Radio** provides a unique dimension of having access to almost 99% population and on account of easy portability of radio sets, the medium provides an effective platform for reaching out to the migrant population and construction workers, as well as labourers and farmers who often carry radio sets with them while they work in the field / construction sites.

7.7 **FM** has shown a rapid growth in the past decade and as more and more consumers are spending more time on commuting, FM as a medium of publicity has shown tremendous growth. Therefore, FM Stations of AIR as well as private FM Stations have been utilized as part of the publicity campaign under 'Jago Grahak Jago'.

7.8 **The Evaluation** studies by IIMC and M/s Santek Consultants brought out that TV advertising has grown in the past on account of more and more pockets of the population being in a position to afford TV as well as Cable TV Networks. The campaign utilizes the platform of cable & satellite channels for reaching out to consumers both in the premium segments as well as in the Tier II and Tier III + towns and cities.

7.9 To reach out to consumers in a vast country like India outdoor publicity has to be an integral part of any Multi-Media Publicity Campaign. All available medium, such as banners, hoardings, unipoles, metro panels, bus panels, railway tickets, reservation charts, Tirupati Access Cards, LCD Screens in Railway stations and Airports, neon sign boards in Railway Stations and Airports etc. are utilized.

7.10 The campaign on consumer awareness has to necessarily focus on the youngsters as a target group. Accordingly, Nukkad Nataks were organized during the India International Trade Fair which attracted a large number of visitors. Posters / painting competitions were also organized in schools and colleges in Delhi on the topics relating to consumer issues. The Department also participated in exhibitions / Trade Fairs in other places.

7.11 A unique partnership was formed with the Department of Posts, which with its extensive reach of 1.55 lac post offices in every nook and corner of the country was ideally

suited for carrying out our messages. All kinds of postal stationery viz. postcards, inland letters, Meghdoot postcards etc. were used to carry awareness messages. Posters were displayed in all the post offices countrywide. Postal savings bank passbooks were used to depict awareness messages. Railways in the shape of EMU AND DEMU trains were similarly used to carry messages and were well received by the daily passengers. Posters were also sent to the state govts for display through Anganwadi workers.

7.12 Under the scheme, funds are being released to State Governments/UTs to facilitate activities to spread consumer awareness in the local languages and using the local mediums. State Governments have been given full freedom in deciding the content as well as the mediums, so that issues specific to that State/UT and mediums having reach in the rural/remote areas could be covered through the respective State Government/UT.

## **8 Consumer Awareness in Schools**

In the Xth plan period up to 2005-06, CWF has extended financial assistance to the tune of Rs 33 crore, including Rs. 8.69 crore in 2005-06. Consumer education has been gaining popularity in the Universities/ Colleges/ Schools and has been receiving greater attention from the print/ electronic media. The Department of Elementary Education and Department of Secondary & Higher Education in the Ministry of Human Resource Development and State Governments need to be involved to include consumer protection/ consumer education in the school curriculum since youth is the bedrock of our future.

A scheme was launched in 2002; according to which a consumer club is to be set up in each Middle/High/Higher Secondary School affiliated to a government recognized Board. A grant of Rs.10,000/- per consumer club for 2 years is admissible under this scheme. This scheme has been decentralized and transferred to the State/UT Governments with effect from 1st April 2004. Till the end of March 2006, 4661 consumer clubs have been sanctioned in the States of Andhra Pradesh, Tripura, Maharashtra, and Gujarat. Orissa, Rajasthan, Karnataka, Tamilnadu, Jammu & Kashmir, Haryana, NCT of Delhi, Punjab, Sikkim, Lakshadweep, Himachal Pradesh and Arunachal Pradesh.

8.2 In the 12th Plan the grant of Rs.10,000 per consumer club should be increased to Rs.20000 per consumer club and the period of support should be increased to 3 years from the present 2 years. The consumer clubs should be facilitated not only in the Government schools but also, private institutions / school that wants to set up a consumer club should be promoted with the Consumer Welfare Funds. Involvement of Research Institutions/ Universities/ Colleges etc, in consumer protection and welfare should be promoted.

8.3 Bureau of Indian Standards organizes utilization of standards programmes in various polytechnics and engineering colleges to educate the students at college level. Efforts are being made to increase the number of such programmes and popularize them.

This scheme has been launched with a view to sponsor research and evaluation studies in the field of consumer welfare to provide solution to the practical problems being faced by the consumers, to sponsor seminars/workshops and conferences on consumer related topics and to provide necessary inputs for the formulation of policy/programme/

schemes for protection and welfare of the consumers. Proposals received from Universities/Colleges/ Research Institutions for conducting seminars, conferences, workshops, consumer festivals, research/evaluation studies are processed to sanction grants and then results of such studies are published in the form of books, monographs and pamphlets on consumer education and awareness.

The Indian Institute of Public Administration (IIPA), New Delhi, has been identified as the nodal organization to administer the scheme. Till March 2006, 291 applications were received and 95 applicants have been recommended for sanction of grant.

#### **8.4 Training Workshop for University/ College Teachers**

IIPA as the part of the above scheme, inter alia, evolved a training workshop on "Consumer Protection and Consumer Welfare" of five day duration for University and College Lecturers and has organized six such training workshops. About 142 lecturers/readers of the Universities and Colleges of different states have so far attended the programme. The major objective of the programme is to create resource persons on long term basis in Universities and Colleges in the area of Consumer Protection with a view to provide fillip to the consumer education and awareness programmes in educational institutions. There are positive responses to the impact of such programmes because these resource persons have started activities relating to consumer protection in one form or the other in their respective institutions.

#### **8.5 National Consumer Help line:**

A National Consumer Help line project has been established in coordination with Delhi University, Department of Commerce on 15-3-2005. Consumers from all over the country can dial toll-free number 1800-11-4000 and seek telephonic counseling for problems that they face as consumers. Maximum calls received from this Help lines are found to be related to telecom, courier, banking, insurance, financial services etc. On an average 6000-7000 calls are received every month by the NCH from more than 25 States and UTs. Service is in Hindi and English only.

The number of lines has been increased from 8 to 12 in the month of February, 2011. . This has resulted in a significant increase in the number of calls.

#### **8.6 Consumer Online Research and Empowerment (CORE) Centre:**

A Consumer Online Research and Empowerment (CORE) Center has been set up in collaboration with Consumer Coordination Council (CCC). The CORE Centre is intended to provide online dispute redressal of Consumer Grievances.

Adequate publicity is being given to the facility of online filing of grievances through the website [www. core. co. in](http://www.core.co.in). The helpline no. of CORE 18001804566 is also being promoted through the 'Jago Grahak Jago' publicity campaign so that consumers have adequate knowledge about the online grievance resolution facility made available by the Government.

## 8.7 Comparative Testing of Consumer Products and services:

VOICE Society, New Delhi, has been sanctioned a five year project for Comparative Testing of Products and Services with the objective of ensuring product quality and safety, by executing an MoU with the Department at a total approved cost of Rs.2.25 crore for initial period of two years. The project includes regular monitoring of Quality Standards of products and Services through comparative testing, publication and marketing to disseminate information to consumers through the magazine 'Consumer Voice' in English and Hindi. A total of 10 products were taken up for testing during the first year. These include Chilli Powder, Potato chips, Disinfectant fluids, Jams, Health drinks, Lipsticks, Mosquito propellants, Mono pump sets, Juicer Mixer Grinders, Colour T.V. The comparative testing is undertaken in six NABL accredited labs according to operational norms and procedure approved by government. The comparative testing of Consumer products is also done by Consumer Education and Research Centre (CERC) at its in-house laboratory in Ahmedabad. The categories of products tested include food and pharmaceuticals, electrical appliances and cosmetics & medical devices. The results of the testing are disseminated through their magazine 'Insight' published once in two months, Government provided support when the lab was set up. The concept of comparative testing is also being popularized through the 'Jago Grahak Jago' campaign. In addition, Concert, a VCO based in Chennai has been sanctioned a project for comparative testing. CAWB (W.B.) is also doing testing of food and water in its lab..

## 8.8 New Initiatives:

Following schemes are under finalization for setting up National level projects in collaboration with leading consumer organizations, industry associations and academic institutions like IITs, IIMs, IIPA, IIFT and reputed central Universities to provide consumer education training and research on a more structured and sustained basis.

*Setting up of Centers of Excellences in IITs, IIMs and other reputed Institutions for continuous studies/research in Consumer Protection.*

As a major initiative during the XIth Plan the Department of Consumer Affairs, GoI set up a Centre for Consumer Studies at IIPA, New Delhi as a Nodal Training Centre for Excellence for a period of five years (2007-2012) with an outlay of 8 crores 50 lacs and 77 thousand (850.77 lacs) . The aim of the Centre is to perform, facilitate and promote better protection of Consumers' rights and interests with special reference to rural India. The activities of the Centre are monitored by a committee chaired by the Secretary, DCA. The Centre organizes training programmes for Presidents and Members of the District forums, Training of Trainers programmes to develop Trainers from Administrative Training Institutes and Institutes of Rural Development , training programmes for elected Panchayat representatives, Coordinators of Consumer Clubs, Heads of VCO's, Government officials and other stake holders. A number of workshops and awareness seminars are also organized in various parts of the country. Apart from this, the Centre conducts research and evaluation studies and brings out various publications to educate the consumers. A website is also maintained and linked to the DCA website which

provides useful information and material to the consumers. To promote consumer education, a documentation and resource centre has also been set up in the IIPA library which is used by various stakeholders. Since July 2007 the Centre has organized 83 training programmes, workshops and seminars and trained about 4,200 participants from different parts of the country including 498 Presidents and Members of the District forums and 234 trainers. Apart from this the Centre has published 7 books and 6 monographs and carried out 14 research and evaluation studies providing policy inputs to the DCA. In the XIIth plan it is proposed that the Centre also function as a national resource Centre for State Helpline and train the Coordinators and Advisors of the State Consumer Help lines of the Consumer Advice Centre, to be set up by DCA

## 9. Media Exposure:

9.1 The media used in the last 2 years of the 10th Plan was restricted to print and TV spots. However, in the 11th Five Year Plan the use of media was radically increased both in form and nature. All possible means of communication such as print, electronic (including Doordarshan, Cable & Satellite Network, All India Radio and FM Stations, postal network, outdoor publicity (panels, hoardings, neon, sign boards, bus panels, railway panels, railway tickets, reservation charts, utility bills, Tirupati access cards, conventional mediums of publicity such as Nukkad Natak, Song & Drama Division etc. have been utilized. The content under the 'Jago Grahak Jago' campaign is also being uploaded on the website of the Department.

## 10. Evaluation:

10.1 The need for independent evaluation of the ongoing consumer awareness campaign has been acknowledged and a no. of studies has been carried out as an ongoing exercise.

Reports of consumer awareness campaign and awareness about consumer rights conducted by SNDT Women University, Mumbai in Feb-March, CAG in July, 2005 and IIMC during August-September, 2006 and Santek consultants Pvt Ltd during April 2009:

Components	S.N.D.T Women University	CAG's Study	IIMC's Study	Santek
Coverage	State -1 Metro Town-1	States - 27 Districts- 138 Villages-1640	States - 12 Districts - 36 Villages - 144	States-12 Districts-59 Villages-290
Awareness about the campaign	31.3%	33%	62.52% -	59.53% (pageNo.148)
Consumer rights and Consumer Protection Act		18%	-	56.58% (page No.141)

Source of awareness in respect of (a) Consumer Protection Act	Print Media 62.6%	Electronic Media - 75% (TV, Radio) Print Media - 52% N.G.O - 0.6%	Electronic Media (TV) Rural- 80.5% Urban 80.4% Print Media (Newspapers)- 33% Radio - 31%	Electronic Media (TV) Rural- Urban - Print Media (Newspapers)- %Radio - audio spots - %Video spots %(page
(b) Redressal Agencies		Print Media - 76% Electronic Media - 48% Friends/ relatives - 68% Attributed to the Work of NGOs -49%		
Awareness about redressal mechanism		13% - mostly urban	7.1%	

Component-wise report of consumer awareness campaign and awareness conducted by M/s. Santek Consultants during April 2009, which is the latest study carried out is as below.

**Coverage:** The survey was conducted by the Empanelled agency of Planning Commission in 59 districts of 12 States, Delhi, Madhya Pradesh, Haryana, West Bengal, Gujarat, Karnataka, Jharkhand, Uttar Pradesh, Tamil Nadu, Rajasthan, Assam and Meghalaya. The data was collected from a broad category of respondents

i) House wives; ii) Students; iii) employed iv) Self Employed; v) Trade/Industry, vi) Farmers, vii) Unemployed; vii) Senior Citizens consisting of 6346 respondents from Rural strata i.e. 53.28% of the total sample size and 5645 respondents from Urban strata i.e. 46.72%.

Some of the questions surveyed to assess the impact of the Jago Grahak Campaign and the findings are as below.

#### **i) Cases registered**

In Madhya Pradesh(30.1%), Rajasthan(20.8%) Jharkhand (5.02%) Uttar Pradesh(4.5%) Delhi(2.5%) Gujarat(2.2%) Tamil Nadu(0.24%), Haryana (1.15%), Assam (0.5%) and West Bengal(0.25%) of the respondents confirmed having filed complaints after being exposed to the campaign. Out of these West Bengal(100%), Gujarat(69.7%), Haryana(55.6%), Delhi(31.8%) Jharkhand (29.7%) Uttar Pradesh(1.7%) and Madhya Pradesh(1.5%) have stated that their complaints have been redressed.

## **ii) Share of Knowledge about provisions of consumer Protection Act**

In Haryana (63.65), Uttar Pradesh (55.5%) , Delhi (50.7%) Jharkhand(49.0%) Gujarat(48.2%), Tamil Nadu(46.6%),West Bengal(43.6%)Karnataka(37.4%) Meghalaya(25.6%), Rajasthan (26.2%)Assam (15.5%) and Madhya Pradesh(10.8%) of the shared knowledge gained on the provisions of the Consumer Protection Act 1986.

## **iii) Exercising Consumer Rights:**

In Delhi (87.3%) Rajasthan (73.9%) Haryana( 78.5%) Uttar Pradesh(71.2%)West Bengal67.2%)Tamil Nadu(60.2%),Gujarat(59.7%) Jharkhand(56%) Madhya Pradesh(54.4%) Karnataka(40%) Assam(34.4%) and Meghalaya (29.7%) started questioning the shop keepers/traders/service providers on various consumer related rights.

10.2 In house tools for concurrent evaluation of the ongoing campaign are available in the form of the NCH and CORE schemes. Calls logged in at the website or to the toll free national help line by consumers seeking advice on various grievances related to services or products are a pointer. The efficacy of these initiatives may be said to be directly linked to the impact being made by the publicity campaign, as evident from the nature of calls/queries. The data of the calls to NCH indicates that number of calls to National consumer Helpline is proportional to the publicity about NCH in the 'Jago Grahak Jago' publicity campaign.

## **PART - II Twelfth Plan Strategy**

To provide further realistic and focused impetus to consumer awareness and education, following strategies should be vigorously followed during the 12th Plan Period.

### **11. Realistic Information in Media**

11.1 Campaign has to be more result oriented so that individual consumers on their own or with the help of consumer groups get complaints resolved without much loss of time, energy, efforts and expenditure. It should feature real life cases with particulars of complainants, opposite parties, issues involved, effective resolution of the complaint and the time within which they have been resolved with all hard facts, names and other details.

11.2 The campaign should be effective in inspiring confidence among the consumers that they are not helpless and they are able to get effective redressal. Campaigns should be appealing, brief, focused and effective. Slogans having a punch can be used. The campaign so far has been identified by its slogan 'Jago Grahak Jago' with the intention of waking up consumers to their rights. The connotation of the slogan hence should be such that the campaign has a dynamic dimension, as it has progressed beyond mere wake up call to consumers.



11.3 Another important aspect is to let the campaign give information to the consumers about leading judgments/orders passed by the National Consumer Disputes Redressal Commission (NCDRC), and the State Consumer Disputes Redressal Commissions (SCDRC), which will inspire confidence among the consumers and complainants that, our Consumer adjudicatory bodies are effective. This could be by way of releasing such judgments in T.V. and Radio through dramatized serials. At the same time, it needs to be ensured that in case any such judgment has been subsequently overruled by a Higher Court or is sub-judice at any level, full facts need to be placed before the consumers.

11.4 Department should co-ordinate with all the Departments having consumer interface, so that all information pertaining to regulatory framework, grievance redressal mechanism and rules framed for protecting consumers in different sectors could be adequately published under the common generic publicity campaign. A **Steering Committee** has been proposed under the chairmanship of Secretary (CA) to take care of the awareness requirements of other Government Departments having a major consumer interface. This Steering Committee will decide themes and the content shall be finalized based on the inputs of the concerned Departments having administrative jurisdiction of these topics.

#### **11.5 Joint Publicity Campaigns**

(a) The Campaign should have a proactive stance and any issue that crops up due to regulatory changes or on account of new development in a particular sector should be covered under it in consultation with the concerned Dept.

(b) School and colleges should be targeted in a big manner for the awareness campaign. The Department should prepare suitable publicity material both printed and electronic which could comprise of posters, pamphlets, leaflets and Audio -Visual content, that could comprise of small snippets for 3-5 minutes duration as well as short films of 15 to 30 minutes duration.

(c) On important days relating to consumer protection, such as National Consumer Day on 24th December and World Consumer Right Day on 15th March, Department should organize national level competitions amongst students through debates, quizzes, and other similar competition, Nukkad Natak.

(d) The Department should plan TV Serials which could be modeled on the line of famous serial **Rajni** which was telecast in the early 1990s. A Central Character can be developed which would take up consumer issues and inform the same to the viewer in a dramatized manner so that the viewer interest is generated. The programme should also be made interactive wherein queries/requests by consumers could be replied by the expert on the spot.

#### **11.6. Consumer Education**

A holistic policy for consumer education and better re-sourcing of activities geared towards consumer education is needed. There are many opportunities for delivering

consumer education and much good work is being done across the country. There is a need to find out how all the present initiatives relate to each other. There is also a need to look at the international best practices. Consumer education is still a poorly understood concept. A coordinated approach is needed to get the best inputs from all involved. The main stakeholders – government departments, industry, consumer groups, education and advice providers, interest groups and community agencies – need to work together.

Following are some of the steps that need to be taken:

- (i) To target particular groups of the population and prioritize the needs of those with specific gaps.
- (ii) To ensure that consumer education is accessible, appropriate, flexible, adoptable and relevant.
- (iii) To introduce consumer education in the basic curricula of the education system.
- (iv) Need to incorporate certain values in consumer education, like concern for finite resources of the planet and the environment.
- (v) To strengthen the consumer club scheme with full coverage.
- (vi) To bring in a degree of flexibility and responsiveness in educational programmes. Consumer education can be made more relevant when linked to different situations such as at school, at home, while in a public place, etc. Locally, peer education can be an effective tool. Parent education programs and family support programs can help parents make good decisions on behalf of their young children.
- (vii) An effective consumer education programme should also cover training of teachers belonging to schools, colleges and universities so as to enhance their exposure to ideas relevant to consumer education.
- (viii) Need to support the national stakeholders becoming involved in delivering consumer education. These would include various government department and industry bodies.
- (ix) To facilitate participation of individuals and organizations in various walks of life for greater effectiveness. The media have a strong role to play, as do community organizations, educational institutions and religious groups.
- (x) Need for mapping the impact of consumer education. This must be done at different levels and at regular intervals to assess the reach of the consumer education programs:-
  - 1. Front-line work with consumers;
  - 2. Within established community setting;
  - 3. At school with teachers;
  - 4. With the media;
  - 5. At policy level;
  - 6. At industry or service provider level.

## **11.7 Structuring of Existing Advocacy Initiatives**

During the XIIth Plan, the following thrust areas may be focused on through CWF for wider coverage of consumer awareness and quicker resolution of complaints. Project on Comparative Product Testing, which is being coordinated by VCOs like VOICE, Concert

and CERC to be widened so as to cover larger number of products and services and also strengthened so that consumers can freely access findings for making informed decisions whilst buying. There is an urgent need to support such activities in a more vigorous manner and to bring such information to the common consumer in a language they are able to understand. The Ministry should also address the issue of availability of such reports in different languages over the XIth plan. Finally, getting products testing is not the end. The results emerging from such testing should be made public in a language comprehensible and timely available to the common consumers.

Consumers in rural areas are less aware of their rights than the Urban Consumer. Hence a concerted effort may be made to rope in organized groups like Self Help/ Women associations/ student-teacher community etc. to reach out to people in rural areas.

### **Part – III**

#### **Recommendations and Suggestions**

In view of the TOR and the pressing need of consumer awareness and education to provide fillip to consumer protection, the sub group's discussions and suggestions are summarized in this part.

#### **12. Horizontal linkages for National Campaign on Consumer Awareness.**

Each Ministry/ Department/ Organization in the Central Government which deals with consumers' interest either directly or indirectly should

- (i) Educate their consumers avail their services and make sufficient budgetary provision for the same
- (ii) Provide and update all consumer related information in a multi-dimensional way to the respective consumers on a continuous basis and
- (iii) To formulate and effectively implement their Citizen's Charter
- (iv) To undertake/ accelerate their awareness programme especially in regional languages. Planning Commission may consider providing assistance to selected organizations.

12.1 Different Ministries / Government Departments having a consumer interface should co-ordinate with Department of Consumer Affairs under the guidance of Steering Committee.

#### **12.2. Deepening and widening the scope of the Campaign in Mass Media**

The limitations of the multi-media campaign in the current year are going to be removed by the introduction of new elements detailed in the following section. The campaign is proposed to be strengthened by going beyond impersonal advertising to a more effective dialogue with consumers through the media using editorial and other creative forms of communication. The campaign is going to be widened by including media like internet and outdoor publicity, such as mobile vans and supplemented by a major thrust on

consumer education in schools and colleges. The campaign should also have substantial regional nuance to reach regional consumers, hence the involvement of States / UT Governments, PRIs and ULBs should be strengthened.

**12.3 Print Media:** Apart from advertising such mechanism needs to be created which can create editorial content for use by established media.

**12.3.1 Creating news,** features and stories of consumer interest based on actual market conditions and events. They can be offered to media as syndicated news and features specialised on consumer affairs.

**12.3.2 Creating cartoons,** comic strips, cross word puzzles, illustrations and games of interest to readers on consumer interest subjects, which can be offered for publications to established media.

**12.3.3** Photo feature service to create photos on subjects of consumer interest and offer them to media for publication

**12.4 Radio:** With the advent of FM Radio the listener ship of Radio is going up particularly in urban areas. The FM Radios are heavily commercialized and dependent on advertising. They are wary of carrying consumer news and stories, which may not be liked by advertisers. Therefore a fillip is required to create radio programs that can be broadcast by Radio.

**12.5 TV:** The reach of Jago Grahak Jago in Doordarshan has been limited to ad spots and some slots for consumer issue based programs on Doordarshan needs to be created.

**12.5.1** Programs in Different Formats covering consumer issues and stories, which are normally not produced in media, should be carried by DD in specified slots. These may include programs based on results of comparative testing of consumer goods or services under govt approved programs; programs tracking developments on products and prices in retail markets; Guidance to consumers on issues of interest to them etc.

**12.5.2** Create ads on topical issues of consumer interest and make them available for broadcast as part of the Multi media campaign by Government.

**12.6 Internet:** The internet literate population is rising and the campaign should be extended to using internet based promotional methods for spreading awareness. This would entail the use of banners and frequent e-mails delivering usable content to the internet users. This activity needs to be on an ongoing basis, as new users keep on adding to the list and new portals with advanced technology can be used. Besides, this will also give more room to give better education and content.

**12.6.1** The websites which are being run by credible VCOs should be supported to increase the variety, quality and quantum of content based on consumer interests. Once they are able to attract traffic, they will become instruments of consumer awareness and education in future years.

12.6.2 The support for improving the websites should be accompanied by internet based promotion methods involving tie ups with ISPs and Search engines.

12.7 **Mobile Outdoor Publicity:** Mobile Vans should be commissioned to carry the message to small towns and villages of the country. It has been observed that a lot of activity is happening in the capital cities of the states wherein the awareness level is otherwise also usually high. In order to connect and spread awareness at the village and town level we need to have human intervention as point of contact that can home in the point about consumer rights and responsibilities and also communicate in the local language. Appropriately equipped mobile vans can display an effectively designed audio-visual content for greater effectiveness. Arrangements may also be made to hold puppet shows, short films dubbed in regional languages and case studies or cases decided by courts. Real life situations of consumers may be used as **nukkad natak** or **nautankies**. . Mobile vans may be used to show documentaries as well as display exhibitions or simple experiments to demonstrate tests related to product quality, etc. Handouts and other publicity material can also be distributed alongside. Similar action can be taken in the form of exclusive trains, on the lines of Red Ribbon Express.

12.8 Creating Interest among Journalists: Basically, journalists do not take interest in "Consumer Affairs" because of the perception that

- (a) It is not as interesting or glamorous as writing on politics or economics or even films
- (b) The media itself does not think it a 'hot ' subject unless there is something sensational in the case.
- (c) Most journalists do not even think that this is a subject that is worth specializing.
- (d) Publishers and Broadcasters generally avoid news worthy content on consumer affairs lest it invite objections from advertisers. It is pertinent to point out that over 90% of the revenue of newspapers, magazine TV and Radio comes from commercial advertising.

### 13. **Possible solutions:**

13.1 It may therefore be a good idea to introduce consumer protection/rights as a subject of specialization in journalism schools.

13.2 Similarly, an award for journalists who do exceedingly well on consumers affairs related journalism might also encourage some of them to take up the subject.

13.3 Involvement of State Governments and PRI: Efforts will be made to increase the involvement of State Governments as well as Panchayti Raj Institutions (PRIs) in the multi-media campaign. They will also be involved in capacity building as well as advocacy.

13.4 All Government departments having consumer interface need to have an inbuilt redressal mechanism, the existence of which should be widely publicized. The publicity material used should be such that it reaches the rural mass. As suggested, the Ombudsman mechanism of redressal should be available to all service sectors.

13.5 Family Ration cards that are issued to the public should contain the rights and responsibilities of the consumer and provide the contact details and the consumer help line numbers in regional languages.

13.6 Information relevant to consumers should be displayed at all government offices and other public places in district and taluka levels. – paintings, posters, bill boards, etc.

13.7 The front desk of all government offices should be equipped to guide consumers in the right direction. Sectorwise orientation programmes would be advisable, a list of FAQs should be available.

## **14 Recognition and Awards**

14.1 Awards to Activists & VCOs: The Department of Consumer Affairs have been recognizing consumer organizations, youth and women involved in consumer protection by giving them awards from time to time, based on nominations filed by potential awardees in response to the advertisements in the newspapers by the Department of Consumer Affairs or through publicity conducted by the State Governments. However, it has been observed that the response to such advertisements have not been very encouraging, nor far reaching. It is essential that such awards and recognitions become more visible and in order to do that the media campaign should be made a vehicle to reach out to potential awardees throughout the Country.

It is important that support be made available to consumer organizations region wise, instead of it being concentrated repeatedly on a few organizations, since there are many groups who do great work in the region. Ministry should make a list of all the genuine, registered consumer organizations from all states, which should be made available on the web-site.

14.2 **Awards to Consumer Friendly Business:** The Department of Consumer Affairs should also propose to bring other categories of citizens into the scope of such awards like “Most Customer Friendly Retailer of the year”, Similarly there could be awards for companies with effective complaint management systems. Organizations with high level of customer satisfaction (it could be product manufacturers or even service providers); consumer clubs initiated in schools should also be recognized through such awards, apart from media persons writing columns regularly on consumer related issues.

14.3 **Celebrate and Publicize Awards:** Every year, the Department of Consumer Affairs should hold a high profile National Consumer Night to felicitate the above categories and also telecast the same. There is a need to recognize and reward persons and organizations who are contributing towards building the Indian Consumer

movement and also Quality and Standards of products and services to meet the customer expectation.

**14.6. Awards to Consumer Forums/Commissions:** Last, but not the least, recognition should go to district forums and State Commissions who have performed well against agreed benchmarks developed by the NCDRC. A system can be worked out in consultation with NCDRC for instituting such awards.

## **15. Public Private Partnerships**

15.1 Public Private Partnerships (PPPs) combine the resources of government with those of private bodies in order to deliver goals. There are different forms of PPPs including contracting out services, business management of public utilities and design of hybrid organizations for risk sharing and co production between government and private agents. It gives rise to a series of ideological and managerial choices.

15.2 The Department of Consumer Affairs has a very delicate role in such initiative as it needs to be completely unbiased towards the consumer and should not be seen to be associated with big business houses or with industry leaders in to the detriment of the consumer. However, while maintaining the unbiased character of the Department and also its commitment towards the consumers, there is also a need to build a strong Public Private Partnership in various activities in our country. The link to build these initiatives is similar to the **Citizen's Charter** campaign, which was launched by the Government in the year 1996, which needs to be further strengthened and made viable in our local context. There are several initiatives where the Industry and their associations have approached the Department of Consumer Affairs to build bridge between the provider and the user and based on such initiatives, the Department is of the view that in the 12th Plan, there should be more partnership building exercises by organizing regular consultation with the interested parties and develop a transparent mechanism to ensure Quality Services and Products at the market place. The PPP is to be consumer centric and needs to be such that it delivers a strong relationship not only for prompt complaint redressal but also sharing of information in terms of performance and delivery systems.

15.3 One of the areas for such a partnership in Consumer Affairs would be the setting of a national level mechanism similar to the Better Business Bureau in USA, which mediates between consumers and companies with respect to consumer problem and disputes. The Ministry would like to set up such a mechanism to solve consumer problems and grievances outside consumer courts though a partnership with apex industry bodies. Industrial Bodies can also be asked to produce tangible models of consumer-friendly activities and initiatives.

## **16. Universities and College Education**

The Universities and Colleges have a critical role in educating the younger generation to become awakened consumers.

**16.1 Introducing Formal Courses** on Consumer Affairs in different existing programs: Consumer Affairs is not a traditional subject, which is taught in universities. Some elements of consumer affairs are taught in Home Science Courses but by and large most universities do not have such courses on their syllabi. During the Plan period efforts should be made to introduce new papers in existing degree courses in major universities.

**16.1.1 The B.A. Degree:** This is one of the most popular courses in a university. Recently the University of Delhi has introduced an optional application course on “Consumer Affairs” in their restructured BA program. Efforts can be made with the intervention of the UGC to have similar papers introduced in other universities.

**16.1.2 The B.Com. (Hons) degree:** This is the most prestigious and popular course for Commerce stream in Universities. Recently the University of Delhi has introduced an optional paper in its restructured B.Com (Hons) program.

**16.1.3 The L.L.B. Degree:** In spite of the development of Consumer law over last two decades, most LLB programs in Universities do not have papers in Consumer Law or Consumer Jurisprudence. Efforts can be made with the Bar Council of India and the UGC to introduce such a paper in the L.L.B. syllabus in Universities and national Law Schools.

**16.1.4 Science Courses:** Universities need to be encouraged to develop new syllabi or include topics on scientific aspects of consumer issues in the relevant papers. The domain of standardization, national and international standards, certification and conformity assessment, accreditation of labs, quality systems are some of the topics which may be relevant for such courses. UGC may be asked to set up a Working Group of academics to suggest ways and means to include topics of consumer interest in the syllabi of undergraduate science courses.

**16.2 Chairs of Excellence:** The Ministry has initiated the setting up of Chairs of Excellence at Universities and other national level institutions. Over the Plan period this should be widened and UGC should be involved in the identification and evaluation of Universities who would like to set up such chairs. The following areas of specialisation may be considered in faculties of Commerce, Management, Law, Public Administration, Engineering or Journalism.

- a. Consumer Affairs
- b. Consumer Law and Practice
- c. Standardisation and Conformity Assessment
- d. Corporate Social Responsibility
- e. Media and Consumer Affairs
- f. Complaint Management Systems
- g. Alternative Consumer Dispute Resolution
- h. Ethical Issues and Fair Business practices

An estimated expenditure of Rs 30 lakh p.a. per University is estimated with twelve such chairs in the first year, the number likely to go up to 20 by end of the XIth plan.



**16.3 Fellowships for Research:** Over the Plan period fellowships for full time M.Phil. or Ph.D. students may be instituted in selected Universities to encourage original research on subjects of consumer interest. The fellowships should be available to students to write dissertations based on original work on a selected list of topics, which may be identified as thrust areas over the plan period.

**16.4. Grants for Books and Journals to University Libraries:** University, College and Research Institutions including National and State training institutions Libraries be given grants over the Plan period to acquire books, journals and audio-visual material in the area of consumer affairs in the thrust areas identified. They should also be given grants to subscribe to consumer magazines and journals relevant to thrust areas for use in reading rooms of libraries. The grants should be larger for the institutions, which introduce papers relevant to consumer affairs during the Plan period to encourage and support such innovations.

**16.5 Grants for Publication of Original Work related to Thrust Areas:** The Plan should give a fillip to publications on areas relevant to consumer affairs. Authors and academicians should be encouraged to publish books etc relevant to the thrust areas. The grants can be routed through the UGC, Universities and/or other institutions like National Book Trust.

**16.6 Consumer Clubs in Colleges:** Efforts be made to ensure that by the end of the Plan period there should be new consumer clubs in 10000 schools and colleges in the country. In the same way, as there is presence of NCC and NSS in educational institutions, there should be a Consumer Club to lead the extra curricular activities of students in the domain of consumer affairs. There should be involvement of the Central and State Governments. The UGC and State Governments should be asked to set up a Task Force with involvement of experts among academicians to draw up a plan to achieve this Goal. The estimated cost of running a consumer club in a college is Rs 20000 p.a. with 10% of the grant to a college earmarked as honorarium for the teacher-in-charge of the activities of the consumer club.

**16.7 Revamping Consumer Clubs:** While the Consumer Clubs would be set up by managements of colleges under guidance from UGC or State Governments there is need to nurture, support and develop materials which such clubs would need in their functioning. Apart from creating print, digital, audio-visual materials, these clubs should also get trained teachers-in-charge of the Consumer Clubs and also organize events, which involve a number of Consumer Clubs on one platform.

**16.8 Contests and Quiz's** to be organised among students of schools and colleges Different Service providers may also be involved if possible at various levels to increase and enhance awareness levels. This activity should be professionally managed along the lines of Bournvita Quiz Contest wherein not only students but also different groups of stakeholders including officials, RWA's and Housewives etc. may also participate.

## 17. Consumer Education in Schools

17.1 It is very important to educate the consumers at a young age. They are the target of many a marketers who exploit their innocence to create pressures on the parents to purchase certain goods and services. Government at Centre and States should spearhead a campaign to cover all schools in the country with a focus on children belonging to both government and private schools. The activities regarding consumer awareness must involve all the students in a school and as such presentations, lectures and demonstrations must be addressed to all the children in a school. Each school should be encouraged to take up at least one project each for the primary, middle and high school students to observe, or file complaints or identify areas where they as consumers feel a harassed lot.

17.2. The procedures for drafting and filing of complaints in the Forums and Commissions are perceived, often erroneously to be complex and many people are either not aware or find it to be a tedious process. This is also one of the various reasons for consumers refraining from approaching the Forums. Therefore, it is important that students are educated on drafting a complaint and, turn wise students from the local schools could be involved, may be two hours a day, to help draft complaints for complainants in District Forums and Commissions.

17.2 .1 **Documentaries and audio visual material:** Department should build a library of all relevant audio-visual material, which can be used to educate them. The schools should be sent a list of documentaries which can be shown once a week or fortnight.

17.2.2 Organise competitions at the school level from District to Zonal and State levels. National level competitions on essay writing, poems, plays, skits, and causes supported by the respective schools may be graded and awards given.

17.2. 3 TV programs produced for Children, short documentaries or films depicting the market realities, price comparisons, value of free gifts etc. may be produced for telecast on children's' channels.

17.2.4 Documentaries showing how consumer products are manufactured or in case of food products cooked in reality may help students identify products that are unhealthy. Consequences of the consumption of such products that are not graded or standardised, disposal of wrappings and packages and the problems created by them may be shown in the video mode because the video- audio combination has a lot of impact.

17.2.5 Mobile **Vans** created particularly for Schools: Exhibitions in mobile vans may be sent to different schools on different themes by the Department of Consumer Affairs. Inputs can be obtained from outstanding contributions by different schools, which would encourage creativity and positive contribution on the same lines as, **grow more trees campaign**.

17.2.6. Teacher training workshops with a focus on dissemination and awareness amongst the student community, on consumer issues.

#### 17.2.7 Development of resource material, aimed at both teachers and students such as:

- a. For teachers: training manuals,
- b. CDs of materials for use in classrooms and clubs.
- c. KITS: containing useful material for different age groups in the classrooms for use in classroom situations.
- d. FOR STUDENTS: Newsletters, where student feedback can be solicited, frequently raising currently relevant issues.
- e. A magazine specifically for Youth on consumer issues

17.3 **Consumer Clubs in Schools:** Each School that is brought in to the scope of consumer education be asked to designate at least one teacher as the In-charge of "Consumer Education "in the school. Schools will need to be given adequate freedom to find creative ideas to run the consumer clubs. The activities at each school may be chosen from among the following:

17.3.1 There may be a dialogue/ interaction with the **residents' welfare associations** of areas where schools are located on the same patterns as followed by social service/ adult education

17.3.2 Events on specific dates to involve schools and the public: This could be on occasions of school annual days, or other celebrations held in schools and important consumer days such as National Consumer Day and World Consumer Rights Day.

17.3.3 Handy resource manuals with '**at a glance**' material on consumer issues including where and how to get help.

17.3.4. Obtain resources for usage in schools. The cost of running a consumer club in a school should be estimated at Rs 20,000 per school per year including honorarium of teacher-in charge of the consumer club @10% of the grant to a school.

#### 18. Popularising Reach of Comparative Testing Results

An effective consumer awareness function, which can assist a consumer in day-to-day buying as a consumer, is information from comparative testing of goods and services. It is a well-established form of raising consumer awareness in many parts of the world. VCOs in many developed countries like US and most countries of Europe have become self-sustaining based on subscriptions of consumer magazines on a large scale by individual consumers. In India the Department of Consumer Affairs has been supporting this activity by three national level VCOs, **Voice Society** publishes 'Consumer Voice' English, monthly and Hindi bimonthly magazines. **CERC** publishes 'Insight' English, bi monthly and **Concert** in 5 languages. These publications are able to test and report about 10 to 12 products each in a year.

19. Programs on involvement of Research Institutions, Universities, College etc in Consumer Protection and Consumer Welfare is being managed by IIPA. It is proposed to extend this programme over the XII plan period also.

20. The Centre for Consumer Studies has been set up at IIPA by the Department of Consumer Affairs, as a Nodal Training Centre. It is proposed to be extended till the end of XII plan

**21. Concurrent Audit:**

Formal evaluation studies are commissioned from time to time. However, the formal evaluation would need to be done more regularly, preferably on an annual basis, to guide the campaign and policy as we go through the learning curve. The Centre for Consumer Studies has been carrying out evaluation of consumer education and awareness programmes funded by the DCA.

**22. CONSUMER AWARENESS INDEX**

A **Consumer Awareness Index** should be developed and survey conducted periodically, so as to bring out the relative change in Consumer Awareness over a period of time in various parts of the country and among various categories of consumers. This data will become an important indicator of the efficiency of the programmes of Department of Consumer Affairs and should enable the Department to carry out mid course corrections.

22.1 An annual report of the impact of the awareness campaigns and other programmes could be prepared by the ministry and made available on the web-site.

**Annexure - I****EXPENDITURE STATEMENT FOR THE XITH PLAN (CONSUMER AWARENESS):-**

S. No.	Year	B.E. (Rs.)	R.E. (Rs.)	Expenditure (Rs. - Crores)
1	2007-08	67.00 crores	58.00 crores	45.08 crores
2	2008-09	75.00 crores	91.00 crores	84.36 crores
3	2009-10	78.00 crores	75.04 crores	70.84 crores
4.	2010-11	84.00 crores	80.67 crores	80.58 crores
5.	2011-12	87.23 crores	87.23 crores	48.95 crores ( Till 30-09-2011)

**Annexure - II****Requirement of budget for Consumer Awareness Publicity Campaign in the 12<sup>th</sup> Five Year Plan.**

Year	Amount
2012-13	100 Crores
2013-14	120 Crores
2014-15	135 Crores
2015-16	150 Crores
2016-17	160 Crores
G. Total	665 Crores

## **(IV) REPORT OF SUBGROUP ON STANDARDS AND PRODUCT SAFETY**

### **REPORT OF SUBGROUP ON STANDARDS AND PRODUCT SAFETY**

#### **0. Background**

**0.1** A Working Group on Consumer Protection for 12<sup>th</sup> Five Year Plan of Planning Commission has been set-up under the Chairmanship of the Secretary, Department of Consumer Affairs, Government of India. This Working Group in its first meeting held on 19 May 2011 has constituted six sub-groups and one of them is on 'Standardization and Product Safety'. The scope of this sub-group as decided by the working group is as follows:

- a) To look at the on-going Plan Schemes and suggest whether these need to be continued and if so, in what form
- b) Suggest new Plan Schemes, if required
- c) Take note of proposed changes in BIS Act and if necessary, make suggestions for further legislative changes

**0.2** The sub group on 'Standardization and Product Safety' held its two meetings on 13 June 2011 and 29 June 2011 under the Convenership of Shri Sharad Gupta, DG, BIS. The recommendations of the subgroup on each item of its scope with justification are given below:

#### **1. Review of On-Going Plan Schemes of BIS under 11<sup>th</sup> Plan**

##### **1.1 Hallmarking**

**1.1.1** This scheme is in continuation from 10<sup>th</sup> Plan with the main purpose of creating infrastructure facilities in terms of 'Hallmarking Centres' so that jewellers do not face any difficulty in getting their gold or silver articles tested (regarding purity and then hallmarked) from any of such BIS recognized Hallmarking Centres. Presently 160 Hallmarking Centres have been recognized by BIS on all India basis, of which only 27 Centres have been given financial subsidy from the plan funds. Therefore, majority of the Centres have been set up on their own, primarily due to the commercial considerations. All efforts have been made by BIS to encourage organizations to take financial subsidy for opening Hallmarking Centres at locations where no Hallmarking Centres exists or in special category states. These efforts include publication of advertisements regularly in the print media, enhancement in the subsidy from 30% to 50% (for special category States), from 15% to 30% (for other states), and for PSUs, this subsidy is even enhanced up to 75%. But, the number of applications coming for financial subsidy are minimal.

This only shows that the commercial consideration in terms of operating a Hallmarking Centre is one of the main factors.

**1.1.2** For making consumers aware about the hallmarking of gold/silver jewellery articles, BIS has been giving publicity in print media, electronic media and arranging *Nukkad Nataks*.

**1.1.3** One of the reasons for the poor response could be the uncertainty about mandatory hallmarking of Gold articles. After the approval of an Amendment to BIS Act, when hallmarking of gold jewellery articles will be made mandatory, it may be possible that applicants may come forward for taking financial assistance for opening hallmarking Centres. Their testing personnel may also require training for testing purity of gold/silver articles as per Indian Standards.

**1.1.4** In view of the above, it is recommended **to continue** this scheme under the 12<sup>th</sup> Plan.

## **1.2 Human Resource Development/Capacity Building in Educational Institutions**

**1.2.1** The purpose of this scheme was primarily for identification of present level of 'standardization' in educational institutions and thereafter, development of curriculum to introduce 'Standardization' in curriculum of Universities and Institutions of National repute. BIS made significant efforts in this regard, but, even then this topic on "standardization" could not be introduced, the primary reason being that BIS is not the controlling authority to decide on the curriculum of an institute. There are many controlling authorities depending upon the type and location of educational institute. Therefore, the controlling authority may consider introduction of such topics in the curriculum of various universities and technical institutions and BIS can only provide help in determining the Indian Standards that may be included in the curriculum.

**1.2.2** In view of the above, it is recommended that there is **no need to continue** this scheme under the 12<sup>th</sup> Plan.

## **1.3 National System for Standardization**

**1.3.1** There is a strong need for strengthening standardization activity, both at national and international level,

**1.3.2** With increasing globalization, international standards are becoming critically important for facilitating trade. WTO/TBT agreement, which has been signed by 153 countries including India, makes it mandatory that a clear

understanding is evolved within the country on issues of trade regulations and restrictive practices and the role of standards in impacting them. Now, since more and more Non Tariff Barriers (NTBs) are through technical regulations, (that is, mandatory compliance of standards); their use has increased considerably by many countries. As per TBT Agreement; member nations are free to impose technical regulations on grounds of national security, prevention of deceptive trade practices, health, safety and environment. The technical regulations not only protect consumers from receipt of imported sub-standard products, but also help the domestic industry for their survival. But as per WTO/TBT agreement, these technical regulations shall be based on international standards except in situations when such international standards are ineffective or inappropriate in achieving the objectives of technical regulations.

**1.3.3** It is, thus, imperative that India actively takes part in the meetings of technical committees of International Organization for Standardization (ISO) and International Electro-technical Commission. It is, however, seen that the level of participation from the Indian Industry at such international technical committee meetings is limited. A reason cited often by the industry is lack of resources for such participation.

**1.3.4** The Technical Committees of BIS are not able to recommend large number of Indian experts for participation in international Technical Committee meetings from 11<sup>th</sup> plan funds. One of the reasons for the same is the restrictive categories of stakeholders who are eligible for financial assistance from plan funds for their participation. For example, at present Technical Committee members representing scientific/technical organizations, government research institutions, testing labs, academic institutions at centre and state level, PSUs and in personal capacity only can be allowed funding from the plan funds for attending International Technical Committee meetings.

**1.3.5** It has been felt that at times, the members of technical committees from the industry are having more knowledge, expertise and experience on the subjects on which international standards are being formulated, and in the national interest, their participation is necessary. Even, India could propose new subjects for preparation of international standards provided such experts from industry are available and are then made the project leaders. Such international standards could then be used by India for framing technical regulations. But, because of the restrictions presently imposed, as given in clause **1.3.4** above, it is not possible to send such experts from industry in the International Technical Committee meetings. The private sector, though are able to spare them for this international work, but are not always in a position to pay for their expenses for travel and stay abroad. Further, it is not one time exercise and their repeated and continued participation may also be necessary.



**1.3.6** As such, it is felt that technical committee members of all categories, including those from the private industry, should be allowed funding from Plan funds to represent India in international meetings. The selection criteria should be mainly dependent upon the contribution of the members in the work of the Technical Committees. Similar criteria should be applied for providing financial assistance from plan funds for participation of Technical Committee members in the BIS Technical Committee meetings.

**1.3.7** Further, BIS should actively participate in policy or technical committee meetings of international standardizing bodies like ISO, IEC. In this regard, BIS should organize more and more such meetings in India. Further, the contribution at ISO or IEC meetings would be more effective if BIS actively participates in the various Regional standard bodies meetings, Multilateral or Bilateral meetings with the standardizing bodies of other countries. Sometimes, it would also be necessary to organize visits of officials and experts to different countries for lobbying in favour of India's view points so that India's interests are not adversely affected by formulation of International Standards.

**1.3.8** With the above in view, **it is recommended that this existing scheme under 11<sup>th</sup> Plan may be modified, with a view to having more emphasis on international level participation, into the following two separate schemes:**

- a) **Strengthening Standardization at National level**
- b) **Strengthening Standardization at International level**

**1.3.9** A detailed note giving justification in this regard is enclosed at **Annex A**.

#### **1.4 Consumer Education and Training, HRD and Capacity Building**

The scheme envisaged up-gradation of Training infrastructure of BIS and for providing training on various identified issues. The work relating to enhancement of training infrastructure of BIS as envisaged under the 11<sup>th</sup> Plan Scheme would be completed by March 2012 and there would be no need for additional funds. As regards providing training in identified areas, BIS has already provided training to sufficient personnel who could now act as trainers/resource persons in their respective organizations to carry the work forward. As such, funding from Plan Scheme for the purpose is not required. It is, therefore, recommended that that **there is no need to continue** this scheme under 12<sup>th</sup> Plan.

## **2. New Plan Schemes**

### **2.1 Product Safety**

**2.1.1** Consumers till recently had only third-party certification of products as a means to determine that the product meets the requirements of relevant standard. In this process, a licence is granted to a manufacturer only after it has been ascertained that he has the necessary infrastructure to produce and test the product and the product is found conforming to the specified requirements. Most third party certification schemes involve regular intervention of the certification body for reassessment of quality.

**2.1.2** Another form of demonstrating conformity by way of “self-declaration” by manufacturers is also being adopted by some developed countries albeit for products where risks associated with non-compliance are generally low. Under this form of conformity assessment, the manufacturer may himself test the products or contract testing to a third party, evaluate the results so obtained and when all requirements are met, issue a formal self declaration that his product is in conformance to the Specified Requirements of a standard.

**2.1.3** In India, BIS has been given the mandate to act as the third-party certification body. Over a period of time, the BIS Standard Mark (ISI Mark or Hallmark) has come to be respected as the symbol of quality of a product. This has become possible as BIS has established an effective, efficient system for product certification, which is in line with international standard and at the same time caters to the existing situations of India. However, in order to facilitate the growth of emerging technologies, particularly in the areas of information technology, biotechnology, nano-technology, etc., and also to protect consumers from spurious and/or sub-standard imports, the “SDOC Scheme” for self-declaration of conformity has also been introduced in the form of “Registration” by an amendment to BIS Rules, 1987. This will provide an alternate conformity assessment option to the existing provisions through “Certification”. The choice of notifying “Registration Scheme” (for self-declaration of conformity) or “Certification” to determine conformity assessment for a product for mandatory compliance rests with the Central Government.

**2.1.4** The Registration scheme of self declaration of conformity is considered an appropriate conformity assessment approach when:

- a) The market demands or allows it
- b) The risks associated with non-compliance are generally low
- c) Penalties for non-compliance are effective deterrents

- d) Options for efficient recourse in the event of non-compliance exist (such as recall of products)
- e) The industry sector to which it applies is highly dynamic
- f) Consumer awareness/knowledge is high

**2.1.5** Realizing the need for product safety towards consumer protection, the Central Government is considering making “Registration (for self-declaration of conformity)” mandatory as a means of conformity assessment for certain products such as Toys, electronic and IT Goods etc. The implementation of these orders of the Government is likely to generate large volume of work and thus it is imperative that the BIS, which has been given the responsibility of “Registration for self declaration of conformity” is provided with adequate resources.

**2.1.6** But, at present there is no provision for charging any fee for grant/renewal of Registration scheme till an Amendment to BIS Act is approved. This proposal of Amendment to BIS Act is under the consideration of the Government. In view of this and the large volume of expected work, it is imperative that the work of collection of applications, their scrutiny and then forwarding them to BIS may be outsourced. In this regard, to begin with, one officer level and one data entry operator level assistant would be required at each of the 34 Branch Offices of BIS and the Central Marks Department (for foreign Registration). They, along with concerned BIS Officers, would also be required to be provided suitable training. Physical resources like laptops, internet connection, furniture, Almirahs, Air-conditioners etc. would also be required so that the applicants get timely service for Registration for self declaration of conformity. However, after approval of Amendment to BIS Act, when BIS would be able to charge fee from the applicants/Registered Holders, such outsourcing could be withdrawn. Thus it is recommended that the expenses towards various items as mentioned above for **“Registration Scheme for self declaration of conformity Scheme”** may be funded from 12<sup>th</sup> Plan as a new Scheme.

## **2.2 Creating awareness about advantages of BIS Certified products and about new standards through Publicity**

**2.2.1** BIS Conformity Assessment Schemes, which include certification, hallmarking and Registration (for self declaration of conformity) go a long way in ensuring that a consumer gets quality product. It is necessary to create awareness amongst consumers and manufacturers alike about the advantages of BIS Certified products. Additionally, there is a need for creating awareness about the new standards being developed nationally and internationally and how these standards would affect the product quality, consumer safety or even trade.

**2.2.2** The impact of consumer awareness has been witnessed in the case of Hallmarking Scheme of BIS. The consumer is becoming increasingly aware of the fraudulent practices adopted by the jewelers in the past to cheat the customer by selling jewellery of lesser purity than claimed and the benefits of buying Hallmarked jewellery, which ensures that consumers are not duped. There is, however, a large population, which needs to be made aware of the Scheme. Similarly, the benefits of buying BIS certified products also need to be spread amongst a larger population.

**2.2.3** There is a need to launch a massive awareness campaign to sensitize the consumers, manufacturers and organized buyers about the advantages of BIS Standard Marked products. In order to have an impact on the mind of consumers, the effectiveness of the campaign is judged by a concept of AOTS (Average opportunity to see). For any campaign to be termed effective, an AOTS of 60% and above is considered desirable. Further, as BIS is a national body, the campaign cannot run locally and must cover regions and languages across the nation. Similar organizations, viz, PCRA under the Ministry of Petroleum and Natural Gas and BEE under Ministry of Power are reportedly spending Rs 20-30 crores annually to run effective media campaigns such as 'Save Oil' by PCRA and on 'Star Labelling' by BEE. In order to have an effective campaign and an AOTS of 60%, the proposed amount of publicity on BIS Standard Marked Products should not be less than Rs. 30 crores per annum.

**2.2.4** In view of the above, it is recommended that a **new Plan Scheme on 'Creating awareness through Publicity about advantages of BIS Certified products and about new standards' may be financed under 12<sup>th</sup> Plan.**

### **3. Proposed Changes in the BIS Act**

It is recommended that there is no need for any further legislative changes in the BIS Act apart from what is already under consideration of the Department of Consumer Affairs, Government of India.

### **4. Summary of Recommendations**

#### **4.1 Review of On-going Plan Schemes**

**4.1.1** The following two schemes operating under the 11<sup>th</sup> plan **may be discontinued:**

- i. Human Resource Development / Capacity Building in Educational Institutions
- ii. Consumer Education and Training, HRD and Capacity Building

**4.1.2** The scheme on Hallmarking operating under the 11<sup>th</sup> Plan **may be continued** with components as indicated below:

- a) Infrastructure building- Setting up of A& H Centres
- b) Capacity building
  - i.) Training of artisans
  - ii.) Training of Trainers ( BIS auditors)
  - iii.) Training of personnel of assaying and hallmarking Centres

**4.1.3** The scheme on National System of Standardization operating under the 11<sup>th</sup> Plan **may be continued**, but may be split into the following two separate schemes with components as indicated below:

**a) Strengthening Standardization at National Level**

- i) Training programmes for BIS technical committee members/SDOs
- ii) R&D projects for establishment/revision of Indian Standards
- iii) Intensifying participation of BIS Technical Committee Members in BIS Technical Committee Meetings

**b) Strengthening Standardization at International level**

- i) Intensifying participation of BIS Technical Committee Members in international standardization by attending the meetings, workshops, seminars, etc.
- ii) Organizing ISO/IEC and other international/regional/ multilateral/ bilateral Meetings/ Seminars/ Workshops/ Trainings in India
- iii) Visits of officials and experts to different countries for lobbying in favour of India's view point at International Standardization Fora
- iv) Participation of officials and experts in International/ Regional/ Bilateral Seminars/Workshops/Conferences/ Training Programmes.

**4.1.4** The fund outlay proposals for above on-going schemes are given at **Annex B**

**4.2 New Plan Schemes**

**4.2.1** A new scheme of '**Registration for self declaration of conformity scheme**' as an alternative means of conformity assessment may be taken up under 12<sup>th</sup> Plan with the following components:

- a) Development of software for online 'Registration' for self declaration of conformity and its operation
- b) Capacity Building:
  - i) Training of BIS officers
  - ii) Engagement of Outsourced manpower at BIS locations
  - iii) Training For outsourced personnel
  - iv) Infrastructure requirements

**4.2.2** A new Plan Scheme on “**Creating awareness through Publicity about advantages of BIS certified products amongst consumer and about new standards**” may be taken up.

**4.2.3** The fund outlay proposals for above new schemes are given at **Annex B**.

## **ANNEX A**

### **(Item 1.3.9)**

#### **JUSTIFICATION FOR STRENGTHENING STANDARDIZATION AT NATIONAL AND INTERNATIONAL LEVEL**

##### **A-0 Introduction**

**A-0.1** The globalization of markets and opening up of economies across the world in the post-WTO regime has altered the contours of international trade dramatically. Without doubt consumers are at the heart of this changing scenario. We are today witnessing creation of mass markets, proliferation of brands and increased competition from foreign products.

**A-0.2** While competition in general is beneficial to consumers, considering that it opens up opportunities of choice and price, it still needs to be ensured that the goods they buy and the service they rely upon are safe and secure. Thus the Consumer Protection becomes a vital responsibility.

**A-0.3** The role of standards to facilitate consumer protection and support economic development facilitating trade and improving the quality of life such as encapsulating new technologies in usable tools for the industry, is widely recognized. These benefits have been further reinforced by reference to standards in contracts, legislation, public purchasing and by using them as a basis for certification of both products, services and systems. Thus standards have gained an enviable position as instruments of consumer protection, commercial transactions and building competitiveness in the market place.

##### **A-1 Standardization**

**A-1.1** The activity of standardization is linked to the technological and economic growth of a country. There has been a steady increase in the number of standards and technical regulations in most of the countries. At the global level, the activity of standardization has recorded a very high growth rate.

**A-1.2** There are various reasons which have been instrumental in the growing importance of standards. Consumer safety and trade facilitation are certainly the overriding factors responsible for this rising stature of standards.

**A-1.3** In the globalised world, there is free flow of goods and services across borders. With this comes the need for protection of domestic consumers and

manufacturers from unscrupulous trade practices and poor quality products. This has necessitated that multilateral trade negotiations focus on technical barriers to trade, which automatically implies the trade affecting regime of standards and technical regulations.

**A-1.4** No doubt, so far, world trade has essentially been governed by the tariffs and quotas. However, it is a well known fact that these kinds of barriers are going down as a result of continued negotiations between the trading partners under the umbrella of WTO. However, an alarming trend being witnessed simultaneously is that international trade is increasingly being governed by a variety of product and process standards and technical regulations in many sectors such as agricultural, food, and manufactured products.

**A-1.5** The ultimate goal of standardization is to achieve international accord on all technical matters relating to the exchange of goods and services between one nation and another. At International level the organizations like the International Organization for Standardization (ISO), and International Electro-technical Commission (IEC) develop International Standards involving a large number of countries on the basis of one member per country. International standards are available for consideration and use, worldwide. The ISO, with a membership of nearly 161 States and the International Electro-technical Commission (IEC), with a membership of 80 National Committees are the largest developers of international standards, and are also the most prominent international standards setting organizations.

## **A-2 Indian Scenario**

**A-2.1** In India, the standardization efforts started formally with the establishment of the erstwhile Indian Standards Institution (ISI) in 1947. The industrialization in India, at that stage, was in its infancy and a national strategy for according appropriate recognition and importance to the standards was required to be evolved and integrated with the growth and development of the manufacturing sector. Gradually, the ISI took up standardization in all sectors of the Indian economy with emphasis being given to subjects of national priority. Realizing the importance of standardization and its contribution in nation building, it was felt that the organization for formulating standards had to be given due recognition and status to enable it to discharge its functions efficiently and effectively. It was considered necessary to have a statutory organization for standards with adequate autonomy and flexibility in its operations and to ensure that priority is given to various aspects of its functions in line with national priorities.



**A-2.2** As such, the Bureau of Indian Standards (BIS) was established under an Act of Parliament, the Bureau of Indian Standards (BIS) Act, 1986 to prepare Indian Standards. As per this Act, the Bureau is assigned power to

- a) establish, publish and promote in such manner as may be prescribed the Indian Standard, in relation to any article or process; and
- b) recognise as an Indian Standard, in such manner as may be prescribed, any standard established by any other Institution in India or elsewhere, in relation to any article or process;

**A-2.3** The Bureau of Indian Standards (BIS) has since been functioning as the National Standards Body and establishes the Indian Standards. These Indian Standards are formulated by Technical Committees of BIS, involving different stakeholders such as industry, consumers, regulators, R&D institutions, etc. At present, BIS has more than 650 technical committees involving more than 13000 experts involving different stakeholders.

**A-2.4** Apart from establishing new standards, the timely revision of existing standards is also crucial for keeping pace with the changes in technology, standards and regulations that impact safety, health and the environment. This has become imperative in view of globalization and consequent opening up of economies of the world. All the Indian Standards are reviewed for their continued relevance at least once in five years.

### **A-3 Strengthening Standardization at National Level**

**A-3.1** It is seen that participation from different stakeholders in the standards setting process needs to be enhanced to ensure that standards stay abreast with the current status of technology. There is, therefore, a need to sensitize the stakeholders on the importance of their participation in the standards setting process, both, at national as well as international levels.

**A-3.2** It has been the experience of BIS that the participation of stakeholders in various technical committee meetings of BIS is not encouraging. The feedback as obtained from the various Technical Committee meetings is that the primary reason for the same is that the stakeholder organizations are either short of funds or not willing to pay for travel expenses of their representatives. As such, there is need for funding from Plan funds in this regard

**A-3.3** It has also been observed that in some cases, Indian Standards on the new emerging areas or revision of existing standards could not be taken up by the technical committees of BIS as it required funds for R&D activities. Further as per WTO-TBT Agreement, if the Technical Regulation (based on national standard)

deviates from the International Standard, the technical justification for the same has to be provided. It also requires funding for R&D activities. As such, there is need for funding from Plan funds in this regard

**A-3.3** Apart from BIS, there are other organizations, as well as regulatory and statutory bodies at the Central and the State levels, which are formulating technical regulations and standards in specific sectors. This, results in duplication of efforts and multiplicity of standards. In this context, it is worthwhile to mention here that it is only the BIS, which has signed-up the Code of Good Practice for developing standards and as such, the other SDOs are not in a position to demonstrate that they follow the WTO/TBT Code of Good Practice for development of standards, as per Annex 3 of the Agreement.

**A-3.4** In this regard it is necessary that a National Standards Policy be established and implemented, and the various SDOs are trained to follow the WTO/TBT Code of Good Practice for development of standards. The salient features which may be considered for establishing and implementing national Standard policy are given in **Annex A-1**.

#### **A-4 Strengthening Standardization at International Level**

##### **A-4.1 Participation in International Standardization**

**A-4.1.1** At the international level, developing countries have not been able to make a great impact on the development of standards. They have been standards adopters / implementers rather than standards developers. One of the biggest constraints often cited in this respect is the lack of adequate resources (technical, human and financial) to participate at such international fora. It is, therefore, very important that emerging economies like India take the lead in the formulation of international standards. The views, concerns, requirements, etc., of the developing countries need to be emphatically projected by India at the relevant international fora so as to ensure that the international (ISO/IEC) standards are relevance to our requirements and needs.

**A-4.1.2** Lately, BIS has taken strong positions in the meetings of the technical committees as well as at the policy level committees of the ISO with regard to international standards being developed on Corporate Social Responsibility and Carbon Foot-printing of Products. Such standards can have impact on a wide spectrum of industry and have the potential of being cited as technical barriers to trade, thus, adversely affecting our exports. It is, however, seen that apart from BIS, the level of participation from other stakeholders in India, especially the Indian Industry, at such international fora is limited. A reason cited often by the industry is lack of resources for such participation. There is an urgent requirement

to provide support to ensure participation of the Industry at the International meetings.

**A-4.1.3** As the National Standards Body (NSB) of India, BIS is required to carry on with the above approach at the relevant international fora in order to protect the interests of our consumers and industry, alike. It is, therefore, essential that BIS enhances its participation in the meetings of the international standards setting bodies like the ISO and the IEC and also encourage the involvement and participation of various stakeholders in such meetings through technical and financial assistance.

#### **A-4.2 Participation In Standardization Efforts At Regional, Bilateral And Multilateral Fora**

**4.2.1** The trade potential, and hence, importance of Indian standards is being increasingly recognized by various countries and as a result of which major economies of the world are willing to extend as well as seek cooperation through formal arrangements like Memorandums of Understanding (MoUs) and Mutual Recognition Agreements (MRAs). Besides the developed countries, the developing countries also find India as a reliable partner that may be able to support and guide them and provide them with essential know-how relating to development and implementation of standards and for this purpose they too are keen for entering into formal arrangements like MoUs and MRA's keeping in mind, not only the standards but also mutual trade. As a matter of fact, lately, there has been a substantial increase in the activity of negotiating and signing of MoUs with both the developed and the developing countries. BIS, as the NSB of India, needs to engage other NSBs into meaningful discussions on the possibility of entering into MoUs / MRAs on issues of mutual concern in the fields of standardization and conformity assessment, thus facilitating increase in trade and consumers' protection. BIS, at present, has entered into 19 MoUs and 1 MRA. Discussions are under progress with over 20 NSBs for entering into MoUs on issues of mutual concerns and benefits.

**A-4.2.2** BIS also represents India in the Pacific Area Standards Congress (PASC), which is one of the seven regional standards bodies recognized by the ISO. Recently, a high level Indian delegation also participated in a meeting of Euro-Asia Council for Standardization, Conformity Assessment and Legal Metrology (EASC), which is a regional standards body of the CIS Member States and also recognized by the ISO. BIS has also taken the initiative to interact with the NSBs of Brazil (ABNT) and South Africa (SABS) for implementation of the tripartite IBSA MoU, signed between India, Brazil and South Africa. There is, thus, a concerted effort being made by BIS to increase its participation at the regional, multilateral and bilateral levels to protect the interests of our industry and

consumers. Under the WTO-TBT regime, it is not only important but also essential to have bilateral / multilateral recognition of each others' conformity assessment procedures and standards / technical regulations so as to allow for free trade between various economies and facilitate removal of non-tariff barriers, if any.

### **A-4.3 Support/ Opinion Mobilization**

**A-4.3.1** It is essential that BIS takes up issues of concern to Indian industry and India's consumers vigorously, even involving the Government machinery, if needed. To cite an example, at the EASC forum, the Indian delegation vigorously pursued the issue of development of international Standard (ISO/CD 14067.2 Carbon Foot-printing of Products) with the delegations from other participating NSBs and the CIS Member States and a better appreciation of India's concerns on issue was ensured. India's concerns on the subject were well received and appreciated, which is reflected in the fact that the said draft initial standard was disapproved through voting on 22<sup>nd</sup> May 2011 by the world community. There is, thus, an emergent need for BIS to undertake vigorous canvassing for issues effecting the Indian consumers and the industry at the world fora and mobilize the required support to ensure that our interests remain protected.

**A-4.3.2** The international standards are established through a system of voting in the ISO / IEC and one country has only one vote. It is, therefore, all the more important that BIS develops good multilateral and bilateral relations with regional standards bodies and with other NSBs for mobilization of requisite support on issues of common concerns. Active participation in the bilateral / regional / international fora is, thus, essential for formulating unified stand on matters relating to standards and conformity assessment. This requires active engagement of all concerned interests, both within and outside India. Enhanced participation in Seminars / Conferences / Workshops / Technical Committees meetings / Policy Meetings would provide ample opportunities for such interactions.

### **A-4.4 Participation in WTO-NAMA/ TBT Committees**

Non-Agricultural Market Access (NAMA) negotiations have directed special focus on the trade affecting regime of standards and conformity assessment procedures. This forum provides an opportunity to project the point of view of the standard-setting bodies, while attempting to synchronize with the nation's trade policy at the multilateral level. Committee on Technical Barriers to Trade (TBT Committee) provides a forum where Members share their trade concerns which adversely impact their trade. This Committee also oversees the implementation of TBT Agreement. As the emerging trade barriers are in terms of Technical Regulations

and standards, it is the need of the hour that BIS actively engages itself in such fora to be in a position to effectively protect the concerns of our trade and consumers.

**ANNEX A-1**  
**(Item A-3.4)**

**NATIONAL STANDARDIZATION POLICY**

Interlinking of standards, international trade and consumers' protection to safeguard consumer interests, support economic development, facilitate trade and improve the quality of life has never been so important as today under the WTO-TBT regime. Standards are the strategic business issue of the first order, touching on such vital concerns of the country like quality, safety, environmental compliance and access to global markets. Thus, national quality infrastructure forms a strategic imperative that simply cannot be ignored.

The role of standards has been further reinforced by reference to standards in contracts, legislation, public purchasing and by using them as basis for certification of products, services and systems. Standards have, thus, gained an enviable position as instruments of consumer protection, commercial transactions and building competitiveness in the market place. Recognizing the changing dynamics of the world trade and the shift of emphasis to quality, the inevitable consequence is the advent of competition for which we need to gear up without any further delay.

It is, therefore, imperative that India establishes and implements a National Standards Policy, which should have the following key elements:

- a) BIS to continue to work as the National Standards Body (NSB) for India and also act as an umbrella organization for standards setting activity in India;
- b) Development of suitable mechanism for a recognition system for other Standards Developing Organizations (SDOs) engaged in standard formulation activity. This role shall be performed by BIS, being the NSB and akin to ANSI in USA;
- c) Capacity building of SDOs with a view to upgrade their competence to formulate standards in line with Code of Practice as given in the WTO-TBT Agreement;
- d) All standards developed by the NSB or by SDOs recognized by the NSB and adopted by the NSB to be treated as National Standards;
- e) Uniformity in presentation of text in standards / technical regulations across different SDOs / regulatory bodies;
- f) Increased participation of regulatory/statutory bodies in the standardization efforts as to also ensure easy implementation of standards by the regulators.
- g) Coordination amongst SDOs and BIS for ultimately having only one uniform national standard for one product;

- h) Systematic review of all standards
- i) Harmonization of national standards with regional/ international standards, to the extent possible and where available, on subjects of importance to India
- j) Intensifying campaign for promotion of standards in various fields relating to consumer health and safety to create quality consciousness among SMEs and unorganized sector
- k) Increased participation in International Standardization and identifying priorities for standardization for products and services having bearing on trade and EXIM policies based on a comprehensive review of India's interests and ensuring participation in the corresponding international technical committees in the identified areas
- l) Designation of the Department of Consumer Affairs as a Nodal Agency on all standardization issues. This would facilitate prevention of overlapping in mandate and scope of work of different organs of the Government and other bodies involved in the standardization activity.

HALLMARKING

Financial figures in Rs crores

S. No	Objective	Proposed Outlay											
		2012-13		2013-14		2014-15		2015-16		2016-17		Total	
		Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial
1	Infrastructure building Setting up of A&H Centres	4	0.40	4	0.40	4	0.40	4	0.40	4	0.40	20	2.0
2	Capacity building												
i)	Training Programmes for Artisans	10	0.06	10	0.06	10	0.06	10	0.06	10	0.06	50	0.30
ii)	Training of trainers ( BIS auditors)	1	0.03	1	0.03	1	0.03	1	0.03	1	0.03	5	0.15
iii)	Training of personnel of Hallmarking and Assaying Centres	4	0.11	4	0.11	4	0.11	4	0.11	4	0.11	20	0.55
	<b>Total</b>		<b>0.60</b>		<b>0.60</b>		<b>0.60</b>		<b>0.60</b>		<b>0.60</b>		<b>3.0</b>



												Annex B	
Strengthening Standardization at National level													
										Financial figures in Rs Lakhs			
S. No	Objective	Proposed Outlay											
		2012-13		2013-14		2014-15		2015-16		2016-17		Total	
		Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial
1	Training Programmes for BIS Technical Committee members/SDOs	2	6.0	5	15.0	5	20.0	5	20.0	6	25.0	23	86.0
2	R&D projects for establishment/ revision of Indian Standards	2	30.0	2	40.0	2	40.0	3	60.0	3	60.0	12	230.0
3	Intensifying participation of BIS Technical Committee Members in BIS Technical Committee Meetings	60	6.0	130	15.0	150	18.0	160	21.0	180	24.0	680	84.0
	Total		42.0		70.0		78.0		101.0		109.0		400.0

												Annex B	
Strengthening Standardization at International level													
										Financial figures in Rs Lakhs			
S. No	Objective	Proposed Outlay											
		2012-13		2013-14		2014-15		2015-16		2016-17		Total	
		Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial
1	Intensifying participation of BIS Technical Committee Members in international standardization by attending meetings, workshops, etc	10	15.0	40	64.0	45	76.0	50	100.0	50	100.0	195	355.0
2	Organizing ISO/IEC and other international/ regional/ multilateral/ bilateral Meetings/ Seminars / Workshops/ Trainings in India	1	25.0	3	75.0	4	120.0	4	120.0	5	175.0	17	515.0
3	Visits to different countries by Officials & Experts for lobbying in favour of India's view point at	4	6.0	8	13.0	10	17.0	12	24.0	15	30.0	49	90.0

	International Standardization Fora												
4	Participation of officials & experts in International/ Regional/ Bilateral Seminars/ Workshops/ Conferences/ Training Programmes	4	6.0	8	13.0	10	17.0	12	24.0	15	30.0	49	90.0
	<b>Total</b>		<b>52.0</b>		<b>165.0</b>		<b>230.0</b>		<b>268.0</b>		<b>335.0</b>	<b>310</b>	<b>1050.0</b>

Registration Scheme for Self Declaration of Conformity													
										Financial figures in Rs Lakhs			
No	Objective	Proposed Outlay											
		2012-13		2013-14		2014-15		2015-16		2016-17		Total	
		Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial
1	Software and Hardware for online Registration and its operation	development of software	10	Development of Software & procurement of Hardware	25	maintenance of software	5	maintenance of software	5	maintenance of software	5	development of Software & procurement of Hardware	50.0
2	Capacity Building												
i)	Training of BIS Officers	2	3.5		2	3.5						4	7
ii)	Engagement of outsourced manpower at different BIS locations	1 officer and 1 data entry level person-see note 1	44 see note 1	1 officer and 1 data entry level person-see note 1	168 see note 1	1 officer and 1 data entry level person-see note 1	168 see note 1	1 officer and 1 data entry level person-see note 1	168 see note 1	1 officer and 1 data entry level person-see note 1	168 see note 1	1 officer and 1 data entry level person-see note 1	716
iii)	Training-outsourced personnel	2	3.5	2	3.5	-	-	-	-	-	-	4	7

<b>iv)</b>	Infrastructure requirements	As per note 2 at 22 BIS locations	44	See note 2 13 BIS locations	26								<b>70</b>
	<b>Total</b>		<b>105.0</b>		<b>226.0</b>		<b>173.0</b>		<b>173.0</b>		<b>173.0</b>		<b>850.0</b>
	<b>NOTE 1</b>	One officer level person @ Rs 25000/- per month, 1 data entry operator @ Rs 15000 per month = Rs 40000 per month per branch											
		For year 2012-13 estimates made for 22 BIS locations for 5 months = Rs. 40000 X 22 X 5 = Rs. 44 lakhs											
		For other years, estimates made for 35 BIS locations for 12 months = Rs. 40000 X 35 X 12 = Rs. 168 lakhs											
	<b>NOTE 2</b>	One laptop & one printer for each of 35 BIS locations @ 1 lakh, and											
		Infrastructure facilities like internet, split AC, furniture, alimirah etc @ 1 lakh.											
		Total cost for 22 locations = Rs. 2 lakhs X 22 = Rs. 44 lakhs											
		Total cost for remaining 13 locations = Rs. 2 lakhs X 13 = Rs. 26 lakhs											

												Annex B	
Creating awareness through Publicity about advantages of BIS certified products amongst consumer and about new standards													
										Financial figures in Rs Lakhs			
S. No	Objective	Proposed Outlay											
		2012-13		2013-14		2014-15		2015-16		2016-17		Total	
		Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial
1	Advertise-ment and publicity		3000		4000		4000		5000		5000		21000
	Total		3000		4000		4000		5000		5000		21000

							<b>Annex B</b>
<b>SUBGROUP ON STANDARDS AND PRODUCT SAFETY</b>							
	<b>Summary of Proposed Plan Schemes for 12<sup>th</sup> Five Year Plan</b>						
<b>S. No</b>	<b>Plan Scheme</b>	<b>Year wise Financial Outlays (Rs in Lakhs)</b>					
		<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>TOTAL</b>
<b>1</b>	Hallmarking	60	60	60	60	60	<b>300</b>
<b>2</b>	Strengthening Standardization at National level	42	70	78	101	109	<b>400</b>
<b>3</b>	Strengthening Standardization at International level	52	165	230	268	335	<b>1050</b>
<b>4</b>	Registration for Self Declaration of Conformity Scheme	105	226	173	173	173	<b>850</b>
<b>5</b>	Creating awareness through publicity about advantages of BIS certified Products and about new standards	3000	4000	4000	5000	5000	<b>21000</b>
	<b>Total</b>	<b>3259</b>	<b>4521</b>	<b>4541</b>	<b>5602</b>	<b>5677</b>	<b>23600</b>

## **(V) REPORT OF SUB GROUP ON INTERNAL TRADE AND FUTURE MARKETS COMMODITY FUTURES**

### **Historical Background**

**1.1** Continuous supply of the goods is essential for any business activity. The Forward Contracts in commodities ensures that the manufactures, processors, or producers get continuous supply of the raw materials. Forward Contracts are merchandising contracts and provide for taking and giving of actual delivery of goods at a specified price and at a specified future date. The futures/ hedge contracts, which evolved at a later stage, provide various functionalities associated in the commodity market with a instrument to manage the price risk of the physical market. The tradition of futures markets in India is as old as in the USA and other developed markets, starting with cotton. Commodity futures trading started in due course in various other commodities like Gold, Silver, Wheat, Oilseed Complexes and Jute. The markets by and large were not subjected to any Government control / regulation till 1943. In 1943, the Defence of India Act was used on a large scale for banning forwards in certain commodities and regulating trading in others. The prohibition on commodities futures trading continued even after Independence.

**1.2** In 1952, Forward Contracts (Regulation) Act, 1952 (FCR ACT) was enacted to regulate the commodity futures market and the Forward Markets Commission (FMC) was set up as the commodity futures market regulator in 1953. However, due to supply side challenges and the apprehension in the minds of the policy makers about deleterious effects of speculation in the commodity futures, futures markets were prohibited in most of the commodities, except for a few minor commodities like black pepper, jaggery and turmeric etc. The prohibition continued for about 3 decades.

**1.3** The process of liberalization initiated in 1991 also had its impact on the futures trading. A Committee was appointed under the Chairmanship of Prof. K.N. Kabra to examine and make recommendations on changes in the policies relating to commodity derivative in the context of liberalization and globalization. The Committee submitted its report in September 1994 and recommended introduction of futures trading in various commodities. Besides, the World Bank and the UNCTAD Report of November 1996 also recommended revival of commodities futures markets in India. Various initiatives were taken post - 1998 for the revival of the markets.

**1.4** The **major thrust** in the revival of these markets came in 2003 when, prohibition on futures trading was lifted in all the commodities w. e. f. 1st April 2003 and three national level modern electronic Futures Exchanges were set up.



## Setting up of National Exchanges

1.5 Three national level Exchanges, i.e., National Multi Commodity Exchange, (NMCE) Ahmedabad (10.1.2003), Multi Commodity Exchange, (MCX) Mumbai (26.9.2003) and National Commodity and Derivatives Exchange, (NCDEX) Mumbai (20.11.2003) were granted recognition for commodity futures trading. These Exchanges are demutualised and corporatized entities and provide state-of-the-art online electronic trading platform. Further, two national exchanges, viz, Indian Commodity Exchange Limited (9.10.2009) and Ahmedabad Commodity Exchange (10.8.2010) were also set up.

## Benefits of Futures Trading

1.6 **Futures contracts** perform two important functions of **price discovery** and **price risk management** with reference to a given commodity. It is useful to the producer because he can get an idea of the price likely to prevail at future points of time and therefore can decide between various competing crops as well as the most suitable time of marketing his produce and the price to expect, the best that suits him. It enables the consumer in that, he gets an idea of the prices at which the commodity would be available at future points of time. He can do proper costing and also cover his purchases by making forward contracts or cover his price risk through futures contracts. The futures trading is very useful to the exporters as it provides an advance indication of the price likely to prevail and thereby help the exporter in quoting a realistic price and thereby secure export contracts in a competitive market. Having entered into an export contract, it also enables him to hedge his price risk by operating in futures market. Other benefits of futures trading are:

**Price stabilization** - By helping in planning future production / imports / exports on the basis of the price signals emitted by the futures market, the violent price fluctuations are tempered, resulting in medium term price stabilization. It also thereby leads to **integrated price structure** throughout the country.

Improves the **balance in supply and demand** position throughout the year.

**Encourages competition** and acts as a price barometer to farmers and other trade functionaries.

## Scheme of Regulation of Commodity Futures Market

1.7 There are **three tiers of regulation** of forward trading, viz., The Central Government, the Forward Markets Commission and the Recognised Commodity Exchanges/ Associations.

The **Central Government** broadly determines the policy as to the commodities in which futures/forward trading is to be permitted and the recognition of Exchange/ Association through whom such trading is to be permitted.

The **Forward Markets Commission** performs the role of a professional regulator, which includes approving the Rules and Regulations of the Exchange subject to which the trading is to be conducted, giving permission for commencement of trading in different contracts, monitoring market conditions continuously and taking preemptive or remedial measures against potential or actual market manipulation, excessive speculation or any other type of market abuse.

The **Recognised Exchanges/ Associations** facilitate, supervise and regulate the actual day to day trading as per the provisions of the Rules and Regulations approved by the FMC. It is the place where the trading is to be conducted, reporting and recording of contracts, execution & settlement of contracts, forum for exchange of documents and payments, etc.

1.8 The **system of regulation** of the commodity futures markets contributes to the overall objectives of ensuring an efficient market, reducing information asymmetry and promoting confidence in the market. The regulations aim at protecting the customers (members and clients) from manipulative practices. **Regulation aimed at the prevention of market manipulation focuses on maintaining the integrity of the market price of commodities.** Regulatory oversight attempts to ensure that market prices are not distorted by manipulative activity and to prevent false or misleading information from being released into the market.

**a. Working of the: Forward Markets Commission**

Forward Markets Commission is a statutory body set up under Forward Contracts (Regulation) Act, 1952. The Commission functions under the administrative control of the Ministry of Consumer Affairs, Food & Public Distribution, Department of Consumer Affairs, and Government of India. **The functions of the FMC are dealt with in section 4** of the Forward Contracts (Regulation) Act, 1952 [F.C(R) Act, 1952] which is given below:

- i) To advise the Central Government in respect of the recognition of, or the withdrawal of recognition from any association or in respect of any other matter arising out of the administration of the FC(R) Act, 1952.

- ii) To keep forward markets under observation and to take such action, in relation to them as it may consider necessary, in exercise of the powers assigned to it by or under the FC(R) Act, 1952.
- iii) To collect and whenever the Commission thinks it necessary, publish information regarding the trading conditions in respect of goods to which any of the provisions of this Act is made applicable, including information regarding supply, demand and prices and to submit to the Central Government periodical reports on the operation of the Act, and the working of forward markets relating to such goods.
- iv) To make recommendations generally, with a view to improving the organization and the working of forward markets.
- v) To undertake the inspection of the accounts and other documents of (any recognized association or registered association or any member of such association) whenever, it considers it necessary and
- vi) To perform such other duties and exercise such other powers as may be assigned to the Commission by or under the FC(R) Act, 1952 or as may be prescribed.

### **Present Status of Commodity Futures Trading**

**1.10** Futures trading is presently being organised through five National and 16 Regional (commodity specific) Exchanges. The value of trade in the major Exchanges is given at **Annexure-I**. At present, 113 commodities are notified for futures trading and actual trading is taking place in about 50 commodities. The value of trading which was just Rs. 66 thousand crore in 2002-2003 increased to Rs.119.49 lakh crore in 2010-11.

### **1.11 Regulatory initiatives:**

The Forward Markets Commission maintains effective regulatory oversight over the commodity futures market to ensure that the market effectively performs the dual economic functions of price discovery and price risk management. The Commission employs a plethora of regulatory tools, such as margins, position limits and price bands to bring discipline in the market place and to ensure that the market participants are protected from fraud, manipulation and other abusive trade practices. The proactive regulation of the commodity derivatives market by the Forward markets Commission has maintained discipline in the market and there has been no major instance of market misdemeanor in the past.

In addition to the regulatory tools deployed by the Commission for effective regulation of the market, some of the major regulatory initiatives taken by the Commission in the last three years are indicated below:

S.No	Year	Regulatory Initiatives
1.	2010-11	Regulatory framework for market access through an Authorized Person
		Amended Guidelines on the Equity Structure of the Nationwide Multi Commodity Exchanges after five years of operation
		Amended Guidelines for Recognition to New Commodity Exchange under FC(R) Act, 1952
		Guidelines for Members of Commodity Exchanges in Joint Ventures and wholly owned subsidiaries abroad
2.	2009-10	Guidelines on the Equity Structure of the nation-wide Multi Commodity Exchanges after five years of operation
		Guidelines for Anti Money Laundering and Know Your Customer (KYC) Norms
3.	2008-09	Guidelines for recognition of National Commodity Exchanges
4.	2007-08	Guidelines for altering the expiry dates of the contract.
		Guidelines on foreign investment in Commodity Exchanges.

## 2. AN OVERVIEW OF THE XI<sup>TH</sup> FIVE YEAR PLAN

2.1 The developmental activities of the Forward Market Commission are being undertaken under the Central Plan Scheme “Strengthening of FMC” 11<sup>th</sup> Five Year Plan

2.2 The major achievements of the Forward Markets Commission under the aforesaid plan scheme during the 11<sup>th</sup> plan period are given below:

### **Developmental initiatives:**

2.3 The Forward Markets Commission, in addition to regulating the commodity futures market, has also taken proactive steps in the past years to ensure that the commodity futures markets are broad based and its benefits reach all the stakeholders of the Commodity Markets. Three of the important initiatives in this regard are:

- Creation of awareness among stakeholders,
- Capacity building in the commodity sector, and

- Price Dissemination Project

2.4 Outlines of the programs and the achievements during the 11<sup>th</sup> Plan period are given below:

i) **Increasing the awareness levels of different categories of stakeholders, especially farmers to make them aware of the existence of as well as benefits from the commodity futures markets.**

The Forward Markets Commission conducts awareness programmes for all the stakeholders of the commodity derivative market, such as members of commodity exchanges and their clients, prospective participants in the commodity derivative market, physical market stakeholders in the agricultural, metals , bullion and energy sectors, especially farmers, grassroot level functionaries and extension service providers in the agriculture sector, educational institutes, etc. The table below gives the details of the awareness programmes organized by the FMC during the first 4 years of the 11<sup>th</sup> Plan:

Year	No. of Programmes for			% of farmer programmes
	Farmers	Others	Total	
2007-08	75	39	114	65.78
2008-09	107	90	197	54.31
2009-10	423	92	515	82.13
2010-11	486	343	829	58.62
<b>Total</b>	<b>1091</b>	<b>564</b>	<b>1655</b>	<b>65.92</b>

ii) **Sensitization of policy makers and capacity building in the commodity sector:**

The Forward Markets Commission organizes training programmes and Training-of-Trainers (TOT) programmes for market stakeholders. These programmes are directed at officers of the central and state government engaged in policy making, educational institutions with focus on agricultural universities and management institutes, financial institutions and banks, the cooperative and warehousing sectors to sensitise them about the roles to be played by them for the development of the commodity futures market. The capacity building programmes organized by the FMC in the past four years are given below:

Year	Number of Programmes Organised
2007-08	8
2008-09	18
2009-10	66
2010-11	79

**(iii) Implementation of the Price Dissemination Project through APMCs and other centres to empower the farmers with up-to-date price information on spot and futures markets.**

The Price Dissemination Project encompasses the dissemination of spot and futures prices of agricultural commodities in the local language on electronic price ticker boards placed at APMCs in various parts of the country. The Price Dissemination Project has been implemented in 180 APMCs during 2009-10 and in 588 APMCs during 2010-11, taking the total coverage to 768 APMCs by the end of 2010-11, covering 23 States.

**iv) Exhibitions:**

The Commission, in association with the National Exchanges, participated in the Indian Science Congress Expo at SRM University, Chennai during 3-7 January 2011. The Commission in association with the National Exchanges also participated in AGROVISION 2011, organized at Nagpur during 4-7 March, 2011 by the Vidarbha Economic Development Council (VEDC).

**v) Inspection of Books of Accounts:** The Commission has been inspecting the books of accounts of the Members of the Exchanges, particularly of the National level Commodity Exchanges on a regular basis since 2006-07.

Details of inspections undertaken during the last four years are given below:

<b>Year</b>	<b>Number of members audited</b>	<b>Number of exchanges audited</b>	<b>Special audits</b>	<b>Total</b>
2007-08	100	-	-	100
2008-09	104	3 National Exchanges and NBOT	-	108
2009-10	298	3 National Exchanges and 14 Regional Exchanges	-	315
2010-11	280	3+14 Regional exchanges	1	298
<b>Total</b>	<b>782</b>	<b>38</b>	<b>1</b>	<b>821</b>

2.5 The plan scheme was launched in 2005-06 and has been in implementation during the 11<sup>th</sup> Five Year Plan. While the impact on strengthening of the internal capabilities of the FMC has met with mixed success, the delay in the passage of the Forward Contracts (Regulation) Act Amendment Bill and the inability of the FMC to attract the required skilled manpower by means of deputation have impacted the envisaged expansion in the manpower and the resultant strengthening of the internal capabilities of the FMC. The expansion of office space and infrastructure and IT facilities within the office also did not happen as envisaged. However, with regard to the initiatives of the FMC for the development of the market, the following benefits have accrued to the beneficiaries:

i) The FMC has conducted 171 capacity and trainers' training programmes on the subject of commodity derivative market during the 11<sup>th</sup> Five Year Plan period (until the end of 2010-11) aimed at Universities and Training institutions, Government officials involved in policy making, Bank Officials and personnel of cooperative institutions, rural extension workers, logistics professionals etc. These programmes have increased the capabilities of the trained personnel in the area of commodity derivative market and have created interest in furthering of the education in this area. The FMC has received requests from several institutions for holding capacity building programmes for their faculty and students and also devising curriculum in this area. Several trained personnel have, in turn, conducted awareness programmes on the commodity derivative market for various stakeholders on behalf of the FMC, thereby enhancing knowledge about the market among a wider clientele. The capacity building programmes have also created greater interest in the area of commodity derivatives with a large number of students seeking summer internship with the FMC as well as with the Exchanges. It is observed that these efforts have contributed in a significant way in creating capacities and capabilities in this area which are required for meeting the employment opportunities in this industry.

ii) The FMC has conducted 1655 awareness programmes during the 11<sup>th</sup> Five Year Plan (until the end of 2010-11) (most of them in the last 2 years) for the benefit of various market stakeholders that include members of the commodity exchanges, clients, stakeholders of physical commodity markets and related industries, logistic companies and other service providers, grassroots level stakeholders of the physical markets and primary market producers. The focus of these programmes has been creating awareness among farmers about the utility and use of commodity derivative market vis-à-vis marketing of their produce. 1091 out of the total of 1655 programmes (66%) were conducted for them during this period. These programmes have generated awareness about the market among a wide section of stakeholders. The farmers' awareness programmes have also achieved the desired impact of increasing curiosity about the market and increased usage of the derivative market price information by the farmers for

marketing their produce, as evidenced from the study on the benefits of the commodity derivative market for the farmers, conducted by NABCONS.

iii) During the course of the 11<sup>th</sup> Five Year Plan (until the end of 2010-11) the FMC has conducted 28 meetings with various market stakeholders which has resulted in greater understanding between them and the FMC, and has thrown up several issues for policy consideration. Besides these industry meetings, the FMC has also held one-to-one interactions with specific sections of the physical and financial market stakeholders and this process of on-going dialogue has been highly beneficial both for the regulator as well as for the market stakeholders.

iv) The audits commissioned by the FMC through pre-qualified Chartered Accountant firms, numbering 821 during the 11<sup>th</sup> Five Year Period (until the end of 2010-11), have resulted in better regulatory compliance and client protection among the members of the commodity exchanges.

v) The FMC has entered into MOUs with the international commodity derivative market regulators of US, China and Brazil for better regulatory cooperation between the jurisdictions. It is also a member of IOSCO, an international organization of financial market regulators and has attended many of its meetings and contributed to its regulatory reforms initiatives. The presence of FMC and the Indian commodity derivative market in the international fora has been enhanced due to these interactions and the contributions made by FMC to various discussions in various international fora. These interactions have also helped FMC to keep abreast of the latest developments in the regulatory domain and adoption of the best practices from the international markets.

vi) The 11<sup>th</sup> Five Year Plan (until the end of 2010-11) also saw the conceptualization and implementation of the price Dissemination Project through which - 768 APMCs were connected to the commodity derivative exchanges till 2010-11 for receipt of real time spot and futures price information of agricultural commodities in the local language. The project is envisaged to cover all spot markets in due course and is expected to aid the price discovery process in the APMCs and provide the farmers with greater bargaining power while fixing the price of their produce. The implementation of the project is another step in integrating disparate agricultural markets across the country into a large, integrated, national market for agricultural produce.



**Present status of the physical progress of the project.**

2.6 Details of activities under taken by the FMC under the plan scheme in the past four years is given below:-

<b>Details</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12 (target)</b>	<b>Total (excluding 2011-12)</b>
1.Awareness Programmes	114	197	515	829	900	<b>1655</b>
2.Capacity Building Programmes	8	18	66	79	100	<b>171</b>
3.Interaction with stakeholders / meetings	8	7	8	5	10	<b>28</b>
4.Representation in International Conferences	3	4	5	6	5	<b>18</b>
5.Price Dissemination Project (placement of ticker boards)	-	-	180	588	1500	<b>768</b>
6. Audit	100	108	315	298	325	<b>821</b>
7. Membership in International Regulatory Organisation	1					<b>1</b>

**X<sup>th</sup> Plan Period**

2.7 During 2005-06 and 2006-07, the last 2 years of the 10<sup>th</sup> Five Year Plan, expenditure of Rs. 1.54 crore was incurred under the scheme.

## **XI<sup>th</sup> Plan Period**

**2.8 The details of the expenditure incurred during the XI<sup>th</sup> Five Year plan period is given below:**

<b>Year</b>	<b>Actual Exp. (In Rs. Lakhs)</b>
2007-08	241.89
2008-09	331.51
2009-10	719.31
2010-11	922.29
2011-12 (anticipated)	1400.00
<b>Total (Provisional)</b>	<b>3615.00</b>

## **2.9 Status of the recommendations of the XI<sup>th</sup> Five Year Plan**

A status report on the recommendations of the XI<sup>th</sup> Five Year Plan is given at **Annexure II**.

## **3. INTERNAL TRADE**

### **STEPS TAKEN BY THE GOVERNMENT TOWARDS SINGLE MARKET FOR AGRICULTURAL COMMODITIES**

3.1. The Government has taken a number of measures to ensure better farm gate prices of agricultural produce, removal of trade barriers and creation of a single common market for agricultural commodities. Some of the important measures taken in this regard are as follows:

- (i) The Warehousing (Regulation and Development) Act, 2007 has been enacted by the Parliament in September, 2007 and the Warehousing Regulatory Development Authority has been set up. The authority has been mandated with the Development and Regulation of Warehousing, development of a sound negotiable warehouse receipts system and regulation thereof for the orderly growth of the warehousing infrastructure and NWR system. Negotiable Warehouse Receipts (NWRs) issued by warehouses registered under the Act would help farmers to avoid distress sale of their produce by ensuring finance against pledge of NWRs received against their produce assayed and stored in registered warehouses. It will improve the bargaining capacity of the farmers. The pledging/collateralization of agricultural produce with a legal backing in the form of NWRs will lead to increased inflow of credit to the rural areas, reduce the cost of credit (due to certainty of recovering credit by bank) and will spur other related activities, viz., standardization, grading, packaging and insurance services in the agricultural sector.

- (ii) Essential Commodities (Amendment) Act, 2006 was enacted in December, 2006 which came into effect from 12.02.2007. This has enabled the Government to prune the list of essential commodities to the minimum by deleting such commodities which are no longer relevant in the context of present improved supply position. To facilitate free trade and commerce, only those commodities considered essential in the interest of the farmers and the large section of people below the poverty line were proposed for retention as essential commodities. Only 7 categories of essential commodities have been retained as against the earlier list of 15.
- (iii) The Ministry of Agriculture has formulated a model law on agricultural marketing in consultation with the State Governments. The draft model legislation provides for establishment of private markets/yards, direct purchase centres, consumer/farmers' markets for direct sale and promotion of public private partnership in the management and development of agricultural markets in the country. As on date, most of the State Governments have either amended their APMC Acts or have initiated action in this direction. For the effective implementation of the amendments made in the APMC Act for the benefit of the farmers, the Ministry of Agriculture has also formulated Model APMC Rules and circulated to all the States/UTs in November, 2007 for their guidance in framing Rules under the amended APMC Act.
- (iv) The Government of India has worked with the State Governments in introducing state level VAT to establish a uniform tax structure throughout the country. VAT has been introduced by all the State/UTs by now. Uttar Pradesh is the latest State which has introduced VAT with effect from 1<sup>st</sup> January 2008. However, true fiscal integration of the domestic market will happen only when a comprehensive Goods and Services Tax (GST) based on VAT principles replaces all goods and services based taxes, viz., central excise, state VAT, inter state sales tax, octroi / entry tax/cess, stamp duty and service tax. This will ensure seamless movement of goods and services across the country apart from national level fiscal consolidation and unification. The beneficial impact thereof on the annual GDP growth is variously estimated between 1 to 2%. The Government of India is trying its best to build a national consensus on the structure and quantum of GST and the processes and procedures associated therewith. It is hoped that GST will be introduced within a year or two.
- (v) In order to make Indian agricultural produce more competitive in the global market, the Government has abolished Cess on export of agricultural products w.e.f. 6<sup>th</sup> June, 2006 by the enactment of the "The Cess Laws (Repealing & Amendment) Act, 2006".
- (vi) Some of the Commodity Futures Exchanges have facilitated or promoted establishment of National Spot Exchanges which are modern electronic all

India spot markets where the farmers can set their price and sell their produce.

3.2 The last decade has witnessed acceleration in the growth rate of real GDP. It has been in the range of 8-9 % during the last five years. This fast growth means rising disposable income of the population, in particular that of the middle class. With the growth in consuming population, the retail business also got a boost. There are no direct official estimates of the size of retail trade in the country. Estimates of the size have been made by some studies. One such study is by the International Council for Research on International Economic Relations (ICRIER) (2008). Quoting from NSS Survey on Employment and Unemployment, 2004-05, the ICRIER Study places employment in retail trade at 35.06 million which constitute 7.3% of the workforce in the country. The decennial growth of employment (2004-05 over 1999-2000) was 4.44 million. The GDP estimates of NAS are available for trade as a whole (both wholesale and retail). There are no separate estimates for retail trade. On the basis of employment intensity in the retail trading, the contribution of the retail sector in the GDP is estimated in the range of 10-12%.

3.3. A large number of small and decentralized traders dominate the Indian retail scene. One estimate puts their number at 1.3 crore. Organised corporate sector has started showing interest in retailing business. With fast growth in GDP and rising disposable income of the consuming classes, the modern format of retailing (i.e. organised retailing) is attracting the interest of the domestic and foreign investment.

3.4. In view of the considerable growth in organized retailing and MNCs showing interest to setup retail chains in the country, concerns have been raised that the growth of organized retailing may have an adverse impact on the retailers in the unorganized sector on the other hand it has also been argued that growth of organized retailing will yield efficiencies in intermediary stages, enabling higher price realization for and/or greater market access to the producers (including farmers or small producers) and lower prices to the consumers. Accordingly, the Department of Industrial Policy and Promotion (DIPP) assigned a study to ICRIER to find out the impact of organized retailing on various stake-holders, such as traditional retailers, consumers, intermediaries, farmers etc.

3.5. **The findings of the ICRIER Study** (May, 2008) are as follows:

3.5.1 **Consumers** definitely gained from organized retail on multiple counts. Overall consumer spending has increased with the entry of the organized retail. While all income groups saved through organized retail purchases, the lower income consumers saved more. Thus, organized retail is relatively more beneficial

to the less well-off consumers. Proximity to consumer is a major comparative advantage of unorganized outlets.

3.5.2 There was no evidence of any adverse impact of organized retail on **intermediaries**. There is, however, some adverse impact on turnover and profit of intermediaries dealing in products, such as fruits, vegetables, and apparel. Over two-thirds of the intermediaries planned to expand their businesses, in response to increased business opportunities opened by the expansion of retail trade.

3.5.3 **Farmers** were found to benefit significantly from the option of direct sales to organized retailers. The average price realization for cauliflower farmers selling directly to organized retail was about 25 per cent higher than their proceeds from sale in the regulated government *mandis*. The profit realization for farmers selling directly to organized retailers was about 60 per cent higher than that received from selling in the *mandis*. The difference was even larger when the amount charged by the commission agent (usually 10 per cent of sale price) in the *mandi* is taken into account.

3.5.4 **Large manufacturers** have started feeling the competitive impact of organized retail through price and payment pressures. Manufacturers have responded through building and reinforcing their brand strength, increasing their own retail presence, 'adopting' small retailers, and setting up dedicated teams to deal with modern retailers. The entry of organized retail is transforming the logistics industry as well. This will create significant positive externalities across the economy. **Small manufacturers**, however, did not report any significant impact of organized retail.

3.6. On the basis of the results of the surveys and the review of international retail experience, the study makes the following major recommendations:

- Modernization of wetmarkets through public-private partnerships.
- Facilitate *cash-and-carry* outlets, like Metro, for sale to unorganized retail and procurement from farmers, as in China.
- Encourage co-operatives and associations of unorganized retailers for direct procurement from suppliers and farmers.
- Ensure better credit availability to unorganized retailers from banks and micro-credit institutions through innovative banking solutions.
- Facilitate the formation of farmers' co-operatives to directly sell to organized retailers and retailers' cooperatives/associations.
- Encourage formulation of "private codes of conduct" by organized retail for dealing with small suppliers. These may then be incorporated into enforceable legislation.

- Simplification of the licensing and permit regime for organized retail and move towards a nationwide uniform licensing regime in the states to facilitate modern retail.
- Strengthening the Competition Commission's role for enforcing rules against collusion and predatory pricing.
- Modernization of APMC markets as modelled on the National Dairy Development Board (NDDB) Safal market in Bangalore.

### **Report of Parliamentary Standing Committee on Commerce (2009)**

3.7 The Department related Parliamentary Standing Committee on Commerce had examined the matter regarding Foreign and Domestic Investment in Retail Sector. The Committee has, *inter-alia*, recommended that;

- i) The Government may consider to establish a National Commission to study the problems of the retail sector.
- ii) There is a need for setting up of a Retail Regulatory Authority, to look into the problems and act as a whistle blower, in case of anti competitive behavior and abuse of dominance. Urban planning, zoning laws and environmental Laws in urban areas should be used to limit the multiplication of malls and corporate retailers, by creating transparent criteria for licenses, that are linked to the density of population and the stage of existing competition in retail in the zone. The regulatory mechanism should be strengthened and be made more democratic, by including the representatives of farmers also.
- iii) A blanket ban should be imposed on domestic corporate heavy weights and foreign retailers from entering into retail trade in grocery, fruits and vegetables, and restrictions should be entered for opening large malls by them for selling other consumer products.
- iv) Reservation policy, similar to that adopted by Government on certain products being manufactured exclusively by SSI units, should be adopted for indigenous small and medium retailers, and financial assistance schemes should be planted for providing assistance to them for undertaking expansion and modernization.
- v) In-built policy must be established to relocate or re-employ the people who are dislocated due to opening up of big malls in the vicinity of their shops.
- vi) To prepare a legal and regulatory framework and enforcement mechanism that would ensure that the large retailers are not able to displace the small retailers, by unfair means.
- vii) Credit should be provided at lower rates of interest to small retailers by public sector banks, for expansion and modernization of traditional retailers. A proactive programme of assisting small retailers to upgrade themselves should also be undertaken.

- viii) Government should ensure that a level playing field for the small retailers, before opening up of the sector to big ticket foreign and domestic investment. Before any permission for opening any new retail store is given, it should study and analyse the economic or environmental impact through an institute of repute. The expenditure of the same should be borne by these companies and not 'by' the Government and any proposed store, which has the potential to eliminate the local community from retail sector, or can increase the traffic by more than five percent, should not be allowed to open.
- ix) It should be ensured that the foreign publishers, in the garb of promoting their literature, do not impact the taste and aesthetic values of Indian readers.
- x) Government should come out with adequate safeguards to prevent diversion of agricultural land for setting up of malls.
- xi) A National Shopping Mall Regulation Act could also be enacted to regulate the entire retail sector, both in fiscal and social aspects.
- xii) The Committee advised that the Central Government should formulate a model central law after due consultation with the State Governments and concerned stake holders.

3.8. As the domestic retail trade is within the jurisdiction of State Governments and development of a national perspective and policy framework on this requires a broad based interactions and consultations with the State/UT Governments; all the State/UT Governments were requested to examine the recommendations of the Standing Committee in detail and communicate the comments of their Government for giving effect to these recommendations of the Committee. The matter was vigorously pursued with the State/UT Governments at the highest level and so far we have received responses from 23 State/UT Governments. The comments from Andhra Pradesh, Haryana, Jammu & Kashmir, Jharkhand, Madhya Pradesh, Maharashtra, Orissa, Sikkim, Tamilnadu, Uttar Pradesh, Uttarakhand and Pondicherry have so far not been received despite repeated reminders.

3.9. Retail being a state subject, there is no national framework for its regulation and development. States have their own regulations. At the central level, only the flow of Foreign Direct Investment (FDI) into the sector is regulated. At present, FDI in multi-brand retailing is prohibited in India. FDI in single brand retailing is permitted to the extent of 51%. FDI in cash and carry wholesale trading is permitted to the extent of 100%. In order to enable the Union Government to take an appropriate policy decision regarding FDI in multi brand retail trade (MBRT), DIPP released a Discussion Paper in July 2010 to elicit the views and suggestions of the public on the subject. An Inter Ministerial Committee was set up to examine and analyse these responses received on the Discussion Paper to provide

necessary inputs for policy action. The Committee has since submitted its report on 30.12.2010. The Department of Industrial Policy & Promotion would take a final view on allowing FDI in MBRT.

### **3.10 Recommendations for effective use of Spot and Futures Exchanges for development of Pan-India Agri Commodity market:**

At present, there is no central law to regulate such electronic spot trading. Recommendations for Spot Exchanges are given below:

### **3.11 Recommendations for Spot Exchanges**

- (a) At present, pan India electronic Spot Exchanges are dependent upon the State APMC Laws to commence operation in a State. A number of states such as Punjab, Haryana, UP, etc have still not amended their Law to enable Spot Exchanges.
- (b) Spot Exchanges are designed on the lines of future exchanges to operate pan India and promote intra as well as inter-state sale and delivery on spot sale basis.
- (c) A farmer's access to a pan India market through spot exchanges will give him the most efficient price in a transparent manner.
- (d) Present state APMC Laws are not designed to cater to such needs beyond a given APMC, let alone inter-state sales and deliveries. However, since inter-state trade and commerce is a central subject and the Internal Trade is allotted to the Department of Consumer Affairs and at present there is no central law regulating the same, the Central Government should enact a suitable legislation entrusting the regulation of inter-state trade and commerce to the FMC which will enable spot exchanges to function on pan India basis, at least in case of inter-state sales comprehensively and intra-state trade to the extent of electronic negotiable warehouse receipts.

### **3.12 The proposed Legislation may provide that:**

- a) Pan India Electronic Spot Exchanges may be set-up to conduct inter-state spot market transactions and intra state delivery based transactions in warehouse receipts
- b) For transactions in and transfer of warehouse receipts, there is no need for compliance with APMC Act or VAT/GST
- c) But, at the time of deposit / acceptance and delivery of physical goods as a part of the settlement of the electronic spot trading, all such compliances, including collection of VAT, etc. should be adhered to.



- d) APMC Act will apply only in respect of farm produce at the time of deposit / acceptance in warehouse and intra-state release / delivery of stock, else they will not have any bearing on pan India Electronic Spot Exchanges.
- e) FMC to be designated as regulator for such pan India Electronic Spot Exchanges under the proposed legislation as they have the expertise for regulating electronic trading and comes within the administrative purview of the Delhi Department of Consumer Affairs which is the nodal Department for inter-state trade and commerce under the “Allocation of Business Rules”.
- f) It will also integrate all electronic markets to bring efficiency to both spot and futures markets and provide a common interface for WDRA.
- g) A buyer in a spot exchange can immediately hedge himself in the futures exchange for price protection.
- h) In the interest of farmers, there should be no mandi cess applicable even on intra-state sale of farm produce on any platform other than APMCs, as cess is linked to services rendered or infrastructure utilized. Since spot exchanges set-up their own facilities, they do not use the infrastructure of mandis and hence, mandi cess should not apply. As regards inter-state sales, such sales are not amenable to APMC Acts and hence, it is felt that they do not have jurisdiction to levy taxes/cesses on them. The proposed legislation should make it clear.
- i) Spot exchanges can help the Government companies to reduce their cost of procurement. On spot exchange platform, farmers can sell their produce, while the Government companies can buy the same directly. This will reduce cost of procurement incurred by the Government companies. This will encourage more effective procurement / MSP operations, especially in the non-traditional areas outside Punjab-Haryana-western UP.
- j) Spot Exchanges have to spend substantial sums on spreading awareness among farmers through ground level campaign. The Government should provide fiscal support to the spot exchanges to carry out these activities in the interests of farmers. Besides, they can be considered by the government/FMC as partners for awareness creation / capacity building like the future exchanges.
- k) Spot exchanges should be provided infrastructure status and they should be exempted from income tax for at least 10 years.

### **3.13 Commodity Futures Exchanges**

- a) A well regulated wide and deep nationwide commodity futures market will accelerate the process of harmonization of commodity spot prices and provide a strong price discovery and price risk management platform to the spot market participants, thereby strengthening the spot market efficiency

in providing a remunerative price to the producer and a more stable price regime to the consumer.

- b) To strengthen the futures market regulation and regulator, it is crucial to expeditiously pass the Forward Contract Regulation (Amendment Bill). This Bill is pending for a number of years. This will provide autonomy to the regulator, which is very much important for effective regulation of markets. Moreover, the amendment in the Act will pave the way for launch of farmer friendly 'options' contract and forward contracts on intangibles, viz; weather index, rainfall index etc.
- c) RBI should allow banks, financial institutions and FIIs to participate in futures contracts. This will facilitate participation of corporates in the futures market for risk management and thereby increase depth in the futures contracts.
- d) Innovative stabilization schemes could be considered which would be aimed at price stabilization and also as the saviour for both the producers as well as consumers in times of crisis.

#### **IV REQUIREMENT OF FUNDS DURING THE XII<sup>TH</sup> PLAN.**

4.1 A plan scheme 'Strengthening of FMC' was launched during 2005-06. The scheme aimed at scaling up the regulatory capabilities available within the FMC and provided for the overall development of the market by facilitating widespread participation by all stakeholders in the market.

4.2 The Scheme continued through the XIth Five Year Plan period from 2007-08 to 2011-12 and it is proposed to continue the scheme during XIIth Plan also so as to achieve the objectives of the scheme, that are elaborated in the succeeding chapters. The scheme which was modified in part in the XIth Plan period after taking in to account the recommendations of the Department-related Parliamentary Standing Committee continues to focus on real-time monitoring of the market through upgraded IT solutions, ensuring regulatory compliance through a system of audits and inspections, capacity development, awareness generation and dissemination of spot and futures prices of agricultural commodities to farmers and other agriculture market stakeholders through the implementation of the Price Dissemination Project.

#### **Objectives of the Scheme**

4.3 The objectives of the plan scheme are to strengthen and enhance the capabilities of FMC, in terms of expertise, resources and operational flexibility to meet the challenges of the rapidly growing commodity futures trading; to strengthen the competencies of the market, service providers and intermediaries so as to ensure that the market performs its roles of price discovery and price risk

management effectively; and to create awareness and ensure wide dissemination of the benefits of the market. The plan scheme will have the following components:

- (i). Upgradation of IT facilities in the FMC;
- (ii). Upgradation of office infrastructure in the FMC;
- (iii). Awareness and Development programmes; Capacity building/training/consultancies - within the FMC and the ecosystem;
- (iv). Audit of market intermediaries including the Exchanges;
- (v). Price Dissemination Project.

### **Strategic Action Plan to achieve the objectives**

4.4 The continuation of the plan scheme, “Strengthening of FMC”, with enhanced allocation is proposed for a) strengthening the capabilities within FMC through enhanced manpower, better training-cum-capacity building facilities, upgradation of IT facilities required for real time regulation of commodity futures markets and up-gradation of office infrastructure; b) strengthening the capabilities of the commodity futures market by building up capabilities of service providers and intermediaries, increasing the awareness about the market among actual and potential market participants, introducing better market practices in the market place by incorporating international best practices, enhancing oversight of the market by better monitoring and surveillance and audit and inspections and fostering innovations in the market place by supporting new practices and pilots in related areas; and c) improving transparency in the futures market as well as arranging for wide dissemination of the benefits of the futures market through the implementation of the Price Dissemination Project. The following Action Plan will be followed to implement the scheme:

- (i) Hiring of experienced manpower by adopting appropriate systems and procedures and through placement of advertisements in the newspapers, if found necessary.
- (ii) Training and capacity building of the officers of the FMC through appropriate training programmes offered by domestic and international training facilities and through customized training programmes suited to the needs of the organization in association with reputed domestic and international training institutions. Training courses and certification programmes may be developed and offered to the officers of the Commission once there is sufficient expansion of the manpower within the organization.
- (iii) Enhancing and upgrading the IT facilities available in the organization for better execution of office work and enhanced real time regulation of the commodity derivative market.

- (iv) Enlarging available office space to meet the needs of the proposed expansion of manpower and improving the office infrastructure and facilities to provide a comfortable working environment to the employees of the office.
- (v) Organising capacity building programmes for various market functionaries, such as exchange personnel, personnel or their members and clients, service providers such as logistics professionals, bank officials, depositories, etc. Providing capacity and training of trainers programmes for the faculty of Universities, colleges, management and other training institutes, students of these educational institutions, rural extension workers, functionaries of grassroots level institutions, government officers engaged in policy making and personnel of other related areas.
- (vi) Organising awareness programmes for existing and potential market participants and market functionaries with special focus on farmer programmes for better understanding of the benefits and practices of the commodity derivative market. Such programmes will be offered to the press, policy makers and public opinion makers so that the economic functions of the market are properly presented to the public.
- (vii) Holding regular meetings with market stakeholders to understand better the grassroots level functioning of the market and using these inputs in policy making for enhanced regulation.
- (viii) Participating in international conferences, meetings, workshops, symposia on financial market regulation and commodity derivative markets to keep up-to-date with the developments in international financial market regulation and derivative market best practices.
- (ix) Improving regulatory coordination and cooperation, both domestic and international, by serving as members of multi-lateral organizations/agencies of financial market regulators and other related fora and entering into memorandum of understanding with international derivative market regulators for enhanced regulatory cooperation.
- (x) Organising audits and inspections of market functionaries to ensure that they are working in accordance with the provisions of the Forward Contracts (Regulation) Act, 1952 and the approved Byelaws, Rules and Regulations of the Commodity Exchanges.
- (xi) Supporting innovative ideas and pilots in the area of commodity derivative market by providing incubation assistance so as to enhance the effectiveness of the commodity derivative market and ensuring that the benefits of the commodity derivative market reach out to all market stakeholders, especially farmers and other primary producers.
- (xii) Undertaking publicity measures through the print and audio-visual media to properly present the economic functions of the market and educate the market stakeholders about the correct way of participating in the market.

- (xiii) Implementing the Price Dissemination Project which aims at providing agricultural market stakeholders with the spot and futures prices of agricultural commodities at the grassroots level. This may be expanded to other commodities, on a felt need basis.

4.5 The plan scheme envisages fortifying the regulatory structure in the commodity derivative market and creating a conducive environment for commodity futures trading in the country. It is envisaged that the implementation of the scheme will result in greater percolation of the benefits of the market to primary producers.

4.6 The scheme would generate following main outcomes/outputs:

Building technical skills capabilities within the FMC for more robust regulation of the market and development of the market in a manner as to ensure that the economic benefits of the market, viz., price discovery and price risk management are made available to the maximum number of participants.

- a. Better surveillance of the trading activities in the market and the functioning of Exchanges and other market functionaries, to ensure healthy price discovery and against market manipulation.
- b. Building capabilities within the commodity derivative market through capacity building programmes for market functionaries and participants so as to build in functional and regulatory efficiencies into the functioning of the market.
- c. Increased awareness of the commodity futures market so as to enhance the understanding of and participation in the market and spreading the benefits of the markets to all stakeholders.  
Increased interactions with the market stakeholders to facilitate better regulation of the market and ensure better co-ordination among market functionaries.
- d. Increased interaction with international regulatory bodies to facilitate better regulation of the market and adoption of the international best practices in the functioning of the domestic market.
- e. Wider dissemination of spot and futures prices of agricultural commodities to centers accessible to farmers so as to empower them with price information and increase their bargaining power for better price realization.

### **Physical & Financial targets**

4.7 Year – wise physical targets and Physical and financial targets (including North-East) under the Plan scheme ‘Strengthening of FMC’ during XII<sup>th</sup> Plan (2012-17) are given in **Appendix I(A)** and **Appendix I(B)** respectively.

## Requirement of Funds

4.8 Year - wise and activity wise requirement of funds during the XII<sup>th</sup> Five Year Plan is given in **Appendix II**.

### Appendix-I(A)

#### **Year - wise physical targets during the XII<sup>th</sup> Five Year Plan**

Sr. No.	Activity	2012-13	2013-14	2014-15	2015-16	2016-17	Total
1.	Capacity Building/ Training/ Consultancies	100	125	150	175	200	<b>750</b>
2.	Awareness and Development Programme	1000	1100	1210	1330	1460	<b>6100</b>
3.	Price Dissemination project	1600	1600	1600	1600	1600	<b>8000</b>
	<b>TOTAL</b>						

#### Up gradation of IT Facilities:

1. Developing market monitoring and surveillance software- **Rs. 5000 lakh.**
2. Strengthening and updating hardware within the FMC- **Rs 760 lakh.**
3. Upgradation / installation of online trading facilities in the Regional Exchanges. - **Rs. 1000 lakh.**

**Appendix-I (B)**

**Physical and financial targets (including North-East) under the Plan scheme 'Strengthening of FMC' during XII<sup>th</sup> Plan (2012-17).**

( ` In Rs. Lakh)

<b>Activity</b>	<b>Details</b>	<b>Physical target</b>	<b>Financial target</b>
1. Upgradation of IT facilities	Developing market monitoring and surveillance software, Purchase of computer and hardware, IT related assistance to 16 regional Exchanges to upgrade to online trading system and provide for audit trail.	1. Developing market monitoring and surveillance software. <b>(Rs. 5000 lakh)</b> 2. Strengthening and updating hardware within the FMC. <b>(Rs.760 lakh)</b> 3. Upgradation / installation of online trading facilities in the Regional Exchanges. <b>(Rs. 1000 lakh)</b>	6760
2. Capacity Building/ Training/ Consultancies	Training of FMC officials, officials of the Exchanges, Government officers and other stakeholder organizations in the commodity derivative market; conducting studies and awarding consultancies in the area of commodity derivative market; supporting pilots / innovative ideas in this field; conducting audit of Exchanges and their members	<b>b)</b> Conducting 750 domestic training / capacity building programmes each year <b>(Rs.563 lakh)</b>  2. Deputing officers of FMC to domestic and overseas programme / meetings / conferences on a felt need basis (50 overseas programmes- <b>Rs. 500 lakh;</b> 50 domestic programmes- <b>Rs. 10 lakh).</b>  3. Awarding 10 consultancies / studies in the area of commodity futures trading and other	2673

		related areas. <b>(Rs. 100 lakh)</b>	
		4. Audit of 3000 Commodity Exchanges and their members <b>(Rs. 1500 lakh)</b>	
3. Awareness and Development Programmes	Conduct of awareness programmes every year in association with the Exchanges across the country covering farmers and other stakeholders. Release of publicity material on benefits of commodity futures trading through print and electronic media.□	ii) Conducting around 6100 awareness programmes for various market participants across the country. <b>(Rs.2440 lakh)</b>  iii) Organizing 50 meetings with members, trade associations and other market constituents <b>(Rs.50 lakh)</b>  3. Undertaking publicity measures on benefits of commodity futures trading and advocating correct trading practices, dos and don't etc. <b>(Rs.750 lakh)</b>  iv) Payment of fee to IOSCO <b>(Rs. 60lakh)</b>	3300
4. Connectivity of Commodity Exchanges with APMCs for dissemination of Spot and Future Prices	The proposal provide connectivity among Exchanges, APMCs, NIC, Rural post offices, Cooperatives, Banks, Rural extension centres and other networks at Block/Taluka headquarters to disseminate spot and futures prices on real	c) Placing price ticker boards in 8000 locations where farmer footfall is high.  d) Awareness Programmes for the Mandi officials and creating facilities near the Ticker Boards for practical training of	11000



	time basis to farmers.	farmers on the use of ticker board information.  e) Maintenance of Ticker Boards from the 4 <sup>th</sup> year onwards (initial warranty + AMC for 3 years).	
5. Upgradation of the office Infrastructure of FMC	Hiring office accommodation, upgrading office infrastructure etc	Renting / purchase of new office premises for the Commission and strengthening of office infrastructure to meet enhance manpower requirement of FMC.	458
6. National Institute of Commodity Markets			9000
<b>TOTAL</b>			<b>33191</b>

## Appendix-II

### Year - wise and activity wise requirements of funds during the XII<sup>th</sup> Five Year Plan

(` In Rs lakh)

Sr. No.	Activity	2012-13	2013-14	2014-15	2015-16	2016-17	Total
1.	Upgradation of IT facilities	<b>2480</b>	1250	1010	1010	1010	<b>6760</b>
2.	Capacity Building/ Training/ Consultancies	427	481	535	588	642	<b>2673</b>
3	Awareness and Development Programme	572	612	656	704	756	<b>3300</b>
4.	Price Dissemination Project	2200	2200	2200	2200	2200	<b>11000</b>
5.	Upgradation of	75	83	91	100	109	<b>458</b>

	FMC office infrastructure						
6.	Purchase of Land or/and Purchase/Construction of Office Building for FMC	2000	2000	1000			<b>5000</b>
7.	Establishment of National Institute for Commodity Markets	100	500	3000	3000	2400	<b>9000</b>
	<b>TOTAL</b>	<b>7854</b>	<b>7126</b>	<b>8492</b>	<b>7602</b>	<b>7117</b>	<b>38191</b>

## 5. RECOMMENDATIONS FOR THE XII<sup>th</sup> FIVE YEAR PLAN

5.1 The amendments to the FCRA Act have to be passed expeditiously by the Parliament to ensure the following:

- a) Forward Markets Commission should be strengthened and restructured so as to provide for its financial and operational autonomy. This will inspire confidence among market participants, such as institutional and retail investors.
- b) The various regulations under the Forward Contracts (Regulation) Act, when it is amended, should be finalized on top priority
- c) It will enable the participation of Mutual Funds, FIIs and Banks in the commodity futures market and thereby facilitate greater participation of corporates. This will inject more liquidity and depth to the market leading to more efficient and robust price discovery and attract genuine hedgers.
- d) Options in goods and certain types of derivatives and derivative products like index futures, weather options, etc. will be permitted to provide wider choice of risk management products for the stakeholders.

5.2 Intensify nationwide awareness campaigns to create awareness among various stake holders like farmers, stockists, importers, exporters etc. about the useful role played by the commodity futures markets and how they can derive benefits from these markets. The consumer cells, self help groups and Panchayatiraj institutions can be used to generate awareness. Training and capacity building of these institutions would help create awareness among all stakeholders.

5.3 Price Dissemination Project should be extended to all APMC mandis, non-APMC mandis and need based additional locations, such as KVKs, RRBS. To avoid disruption in price dissemination due to poor computer connectivity, GPRS enabled ticker boards should be implemented during the 12<sup>th</sup> Five Year Plan. Other methods of price dissemination such as the SMS, helpline, media may also be adopted.

5.4 To meet the future manpower requirements of this sector, the subject of commodity derivative trading needs to be introduced in various business schools, agricultural universities and post graduate courses. FMC could consider setting up of a National Institute of Commodity Markets (NICM) upon becoming autonomous, on the lines of National Institute of Securities Market (NISM). A concept paper on the proposed Institute is enclosed at Annexure -III.

5.5 National Spot Exchanges have been set up under Section 27 of FCRA subject to certain conditions specified in the notification issued in June 2007. These Exchanges have now sought permission for delivery based forward contracts, which will imply that these will not be Spot Exchanges only in the strict sense of the term. Globally, it is preferred that forward contracts such as OTC contracts are traded on the Exchange platform, since it provides transparency, transaction trail and better risk management, even though it involves a cost. If Spot Exchanges begin trading in forward contracts (even if strictly delivery based), then notification will have to be amended and FMC would need to take up regulation of these Exchanges.

5.6 At present, pan India electronic Spot Exchanges are dependent upon the State APMC Laws to commence operation in a State. Many states have not given them licence as yet. Besides there is no agency to permit or regulate inter-state spot trades. Since inter-state trade and commerce is a central subject and the Internal Trade is allotted to the Department of Consumer Affairs and at present there is no central law regulating the same, the Central Government should enact a suitable legislation entrusting the regulation of inter-state trade and commerce to the FMC which will enable spot exchanges to function on pan India basis, at least in case of inter-state sales comprehensively and intra-state trade to the extent of electronic negotiable warehouse receipts. This will also bring in, to a large extent, synergy and alignment between the spot and futures markets.

5.7 Banks, cooperatives and non-banking financial institutions (NBFCs) should be allowed to play the role of aggregators on behalf of the small farmers.

5.8 All the remaining States should also adopt model APMC Act and remove all trade barriers to facilitate integration of the fragmented commodity markets. After the APMC Act amendments, private players should be encouraged to set up

spot markets to provide alternate avenues to the farmers and create healthy competition in the market, thereby helping the farmers to realize a better price for their produce.

5.9 Transactions in the Commodity Derivative Markets need to be considered at par with the Security Market Derivatives for the purpose of Section 43(5) of Income Tax Act and other tax benefits.

5.10 The Warehousing Development Regulatory Authority (WDRA) need to play its developmental role proactively so as to develop additional nationwide scientific warehousing infrastructure which is very critical for the growth of both spot and futures market and their alignment. The regulatory role of WDRA involves registration of warehouses, outlining and providing for scientific processes and procedures for warehousing setting up, uniform national quality standards and issuance and regulation of trading in warehousing receipts. The creditability of a warehouse receipt as a negotiable instrument needs to be established through vigorous promotion and enforcement of quality standards and assaying and grading. Only Reputed agencies should be considered for quality check on warehouses and standard common practices have to be enforced across all the warehouses.

5.11 **Introduction of GST** : Goods and Services tax subsuming all commodity and service based taxes at the national, state and local levels and levied on the principles of value added tax (VAT) is absolutely essential for the creation of a truly integrated national market. To avoid distortions in the market due to any potential tax arbitrage, GST must subsume all other commodity based taxes, such as octroi, municipal cess, stamp duty etc. This will facilitate the seamless movement of goods between states and will lead to an efficient and integrated spot market which will facilitate better price discovery and price risk management in the futures market.

5.12 **Liberalization of the Essential Commodities Act**: While the scope of the Essential Commodities Act has been significantly reduced in recent years, its pervasive influence in market distortions is still very visible, especially in commodities like sugar. The storage limits under the Essential Commodities Act are unrealistically low and often much less than the open interest limits allowed for clients in the commodity futures market. This mismatch needs to be corrected as this dichotomy has led to disputes and court cases between Government of India and traders. This can be achieved in two ways: Firstly, the limits, if at all deemed essential, should be set at realistic levels. Secondly, a special dispensation should be provided for deliveries taken against settlement of the futures market near month contract so as to align with the several stock limits within a reasonable time, say, 15 days, similar to the dispensation provided to importers. This will not

only increase the stock availability in the spot market but also ensure better alignment of spot-futures prices and thereby help reduce the price volatility.

5.13 Central Government should formulate a model central law to regulate the retail trade after due consultation with the State Governments and concerned stake holders.

<b>Annexure-I</b>				
<b>Value of Trades at Major Commodity Exchanges during the years 2008-09, 2009-10 and 2010-11</b>				
<b>(Value in Rs. Crore)</b>				
<b>Sr. No</b>	<b>Name of the Exchange *</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
1	Multi Commodity Exchange of India Ltd., Mumbai	4588093.97	6393302.16	9841502.90
2	National Commodity and Derivative Exchange Ltd., Mumbai	535706.97	917584.71	1410602.21
3	The National Multi Commodity Exchange of India Ltd., Ahmedabad	61456.61	227901.49	218410.90
4	Indian Commodity Exchange, Gurgaon	-	136425.35	377729.88
5	ACE Derivatives and Commodity Exchange Ltd., Ahmedabad	8781.00	5979.38	30059.633
6	National Board of Trade, Indore,	34328.08	60449.52	51662.06
7	The Chamber of Commerce, Hapur	8827.89	10797.43	7309.90
8	Rajkot Commodity Exchange Ltd., Rajkot	6664.72	5733.40	5782.25
9	Surendranagar Cotton Oil and Oilseeds Association Ltd., Surendranagar	2433.43	4557.40	3786.29
<b>Total of the above Exchanges</b>		<b>5246292.67</b>	<b>7762730.84</b>	<b>11946846.02</b>
<b>Total of the other Exchanges</b>		<b>2663.50</b>	<b>2023.21</b>	<b>2096.33</b>
<b>Total of the all Exchanges</b>		<b>5248956.17</b>	<b>7764754.05</b>	<b>11948942.35</b>

**Note :** \* The first 5 exchanges are nationwide multi-commodity on-line exchanges. The rest are commodity-specific regional exchanges.

## ANNEXURE II

### STATUS OF RECOMMENDATIONS IN THE XI<sup>th</sup> FIVE YEAR PLAN\*\*

	RECOMMENDATIONS	STATUS
(i)	Forward Markets Commission should be strengthened and restructured so as to provide for financial and operational autonomy.	An Ordinance was issued in January 2008 to operationalise the amendments but the Bill introduced in the Parliament at that time could not be taken up and hence, the Ordinance lapsed. The FC(R)A Amendment Bill has been again introduced in the Parliament and is presently being examined by the Department related Parliamentary Standing Committee.
(ii)	The various regulations under the Forward Contracts (Regulation) Act, when it is amended, should be finalized.	Once the FC(R)A Amendment Bill is passed by the Parliament, the various regulations would be finalized. Some drafts have been prepared.
(iii)	The participation of Mutual Funds, FIIs and Banks in a Commodity futures market has to be allowed. Banks, cooperatives and non-banking financial institutions should be allowed to play the role of aggregators on behalf of the small farmers.	The participation of Mutual Funds, FIIs and Banks, as per indications from the Finance Ministry, would depend on the passage of FC(R)A Amendment Bill. <u>RBI has said that</u> Banks would be allowed to participate in commodity futures only upon the passage of the bill. As regards, FIIs, due caution will be exercised before giving such permission, especially in the light of the 2008 financial crisis.
(iv)	State should adopt model APMC Act and remove all trade barriers to facilitate integration of fragmented markets.	18 States have amended their respective APMC Acts and provided for setting up of private markets and contracts but the scope of this amendments varies from state to state. The rest are yet to take any action. It is suggested that the release of central plan funds may be conditional upon agricultural marketing reforms so as to provide multiple marketing options to the farmer and mandi fee not charged for transactions taking place outside of the mandi.
(v)	National level Spot Electronic Exchanges should be promoted as an alternative to the existing fragmented spot markets for	The Spot Exchanges currently in operation are National Spot Exchange Limited, NCDEX Spot Exchange and Reliance Spot Exchange. These Spot

	agricultural commodities. Such a national level platform would help transcend regional and state boundaries and also provide transparent and efficient trading platform.	Exchanges provide the electronic platform for trading in various commodities. All outstanding positions at the end of the day result in delivery at these Exchanges. However, the constraints of the APMC Acts are acting as hurdles in scaling them up truly to the level of all India e-markets.
(vi)	Modern warehousing infrastructure backed by appropriate legal framework for negotiability of warehouse receipts with facility to transfer titles electronically needs to be developed. The Warehousing (Regulation and Development) Bill, 2005 should be passed by the Parliament and statutory provisions for regulation and development of modern warehousing infrastructure should be put in place.	The Warehousing Development Regulation Act has been passed and the Warehousing Regulatory Development Authority has been set up. The authority has been mandated with the Development and Regulation of Warehousing, development of a sound negotiable warehouse receipts system and regulation thereof for the orderly growth of the warehousing infrastructure and NWR system.
(vii)	Quality certification standards should be prescribed for all the commodities based on international lines. A national agency (say BIS) could be made the certifying authority for assayers.	Not much has been done in this direction. However, this needs concerted and priority consideration and action. Coordination among the BIS, WDRA, FMC and the Futures/Spot Commodity Exchanges is essential for this purpose, first to collect details of various existing standards for various commodities and then to analyse the same and finalise the number of grades a commodity should have and what should be the quality parameters of each grade. The draft standards should be published for public comments and after due consideration thereof, the final standards should then be notified. The BIS could be made the Nodal Certifying Agency for Assayers.
(viii)	Nationwide awareness campaigns to create awareness among various stake holders like farmers, stockists, importers, exporters about the useful role played by commodity futures markets and how they can derive benefits from these markets should be launched. The consumer cells, self	FMC has conducted 1655 awareness programmes in first 4 years of the the 11 <sup>th</sup> Five Year Plan (until the end of 2010-11). 1091 programmes out of them were exclusively for farmers. These programs have been scaled up especially in the last 3 years.



	help groups and institutions of village panchayats can be used to generate awareness. Training and capacity building of these institutions would help create awareness among all stakeholders.	
(ix)	The network to link APMCs, rural markets/hats, panchayats and commodity futures Exchanges for dissemination of spot and futures price should be built during the XIth Plan to benefit the farmers. The electronic and print media should also be extensively used for the purpose of price dissemination.	FMC has implemented the Price Dissemination Project through which 822 APMCs have so far been connected to the national Commodity Derivative Exchanges through electronic and Price Ticker Boards for the receipt of real time spot and futures prices of agricultural commodities in the local language.
x)	<p>The rapid growth of the commodity futures markets would require trained manpower in the short as well as long run. To meet the future man power requirement the subject commodity derivative market need to be introduced in various business schools, agricultural universities and post graduate courses.</p> <p>FMC should collaborate more actively with agricultural universities and specific MOUs to be signed with agricultural universities for knowledge sharing. Ministry of HRD should design a suitable curriculum on commodity futures trading to be adopted by various Universities.</p>	<p>1) The FMC has conducted 171 capacity building and trainers' training programmes on the subject of commodity derivatives market during the first 4 years of the 11<sup>th</sup> Five Year Plan (until the end of 2010-11).</p> <p>2) With regard to the development of curriculum on commodity derivative markets, FMC has proposed that the same may be included in the mandate of the proposed national commodity market training and research institute. The other points that are proposed to be included in the mandate of the proposed national training and research institute include capacity building, trainers' training, consultancy studies, market surveyys, running certification courses and in due course, even diploma and degree programmes over the medium and long term and training faculty members with reference to the curriculum on commodity derivatives and commodity marketing.</p>
(xi)	Pending Amendment to APMC Acts of the State Governments, a central legislation governing the spot markets across the country be enacted to enable and streamline	The central legislation governing spot markets across the country would require Constitutional amendment so that agricultural marketing is brought under the concurrent list. Mere

	trades in all commodities from any part of the country without the requirement of multiple compliances in respect of each State.	legislation may not change the current scenario unless competing interests are facilitated to develop in the market. It may be noted that 18 States have already amended their APMC Acts on varying aspects of the Model APMC Act..
(xii)	Panchayati Raj Institutions and agencies dealing with rural development could play a pivotal role in creating awareness about the futures markets at the village level.	FMC proposes to engage rural institutions like the Panchayats, KVKs and common service centres in creating awareness about the commodity markets in general and futures market in particular.
(xiii)	Options in goods and certain types of derivatives and derivative products like index futures, weather options, etc. be permitted.	The introduction of new instruments are contingent upon the passage of the FC(R) Amendment Bill.
(xiv)	Adoption of VAT by all the States should be expedited so as to bring uniformity in tax structures of different States.	VAT has already been adopted by all the States in the country.
(xv)	Transactions in the Commodity Derivative Markets to be considered at par with the Security Market Derivatives for the purpose of Section 43(5) of Income Tax Act.	This provision is regarding set off of capital gains or losses in the commodity market transactions against business losses or profits. This has still NOT been accepted though it operates in the capital market for many years.
(xvi)	Uniformity in arbitration process for spot markets.	Alternative dispute resolution mechanisms, such as mediation, conciliation, arbitration and Lok Adalat are provided for in Section 89 of the Civil Procedure Code. These may be effectively utilized for dispute resolution in the spot markets.

**A concept paper on the training institute proposed to be set up by the FMC during the XII<sup>th</sup> Plan period**

**1. Introduction**

1.1 The commodity futures market in India was liberalized in 2003. This signaled a sea change in the functioning of the market. The lifting of all restrictions on the trading of commodity futures heralded the advent of pan – India, multi –commodity electronic exchanges which took futures trading to remote parts of the country. A slew of commodities - both agricultural and non –agricultural came to be traded on the futures platform with far reaching impact on the price discovery process in the physical markets. The trading volumes in the commodity exchanges jumped 100 fold in the post-liberalisation period as more and more stakeholders began participating in this market. The liberalization of the commodity derivative market thus marked a sudden transition from fragmented, region specific, open-outcry based futures markets offering a handful of local commodities for trading to a thriving integrated, national commodity futures market, offering a large number of commodities for trading and accessible to all.

1.2 The opening of the commodity futures market brought with it the challenge of building capacities within a rapidly expanding industry as more jobs requiring specialized skills were created in the exchanges, brokerage firms, logistics companies, clients and other related sectors. It also focused attention on the need for educating stakeholders for meaningful participation in the market and partaking of the economic benefits that this market had to offer. In India, there was also the additional challenge of correcting wide-spread misconceptions about the market that threatened to slow-down the development of the market. An urgent need was also felt for a research facility with access to and analysis of commodity market related data, especially in the agriculture sector.

1.3 The Forward Markets Commission, seized of the urgency in the matter, embarked on a capacity building programme that focused on educating stakeholders about the economic functions of the commodity futures market and the best way to participate in these markets. It reached out to all sectors (with specific focus on the agricultural sector) – Government, Educational Institutions, Financial sector, cooperatives, rural extension service providers , and agriculture markets through a series of training programmes on commodity futures. However, despite FMC's best efforts, the outreach of these programmes remained limited because the available training infrastructure was grossly inadequate to meet the training requirements of the wide cross section of stakeholders of the commodity futures markets. While embarking on its capacity building endeavours, the Forward Markets Commission had to mainly rely on industry professionals to deliver training inputs to various stakeholders as there were hardly any training institutions offering dedicated training in the area of commodity markets including derivative markets. Trained personnel were also hard to come by making it very difficult to put together training programmes. To circumvent this problem, the FMC started arranging Training of Trainers programmes to develop trained manpower for conducting capacity

building programmes on its behalf. This, though not an optimum solution, has to a small extent alleviated the problem. On the physical market side also, there are as worthwhile institutional facilities for such capacity building, let alone programs on the interface of the two. There is, therefore, a strong case for finding long term, sustainable alternate solutions to meet this challenge.

## **2. The Proposal**

2.1 The capacity building efforts of the Forward markets Commission aim at meeting the following objectives :

- i) Spreading knowledge and awareness about the commodity derivative market to all market stakeholders;
- ii) Providing specialized inputs to different sections of stakeholders and commodity sectors to facilitate informed participation in the commodity derivative market;
- iii) Supporting pilot programs and innovative practices for enhanced and informed participation in the commodity futures market;
- iv) Creating a centralized data base and knowledge bank with access to and analysis of data relating to all commodity sectors for generating sector / commodity specific reports as policy inputs;
- v) Supporting dedicated research on all aspects of the commodity spot and derivative market. Given the twin challenges of low realization to the farmer and high inflation for the consumer, such dedicated research will help gain insight into the underlying issues and develop sound regulatory strategies for regulation of the market.
- vi) Offering certified courses and academic programmes on the commodity derivative market to meet various job- requirements in the Industry;
- vii) Organising national and international seminars and conferences on the commodity derivative market, its operation and regulation, so as to serve as an incubator for new ideas and thinking on the commodity derivative market
- viii) Undertaking any other activities that FMC or the Government may assign it on the felt-need basis.

These objectives can be best met with the setting up of a world class training-cum-research centre catering exclusively to the commodity market and commodity derivative market. Such an institution will be the first of its kind in the country – and possibly in the world – and will be promoted by the Forward Markets Commission in its capacity as the regulator of the Commodity derivative Market.

### **2.2 Vision and Mission**

The vision and mission of the training institution may be stated as under:

#### **Vision**

To enhance the effectiveness and economic utility of the commodity derivative market eco- system through concerted educational and research initiatives

## **Mission**

To ensure that all stakeholders of the commodity derivative market are equipped with necessary knowledge, tools and skills required for the efficient functioning of the market and dissemination of benefits thereof through - (a) specialized training initiatives and professional educational programmes; (b) research activities; (c) building a comprehensive data base and knowledge bank on the commodity markets, and (d) fostering innovations in the field of commodity derivative market and allied sectors.

### **2.3 Structure of the Training -cum- Research Institute**

The Training-cum-Research Institute for Commodity Market could be named National Institute for Commodity Markets (NICM for short) would be an autonomous institution governed by its own Board of Governors. It will have separate schools, each catering to a specific objective for which it has been created. The schools set up under this institution will be as under :

#### **(i) School for Stakeholder Education**

This school will run short term courses, seminars and workshops on the commodity derivative market including introductory and refresher courses on the commodity derivative market and sector-specific commodity derivative courses. The school will also run short term courses for the Government, financial sector and also courses aimed specifically for the officers of regulatory / self-regulatory organisations. The school will have both regular programmes and on-location programmes to broaden its outreach. On-location programmes will be multi-lingual and tailor made to suit the requirements of various stakeholders. The school will also provide on-line programmes for the benefit of stakeholders who are not in a position to attend regular programs.

#### **(ii) School for Certification of Intermediaries**

This school will run certification programmes for different sets of intermediaries. This certification may be insisted upon for intermediaries intending to participate or participating in the commodity derivative market. These programmes can be offered on-line or in a classroom format.

#### **(iii) School for Commodity Market Education and Research**

This school will offer post graduate diploma courses and doctoral study opportunities on financial and commodity markets. The schools will be open to Indian and International students and would become a centre for learning on all matters relating to the commodity and commodity derivative market. This school will also act as the knowledge bank and research centre for the Institute. It will support research in the area of commodity derivative market and allied sectors. It will support pilots and innovations in the commodity derivative sector and host international seminars and conferences for furthering deliberations on various aspects of commodity trading. The school will also

provide advice and consultancy support to foreign governments seeking assistance for setting up their own commodity derivative markets.

**(iv) Teaching Faculty**

The faculty would be drawn from Indian and International academia and industry. Visiting faculty members will support the permanent faculty of the Institute.

**(v) Campus**

The Institute may be located in the outskirts of Mumbai . Mumbai is a preferred location as it is the hub of commodity derivative trading in India with the regulator of the commodity derivative market and four of the five national commodity exchanges headquartered here. The institute should have its own independent campus with dedicated space for each of its three schools.

**(v) Corpus**

The Institute would require an initial corpus of around Rs. 130 crore. This would include the cost of land, building, infrastructure, furniture and fixtures, personnel/human resources. The fund would be used for supporting the institute until it becomes self-sustaining. The actual amount of the fund requirement may vary depending on the location of the Institute and whether the land would be made available by the state government at subsidized rates.

The FMC will solicit contribution to the corpus from the national Commodity Exchanges, Spot Exchanges and logistics companies. The FMC's contribution to the corpus may be around Rs. 90-100 crores, provision for which would have to be made in the allocation for the Ministry for the XII<sup>th</sup> Five Year Plan.

## VI REPORT OF SUB GROUP ON TESTING FACILITIES AND LEGAL METROLOGY

### 12<sup>th</sup> Five Year Plan ( 2012-13 -----2016-17) proposal of National Test House (NTH) functioning under Department of Consumer Affairs(DoCA), Government of India

#### Section-1:

**Back Ground:** National Test House(NTH)- a premier test and quality evaluation laboratory for industrial , engineering and consumer products- has been functioning under administrative control of Government of India from its very inception in the year 1912. Over the years, it's controlling department under Govt. of India shuffled among the multiple departments depending on the requirements, but its status, profile and functioning remains unchanged.

This century old Scientific and Technological Organization was established originally by Indian Railway Board as a captive test and quality evaluation laboratory (originally known as Government Test House) at Alipore, Kolkata with a view to examining the quality of the various products supposed to be used by Indian Railways and to promote the local manufacturers for indigenous purchase. Test Certificate issued by National Test House as per the specifications/ or standards for a particular product was considered by Indian Railway as the criterion for acceptance or rejection.

Realizing, the immense potential of NTH in the field of test and quality evaluation of various industrial products, National Test House was subsequently brought under the Indian Stores Department and its facilities in the field of test and quality evaluation was made open for all( Government, Private, Research institutions) and even to individuals. Since then, it also started undertaking Research and Development on Testing Technology.

Dr. Atma Ram in 1936 and Dr. Shanti Swarup Bhatnagar in 1940 are names of some notable and distinguished Scientists who had joined Government Test House , Calcutta. Dr.L.C.Verma , the Founder director and the first Director general of Bureau of Indian Standards is another name who had connected his name with Government Test House , Calcutta.

After independence, it started functioning under **Department of Supply** to prop up effective support in evaluating quality of varied industrial products on behalf of Directorate General of Supply & Disposal acted as Central Purchasing Authority for various Government Departments.

In the event of the decision of Govt. of India to abolish Department of Supply, the functions of NTH was brought under the administrative control of **Department of Consumer Affairs** in the year 2001 and since then NTH has been functioning under **Department of Consumer Affairs(DoCA), Govt. of India**.

**NTH - under DoCA - has so far been allocated fund under the 10<sup>th</sup> and 11<sup>th</sup> Five Year Plan Period with a major objective to modernize and strengthen NTH by adopting advance testing methodologies as specified in the national standards( viz. IS, RDSO, Defense Specifications and requirements of other noted organizations like NTPC, National Highway Authority, IndiraGandhi Atomic Research Center, Kalpakkam, SAIL etc.) and international standards viz. ASTM, BS, DIN, EN, ISO/IEC etc. The strengthening of NTH in the area of test and quality evaluation will not only pave the way for DoCA in order to providing effective Consumer Protection-one of the mandates of DoCA-through testing and quality evaluation of all sorts of products( except drugs and arms and ammunition) to the nation but also extend the value added services of NTH to neighboring SAARC countries and also developing countries as well.**

**NTH,indeed, during the 11<sup>th</sup> Five Year Plan period had rendered its services in the area of Test, Quality Evaluation and Calibration to Nepal, Bhutan, Sri Lanka, Bangladesh and also imparted training on testing methodologies to a group of professionals hailing from Bhutan.**

NTH was brought under Five Year Plan Scheme from the 5<sup>th</sup> Five Year Plan Period as per the record available with the objective to strengthen, upgrade and enlarge the capacity of NTH in the field of Test and Quality Evaluation of Engineering, Industrial and Consumer Products as per national and international standard.

NTH receives the service request from a motley of consumers ie. private and public sector industries, various Govt. Departments, vigilance bodies, legal custodians, users and even individuals. In addition to the Test and Quality Assurance services, NTH, of late, has been providing Measurement & Calibration Services of machinery and equipment both in the Mechanical and Electrical measuring parameters. In these measurement aspects, the traceability is tantamount to National Physical Laboratory(NPL) and National Metrology Institute(NMI), New Delhi. Apart from these two major services, NTH has also been providing comprehensive training in the field of test and calibration to the industrial professionals and students of engineering and other academic institutions. NTH also assists industries by discharging its proficient services in Failure Analysis, Certificate of Boiler Safety as per IBR 1950 act issue of Welder Proficiency Certificate and also Certificate of Welding Electrodes. Apart from these, NTH also render consultancy services to industries both from large and MSMEs for quality up-gradation of their products comparable to the national and



international standards. NTH Scientists regularly participate in national and international seminars, held in the country and also actively involve in up-gradation of test and calibration methodology as a part of R & D activities. NTH, in this respect, immensely support **Bureau of Indian Standard (BIS)** for up-gradation of Indian National Standards through representation of NTH Scientists either as Chairman or as member to around 140 Technical Committees of BIS. NTH Scientists also render their valuable services for up-gradation of quality system of the country to the international level through **National Accreditation Board of Test & Calibration Laboratories(NABL)**.

To cope with the rising demand of inspection services as projected in the 11<sup>th</sup> Plan Period, NTH has just entered in this particular field and at present is at the blooming stage. NTH has a plan to reinforce its venture in this particular area during the 12<sup>th</sup> Plan period.

Owing to receiving adequate support from Planning Commission, Govt. of India up to 11<sup>th</sup> Five Year Plan period, NTH has become a niche to the industries and consumers across the country as an independent Govt. of India controlled test laboratory. **It has a vision to surge ahead towards attaining self-sufficiency and also to provide valuable services to the consumers of the country** from its area of activities like Test, Quality Evaluation, Calibration , providing Training on Test Methodologies and consultancy for quality up gradation of industrial products to industries.

The financial support from the Planning Commission over the years also enables NTH to extend its services to all the corners of the country. While at the very inception of NTH, it has only one center at Alipore, Kolkata, it has now established **Six** more centers at Salt Lake, Kolkata, Mumbai, Chennai, Ghaziabad, Jaipur and Guwahati to provide effective services to Govt. Sectors, Industries(Private and PSU), Custodians of law and Judiciary, Consumer Welfare forums and Individual Consumer.

## **Section-2:**

**Vision of National Test House(NTH) during 12<sup>th</sup> Plan Period and strategies thereof to satisfy the mission and objectives of Department of Consumer Affairs as enshrined for the benefit of the nation- a Synopsis- at a glance**

a) **To fill up the gap of major test areas** in respect of high value industrial and consumer products across the country, **NTH will create new and unique test and quality evaluation facilities for the following salient products :**

- **Test facilities for components used for harnessing renewable energy sources viz. Solar Energy in NTH(NWR), Jaipur taking**

into account the specific emphasize given by Govt. of India. The successful implementation of the project in NTH(NWR), Jaipur during the 12<sup>th</sup> Plan will pave the way to include the projects in other NTH regions in the successive Plan.

- Creation of Impulse Voltage Test facility for High Voltage Line Products( e.g. Switch Gear, Insulators etc.) in NTH(ER), Kolkata, NTH(SR), Chennai and NTH(WR), Mumbai .
- To promote conservation of energy - one of the prime objectives of 12<sup>th</sup> Plan – creation of complete test facilities of **the Light Emitting Diode(LED) Lamp in the Electrical Discipline of all the four major regions of NTH viz. NTH(ER), Kolkata, NTH(WR), Mumbai, NTH(SR), Chennai and NTH(NR), Ghaziabad**
- Test and quality evaluation of electronic products and appliances, **Electromagnetic Interference and Electromagnetic Compatibility (EMI/EMC) Test facilities will be created in the Electrical Discipline of NTH(NR), Ghaziabad**
- **Automobile Tyre and components test facilities to be created at NTH(SR), Chennai and NTH(NR), Ghaziabad**
- Full test facilities related to the **Civil Engineering structures and products** including wood and wood products and evaluation of life of the building will be made available in five NTH regions viz. NTH(ER), Kolkata, NTH(WR), Mumbai, NTH(SR), Chennai , NTH(NR), Ghaziabad and NTH(NWR), Jaipur. ( The facilities will also be extended to NTH(NER), Guwahati as soon as the ongoing construction of permanent laboratory Building will be completed( likely to be completed during the mid-12<sup>th</sup> Plan period)

b) To develop a coherent bond on sharing scientific and technological services between NTH and BIS for providing adequate service in consumer protection

- The actions for bringing all the disciplines of NTH Regional laboratories under the BIS Laboratory Recognition Scheme and to sustain the status of recognition for test and quality evaluation of BIS marked products especially products coming under mandatory marking scheme of BIS.

- NTH will enlarge its scope of testing to cover a majority of IS Standards as per the BIS requirements
- At the instance of BIS, test facilities of Automobile Tyre will be introduced in NTH during the 12<sup>th</sup> Five Year Plan

**c) Strengthening of NTH regional laboratories in order to widen its scope of test activities by procuring advanced technological Machinery & Equipments**

- The detail list of machinery and equipments intended to be procured with justification for procurement during the 12<sup>th</sup> Five Year Plan Period have been listed and furnished in the respective projects / schemes as envisaged by NTH in conformation with the vision for creation of new and demanding test facilities as elucidated above in point (a) and also for augmentation of existing test facilities in order to cope with updating of Standards ( **List of Machineries and Equipments** as envisaged to be procured during the 12<sup>th</sup> Plan are shown in **Annex-III**)

**d) To make NTH self-sufficient during the 12<sup>th</sup> Five Year Plan**

- NTH during the 11<sup>th</sup> Plan Period could achieve **56 %** of Self-Sufficiency despite of average **40 %** increase of non-Plan expenditure due to 6<sup>th</sup> CPC recommendation, a substantial amount of **arrear payment and also for MACP implementation**. In comparison during the 10<sup>th</sup> Plan without any additional burden, NTH achieved only **32%** of Self-Sufficiency. The **outcome** as enumerated by NTH for each project in the detail of the projects reflected, it can be affirmed that in addition to providing effective consumer protection through testing, **self-sufficiency at the end of the 12<sup>th</sup> Plan period may be achieved**. NTH would definitely thrive to achieve the desired goal of self-sufficiency at the end of the 12<sup>th</sup> Plan period provided all the proposed infrastructural facilities are functional & NTH equipped with full strength of scientific manpower . It is noteworthy to mention that the scientists of NTH had to shoulder much added pain & responsibility to achieve this growth against acute shortage of scientists.

**e) To provide improved & rapid service delivery to the customers and clients**

- In consonance with the directives from Department of Consumer Affairs, Govt. of India, for providing committed and rapid service delivery to the customers and clients, all the regions of NTH have

started issuing Service Request Form to each and every customer submitting samples for Test or Calibration and Test Fee. The Service Request Form contains an unique identity number and also mentions the Probable Date of Completion of Test or Calibration Certificate. Computer based Management Information System(MIS) have already been operationalized in NTH(ER), Kolkata and NTH(SR),Chennai during the current (11<sup>th</sup>) Plan Period. This system is expected to be operationalized in NTH(NR),Ghaziabad and NTH(WR), Mumbai during the current financial year(2011-12). Customers and clients submitting samples to NTH can access the status of their samples through NTHweb-site. Presently, customers are getting this facilities from NTH(ER), Kolkata and NTH(SR),Chennai. NTH has mooted to extend the similar MIS system to NTH(NWR), Jaipur and NTH(NER), Guwahati during the 12<sup>th</sup> Plan.

- Information and facilitation desk has been opened at all the NTH regions under the supervision of Scientist for providing information and required assistance to customers

**f) To impart training to Professionals and students from engineering colleges on Test methodologies**

- NTH has already undertaken this ambitious scheme to groom a battery of test technologist (which are in high demand) during the 11<sup>th</sup> Five Year Plan. A well built with all the necessary and required facilities **Training Center of National Test House at NTH(ER), Alipore, Kolkata** has been made functioning from the end of the year 2009-10. Other NTH regions are also providing training by their own arrangement.
- NTH has a vision during the 12<sup>th</sup> Five Year Plan period to pay more attention in this major area by strengthening the existing infrastructure at NTH(ER), Alipore, Kolkata in particular and other NTH regions in general.

**g) Infrastructural development by construction of new /additional building/ additional floor depending on the requirements with a view to enlarging the existing laboratory space of different NTH Regions.**

- During the 11<sup>th</sup> Five Year Plan three projects were undertaken viz. i) **Construction of one additional floor in NTH(NR), Ghaziabad and ii) two new buildings one at NTH(SR), Chennai and another at NTH(NER), Guwahati.** While construction of one additional floor in

NTH(NR), Ghaziabad has been completed and **brought into functioning** for laboratory activities in **August'2010**, the new building of NTH(SR), is likely to be brought into the operation during the current financial year (2011-12). As regards to NTH(NER), a part of the project has been completed. The full project will be completed during the 12th Plan Period.

- NTH has envisaged similar projects in order to create additional space in NTH(WR), Mumbai, NTH(NWR), Jaipur and for some specific test projects due to be undertaken, further infrastructure development in NTH(NR), Ghaziabad, and NTH(SR), Chennai has been contemplated by NTH during the 12th Plan period. The details has been furnished in the proposal of projects ( Region-wise) to be undertaken by NTH.( Detail of the Projects region-wise are described in **Section 5.2 below**)

### **Section-3 :**

a) A critical data based comparative analysis on the performance of NTH during the 10<sup>th</sup> and 11<sup>th</sup> Five Year Plan in respect of Self-sufficiency( viz. Generation of revenue by providing NTH services to its customers and clients year-wise , non-plan expenditure incurred year-wise and percentage of achievement towards self-sufficiency determined by percent revenue generation with respect to non-plan expenditure incurred) is depicted below in Table-1

**Table-1**

<b>10<sup>th</sup> Five Year Plan(2002-03---2006-07)</b>				<b>11<sup>th</sup> Five Year Plan(2007-08---2011-12)</b>			
Year	Revenue Generation (Rs. in Crore)	Non-Plan Expenditure (Rs. in Crore)	% achievement towards self-sufficiency	Year	Revenue Generation (Rs. in Crore)	Non-Plan Expenditure (Rs. in Crore)	% achievement towards self-sufficiency
2002-03 1 <sup>st</sup> Year	2.55	9.44	27.01	2007-08 1 <sup>st</sup> Year	6.68	12.27	54.20
2003-04 2 <sup>nd</sup> Year	2.59	9.92	26.11	2008-09 2 <sup>nd</sup> Year	8.69	18.03 (including 40 % arrear payment of 6 <sup>th</sup> CPC)	48.20
2004-05 3 <sup>rd</sup> Year	3.18	10.83	29.36	2009-10 3 <sup>rd</sup> Year	10.48	23.35 (including 60 % arrear payment of 6 <sup>th</sup> CPC)	44.88
2005-06 4 <sup>th</sup> Year	4.02	11.50	34.96	2010-11 4 <sup>th</sup> Year	12.87	21.73	59.23
2006-07 5 <sup>th</sup> Year	5.27	11.72	44.97	2011-12 5 <sup>th</sup> Year	16.00 ( Target)	22.26 ( allocated in BE)	71.88 ( anticipated)
Total	17.61	53.41	32.97	Total	54.72 (estimated)	97.64 (estimated)	56.04 %

At the very outset of 10<sup>th</sup> Five Year Plan, there was no thrust on NTH to attain self sufficiency as mentioned earlier. It was culminated at the fag end of the 10<sup>th</sup> Five Year Plan period and more **specifically from the year 2005-06 and 2006-07**. This was due to change of Govt. economic policy to focus on revenue generation where scope is there. NTH shouldered the policy of Govt. of India and started increasing revenue generation by taking appropriate measures by rendering its value added services.

IIM, Kolkata was entrusted by DoCA to study on NTH with specific terms of references. One of the terms of references as specified was “**Preparation of road map for making NTH self-sufficient over a specified period**”. Accordingly, IIM, Kolkata recommended a Road Map depicting “ Revenue Generation Target ” and

“No. of Scientists” for NTH from the year 2006-07 to 2010-11( Stipulated 5 year study by IIM,Kolkata). **Table-2( below)** shows the NTH performances vis-a vis IIM recommendation.

**Table-2**

Year	No. of Scientists directly involved in Laboratory activities	Revenue Generated ( annually) <b>( Rs. in crore)</b>	Strength of Scientists proposed by IIM	Revenue Generation Target (annually) as affixed by IIM <b>( Rs. in crore)</b>
2006-07	163 ( as on March'07)	5.27	114	5.16
2007-08	157 ( as on March'08)	6.68	146	6.58
2008-09	158 ( as on March'09)	8.69	211	9.75
2009-10	152 ( as on March'10)	10.48	230	10.75
<b>2010-11</b>	<b>141 ( as on March'11)</b>	<b>12.87</b>	<b>248</b>	<b>11.50</b>
2011-12	141 ( as on April'11)	16.00( Estimated)	Beyond the 5 years of IIM study	Beyond the 5 years of IIM study

**Table-2** shows that in the year 2010-11(bold), **NTH surpassed the IIM(recommended) target** despite of reduced Scientist Strength. Truly speaking, in accordance with another IIM recommendation, NTH concentrated more on its test activities for High value, specialized and unique product testing to combat its competitors. Besides, by procuring advanced technological Machinery & Equipments as approved during 11<sup>th</sup> Plan, NTH was able not only to reduce testing time but also was able to improve immensely the Productivity of Scientists. However, existing scientists are already out stretched and therefore induction of Scientists during the 12<sup>th</sup> Plan period is essential to achieve the desired objective of self-sufficiency.

#### Section-4 :

##### An overview of 11<sup>th</sup> Five Year Plan of NTH and its implementation :

A) Details analysis on the extent of performances and achievement of NTH against the project-wise proposals submitted by NTH, examined by National Physical laboratory(NPL), New Delhi and finally approved by Expenditure Finance Committee(EFC) during the 11<sup>th</sup> Five Year Plan Period.

NTH, altogether, submitted the 11<sup>th</sup> Plan Proposal consisting of 13 Projects having outlay to the tune of Rs. 88.84 crore. Finally one project ( project no.12 , setting up of two new satellite centers at Ranchi and Jullundher ) was dropped and some of the project costs were reduced. Ultimately, after detail scrutinizing and analysis, EFC approved 12 no. projects at the total outlay of Rs. 74.84 crore in favour of National Test House(NTH) for 11<sup>th</sup> Five Year Plan. Table-3, 4 and 5 (below) shows the Plan Outlay, allocation in BE and RE and actual expenditure during the 10<sup>th</sup> Plan Period , year-wise outlay as approved by EFC in different head under Plan Schemes for the 11<sup>th</sup> Plan of NTH , actual allocation under BE & RE and actual expenditure from the year 2007-08 to 2010-11 and allocation under BE(Plan) for the year 2011-12.

**Table-3 (Status of 10<sup>th</sup> Plan for NTH)**

Year	BE (Rs. in crore)	RE (Rs. in crore)	Actual Expenditure (Rs. in crore)	Remarks
2002-03	3.95	2.50	2.45	
2003-04	3.80	3.80	3.39	
2004-05	5.73	5.39	5.00	
2005-06	5.66	5.49	5.16	
2006-07	6.50	6.35	4.62	
Total	25.64	23.53	20.62	



**Table-4 ( EFC approved 11<sup>th</sup> Plan Outlay)****( Rs. in Crore)**

Year	Land & Building ( Major Works)	Machinery & Equipments (M&E)	Recurring Expenditure	Information Technology (IT)	Total
2007-08	3.55	3.24	1.38	0.10	8.27
2008-09	5.96	8.95	2.91	0.85	18.67
2009-10	5.67	8.28	3.35	0.40	17.70
2010-11	2.69	8.28	3.80	0.40	15.17
2011-12	2.33	8.23	4.22	0.25	15.03
<b>Total</b>	<b>20.20</b>	<b>36.98</b>	<b>15.66</b>	<b>2.00</b>	<b>74.84</b>

**Table-5( Actual Status of 11<sup>th</sup> Five Year Plan)**

Year	Land & Building ( Major Works) ( Rs. in Cr.)			Machinery & Equipments (M&E) ( Rs. in Cr.)			Recurring Expenditure ( Rs. in Cr.)			Information Technology(IT) ( Rs. in Cr.)			Total ( Rs. in Cr.)		
	BE	RE	Actual Expenditure	BE	RE	Actual Expenditure	BE	RE	Actual Expenditure	BE	RE	Actual Expenditure	BE	RE	Actual Expenditure
2007-08	20.19	3.55	1.65	3.06	3.24	2.41	1.20	1.38	1.23	0.45	0.10	0.097	24.90	8.27	5.39
2008-09	4.64	4.64	3.72	6.00	4.46	4.57	2.51	1.67	1.43	0.85	0.85	0.27	14.00	11.62	9.99
2009-10	5.25	5.25	4.52	7.00	7.00	6.87	2.35	1.80	1.68	0.40	0.40	0.40	15.00	14.45	13.47
2010-11	7.70	7.20	6.29	7.70	7.70	7.33	1.25	1.75	1.62	0.52	0.52	0.36	17.17	17.17	15.60
<b>Sub-Total</b>	<b>37.78</b>	<b>20.64</b>	<b>16.18</b>	<b>23.76</b>	<b>22.40</b>	<b>21.18</b>	<b>7.31</b>	<b>6.60</b>	<b>5.96</b>	<b>2.22</b>	<b>1.87</b>	<b>1.13</b>	<b>71.07</b>	<b>51.51</b>	<b>44.45</b>
2011-12	11.52	--	--	6.70	--	--	2.30	--	--	0.70	--	--	21.22	--	--

**B) Salient objectives as projected by NTH during submission of 11<sup>th</sup> Plan Proposal and the status of its implementation.**

**Objective-1 :** NTH with a large pool of motivated, experienced and competent scientists has envisaged that **adaptation of advanced testing technology for reduction of testing time and also maintaining high accuracy will definitely give an edge to NTH over its competitors.**

In conformation with this corollary, NTH has earmarked a substantial amount to the tune of **50%** of 11<sup>th</sup> Plan outlay for procurement of **Machinery and Equipment.**

NTH also mooted to create **Center of Excellences on Testing and quality assurance of some highly demanding and sensitive industrial and consumer products**

**Extent of implementation:** In order to strengthen NTH and to comply with the above objective NTH prepared a list of advance machinery and equipments for testing and calibration purpose. The list of no. of machinery and equipments were sorted out by NTH in order to create new test and calibration facilities , to augment the existing test facilities and also to replace the outdated and non-functioning machinery and equipments with their updated version.

The proposed list of machinery and equipments also include the machinery and equipments for creation of Center of Excellences for test of some demanding and sensitive industrial and consumer products.

Some major costly equipments for creation of test facilities of high value and demanding products are listed below in Table-6 :

**Table-6**

Name of Equipment	Cost (tentative) ( Rs. in lakh)	Name of products meant for testing	Average outcome per month in terms of revenue generation (approx.) ( Rs. in lakh)	Name of NTH regions, the equipment installed and operationalized
Impulse Voltage Test System	300.00	Heavy duty and high capacity Electrical Transformer	12.0	NTH(NR), Ghaziabad (Electrical)

Miniature Circuit Breaker Test System	128.0	Test for switchgear and miniature circuit breaker kit.	10.0	Expected to be functioning from the year 2011-12 in NTH(NR), Ghaziabad (Electrical)
20 Channel Secondary Storage Cell (Battery) test equipment	97.0	Life Cycle Test for Secondary Storage Cell (Battery)	2.5	NTH(ER), Kolkata (Electrical)

Besides, a number of other advanced machinery and equipments have been procured during the 11<sup>th</sup> Plan period. The list of equipments procured year-wise up to 2010-11 and likely to be procured during the year 2011-12 are appended in **Annex- I and Annex-II**.

A colossal increase of revenue generation from **Rs. 17.61 crore during the 10<sup>th</sup> Plan period to Rs. 54.72 crore during the 11<sup>th</sup> Plan period as shown in Table-1 (growth of around 210.7 %)** by rendering pro-active and value added services to the customers and clients with same or less number of Scientists may be considered as a direct fall out of modernization and strengthening of NTH for becoming a forerunner in the area of test and quality evaluation of material and products.

**The allocated fund under the head Machinery & Equipment(Plan) (RE) from the year 2007-08 to 2010-11( clubbing the years together) during the 11<sup>th</sup> Five Year Plan was Rs. 22.40 crore and utilization was Rs. 21.18 crore i.e up to 2010-11 utilization of allocated fund under RE is nearly 94.6 % . The fund allocated during the current year(2011-12) under the head Machinery & Equipment(Plan) is Rs. 6.70 crore and is expected to be utilized fully.**

**Objective-2 :** To increase capacity building and also to increase laboratory space in some of the existing NTH regions and establishment of Training Center as well in NTH(ER), Kolkata, Alipore by virtue of infrastructural development

**Extent of implementation :** NTH projected 5 no. infrastructural development projects to increase and enlarge the test area of the following NTH regions :

1) **Phase-II building of NTH(SR), Chennai** in the available vacant land within the NTH(SR), Chennai premises. Civil Structure of Three storied Building has already

been completed by CPWD. The building is likely to be brought into the service for laboratory activities during the current financial year(2011-12). **The expenditure to be incurred Rs. 6.30 crore (approx.).** The initial estimated cost during the proposal was Rs. 2.50 crore.

2) In consonance with the policy of Department of Consumer Affairs, Govt. of India for strengthening and modernizing the test and quality evaluation activities in NTH(NER), Guwahati, NTH proposed permanent masonry Laboratory cum Office Building and appurtenance Residential Building by demolishing existing semi-permanent sheds ( phase-wise) acquired from Govt. of Assam.

Four storied appurtenance Residential Building has already been completed **in the year 2009-10** at a cost of **Rs. 99.73 lakh by CPWD**. The construction of Laboratory cum Office Building is going on and owing to shortage of fund the project is likely to be spilled over to the 12<sup>th</sup> Plan and expected to be completed by the 1<sup>st</sup> Year of the 12<sup>th</sup> Five Year Plan subjected to the availability of fund. The final cost enumerated by CPWD for completion of this Guwahati **project is Rs. 12.06 crore**. The fund already authorized to CPWD for the year 2011-12 is **amounting to Rs.4.0 crore**. The present Laboratory activity of NTH(NER), Guwahati is being operated temporarily from appurtenance Residential Building.

3) Construction of one additional floor to expand the laboratory activity of NTH(NR), Ghaziabad was projected in the proposal of 11<sup>th</sup> Plan. **The construction was duly completed by CPWD at a cost of Rs.54.0 lakh and already operationalized from the year 2010-11.**

4) **The proposals submitted by NTH for Phase-II Building in NTH(WR), Mumbai and extension of additional floor in NTH(NWR), Jaipur were not approved by EFC** for the 11<sup>th</sup> Five Year Plan Period to reduce the Plan Expenditure and to restrict it within the limit of **Rs. 74.84 crore**.

5) Apart from the above infrastructural development, NTH also proposed a **full-fledged Training Institute in NTH(ER), Alipore, Kolkata** after revamping and renovation of vacant built-up space available in NTH(ER), Alipore, Kolkata complex. The Training Institute was brought into operation from the year **mid 2009-10**. The project was completed by CPWD and expenditure incurred was **Rs. 71.0 lakh**

**NTH(NR), Ghaziabad** has already been reaping the benefit of added laboratory space and expanding the scope of test activities with the ever increasing demand from clients and consumers.

NTH(SR), Chennai has already chalked out to proliferate its existing test and other activities once the new Phase-II Building is come into operation. The fruition of new building from additional revenue generation point of view will definitely be a determining factor during the 12<sup>th</sup> Plan period of NTH.

The activity of NTH(NER), Guwahati will definitely be increased by manifold once the new project will be completed in the 1<sup>st</sup> Year of 12<sup>th</sup> Plan period.

The Training Institute of NTH(ER), Alipore, Kolkata has already started receiving attraction from the industrial circles( Private and PSU), Govt. departments and students from engineering colleges. The data available received from NTH(ER), Kolkata shows that during the year 2010-11( the operational year of the training institute), NTH(ER), Kolkata has conducted 14 no. Training Courses on test methodologies and imparted training to 53 no. of trainee. The tangible outcome in terms of receiving training fees was Rs. 7.73 lakh. The enormous intangible value in respect of National Skill development program can be sustained in the forthcoming years through this Training Institute.

The total fund allocated during the 11<sup>th</sup> Plan Period under the head Major Works( Land & Building) in RE from the year 2007-08 to 2010-11 is Rs. 20.64 crore and actual expenditure is Rs. 16.18 crore( % utilization 78.4). During the 2011-12, the fund allocated in BE is Rs. 11.52 crore with a view to complete two on-going projects in NTH(SR), Chennai and NTH(NER), Guwahati

**Objective-3 :** To provide the test and quality evaluation facilities due to be created by NTH to SAARC countries.

Extent of implementation : The record shows that NTH has extended its facilities not only to Bangladesh, Nepal, Bhutan and Sri Lanka (the SAARC countries) but also to Kenya-one of the developing African countries.

**Objective-4 :** To enhance the capacity building of scientists in terms of knowledge and expertise through training

**Extent of implementation :** Total no. of 150 no.( approx.) NTH Scientists were trained in various noted Scientific and Administrative Training Institutes in the country. Besides, 4 no. of Scientists under the sponsorship of Indian Chamber of Commerce, Kolkata and with due approval from DoCA visited Hanoi, Vietnam, 1 no. of Scientist visited the country Israel on a Scientific tour under a sponsored program of DST, Govt. of India and 2 no. Scientists undertook practical training on the operation of Impulse Generator Test system from High Volt, Germany

**Objective-5 : To provide customer friendly service by adopting necessary measures**

**Extent of Implementation :** The following customer friendly services have been introduced in all the NTH regions :

a) Information and facilitation desk supervised by a senior scientist have been under functioning to attend all the queries from customers/clients visiting NTH and provide necessary assistance

b) Filled up Service Request Form(SRF) are issued to each and every Customer/Client submitting samples for test/calibration along with test fee wherein it is specifically mentioned the Probable Date of issue of Test/ Calibration Certificate . SRF also contain an unique identification number by which Customer/Client deposited the sample can access the test status of the sample through web-site of NTH. As this customer friendly MIS system through computer network is currently available in NTH(ER), Kolkata and NTH(SR),Chennai, customers of these two regions are being benefited. At the end of the current year(2011-12), this particular customer oriented facility is likely to be extended to NTH(NR), Ghaziabad and NTH(WR), Mumbai.

c) Rapid service delivery system have been introduced by application of computer at all level and testing time have been immensely reduced by switching over to advanced computer based Test equipments in all the disciplines.

**Objective-6 : To maintain a strong interaction with BIS and other noted statutory bodies functioning for consumer protection in the area of test, quality assurance and standardization.**

**Extent of Implementation :** The actions taken by NTH are as follows :

a) Scientists of NTH are representing most of the Technical Committees either as Chairman or Member constituted by BIS for framing of new Indian Standard or amending the existing Indian Standard

b) **Most of the laboratories of NTH( barring a few ) already recognized by BIS** for testing of BIS marked products

c) Frequent meetings are being held by the regional Directors and Scientists of NTH with their counterpart of BIS for exploring the new area of testing for the benefit of the consumers of the country.

d) NTH Scientists act as Technical Assessor of National Accreditation Board for Test and Calibration Laboratories(NABL). **All the NTH regional laboratories( except NTH(NER), Guwahati) are accredited by NABL.**

e) **Central Pollution Control Board by its Gazette Notification( vide no.--Part-II-Section-3, Sub section(i) No.136 dated the 15<sup>th</sup> March'2011) has approved NTH(NR), Ghaziabad for test of Diesel Generator Set in respect of measurement of Noise Pollution.** Earlier it was used to be conducted by National Physical Laboratory(NPL),

f) In addition, time and again NTH Scientists are interacting with Scientists of Bureau of Energy Efficiency(BEE), National Physical Laboratory(NPL), STQC etc.

**Objective-7 : To promote NTH activity in the area of test, quality evaluation and other related services among the industrial circles, business establishment and consumer forums**

**Extent of implementation :** All the regions of NTH during the 11<sup>th</sup> Plan Period have participated in different Industrial Trade Fairs, Consumer Fairs , Scientific Fairs organized by various Chamber of Commerces, Scientific Forums, Indian Science Congress, Department of Consumers of State Governments and Department of Central Governments. Regions of NTH have set up Stalls within the fair premises displaying the NTH activity with exhibits, placards and other varied mode of presentation. Scientists of NTH manning the NTH stalls have satisfactorily explained to the visitors how NTH serves the consumer of the country. Besides, NTH has published brochure for distributing widely in various forums. NTH has also advertised the activity through newspapers, industrial and consumer magazines for wide publicity. “Akashbani”( Kolkata Circle) broadcast a program on functions and activities of NTH(ER), Kolkata with recorded comments from the Director, NTH(ER), Kolkata.

All the expenditures in connection to NABL accreditation, Laboratory Recognition by BIS, Scientists send for Training/Workshop/Seminar etc, participation of NTH in various fairs, advertisements to publicize NTH activity, Training, Seminar/Workshop arranged by NTH were incurred from the Recurring Head(Plan) of 11<sup>th</sup> Plan. The utilization of allocated fund under the head recurring(OE,DTE and FTE) can be considered **as the key index** of multifarious scientific and technical activities undertaken by NTH during the 11<sup>th</sup> Plan period.

The total allocated fund under the **Recurring Head( OE, DTE & FTE)(Plan)** from the year **2007-08 to 2010-11 in RE is Rs. 6.60 crore and actual expenditure is Rs. 5.96 crore( % Utilization 90.3).** The fund allocated under Recurring Head(Plan) for the year 2011-12 is 2.30 crore.

The multifarious activities undertaken by NTH during the 11<sup>th</sup> Plan Period in order to complying with the objectives as enshrined are summarized below at a glance :

1) No. of vigilance samples tested from the year 2007-08 to 2010-11( 11<sup>th</sup> Plan) : 1700(approx.)

2) No. of Training conducted and no. of trainee trained from the year 2007-08 to 2010-11( 11<sup>th</sup> Plan) : Training Conducted--- 75 no.(approx) and No. of Trainee Trained--- 900 no.(approx)

3) No. of Scientists send for training in noted institutions from the year 2007-08 to 2010-11( 11<sup>th</sup> Plan) ( including foreign training, scientific trip etc. if any):150 no.( approx)

4) No. of Scientists attended seminar/workshop from the year 2007-08 to 2010-11( 11<sup>th</sup> Plan):50 no.(approx)

**Objective-8 : NTH will introduce Web based MIS Project in all its regions so that customers can avail the NTH services promptly**

**Extent of implementation :** As already mentioned earlier that to introduce computer based management Information System in all the NTH regions phase-wise for providing hassle free customer friendly services through computer, NTH had projected to introduce MIS system in NTH(SR), Chennai, NTH(NR), Ghaziabad and NTH(WR), Mumbai during the 11<sup>th</sup> Plan Period. The similar project was already in operation at NTH(ER), Kolkata from the year 2006-07( the end year of 10<sup>th</sup> Plan).

During the 11<sup>th</sup> Plan Period, the MIS has already been launched in NTH(SR),Chennai during the year 2009-10. The necessary works to introduce in NTH(NR), Ghaziabad and NTH(WR), Mumbai have already taken up and it is expected that MIS will be operationalized in both the regions during the year 2011-12..

All the works executed so far and for providing regular support to existing MIS system, the funds allocated under the head IT(Plan) from the year 2007-08 to 2010-11 in RE is Rs. 1.87 crore and actual expenditure is Rs. 1.13 crore ( % utilization 60.4). The allocation in BE under the head IT(Plan) for the year 2011-12 is Rs. 0.70 crore. This year, total fund allocated is expected to be utilized.

**A comparison of 10<sup>th</sup> Plan and 11<sup>th</sup> Plan of NTH in financial perspective as shown below shows that during the 11<sup>th</sup> Plan Period despite of almost three fold**



increase of plan allocation in comparison to 10<sup>th</sup> Plan, NTH dedicatedly utilized the financial resources provided through Plan to comply with the major objective to strengthen NTH in all respect for providing its valuable services in the area of test, quality evaluation, calibration and related scientific and technological services.

10 <sup>th</sup> Five Year Plan(2002-03---2006-07)				11 <sup>th</sup> Five Year Plan(2007-08---2011-12)			
Year	BE ( Rs. in Crore)	RE ( Rs. in Crore)	Actual Expenditure ( Rs. in Crore)	Year	BE ( Rs. in Crore)	RE ( Rs. in Crore)	Actual Expenditure ( Rs. in Crore)
2002-03 1 <sup>st</sup> Year	3.95	2.50	2.45	2007-08 1 <sup>st</sup> Year	24.90	8.27	5.39
2003-04 2 <sup>nd</sup> Year	3.80	3.80	3.39	2008-09 2 <sup>nd</sup> Year	14.00	11.62	9.99
2004-05 3 <sup>rd</sup> Year	5.73	5.39	5.00	2009-10 3 <sup>rd</sup> Year	15.00	14.45	13.47
2005-06 4 <sup>th</sup> Year	5.66	5.49	5.16	2010-11 4 <sup>th</sup> Year	17.17	17.17	15.60
2006-07 5 <sup>th</sup> Year	6.50	6.35	4.62	2011-12 5 <sup>th</sup> Year	21.22	-----	-----
Total	25.64	23.53	20.62	Total	71.07 (exclud- ing 2011-12)	51.51 (excluding 2011-12)	44.45 (excluding 2011-12)

## Section-5 :

Now taking into consideration all the aspects as delineated above and with a strong reaffirmation to steer National Test House(NTH) under Department of Consumer Affairs for achieving the new milestones as focused in the **Vision of National Test House(NTH) during 12<sup>th</sup> Plan Period and strategies thereof in the Section-2(above)( Page no.3—6)** and with a view to strengthening more and consolidate NTH as an institute to be reckoned with in the area of Test and Quality Evaluation of Industrial and Consumer Products, Calibration & Measurement services, and other related S&T services at the end of the 12<sup>th</sup> Five Year Plan Period ( 2012-13----2016-17), **the 12<sup>th</sup> Five Year Plan proposals in the form of Projects deemed to be implemented by NTH under the guidance of DoCA is submitted below in detail :**

## 5.1 : Functioning of NTH :

REGION	AREA OF TECHNOLOGY					
	CHEMICAL	CIVIL	MECHANICAL/ CALIBRATION	RUBBER, PAPER, TEXTILE	NDT	ELECTRICAL/ CALIBRATION
NTH(ER) KOLKATA	√	√	√ √	√	√	√ √
NTH(WR) MUMBAI	√	√	√ √	√	√	√
NTH(SR) CHENNAI	√	√	√ √	√	√	√
NTH(NR) GHAZIABAD	√	√	√ √	√	√	√
NTH(NWR) JAIPUR	√	√	√			√
NTH(NER) GUWAHATI	√	√	√			

### NTH services:

- Testing & Evaluation
- Calibration
- Failure Analysis
- Certification of Welders( as per IBR Act 1950)
- Product Development Assistance
- R & D in Testing Technology
- Training
- Consultancy
- Standardization
- Accreditation
- Noise Pollution measurement( notified by Central Pollution Control Board)( Diesel Generator)

## 5.2 Projection of 12th Five Year Plan (2012-13 to 2016-17), Scheme-wise as well as Project-wise :

National Test House has conceptualized to implement a number of projects pertain to all the existing NTH regions under broad based Schemes ramified for six NTH Regions with a vision to modernize and strengthen NTH and to make NTH self-sufficient at the end of 12th Five Year Plan Period

The project-wise details along with the justification, both scientific and economic, estimated cost and outcome covered under broad schemes( Region-wise) are furnished below :

1. **Project No. :01 Project Code :NTH/XII Plan/NWR/CS-1 NTH (NWR), Jaipur.**

**Continuing Scheme:**

(a) **Scope :** In order to cope up with the demands of testing facilities in the north western region of the country as also to create quality consciousness among the Industrial units of the region, it has been felt necessary to augment its facility both in terms of building as well as machinery and equipments.

Currently the laboratory has three major disciplines namely Chemical, Mechanical and Civil. The Electrical Product Test Laboratories is presently functioning marginally. However, there is tremendous prospect of Electro-Technical and Rubber, Plastic, Paper & Textile(RPPT) Products Test Laboratories. The existing laboratory space is not sufficient enough to set up complete test facilities of Electrical Products. Considering these aspects, an additional covered area of approx. **1000 m<sup>2</sup>** by extension of additional floor is essential for setting up of the Electrical and RPPT laboratories along with Computer Room, Library, Director's Room, etc. The other schemes as projected are as follows :

- 1) It is proposed that owing to increasing use of **appliances based on Solar Energy**, the demand for testing of Solar Energy generating appliances and products based on solar energy will be coming up very fast and to cope up with the demand test facilities of Solar Panel, Solar Light etc. will be created in NTH(NWR), Jaipur during the 12<sup>th</sup> Five Year Plan. This requires procurement of new Machinery and Equipments (already identified)
- 2) In addition, NTH(NWR), Jaipur will create new test facilities in the existing laboratories, augment the scope of test facilities in accordance with demand of industries and consumers for which a number of Machinery and Equipments are required to be procured. Besides, it is also required to replace some worn out Machinery and Equipments being used for substantial period of time
- 3) Apart from the infrastructural development and procurement of machinery & equipments, capacity building of Scientists are also required for updating knowledge & skill and for which Scientists are to be trained from noted training institutions. The participations of Scientists in seminar and workshop are also a part of scientific activity pursued by NTH. Promotion of R&D activity by the Scientists on test methodologies are also to be continuing during the 12<sup>th</sup> Five Year Plan.
- 4) Extension of computer based MIS system and other IT related activities.

**(b) Cost estimates :**

The expenditure likely to be incurred under different heads for NTH(NWR), Jaipur during 12<sup>th</sup> Five Year Plan for expansion of Laboratory activities and enhancement of growth are as follows :

**1) Head- Major Works( Land & Building)( Plan, Capital)**

a) Vertical extension of the existing Building by another floor ( cover area 1000 m<sup>2</sup> ) : **Rs.2.00 Crore ( as per CPWD rate in Jaipur Region)**

b) Maintenance of existing building and miscellaneous minor constructions etc. : **Rs. 2.00 Crore**

**Sub-Total (a +b) : Rs. 4.00 Crore**

**2) Head-- Machinery & Equipment (M & E)( Plan, Capital) : Rs. 3.81Crore**

**(The list of Machinery & Equipments due to be procured along with cost estimate and justification is enclosed in Annex-III)**

**3) Head- Recurring (Plan, Revenue) ( Office Expenditure(OE), Travel Expenditure(DTE &FTE) : Rs. 2.00 crore**

The expenditure likely to be incurred under OE are cost related to sustaining of NABL accreditation and BIS recognition for existing laboratories and proposed new laboratories including calibration of equipments from NPL meant for test & calibration , training of scientists and other supporting technical staff , organization of workshop, seminar, promotion of R&D activity and other miscellaneous scientific activities , outsourcing of security, cleaning etc..

**4) Head – Information Technology(IT)(Plan, Revenue) : 0.40 Crore**

It is proposed that existing computer based MIS system of NTH already operationalized in NTH(ER), Kolkata, NTH(SR), Chennai, NTH(NR), Ghaziabad and NTH(WR), Mumbai during the 11<sup>th</sup> Five year Plan, is to be extended in NTH(NWR), Jaipur during the **12<sup>th</sup> Plan at a cost of Rs. 12.0 lakh** and the remaining will be incurred in recurring expenditure on annual basis for five years

**Hence Total estimated cost of the project for NTH(NWR), Jaipur : Rs. 10.21 Crore Total( 1+2+3+4)**

**(c) Time of completion of extension of additional floor :**

The expected date of completion of the 1<sup>st</sup> floor extension of the building and building for Impulse Generation Test system: 18 months after undertaking the construction project by CPWD, subject to timely authorization of funds by the Department of Consumer Affairs as well as the execution of the works by CPWD authority. The construction work is expected to be undertaken by CPWD from the year 2012-13 subjected to the approval.

**(d) Feasibility and Outcome:** The facilities for creating testing of samples in Electrical and RPPT disciplines would boost up the revenue earning of the region for achieving the goal of self-sufficiency during the coming years of the said Plan period. Once the construction of additional floor will be completed tentatively in the middle of the year **2013-14**, the total revenue generation of the added disciplines along with the functioning of existing disciplines is expected to be around **Rs.6.50 Crore** at the end of the plan period . This return also includes by providing training and consultancy to industrial professionals and students from academic institutions.

**(e) Space requirement :** The space in the existing premises is not sufficient enough to implement the project. However, once the vertical extension of one additional floor will be completed tentatively by **2013-14**, the space will be sufficient to accommodate all the schemes.

**(f) Human Resource Requirement for implementation of the schemes for the project:**

Existing scientific and technical personnel in NTH(NWR), Jaipur, can execute the project substantially and additional manpower can be provided by restructuring and redeployment from NTH system as a whole once NTH acquired the total sanctioned strength as prescribed.

**Estimated cost at a glance for NTH(NWR), Jaipur in order to execute the projects under Continuing Scheme and total outcome in terms of revenue generation :**

**Grand total of estimated cost of all the schemes : Rs. 10.21 Crore**

**Outcome in terms of expected revenue generation :Rs. 6.50 Crore**

**2. Project No. :02 Project Code : NTH/XII Plan/WR/CS-2 NTH(WR), Mumbai :**

**Scope :** NTH(WR)Mumbai Region has been rendering testing services through six major disciplines namely Chemical, Mechanical, Electrical, Non-Destructive Testing(NDT), Civil and Rubber, Plastic, Paper and Textile(RPPT). It is also providing calibration services for Physico-Mechanical parameters. NTH(WR), Mumbai is performing progressively well over the years. But due to paucity of Laboratory Space in existing building, the expansion scope of laboratory activities is being immensely hindered. During the 11<sup>th</sup> Five Year Plan, it was proposed to construct Phase-II Building for NTH(WR), Mumbai. However, the proposal was not approved in the 11<sup>th</sup> Plan due to shortage of fund. **Hence, construction of Phase-II Building is proposed for the 12<sup>th</sup> Five Year Plan** in order to expand the functioning and activities of NTH(WR), Mumbai. The scopes as contemplated by NTH(WR), Mumbai during the 12<sup>th</sup> Five Year Plan are mentioned below :

- 1) Construction of new Phase-II Building in the vacant space available within the NTH(WR), Mumbai premises. The proposed new building will be G+4 storied with built up area 4520 sq m. NTH(WR), Mumbai can create new and demanding test facilities and expand the scope of existing test and calibration facilities in the proposed new building.
- 2) In addition, NTH(WR), Mumbai will create new test facilities in the existing laboratories, augment the scope of test facilities in accordance with demand of industries and consumers for which a number of Machinery and Equipments are required to be procured. Besides, it is also required to replace some worn out Machinery and Equipments being used for substantial period of time;
- 3) Apart from the infrastructural development and procurement of machinery & equipments, capacity building of Scientists are also required for updating knowledge & skill and for which Scientists are to be trained from noted training institutions. The participations of Scientists in seminar and workshop are also a part of scientific activity pursued by NTH. Promotion of R&D activity by the Scientists on test methodologies are also to be continuing during the 12<sup>th</sup> Five Year Plan.
- 4) Impulse Voltage Test system for testing of High Voltage Line Materials will also be created in NTH(WR), Mumbai
- 5) Extension of computer based MIS in the proposed Phase-II Building and also to maintain the existing MIS system and other related

**(b) Cost estimates :**

The expenditure likely to be incurred under different heads for NTH(WR), Mumbai during 12<sup>th</sup> Five Year Plan for expansion of Laboratory activities and enhancement of growth are as follows :

**1) Head- Major Works( Land & Building)( Plan, Capital)**

- a) Construction of new Phase-II Building : **Rs. 20.0 Crore** ( as per tentative estimated cost submitted ( G+4 storied with built up area 4520 sq m) by CPWD)
- b) Building for Impulse Voltage Test System : **Rs. 5.00 Crore**
- c) Maintenance of existing building and miscellaneous minor constructions etc. : **Rs. 4.00 Crore**

**Sub-Total (a +b+c) : Rs. 29.00 Crore**

**2) Head-- Machinery & Equipment (M & E)( Plan, Capital) : Rs. 6.46 crore**  
(The list of Machinery & Equipments due to be procured along with cost estimate and justification is enclosed in **Annex-III.**)

**3) Head- Recurring (Plan, Revenue)**

**(Office Expenditure(OE), Travel Expenditure(DTE &FTE) : Rs. 4 .00 crore**

The expenditure likely to be incurred under OE are cost related to sustaining of NABL accreditation and BIS recognition for existing laboratories and proposed new laboratories including calibration of equipments from NPL meant for test & calibration , training of scientists and other supporting technical staff , organization of workshop, seminar, promotion of R&D activity and other miscellaneous scientific activities , outsourcing of security, cleaning etc..

**4) Head – Information Technology(IT)(Plan, Revenue) : 0.40 Crore**

It is proposed that MIS system due to be installed in the year 2011-12 will be extended further to proposed new Phase-II building at the cost of **Rs. 10.0 lakh** and the remaining will be incurred in recurring expenditure on annual basis for five years

**Hence Total estimated cost of the project for NTH(WR), Mumbai : Rs. 39.86 Crore Total( 1+2+3+4)**

**(c) Time of completion of proposed new Phase-II Building :**

The expected date of completion of the new Phase-II Building will be around 30 months after undertaking the construction project by CPWD, subject to timely authorization of funds by the Department of Consumer Affairs as well as the execution of the works by CPWD authority. The construction work is expected to be undertaken by CPWD from the year 2012-13 subjected to the approval. The fund may be allocated to CPWD phase-wise on annual basis. The building for Impulse Voltage Testing will be coming up after completion of proposed Phase- II Building.

**(d) Feasibility and Outcome:** The enhancement of test facilities and creation of new test facilities as conceived by NTH(WR), Mumbai during the the 12<sup>th</sup> Five Year Plan which will be further boosting up after completion of new building , it is estimated that total revenue generation at the end of the 12<sup>th</sup> Five Year Plan Period will be around **Rs. 22.00 Crore** . This return also includes by providing training and consultancy to industrial professionals and students from academic institutions.

**(e) Space requirement :** The space in the existing premises is not sufficient enough to implement the project. However, once the new Phase-II building will be completed tentatively by **2014-15**, the space will be sufficient to accommodate all the schemes.

**(f) Human Resource Requirement for implementation of the schemes for the project:**

Existing scientific and technical personnel in NTH(WR),Mumbai, can execute the project substantially and additional manpower can be provided by restructuring and redeployment from NTH system as a whole once NTH acquired the total sanctioned strength as prescribed.

**Estimated cost at a glance for NTH(WR), Mumbai in order to execute the projects under Continuing Scheme and total outcome in terms of revenue generation :**

**Grand total of estimated cost of all the schemes : Rs. 39.86 Crore**

**Outcome in terms of expected revenue generation : Rs. 22.00 Crore**

**3. Project No. :03 Project Code : NTH/XII Plan/SR/CS-3**

**NTH(SR), Chennai :**



**Scope:** NTH(SR) Chennai Region has been rendering testing services through six major disciplines namely Chemical, Mechanical, Electrical, Non-Destructive Testing(NDT), Civil and Rubber, Plastic, Paper and Textile(RPPT). It is also providing calibration services for Physico-Mechanical parameters.

To overcome acute scarcity of Laboratory Space, construction of new Phase-II building within the existing premises of NTH(SR), Chennai was approved in the 11<sup>th</sup> Five Year Plan and the construction work for three storied building was taken up adjacent to the existing Laboratory Building. The construction of new building has completed and it will be brought into functioning during the current year(2011-12). The new laboratory building is likely to be an advantage for NTH(SR), Chennai in expanding its scope of activities. The scopes as contemplated by NTH(SR), Chennai during the 12<sup>th</sup> Five Year Plan are mentioned below :

1) **Creation of Automobile Tyre Test Facilities as per relevant IS specification.:** To create Automobile tyre test facilities both construction of exclusive building one storied and procurement of selective machinery & equipments are essential. NTH(SR), Chennai has already worked out on the creation of this specific scope both in respect of design of the building and listing of required Machinery & Equipments due to be procured.( **The project report prepared by NTH(SR), Chennai is enclosed in Annex-IV**)

2) Impulse Voltage Test system for testing of High Voltage Line Materials will also be created in NTH(SR), Chennai

3) In addition, NTH(SR), Chennai will create new test facilities in the existing laboratories, augment the scope of test facilities in accordance with demand of industries and consumers for which a number of Machinery and Equipments are required to be procured. Besides, it is also required to replace some worn out Machinery and Equipments being used for substantial period of time

4) Apart from the infrastructural development and procurement of machinery & equipments, capacity building of Scientists are also required for updating knowledge & skill and for which Scientists are to be trained from noted training institutions. The participations of Scientists in seminar and workshop are also a part of scientific activity pursued by NTH. Promotion of R&D activity by the Scientists on test methodologies are also to be continuing during the 12<sup>th</sup> Five Year Plan.

5) Extension of computer based MIS in the newly completed Phase-II Building and also to maintain the existing MIS system and other related IT expenditures.

**(b) Cost estimates :**

The expenditure likely to be incurred under different heads for NTH(SR), Chennai during 12<sup>th</sup> Five Year Plan for expansion of Laboratory activities and enhancement of growth are as follows :

**1) Head- Major Works( Land & Building)( Plan, Capital)**

a) Construction of exclusively designed building for creation of Automobile Tyre Test facilities : **Rs. 4.00 Crore** ( as per the present rate of CPWD)

b) Building for Impulse Voltage Test System : **Rs. 5.00 Crore**

c) Maintenance of existing building and miscellaneous minor constructions etc. : **Rs. 4.00 Crore**

**Sub-Total (a +b+c) : Rs. 13.00 Crore**

**2) Head-- Machinery & Equipment (M & E)( Plan, Capital) : Rs. 21.83 crore**

(The list of Machinery & Equipments due to be procured along with cost estimate and justification is enclosed in **Annex III . Cost of Machinery and Equipments for Automobile Tyre Test**, has been included. The detail of Machinery and Equipments for Testing of Automobile Tyres is shown separately in **Annex-IV**)

**3) Head- Recurring (Plan, Revenue)**

**(Office Expenditure(OE), Travel Expenditure(DTE &FTE) : Rs. 4 .00 crore**

The expenditure likely to be incurred under OE are cost related to sustaining of NABL accreditation and BIS recognition for existing laboratories and proposed new laboratories including calibration of equipments from NPL meant for test & calibration, training of scientists and other supporting technical staff , organization of workshop, seminar, promotion of R&D activity and other miscellaneous scientific activities , outsourcing of security, cleaning etc..

**4) Head – Information Technology(IT)(Plan, Revenue) : 0.40 Crore**

It is proposed that MIS system in the existing building will be extended further to newly build Phase-II building at the cost of **Rs. 10.0 lakh** and the remaining will be incurred in recurring expenditure on annual basis for five years

**Hence Total estimated cost of the project for NTH(SR), Chennai : Rs. 39.23 Crore**  
**Total( 1+2+3+4)**

**(c) Time of completion of proposed new buildings for creation of Automobile Tyre Test facilities and impulse Voltage Test System :**

The expected date of completion of the construction of exclusive buildings for creation of Automobile Tyre Test facilities and Impulse Test Voltage System will be taken up by CPWD, subject to timely authorization of funds by the Department of Consumer Affairs as well as the execution of the works by CPWD authority. The construction work is expected to be undertaken by CPWD from the year 2012-13 subjected to the approval.

**(d) Feasibility and Outcome:** The enhancement of test facilities and creation of new test facilities as conceived by NTH(SR), Chennai during the 12<sup>th</sup> Five Year Plan which will be further boosting up after completion of new building , it is estimated that total revenue generation at the end of the 12<sup>th</sup> Five Year Plan Period will be around **Rs. 22.00 Crore** . This return also includes by providing training and consultancy to industrial professionals and students from academic institutions.

**(e) Space requirement :** The space in the existing premises is not sufficient enough to implement the project. However, once the new Phase-II building will be completed tentatively by the end of the current financial year **2011-12**, the space will be sufficient to accommodate all the schemes.

**(f) Human Resource Requirement for implementation of the schemes for the project:**

Existing scientific and technical personnel in NTH(SR),Chennai, can execute the project substantially and additional manpower can be provided by restructuring and redeployment from NTH system as a whole once NTH acquired the total sanctioned strength as prescribed.

**Estimated cost at a glance for NTH(SR), Chennai in order to execute the projects under Continuing Scheme and total outcome in terms of revenue generation :**

**Grand total of estimated cost of all the schemes : Rs. 39.23 Crore**

**Outcome in terms of expected revenue generation : Rs. 22.00 Crore**

**4. Project No. :04 Project Code : NTH/XII Plan/NR/CS-4 NTH(NR), Ghaziabad :**

**Scope :** NTH(NR), Ghaziabad Region has been rendering testing services through six major disciplines namely Chemical, Mechanical, Electrical, Non-Destructive Testing(NDT), Civil and Rubber, Plastic, Paper and Textile(RPPT). NTH(NR), Ghaziabad comes out as a best performing NTH regions among the six regions of NTH during the 11<sup>th</sup> Five Year Plan both in respect of revenue generation and creation of unique and high value test facilities.. To overcome scarcity of

Laboratory Space, construction of one additional floor was approved in the 11<sup>th</sup> Five Year Plan and the construction work was completed in the year 2010-11. The Laboratory activities has already been expanded in the newly constructed additional floor and proved to be an added advantage for NTH(NR), Ghaziabad in enhancing its existing test facilities. The scopes as conceived by NTH(NR), Ghaziabad during the 12<sup>th</sup> Five Year Plan are furnished below :

**1) Creation of Automobile Tyre Test Facilities as per relevant IS specification.:**

To create Automobile tyre test facilities both construction of exclusive building one storied and procurement of selective machinery & equipments are essential. NTH(NR), Ghaziabad has already worked out on the creation of this specific scope both in respect of design of the building and listing of required Machinery & Equipments due to be procured. ( **The project report prepared by NTH(NR), Ghaziabad is enclosed in Annex-IV**)

2) Creation of Cement Concrete Pipe Testing- a highly demanding and utility product- facilities in the Civil Discipline has been worked out by NTH(NR), Ghaziabad for which a separate civil infrastructure is also required.

3) In addition, NTH(NR), Ghaziabad will create new test facilities in the existing laboratories, augment the scope of test facilities in accordance with demand of industries and consumers for which a number of Machinery and Equipments are required to be procured. Besides, it is also required to replace some worn out Machinery and Equipments being used for substantial period of time

4) Apart from the infrastructural development and procurement of machinery & equipments, capacity building of Scientists are also required for updating knowledge & skill and for which Scientists are to be trained from noted training institutions. The participations of Scientists in seminar and workshop are also a part of scientific activity pursued by NTH. Promotions of R&D activity by the Scientists on test methodologies are also to be continuing during the 12<sup>th</sup> Five Year Plan.

5) Sustaining of running maintenance of existing MIS system

**(b) Cost estimates :**

The expenditure likely to be incurred under different heads for NTH(NR), Ghaziabad during 12<sup>th</sup> Five Year Plan for expansion of Laboratory activities and enhancement of growth are as follows :

**1) Head- Major Works( Land & Building)( Plan, Capital)**

a) Construction of exclusively designed building for creation of Automobile Tyre Test facilities : **Rs. 4.00 Crore** ( as per the present rate of CPWD)

b) Civil Infrastructure for creation of Cement Concrete Pipe Test : **Rs 0.50 Crore**

c) Maintenance of existing building and miscellaneous minor constructions etc. : **Rs. 4.00 Crore**

**Sub-Total (a +b+c) : Rs. 8.50 Crore**

**2) Head-- Machinery & Equipment (M & E)( Plan, Capital) : Rs. 21.67 crore** ( The list of Machinery & Equipments due to be procured along with cost estimate and justification is **enclosed in Annex III . Cost of Machinery and Equipments for Automobile Tyre Test, has been included. The detail of Machinery and Equipments for Testing of Automobile Tyres is shown separately in Annex-IV)**

**3) Head- Recurring (Plan, Revenue) ( Office Expenditure(OE), Travel Expenditure(DTE &FTE) : Rs. 4 .00 crore**

The expenditure likely to be incurred under OE are cost related to sustaining of NABL accreditation and BIS recognition for existing laboratories and proposed new laboratories including calibration of equipments from NPL meant for test & calibration , training of scientists and other supporting technical staff , organization of workshop, seminar, promotion of R&D activity and other miscellaneous scientific activities , outsourcing of security, cleaning etc..

**4) Head— Information Technology(IT)(Plan, Revenue) : 0.30 Crore**

It is proposed that to maintain existing MIS system and other related IT activities in NTH(NR), Ghaziabad , Rs. 0.30 lakh has been proposed for five years

**Hence Total estimated cost of the project for NTH(NR), Ghaziabad : Rs. 34.47 Crore Total( 1+2+3+4)**

**(c) Time of completion of proposed Civil Infrastructure/ Building for creation of, Automobile Tyre Test facilities and Concrete Pipe Test Facilities :**

The expected date of completion of the construction of **Civil Infrastructure/ Building for creation of Automobile Tyre Test facilities and Concrete Pipe Test Facilities** will be taken up by CPWD, subject to timely authorization of funds by the Department of Consumer Affairs as well as the execution of the works by CPWD authority. The construction work is expected to be undertaken by CPWD from the year 2012-13 subjected to the approval and availability of fund on annual basis.

**(d) Feasibility and Outcome:** The enhancement of test facilities and creation of new test facilities as conceived by NTH(NR), Ghaziabad during the 12<sup>th</sup> Five Year Plan , it is estimated that total revenue generation at the end of the 12<sup>th</sup> Five Year Plan Period will be around **Rs. 25.00 Crore** .This return also includes by providing training and consultancy to industrial professionals and students from academic institutions.

**(e) Space requirement :** As the laboratory space of NTH(NR), Ghaziabad has already been increased during the 11<sup>th</sup> Plan Period and the proposed civil infrastructure/building for specific test facilities to be created( as stated above), the laboratory space will be suffice to undertake all the new and added test facilities.

**(f) Human Resource Requirement for implementation of the schemes for the project:**

Existing scientific and technical personnel in NTH(NR),Ghaziabad can execute the project

substantially and additional manpower can be provided by restructuring and redeployment from NTH system as a whole once NTH acquired the total sanctioned strength as prescribed.

**Estimated cost at a glance for NTH(NR), Ghaziabad in order to execute the projects under Continuing Scheme and total outcome in terms of revenue generation :**

**Grand total of estimated cost of all the schemes : Rs. 34.47 Crore**

**Outcome in terms of expected revenue generation : Rs. 25.00 Crore**

**5. Project No. :05 Project Code : NTH/XII Plan/ER/CS-5 NTH(ER), Kolkata :**

**Scope :** NTH(ER), Kolkata Region has been rendering testing services through six major disciplines namely Chemical, Mechanical, Electrical, Non-Destructive Testing(NDT), Civil and Rubber, Plastic, Paper and Textile(RPPT). It also renders calibration and measurement services in both Physico- Mechanical and Electro-Technical Parameters. NTH(ER), Kolkata maintains two Laboratory Complexes one at Alipore, Kolkata( where NTH was established initially almost a century old) and the new complex at SaltLake, Kolkata established in the year 2003. The office of the Director General, NTH is functioning from the same complex of Salt Lake along with the functioning of NTH(ER), Kolkata.

During the 11<sup>th</sup> Five Year Plan in the year 2009-10 , NTH conceived to set up a State-of-the -Art Training Centre with all essential facilities and modern amenities to promote expertise in the field of Test Engineering among the Students and the professionals. With this view , NTH had partially completed it during the period of 11<sup>th</sup> Five Year Plan. Afterwards NTH , on receipt of the directives from the Govt. of India , had involved itself for creation of a pool of Skilled Manpower within the year 2020 as envisaged by the Honorable Prime Minister of India. During the 11<sup>th</sup> Five Year Plan in the year 2009-10, a Training Institute of NTH(ER) was set up after revamping and renovating a portion of the built up area. As already stated in the earlier section that NTH(ER), Kolkata has already been receiving encouraging response from industrial circles, Govt. organizations( both state and central) for participating in the training courses conducted by NTH(ER) on modular basis. The other scopes in the field of new test area and augmentation of existing test and calibration activities, as perceived by NTH(ER), Kolkata on the basis of demand from customers and clients are furnished below :

**1) Impulse Voltage Test system for testing of High Voltage Line Materials:**

**NTH(ER) was the first region to start the Impulse Voltage Testing with equipments received from UNDP as a token of gift to the Govt. of India as Developing Country. For quite a long period the said equipment had generated a good amount of revenue for NTH. But, with the passage of time this model became obsolete and non-repairable due to the unavailability of spares.**

Hence , at the onset of 12<sup>th</sup> Five Year Plan , NTH proposes to revamp the facility of Impulse Voltage Testing in a region where NTH had started it's journey in the year 1912 and would celebrate it's centenary in the year 2012.

2) In addition, NTH(ER), Kolkata will create new test facilities in the existing laboratories, augment the scope of test facilities in accordance with demand of industries and consumers for which a number of Machinery and Equipments are required to be procured. Besides, it is also required to replace some worn out Machinery and Equipments being used for substantial period of time

3) Apart from the infrastructural development and procurement of machinery & equipments, capacities building of Scientists are also required for updating knowledge & skill and for which Scientists are to be trained from noted training institutions. The participations of Scientists in seminar and workshop are also a part of scientific activity pursued by NTH. Promotions of R&D activity by the Scientists on test methodologies are also to be continuing during the 12<sup>th</sup> Five Year Plan.

4) Sustaining of running maintenance of existing MIS system

**(b) Cost estimates :**

The expenditure likely to be incurred under different heads for NTH(ER), Kolkata during 12<sup>th</sup> Five Year Plan for expansion of Laboratory activities and enhancement of growth are as follows :

**1) Head- Major Works( Land & Building)( Plan, Capital)**

Maintenance of two existing buildings and miscellaneous minor constructions etc.  
: **Rs. 9.00 Crore**

**Sub-Total : Rs. 9.0 Crore**

**2) Head-- Machinery & Equipment (M & E)( Plan, Capital) : Rs. 11.55 Crore**

( The list of Machinery & Equipments due to be procured along with cost estimate and justification is enclosed in **Annex-III**)

**3) Head- Recurring (Plan, Revenue)**

**(Office Expenditure (OE), Travel Expenditure (DTE &FTE) : Rs. 6 .00 crore**

The expenditure likely to be incurred under OE are cost related to sustaining of NABL accreditation and BIS recognition for existing laboratories and proposed new laboratories including calibration of equipments from NPL meant for test & calibration , training of scientists and other supporting technical staff , organization of workshop, seminar, promotion of R&D activity and other miscellaneous scientific activities , outsourcing of security, cleaning etc..

**4) Head— Information Technology(IT)(Plan, Revenue) : 0.30 Crore**

It is proposed that to maintain existing MIS system and other related IT activities in NTH(ER), Kolkata , Rs. 0.30 crore has been proposed for five years

**Hence Total estimated cost of the project for NTH(ER), Kolkata : Rs. 26.85 Crore**  
**Total( 1+2+3+4)**

**(c) Feasibility and Outcome:** The enhancement of test facilities and creation of new test facilities as conceived by NTH(ER), Kolkata during the 12<sup>th</sup> Five Year Plan , it is estimated that total revenue generation at the end of the 12<sup>th</sup> Five Year Plan Period will be around **Rs. 30.00 Crore** . This return also includes by providing training and consultancy to industrial professionals and students from academic institutions.

**(e) Space requirement :** The present laboratory space is sufficient to cater the existing and newly added test and calibration services as proposed. Some minor construction which may be required has already been taken into account.



**(f) Human Resource Requirement for implementation of the schemes for the project:**

Existing scientific and technical personnel in NTH(ER), Kolkata can execute the project substantially and additional manpower can be provided by restructuring and redeployment from NTH system as a whole once NTH acquired the total sanctioned strength as prescribed.

**Estimated cost at a glance for NTH(ER), Kolkata in order to execute the projects under continuing Scheme and total outcome in terms of revenue generation:**

**Grand total of estimated cost of all the schemes : Rs. 26. 85 Crore**

**Outcome in terms of expected revenue generation : Rs. 30.00 Crore**

**6. Project No. : 06 Project Code :NTH/XII Plan/NER/CS-6**

**NTH (NER), Guwahati**

**Continuing Scheme :**

**(a) Scope :** During the 11<sup>th</sup> Five Year Plan Period, the project for construction of permanent four storied Laboratory cum Office Building and adjacent four Storied Residential Building was undertaken. The Residential Building had already been constructed. This building is presently being utilized for functioning of Laboratories because the old semi permanent sheds used to functioning as laboratories had already been demolished for on-going construction of Laboratory cum Office Building. The project was spilled over because of escalation of cost after submission of revised estimation by CPWD. The Laboratory cum Office Building of NTH(NER), Guwahati is likely to be completed by the end of 2<sup>nd</sup> Year of 12<sup>th</sup> Plan i.e. 2013-14. Therefore, the functioning of laboratories in NTH(NER), Guwahati is expected to be in full swing from the year 2014-15. Presently, three laboratories namely Chemical, Mechanical and Civil have been functioning in NTH(NER), Guwahati. No doubt, it caters the need of testing required for ongoing projects undertaken by State and Central Government. Taking into account the stop gap arrangement of laboratory functioning, NTH(NER), Guwahati will presently adhere to existing activities and will expand the scope after the completion of the building. During the 12<sup>th</sup> Plan the following schemes are likely to be executed by NTH(NER), Guwahati.

1) Completion of on-going construction of Laboratory cum Office Building

2) Procurement of Machinery and Equipments for augmentation of existing facilities

3) Extension of computer based MIS system and other IT related activities.

**(b) Cost estimates :**

The expenditure likely to be incurred under different heads for NTH(NER), Guwahati during 12<sup>th</sup> Five Year Plan for sustaining of existing Laboratory activities and augmentation of testing scopes are as follows :

**1) Head- Major Works( Land & Building)( Plan, Capital)**

Completion of on-going construction of : **Rs. 7.0 Crore** Laboratory cum Office Building

**2) Head-- Machinery & Equipment (M & E)( Plan, Capital) : Rs.2.26 Crore**

( The list of Machinery & Equipments due to be procured along with cost estimate and justification is enclosed)

**3) Head- Recurring (Plan, Revenue)**

**( Office Expenditure(OE), Travel Expenditure(DTE &FTE) : Rs. 3.00 crore**

The expenditure likely to be incurred under OE are cost related to sustaining of NABL accreditation and BIS recognition for existing laboratories and proposed new laboratories including calibration of equipments from NPL meant for test & calibration , training of scientists and other supporting technical staff , organization of workshop, seminar, promotion of R&D activity and other miscellaneous scientific activities , outsourcing of security, cleaning etc.

**4) Head – Information Technology(IT)(Plan, Revenue) : 0.15 Crore**

It is proposed that existing computer based MIS system of NTH already operationalized in NTH(ER), Kolkata, NTH(SR), Chennai, NTH(NR), Ghaziabad and NTH(WR), Mumbai during the 11<sup>th</sup> Five year Plan, is to be extended in NTH(NER), Guwahati during the 12<sup>th</sup> Plan at a cost of **Rs. 15.0 lakh( after completion of building)**

**Hence Total estimated cost of the project for NTH(NER), Guwahati : Rs. 12.41 Crore Total( 1+2+3+4)**

**(c) Time of completion of on-going construction of Laboratory cum Office Building :**

The expected date of completion of the building as submitted by CPWD will be 2013-14.

**(d) Feasibility and Outcome:** The outcome in terms of revenue generation will not be commensurate with the other NTH regions. However, it is estimated that by pursuing the existing activities, the outcome will be approximately **Rs. 3.0 Crore**

**(e) Space requirement :** The space in the existing premises is not sufficient enough to implement the project. However, once the Laboratory Building will be completed tentatively by **2013-14**, the space will be sufficient to accommodate additional scopes.

**(f) Human Resource Requirement for implementation of the schemes for the project:**

Existing scientific and technical personnel in NTH(NER), Guwahati can execute the existing functioning and additional manpower subjected to the requirement in future can be provided by restructuring and redeployment from NTH system as a whole once NTH acquired the total sanctioned strength as prescribed.

**Estimated cost at a glance for NTH(NER), Guwahati in order to execute the projects under Continuing Scheme and total outcome in terms of revenue generation :**

**Grand total of estimated cost of all the schemes : Rs. 12. 41 Crore**

**Outcome in terms of expected revenue generation :Rs. 3.00 Crore**

## **Annex-I**

### **List of Equipments purchased during 1<sup>st</sup> Four Year of 11<sup>th</sup> Five Year Plan 2007-08 to 2010-11**

<i>Sl No</i>	<i>Name of Equipments</i>	<i>Region</i>	<i>Laboratory</i>	<i>Approx. Cost (Rs.) in Lacs</i>
<b>During 2007-08</b>				
1	Spares for Carbon-Sulphur Determinator	NTH(SR)	Chemical	1.23
2	Inductively Coupled Plasma Spectrometer (ICP)	NTH(SR)	Chemical	36.00
3	Spares for AAS	NTH(ER)	Chemical	5.50
4	Inductively Coupled Plasma Spectrometer (ICP)	NTH(NR)	Chemical	33.77
5	Mass Comparator Balance	NTH(WR)	Mechanical	12.40
6	FTIR Spectrometer	NTH(NR)	Chemical	11.19
7	FTIR Spectrometer	NTH(NWR)	Chemical	11.19
8	Spares for FTIR Spectrometer	NTH(ER)	Chemical	2.43
9	Microwave Digester	NTH(SR)	Chemical	12.07
10	Microwave Digester	NTH(ER)	Chemical	12.07
11	100 KN UTM	NTH(NR)	Civil	9.11
12	Optical Emission Spectrometer	NTH(NWR)	Chemical	21.72
13	Carbon Sulphur Determinator	NTH(NER)	Chemical	14.22
14	Rotary Vacuum Evaporator	NTH(ER)	Chemical	4.03
15	Micro ECD Detector for GCMS	NTH(ER)	Chemical	2.56
16	Water Purification System	NTH(ER)	Chemical	4.35
17	Water Purification System	NTH(NWR)	Chemical	4.35
18	CHNS Determinator	NTH(ER)	Chemical	20.51
19	Hydrogen gas Generator	NTH(ER)	Chemical	3.5
<b>Total Expenditure under ME(Plan) = Rs. 2.41 crores</b>				
<b>During 2008-09</b>				
1.	Limiting Oxygen Index Tester with Smoke & Toxicity Index Tester	NTH(ER)	Chemical	6.75
2.	Portable Holiday Detector	NTH(ER)	Chemical	1.91
3.	Xenotest Alpha+ Weather-o-meter	NTH(ER)	Chemical	43.00

<i>Sl No</i>	<i>Name of Equipments</i>	<i>Region</i>	<i>Laboratory</i>	<i>Approx. Cost (Rs.) in Lacs</i>
4.	Impact Testing Machine	NTH(ER)	Mechanical	2.60
5.	Glow Discharge Optical Emission Spectrometer	NTH(ER)	Mechanical	34.00
6.	Life Cycle Tester of Battery	NTH(ER)	Electrical	97.00
7.	Xenotest Alpha+ Weather-o-meter	NTH(SR)	Chemical	50.00
8.	Critical Oxygen Index Tester	NTH(SR)	Electrical	4.38
9.	High Voltage Test Set 200 KV/ AC	NTH(SR)	Electrical	6.73
10.	FTIR LIBRARY	NTH(ER)	Chemical	12.00
11.	CALIBRATION STANDARD AND SPARE FOR UV-VIS	NTH(ER)	Chemical	3.00
<b>Total Expenditure under ME(Plan) = Rs. 4.57 crores</b>				
<b>During 2009-10</b>				
1.	Gas Chromatogram Mass Spectrometer	NTH (WR)	Chemical	45.84
2.	Micro Ohm Meter	NTH(NR)	Electrical	4.00
3.	Million Megohm Meter	NTH(NR)	Electrical	2.50
4.	UV-VIS Spectrophotometer	NTH (ER)	Chemical	3.57
5.	Burettes & Stirrer for Potentiometric Autotitrator	NTH (ER)	Chemical	2.56
6.	Dust Chamber	NTH (NWR)	Electrical	3.27
7.	Rotary Vacuum Evaporator	NTH (NWR)	Chemical	3.24
8.	Nitrogen Gas Generator	NTH (ER)	Chemical	3.05
9.	Mass Comparator Balance	NTH(NR)	Mechanical	17.27
10.	Portable Diesel Fuel Analyzer	NTH (ER)	Chemical	17.10
11.	Impulse Voltage Test System	NTH(NR)	Electrical	3,00.00
12.	MCB Test System	NTH(NR)	Electrical	1,28.18
13.	Universal Hardness Tester	NTH(NWR)	Mechanical	24.49
14.	Inductively Coupled Plasma Spectrometer	NTH(NWR)	Chemical	41.19
15.	Inductively Coupled Plasma Spectrometer	NTH (ER)	Chemical	42.64
16.	Gas Chromatogram Mass Spectrometer	NTH (NER)	Chemical	55.87
<b>Total Expenditure under ME(Plan) = Rs. 6.87 crores</b>				

<i>Sl No</i>	<i>Name of Equipments</i>	<i>Region</i>	<i>Laboratory</i>	<i>Approx. Cost (Rs.) in Lacs</i>
<b>During 2010-11</b>				
1.	Universal Testing Machine, 10 kN	NTH(NR)	RPPT	11.73
2.	Metallurgical Microscope	NTH(ER)	NDT	21.81
3.	Climatic Test Chamber	NTH(NR)	Electrical	15.32
4.	Universal Testing Machine, 1000 kN	NTH(NR)	Mechanical	81.60
5.	Universal Testing Machine, 50 kN	NTH(WR)	RPPT	24.00
6.	Universal Testing Machine, 50 kN	NTH(ER)	RPPT	24.00
7.	Universal Testing Machine, 600 kN	NTH(ER)	Civil	54.00
8.	Universal Testing Machine, 25 kN	NTH(ER)	Civil	12.00
9.	Universal Testing Machine, 100 kN	NTH(SR)	Civil	22.66
10.	Thermo gravimetric proximate analyser	NTH(ER)	Chemical	11.77
11.	Computer Controlled Battery Vibrator	NTH(ER)	Electrical	47.00
12.	Compression Testing Machine	NTH(SR)	Civil	17.00
13.	Xenon Arc Weathering Equipment	NTH(WR)	Chemical	51.42
14.	Temperature controlled cyclic corrosion salt spray chamber	NTH(ER)	Chemical	14.71
15.	Rebar Locator (5 nos.)	NTH(ER), (NR), (SR), (WR), (NWR)	Civil	18.57
16.	Ultrasonic Concrete Tester (5 nos.)	NTH(ER), (NR), (SR), (WR), (NWR)	Civil	18.81
17.	Reference sound source	NTH(NR)	Electrical	4.59
18.	Compression Testing Machine, 3000kN	NTH(NR)	Civil	10.76
19.	Water Purification System	NTH(SR)	Chemical	5.62
20.	3-Phase Thyristor Controlled Switch for MCB	NTH(NR)	Electrical	7.09
21.	Impact Testing Machine	NTH(WR)	NDT	2.99
22.	Bend & Re-bend Testing Machine	NTH(ER)	Mechanical	3.94
23.	Digital Tri-Glossmeter	NTH(ER)	Chemical	2.06
<b>Total Expenditure under ME(Plan) = Rs. 7.33 crores</b>				

**List of machinery & Equipments due to be procured during the year 2011-12**

<i>Sl. No</i>	<i>Name of Store/ Equipment</i>		<i>Estimated Value (Rs in lac)</i>	<i>Region &amp; Laboratory</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>1.</b>		<b>Universal Testing Machine 1000KN (Ind / Imp)</b>	<b>25</b>	<b>NTH(WR) Mumbai Mechanical</b>
<b>2.</b>		<b>Optical Emission Spectrometer (Imported)</b>	<b>25</b>	<b>NTH(WR) Mumbai Chemical</b>
<b>3.</b>		<b>Digital X-ray Machine 300 KVP</b>	<b>22</b>	<b>NTH(WR) Mumbai NDT</b>
<b>4.</b>		<b>BOD Incubator &amp; COD Digester</b>	<b>03</b>	<b>NTH(WR) Mumbai Chemical</b>
<b>5.</b>		<b>Equipment for testing of Flame Retardant Low Smoke Halogen Cables (FRLSH)</b>	<b>10</b>	<b>NTH(WR) Mumbai Electrical</b>
<b>6.</b>		<b>Compression Testing Machine, 2000 KN</b>	<b>20</b>	<b>NTH(WR) Mumbai Civil</b>
<b>7.</b>		<b>Set of Load Cell for Tension &amp; Compression, 0 -3000 KN</b>	<b>22</b>	<b>NTH(WR) Mumbai Mechanical</b>
<b>8.</b>		<b>Set of Hardness Block for Rockwell, Brinell &amp; Vickers</b>	<b>04</b>	<b>NTH(WR) Mumbai Mechanical</b>
<b>9.</b>		<b>Wet Abrasion Scrub Tester</b>	<b>3.5</b>	<b>NTH(WR) Mumbai</b>

<i>Sl. No</i>	<i>Name of Store/ Equipment</i>		<i>Estimated Value (Rs in lac)</i>	<i>Region &amp; Laboratory</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
				<b>Chemical</b>
<b>10.</b>		<b>Dissipation and Power factor Measurement System</b>	<b>5</b>	<b>NTH(SR) Chennai Electrical</b>
<b>11.</b>		<b>Impulse Tester, 100KV, 1.25kJ</b>	<b>25</b>	<b>NTH(SR) Chennai Electrical</b>
<b>12.</b>		<b>Partial Discharge Detector</b>	<b>10</b>	<b>NTH(SR) Chennai Electrical</b>
<b>13.</b>		<b>Humidity Chamber (Indigenous)</b>	<b>5</b>	<b>NTH(SR) Chennai Civil</b>
<b>14.</b>		<b>Universal Testing Machine 1000KN (Ind / Imp)</b>	<b>25</b>	<b>NTH(SR) Chennai Mechanical</b>
<b>15.</b>		<b>Environmental Chamber (Indigenous)</b>	<b>6</b>	<b>NTH(NR) Ghaziabad Civil</b>
<b>16.</b>		<b>Equipment for Testing of Lamps</b>	<b>16</b>	<b>NTH(NR) Ghaziabad Electrical</b>
<b>17.</b>		<b>Universal Reference Ballast</b>	<b>16</b>	<b>NTH(NR) Ghaziabad Electrical</b>
<b>18.</b>		<b>Photo Integrating Sphere (for Photometric Testing of Lamp)</b>	<b>12</b>	<b>NTH(NR) Ghaziabad Electrical</b>



<i>Sl. No</i>	<i>Name of Store/ Equipment</i>		<i>Estimated Value (Rs in lac)</i>	<i>Region &amp; Laboratory</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>19.</b>		<b>Constant Voltage Constant Frequency (CVCF) Apparatus -25 KVA</b>	<b>6</b>	<b>NTH(NR) Ghaziabad Electrical</b>
<b>20.</b>		<b>Equipment for Testing of Flame Retardant Low Smoke Halogen Cables (FRLSH)</b>	<b>20</b>	<b>NTH(NR) Ghaziabad Electrical</b>
<b>21.</b>		<b>Electronic Ballast Test, 300V, 5A, Accuracy: 01%</b>	<b>10</b>	<b>NTH(NR) Ghaziabad Electrical</b>
<b>22.</b>		<b>HRD Tester for Automotive Batteries</b>	<b>10</b>	<b>NTH(NR) Ghaziabad Electrical</b>
<b>23.</b>		<b>LM Cell Charger</b>	<b>05</b>	<b>NTH(NR) Ghaziabad Electrical</b>
<b>24.</b>		<b>Automatic Battery Charger</b>	<b>05</b>	<b>NTH(NR) Ghaziabad Electrical</b>
<b>25.</b>		<b>Instrument Transformer Test set</b>	<b>25</b>	<b>NTH(NR) Ghaziabad Electrical</b>
<b>26.</b>		<b>Water Meter Test Bench</b>	<b>15</b>	<b>NTH(NR) Ghaziabad Mechanical</b>
<b>27.</b>		<b>Hydraulic Pressure Testing System, 0 - 100 Kg/Sq.m</b>	<b>04</b>	<b>NTH(NR) Ghaziabad RPPT</b>
<b>28.</b>		<b>Smoothness &amp; Porosity Bendsen Type, 5 - 150, 50 - 500</b>	<b>03</b>	<b>NTH(NR) Ghaziabad RPPT</b>

<i>Sl. No</i>	<i>Name of Store/ Equipment</i>		<i>Estimated Value (Rs in lac)</i>	<i>Region &amp; Laboratory</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
29.		Schering Bridge, Ratio error, Accuracy- 0.005, Phase angle Accuracy 0.1mm	22	NTH(NR) Ghaziabad Electrical
30.		Dead Weight Tester, 20 – 7 – bar accuracy 0.05%	07	NTH(NR) Ghaziabad Mechanical
31.		Relaxation Test ing Machine for Stranded Wire	10	NTH(ER) Kolkata Mechanical
32.		Advanced Non Contact /Video Extensometer to be used in exist ing 600 KN UTM, Instron Make.	06	NTH(ER) Kolkata Mechanical
33.		High perfor mance Liquid Chromatograph	20	NTH(ER) Kolkata Chemical
34..		Scale & Tape Calibration Unit (indigenous),	04	NTH(ER) Kolkata Mech-Cal
35.		Universal Testing Machine 1000KN (Ind / Imp)	25	NTH(ER) Kolkata Mechanical
36.		1.Horizontal Test Machine (5 meter bed) 2.Ladder Test Set as per ASTM 3. Critical Oxygen Index Test Apparatus	10	NTH(ER) Kolkata Electronics
37.		1. Signal Generator up to 3 G Hz 2.Spectrum Analyzer up to 3 G	12	NTH(ER) Kolkata Elect-Cal

<i>Sl. No</i>	<i>Name of Store/ Equipment</i>		<i>Estimated Value (Rs in lac)</i>	<i>Region &amp; Laboratory</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
		<b>Hz</b>		
<b>38..</b>		<b>3 Phase Power/ Energy Calibra tion Bench</b>	<b>22</b>	<b>NTH(ER) Kolkata Electronics</b>
<b>39.</b>		<b>In-situ Metallography</b>	<b>05</b>	<b>NTH(ER) Kolkata NDT</b>
<b>40.</b>		<b>Abbe Refractometer for RI index determination</b>	<b>04</b>	<b>NTH(ER) Kolkata Chemical</b>
<b>41.</b>		<b>Horizontal Rope testing machine, Max. Load 200 KN</b>	<b>15</b>	<b>NTH(ER) Kolkata RPPT</b>
<b>42.</b>		<b>Internal Hydra ulic Pressure Testing Machine</b>	<b>04</b>	<b>NTH(ER) Kolkata RPPT</b>
<b>43.</b>		<b>Automatic Deflec tion Temperature and Vi cat soften ing temperature tester</b>	<b>10</b>	<b>NTH(ER) Kolkata RPPT</b>
<b>44.</b>		<b>Anodic Stripping Voltametry</b>	<b>05</b>	<b>NTH(ER) Kolkata Chemical</b>
<b>45.</b>		<b>Precision Electrical Measurement System Spike, Surge &amp; ESD Generation Set up, 15 KV(Max) (Imported)</b>	<b>15</b>	<b>NTH(ER) Kolkata Elect-Cal</b>
<b>46.</b>		<b>Constant Voltage Constant Frequency ( 25 KV CVCF) apparatus</b>	<b>08</b>	<b>NTH(ER) Kolkata Electrical</b>
<b>47.</b>		<b>3000 KN Compression Testing</b>	<b>25</b>	<b>NTH(ER) Kolkata Civil</b>

<i>Sl. No</i>	<i>Name of Store/ Equipment</i>		<i>Estimated Value (Rs in lac)</i>	<i>Region &amp; Laboratory</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
		<b>Machine</b>		
<b>48</b>		<b>Load cell 1000 KN (Tension) , Load Cell 1000KN (Compression) Accuracy 0.05% Class 0</b>	<b>08</b>	<b>NTH(ER) Kolkata Mech-Cal</b>
<b>49</b>		<b>Potentiostat-Galvanostat</b>	<b>20</b>	<b>NTH(ER) Kolkata NDT</b>
<b>50</b>		<b>Reference Standard for Internal Calibration/Check of working standards. AC/DC Transfer standards (Imported)</b>	<b>15</b>	<b>NTH(ER) Kolkata Elect-Cal</b>
<b>51</b>		<b>HRD tester for Automotive Batteries</b>	<b>10</b>	<b>NTH(ER) Kolkata Electrical</b>
<b>52</b>		<b>Peizzo-electrical Transducer for Helmet Testing set up.</b>	<b>04</b>	<b>NTH(ER) Kolkata Electronics</b>
<b>53</b>		<b>Measurement Bridge for LCR and Tan Delta Standards, 10 Hz to 2 MHz, Accuracy – 0.05%, RS- 232 (Imported)</b>	<b>35</b>	<b>NTH(ER) Kolkata Electronics</b>
<b>54</b>		<b>Portable Concrete Core cutter</b>	<b>6</b>	<b>NTH(ER) Kolkata Civil</b>
<b>55</b>		<b>Taber Abraser Apparatus</b>	<b>4</b>	<b>NTH(ER) Kolkata Chem</b>
<b>56</b>		<b>Humidity Chamber, (Indigenous)</b>	<b>5</b>	<b>NTH(NWR) Jaipur Electrical</b>

<i>Sl. No</i>	<i>Name of Store/ Equipment</i>		<i>Estimated Value (Rs in lac)</i>	<i>Region &amp; Laboratory</i>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>57</b>		<b>Digital Micro Ohmmeter, 1m- Ohm to 10 k-Ohm, Accuracy- 0.02% (Imported)</b>	<b>4</b>	<b>NTH(NWR) Jaipur Electrical</b>
<b>58</b>		<b>Meg-Ohm-meter, 1K-Ohm to 100 Tera-Ohm, accuracy - 0.5% (Imported)</b>	<b>7</b>	<b>NTH(NWR) Jaipur Electrical</b>
<b>59.</b>		<b>Compression Testing Machine,2000 KN</b>	<b>20</b>	<b>NTH(NER) Guwahati Civil</b>
<b>60.</b>		<b>Universal Testing Machine,100 KN</b>	<b>9</b>	<b>NTH(NER) Guwahati Civil</b>
<b>61.</b>		<b>Glow Discharge Source(GDS) Optical Emission Spectrometer (Imported)</b>	<b>35</b>	<b>NTH(NER) Guwahati Chemical</b>

## Annex-III

### List of equipments to be procured during 12<sup>th</sup> Five Year Plan of NTH (2012-13 to 2016-17)

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	<b>NTH(WR), Mumbai</b>			
	Equipment required for testing of wood and allied products : 1)) Humidity chamber.  2) Jig for measurement of length change.  3) Apparatus for determination of volumetric shrinkage.  4) Flammability test apparatus  5) Control temp. flat platen press for construction of boards.  6) UTM cap. 100KN	Civil Engg.	1.50  0.50  1.00  4.00  5.00  20.00	To develop the Centre of Excellence for wood/Timber testing
	Equipment required for testing of Concrete and allied products : 1) Core cutting and Grinding Machine  2) Flexural Strength test machine to test beams of Concrete.  3) Accelerated curing tank for concrete cubes for mix design.	Civil Engg.	2.00  2.00  2.00  5.00	Creation of New test facilities for Concrete & Tiles   This will be a unique facility to test quality of concrete.

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	4) Apparatus to test concrete for resistance to chloride ion penetration.		2.00	
	5) Apparatus to test permeability for water proofing compound in concrete.		6.00	
	6) Elcometer to test adhesives for concrete.		2.00	
	7) Tile cutting machine with Diamond cutting edge of 4.0 mm to test Paver block tiles.			
	Total of Civil Engg.		53.00	
	Equipment required to carry out calibration of Radiation Survey meter : 1) Sorce Exposure Device.	NDT	20.00	Survey indicates that this activities has huge potential in the city of Mumbai and around and can earn good amount of revenue
	2) Reference Standard Equipments Secondary standard.		7.00	
	3) Distancing system Assembly.		8.00	
	Total of NDT		35.00	
	LEDs AND LED LUMINARIES TEST SET UP			
	Photo detector 6( Optional7) Measurement Range Display Range 0.0001 Lux to 2000000Lux 4½ digit LED Display Range Auto/Manual Nominal Frequency 40-400Hz Adjustable Factor 0.001 to 99.99	Electrical		For measuring illuminance, Luminance intensity and luminance flux in laboratory in lighting system.
	Integrated sphere ( 20 & 76 inch ) Metal Frame construction with mechanism to open the sphere. Light tight mechanism Lock. 3 burning position( 2 vertical & 1 Horizontal )	Electrical		Integrated spheres are used to integrate radiant flux either from an external or internal

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
				source or radiation for Luminance flux measurement of light source by comparison with a standard lamp
	Colorimeter 6 measuring Range in Decades High Display Value Upto 600000Lux Resolution 0.001 Lux 4 digit display Light sensitive surface 14 or 16 mm dia Rated Voltage 230V $\pm 10\%$ Housing for Rack	Electrical		Colorimeter to be used for color measurement on primary light source i.e. Lamp , Luminaries, Light Signals, monitors display glasses and filter.
	DC Power supply System 50 V ,20A Adjustment 1 mV, 1 mA Low ripple and Noise	Electrical		
	Array Spectrometer with PC and soft ware .	Electrical		To be used for an ideal key identifies a accessories to enable reliable Operation with several measurement adapter.
		Total cost	100	
	<b>Impulse Voltage System with the following components:</b>  <ul style="list-style-type: none"> <li>● Impulse Generator, 2400kV, 100KJ</li> <li>● High Voltage rectifier, 200KV, 30mA</li> <li>● Multiple Chopping Unit 1200KV</li> <li>● Impulse Voltage Divider , 2400KV</li> <li>● Digital Impulse Analysing system, Dual Channel</li> <li>● Impulse Oscilloscope, Dual Channel with</li> </ul>	Electrical	300	New facility



Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	camera ● <b>Control Desk.</b> (Imported)			
	A.C. High voltage transformer with potential divider, Range: 0-120KV at 50Hz. for Electric strength and break down voltage of insulators.	Electrical	10.00	To cater the needs of industries located in this zone.
	Equipment required for Testing of conductor/wires/Cables  1) Kelvins Bridge.  2) Dust chamber  3) Draught proof enclosure.  4) Rain proof test apparatus  5) Splash/jet proof apparatus.	Electrical	25.00	Do
	Megohm bridge D.C. upto 5 KV for Inspection Resistance testing	Electrical	5.00	
	Decade high resistance box. for In house verification of calibration	Electrical	5.00	
	Equipments of sorts for miscellaneous work.	Electrical	25.00	
	Apparatus for testing of oxygen & temperature index , FRLS property of cables	Electrical	15.00	
	<b>Total of Electrical</b>		<b>485.00</b>	
	Equipment required to create complete testing facility for rigid PVC pipe as per IAS:4985 : 1) Hydraulic pump  2 )End fittings(4 sets) for different sizes of pipes . Trough size 2 x 1 x 1 metre.	RPPT	5.00  0.80	To develop the complete test facilities for RPPT products

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	3) Clearance tester		0.20	
	Equipment required to create test facilities for Industrial Safety Helmets and non Metallic Helmets : 1) Flammability tester.  2) Lamp bracket and cable clip strength tester.  3) Rigidity tester.  4) Shock absorption tester cum Penetration resistance tester	RPPT	5.00	To develop test facilities for Industrial Safety Helmets and non Metallic Helmets
	Equipment required to create the facility for testing water storage tank : 1) Migration apparatus  2) Carbon black dispersion apparatus.  3) Impact resistance tester	RPPT	0.60  1.50  1.00	To create the facility for testing water storage tank
	Equipment of Sorts : 1) Weighing balance Mettler  2) Air permeability tester.  3) Moisture regain oven  4) Bundesnman water repellency tester.  5) Taber Abrasion tester.  6) Pilling tester.  7) Stiffness tester taber.	RPPT	1.00  1.00  0.50  0.50  5.00  0.50	

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	8) Pressure gauges –Digital		0.50	
	9) Cryogenic chamber.		0.20	
	10) Ozone ageing apparatus.		1.50	
	11) Dumbell dyes for plastic sample.		2.00	
	12) Impact tester for safety and protective wear.		0.50	
	13) Ultraviolet conditioning chamber		2.00	
	14) Sole flexing of shoes		2.00	
	15) Softening point Ball and ring		2.00	
			0.50	
	<b>Total of RPPT</b>		<b>33.8</b>	
	Equipment required for Sterilization of glassware for Micro-biological test in drinking water :	Chemical		This will complete the testing of Packaged drinking water in respect of Micro-biological testing
	1) Autoclave for sterilization - 1 no.		0.50	
	2) Laminar flow – 1 no.		2.50	
	3)Incubator – 1 no.		2.00	
	4)Colony counter		0.50	
	UV-Visible spectrophotometer for metal testing	Chemical	5.00	
	FTIR for Polymer testing (Imported)	Chemical	15.00	
	Mercury Analyzer	Chemical	2.00	
	<b>Total of Chemical</b>		<b>27.5</b>	

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	Profile Projector two dimensional Mechanical Calibration 10 x to 100x , Resolution 0.1 micron	Mechanical	4.00	
	200KN Dynometer (tensile type) Class 1	Mechanical	8.00	Creation of new testing facility for crab winch, electrical winch
	<b>Total of Mechanical</b>		<b>12.0</b>	
	<b><u>TOTAL of NTH(WR),MUMBAI</u></b>		<b><u>646.3</u></b>	
	<b>NTH(SR), Chennai :</b>			
	Flexural testing machine , Used for Tiles of large sizes greater than 500mm length	Civil Engg.	2	Augmentation
	Abrasion Resistance apparatus, For ceramic, porcelain & vitrified tiles	Civil Engg.	3	New facility
	Thermal Shock apparatus, For ceramic, porcelain & vitrified tiles	Civil Engg.	3	New facility
	Environmental Chamber , For door shutter sample for testing Humidity change	Civil Engg.	10	New facility
	<b>Total of Civil Engg.</b>		<b>18.00</b>	
	Tensio meter-PC attached, 20kN with resolution of 10N for Testing strips and sheets	Mechanical	6	New facility
	Torque calibrator, 6-3000N-m	Mechanical	10	New facility
	<b>Total of Mechanical</b>		<b>16.00</b>	
	Atomic Absorption Spectrometer with graphite furnace , auto sampler, fully PC controlled Wave length range : 190- 900nm capable to hold six different hallow cathode lamps Slit width is automatic from 0.1 to 2.0 nm (Imported)	Chemical	30	Replacement
	Analytical top load balance , weighing range 0-250gm , Accuracy - 0.0001gm	Chemical	1. 0	New facility
	<b>Total of Chemical</b>		<b>31.0</b>	
	Testing equipments for Special purpose papers and composites thereof as per IS 1397, 11087,4006 etc., and	RPPT	15.00	<u>New facility</u>

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	other international specifications.			
	FTIR based instruments for testing of food grade plastic containers (e.g., PET water bottles, Containers for storing food items etc.) (Imported)	RPPT	15.00	<u>New facility to test plastic containers &amp; other items as per IS 2798 and others.</u>
	Total of RPPT		<b>30.0</b>	
	Micro Vickers Hardness Tester, <b>Test Loads:</b> 0.098, 0.246, 0.49, 0.98, 1.96, 2.94, 4.90, 9.80N (10gf-1000gf) <b>Loading Machanism:</b> Automatic loading and releasing. <b>Measurement Eyepiece:</b> Digital <b>Max. Measuring Length:</b> 175 Microns. <b>Least Count:</b> 0.025 Microns <b>Micro Test Table:</b> Dimensions: 100X100mm, Max. Movement: 25mm in X-Y axis <b>Power Supply:</b> AC230V, 50Hz Total Weight of the System: 25Kgs.	NDT	5.0	Augmentation
	<b>Total of NDT</b>		<b>5.0</b>	
	Climatic Test Chamber, 600Liters, 950mmH x 800mmW x 800mmD, -40°C to 180°C, RH:10% to 98% (Imported)	Electrical	20	New facility
	Dust Chamber, 1000 lts. Shall meet the requirement of IS:2147 & 10236	Electrical	10	New facility
	Rain Test Apparatus, 1000 lts Shall meet the requirement of IS:2147 & 10236	Electrical	5	New facility
	Horizontal UTM*, <b>200kN with an Admit place 8mtrs, LC 0.01kN, framed type with Hydraulic grip &amp; CNC programmable type.</b>	Electrical	35	New facility
	<b>AC Power Frequency High Voltage System with the following components:</b> Power frequency Cascade Transformers setup of 1200kV (ie., 2 Nos. of 600kV) 1200kVA with necessary accessories	Electrical	100	New facility

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	1. SF6 circuit breaker / contactor 3.3KV 2. Regulating transformer 3300 / 0-1000V, 550KVA 3. Low Voltage Filter. 4. Reactors , 120KVAR 5. High Voltage Filter – 300KV, 1A 6. Coupling Capacitor, 300KV, 1000pf 7. Injection Capacitor, 300KV, 100pf 8. Sphere gap arrangement : 1 meter diameter 9. Cable termination 10. Partial Discharge detector. 11. Partial Discharge bridge. 12. Standard Capacitor, 600KV, 33.3pf 13. Charge Calibrator, 5-100 pc 14. Control desk consisting of peak as well as r.m.s memory volt meter 15. <b>AC test voltage divider 1200KV (Imported)</b>			
	<b>Impulse Voltage System with the following components:</b> <ul style="list-style-type: none"> <li>● Impulse Generator, 2400kV, 100KJ</li> <li>● High Voltage rectifier, 200KV, 30mA</li> <li>● Multiple Chopping Unit 1200KV</li> <li>● Impulse Voltage Divider , 2400KV</li> <li>● Digital Impulse Analysing system, Dual Channel</li> <li>● Impulse Oscilloscope, Dual Channel with camera</li> <li>● <b>Control Desk. (Imported)</b></li> </ul>	Electrical	300	New facility
	<b>High Voltage Schering Bridge , 200kV, 50 Hz with accessories (Imported)</b>	Electrical	45	New facility
	<b>LEDs AND LED LUMINARIES TEST SET UP</b>			

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	Photo detector 6( Optional7) Measurement Range Display Range 0.0001 Lux to 2000000Lux 4½ digit LED Display Range Auto/Manual Nominal Frequency 40-400Hz Adjustable Factor 0.001 to 99.99	Electrical		For measuring luminance, Luminance intensity and luminance flux in laboratory in lighting system.
	Integrated sphere ( 20 & 76 inch ) Metal Frame construction with mechanism to open the sphere. Light tight mechanism Lock. 3 burning position( 2 vertical & 1 Horizontal )	Electrical		Integrated spheres are used to integrate radiant flux either from an external or internal source or radiation for Luminance flux measurement of light source by comparison with a standard lamp
	Colorimeter 6 measuring Range in Decades High Display Value Upto 600000Lux Resolution 0.001 Lux 4 digit display Light sensitive surface 14 or 16 mm dia Rated Voltage 230V ±10% Housing for Rack	Electrical		Colorimeter to be used for color measurement on primary light source i.e. Lamp , Luminaries, Light Signals, monitors display glasses and filter.
	DC Power supply System 50 V ,20A Adjustment 1 mV, 1 mA Low ripple and Noise	Electrical		
	Array Spectrometer with PC and soft ware .	Electrical		To be used for an ideal key identifies a accessories to enable reliable Operation with

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
				several measurement adaptor.
		Total cost	100	
		Total of Electrical	<b>615.0</b>	
	<b><u>TOTAL of NTH(SR),CHENNAI</u></b>		<b><u>715.0</u></b>	
	<b>NTH(NWR), Jaipur</b>			
	Universal Testing Machine (UTM), Capacity <b>1000 kN</b> , Computerised with window based software (Imported) Range : 0 to 100 X 0.1 kN, 0 to 300 X 0.5 kN, 0 to 600 X 1kN (Imported)	Mechanical	70	New facility for testing of mechanical engineering products
	Horizontal tensile testing machine Computerised with window based software Capacity -200 kN, Accuracy $\pm 1\%$ , Range: 0 - 100 kN, 0 -200 kN (Indigenous / Imported)	Mechanical	35	New facility for testing of ACSR/ AAAC conductors of nominal size above 100 m <sup>2</sup>
		Total of Mechanical	<b>105.0</b>	
	Tensile Testing Machine for paper and Textile, Computerised with window based software (Imported) Capacity - 10 kN, Accuracy $\pm 0.5\%$ , Range 0-5kN, 0-10 kN, (Imported)	RPPT	15	New facility for measuring tensile strength of papers and plastics
		Total of RPPT	<b>15.0</b>	
	Carbon cum Xenon Arc fade o meter cum weatherometer (Imported)	Chemical	55	Augmentation of Color fastness test in Paint, Plastics, Laminate sheets and Textile materials
	Proximate analyzer (For Coal), (Imported)	Chemical	15	New Instrumental facility for Proximate analysis of coal and other Organic products.
	Digital Gas Analyzer	Chemical	10	New Instrumental



Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	Oxygen, Nitrogen, Acetylene etc. with IR/TC detector			facility for gas analysis.
	Microwave Digester (Imported)	Chemical	12	New Instrumental facility for rapid analysis of Metals and other Organic Chemicals.
	Total of Chemical		<b>92.0</b>	
	Core cutting machine with accessories	Civil	6	New test facility for testing of Concrete
	Abrasion apparatus with 8 specimen holder electrically driven as per IS: 13630(Part-2)	Civil	3	New test facility for Abrasion test on Glazed Tiles.
	Total of Civil Engg.		<b>9.0</b>	
	Test setup for Temperature Rise test on Transformers	Electrical	30	To carry out Temperature Rise test on Transformers
	<b>Solar Panel, Solar Light etc. test facility as per MNRE , IEC, Customer specification</b>			
	Equipments for Setting up Solar Energy testing facility : PHASE-- 1	Electrical	130.0	New facility for testing of Solar Panel, Solar Light etc. (Summary of proposal in enclosed sheet)
		Total cost	130.0	
	Total of Electrical		<b>160.0</b>	
	<b>TOTAL of NTH(NWR),JAIPUR</b>		<b>381.0</b>	
	<b>NTH(NR), Ghaziabad</b>			
	Equipments for EMI/EMC test facility	Electrical	500.0	New facility for EMI/EMC testing
	<b>LEDs AND LED LUMINARIES TEST SET UP</b>			

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	Photo detector 6( Optional7) Measurement Range Display Range 0.0001 Lux to 2000000Lux 4½ digit LED Display Range Auto/Manual Nominal Frequency 40-400Hz Adjustable Factor 0.001 to 99.99	Electrical		For measuring illuminance, Luminance intensity and luminance flux in laboratory in lighting system.
	Integrated sphere ( 20 & 76 inch ) Metal Frame construction with mechanism to open the sphere. Light tight mechanism Lock. 3 burning position( 2 vertical & 1 Horizontal )	Electrical		Integrated spheres are used to integrate radiant flux either from an external or internal source or radiation for Luminance flux measurement of light source by comparison with a standard lamp
	Colorimeter 6 measuring Range in Decades High Display Value Upto 600000Lux Resolution 0.001 Lux 4 digit display Light sensitive surface 14 or 16 mm dia Rated Voltage 230V ±10% Housing for Rack	Electrical		Colorimeter to be used for color measurement on primary light source i.e. Lamp , Luminaries, Light Signals, monitors display glasses and filter.
	DC Power supply System 50 V ,20A Adjustment 1 mV, 1 mA Low ripple and Noise	Electrical		
	Array Spectrometer with PC and software.	Electrical		To be used for an ideal key identifies a accessories to enable reliable Operation with

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
				several measurement adaptor.
		<b>Total cost</b>	<b>100</b>	
	Total of Electrical		<b>600.0</b>	
	Cold chamber (Temperature : up to -50°C)	RPPT	8	New facility for testing of insulating mat at extreme low temperature
	Total of RPPT		<b>8.0</b>	
	Fabrication of Frame for Three Edge Load bearing test, Hydraulic Pressure tightness test on RCC pipes with Hydraulic action pipe and plates, Submersible pump as per IS: 458	Civil	15	New facility for testing of precast RCC Concrete pipes from 150 mm to 1400 mm diameter at 2 <sup>nd</sup> site of NTH(NR), Ghaziabad
	Manhole cover testing machine, electrically operated with 500 KN capacity, Digital display, Micro processor control	Civil	5	New facility to conduct tests on Manhole covers
	Digital Marshall Apparatus along with Automatic compactor for bituminous mixes , 50 KN capacity, microprocessor control	Civil	6	New facility to determine the stability of bituminous samples
	Creation of full fledged Soil Mechanics Laboratory : 1.Digital Consolidation apparatus. 2.Field CBR test apparatus 3.Swell Pressure test apparatus 4.Laboratory Vane Shear test apparatus 5.Direct Shear apparatus digital 6.Digital Triaxial Shear apparatus	Civil	20	New facility to create specialized soil test laboratory.
	Total of Civil Engg.		<b>46.0</b>	
	Computer controlled Petrol analyzer with the facilities to determine the adulteration, (Imported)	Chemical	25	New facility to analyze petrol
	UV Spectrometer, computer controlled, double beam	Chemical	5	Replacement of the

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	with the full range from UV/VIS,			existing one for the analysis of drinking water, pesticides thermoplastic paint, etc.
	<b>Total of Chemical</b>		<b>30.0</b>	
	Type test set up for Steel Tubular Pole having arrangements for sample lifting, Deflection and permanent set as per IS: 2713 (Part-I & III)	Mechanical	10	New facility to test Steel Tubular Pole
	Test set up for Domestic Pressure cooker having Pneumatic pressure system, Hydraulic system, cage, LPG Gas cylinder with regulator to conduct test as per IS:2347	Mechanical	5	New facility to conduct test on domestic Pressure cooker as per IS: 2347
	<b>Total of Mechanical</b>		<b>15.0</b>	
	<b><u>TOTAL of NTH(NR),GHAZIABAD</u></b>		<b>699.0</b>	
	<b>NTH(ER), Kolkata</b>			
	Petrol analyzer (Mid FTIR Based, Computer controlled with Library, Computer, Printer & UPS and essential accessories for the determination of the RON, MON for petrol., (Imported)	Chemical	25	To add new facility in the field of Petrol analysis
	Low Temperature bath-1 No. Range:- Ambient to -60°C with Temperature preset and control facilities, digital display of temperature; capable to run continuously for at least 7 days. Chamber size- 18"x18"x18" for testing of oils and lubricants at low temperature	Chemical	6	Augment the existing facility
	Atomic Absorption Spectrophotometer with Graphite furnace, computer controlled with accessories, Softwares, Printers, UPS, hollow Cathode lamps- Double beam type with - 1 No. Hydride Generator for analysis of metals, alloys and water, (Imported)	Chemical	30	Present one is approx 10 years old and has undergone repairing several times.

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	<b>Total of Chemical</b>		<b>61.0</b>	
	Electrostatic gun	Paint & High Polymer	3	To create the facility of testing Powder coating paint
	Cabinet with duct for spraying	Paint & HP	3	For spraying of different paint samples on panels
	Compressor	Paint & HP	0.5	General use
	Digital coating thickness gauge for ferrous & non-ferrous materials	Paint & HP	1	To measure the thickness of dry film of ferrous & non-ferrous material
	Vacuum oven	Paint & HP	1	General use
	Vacuum distillation equipments with accessories	Paint & HP	1	General use
	Skid resistance tester	Paint & HP	5.0	General use
	Equipments of sorts	Paint & HP	2.0	General use
	Refractometer	Paint & HP	1.5	To measure R. I. Of glass beads
	Round-o-meter	Paint & HP	1	To measure roundness of glass beads
	Smoke index instrument with chart recorder	Paint & HP	2	Testing of fire resistance of fire retardant paints & other materials
	Microscope with 10X, 40X & 80X magnification	Paint & HP	2.5	To identify fibre of fabrics, ropes etc.
	Equipment of sorts	Paint & HP	2	General use
	Melting point apparatus (Forced air circulation type)	Paint & HP	1	For melting point of polymers
	Corrosion cabinet	Paint & HP	1	For testing of resistance to corrosion of different surface coating material

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	Equipment of Sorts	Paint & HP	2	General use
	Vapour permeability tester	Paint & HP	1.5	For measurement of vapour permeability of films
	Equipment of sorts	Paint & HP	2	General use
	Carbon black content tester	Paint & HP	4.5	To determine carbon content in polymers
	UV lamp box	Paint & HP	0.5	For UV resistance of paper
	Vicat softening point apparatus	Paint & HP	15	For the determination of softening point of high polymeric coatings
	Traffic paint drying time wheel	Paint & HP	1	To determine the drying time of traffic paint
	Retro-reflectometer, (Imported)	Paint & HP	10	To determine retroreflectivity of Studs & Paints on roads & fields
	Dry & wet film thickness gauge	Paint & HP	2	Dry & wet film thickness measurement
	<b>Total of Paint &amp; HP</b>		<b>66.0</b>	
	Furnace upto 4 hour rating To test fire check Fire Check Door / Partition upto 4 hour rating	Civil	15	Augumentation
	Environment Chamber for testing flush door to conduct varying humidity test for Flush doors as per IS.	Civil	10	New Facility
	Type test Setup Flush Door To conduct various test as per IS 4020	Civil	5	Replacement
	Marshall's Test Apparatus For bituminous products	Civil	2	Augmentation
	Tile Abrasion Testing Machine For testing cement concrete tiles, chequered tiles, paver blocks, building	Civil	2	Replacement of old one

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	stones etc.			
	Los Angeles Abrasion Testing Machine For abrasion testing of coarse aggregates as per IS 2386	Civil	1.5	Replacement of old one for testing coarse aggregates
	Mortar Mixing Apparatus. For preparation of mortor for various tests like determination of strength, lime reactivity test etc.	Civil	1.5	Replacement damaged one.
	Water permeability test Apparatus (6 gangs) For permeability test as per IS 2645:2003	Civil	2.0	Replacement of old one.
	Portable concrete core cutter upto 200 mm dia and 500 mm depth. For preparation of core samples.	Civil	2.5	Upgradation of the concrete testing
	<b>Total of Civil Engg.</b>		<b>41.5</b>	
	Fire Resistance: Drum Friction Test	RPPT	10	This test should be carried out for the purpose of approval of a given construction as a type test for Conveyor belt.
	Computerized Heat Deflection Temperature and Vicat softening temperature tester	RPPT	7	This method is useful for many thermoplastic materials.
	Apparatus for determination of water permeability of Geotextiles	RPPT	4	To create full test facilities for geotextiles materials
	Digital Static and Kinetic Coefficient of Friction Tester	RPPT	4	To determine the coefficients of friction of plastic film & sheeting
	Fire Resistance: Spirit Burner Flame Test	RPPT	4	This test method covers for fire resistant conveyor belting Type 5

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	Melt Flow Index Tester micro processor based	RPPT	5	To determine the uniformity of the flow rate of the polymer
	Dart Impact Tester along with Vacuum pump	RPPT	4	To determine impact resistance of plastic film by free falling dart method
	Digital Cell type Air Aging Oven & Hot Air Oven	RPPT	5	To determine ageing properties of different types of Rubber & Plastic
	<b>Total of RPPT</b>		<b>43.0</b>	
	Load Testing machine, Vertical, Capacity 1000 kN with digital read out. Acc $\pm$ 1%	Mechanical	14	To test Steel Cogs of dimension 1000 mm X 1000 mm X 1000 mm (Max) used in mines. Individual as well as prototype test can be performed as per DGMS technical specification
	<b>Total of Mechanical</b>		<b>14.0</b>	
	a) Ultrasonic Flaw Detector for testing of materials using TOFD & Phase Array technique. b) Eddy Current Tester. (Imported)	NDT	25	Defect studies of Metals, Plastics and Composites. Also use for testing of welds, forgings, tubing, tanks, billets etc.
	Welding facilities like: MMAW, SMAW, TIG, MIG, SAW and Welding Booths with fume extraction facility.	NDT	22	For (i) Approval of Welding Process & Welding (ii) Testing of Welding Joints, (iii)



Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
				Training, (iv) Collaborative Projects (v) Research & Development (R & D) work.
	<b>Total of NDT</b>		<b>47.0</b>	
<b>A</b>	<b>Power &amp; Distribution Transformer Testing as per IS:2026, IEC , CPIB etc. up to capacity of 200KVA</b>			
	Transformer winding resistance meter Digital display , 4- terminal, $\mu\Omega$ at 100A(max.)	Electrical	5.0	For winding resistance of primary and secondary windings
	DVDF test set , 100Hz	Electrical	14.0	Double Voltage , double frequency test.
	Turn's tester, Digital display , 200 :1( max.)	Electrical	5.0	Voltage ratio.
	Insulation Resistance test set , Digital display , 5KV - 1Tera ohm(max.)	Electrical	5.0	For insulation Resistance measurement.
	Dielectric Test, Digital display , 100KV -1A (max.)	Electrical	5.0	For High Voltage measurement.
	Short Circuit test set , 15KA (max.), 3 phase	Electrical	150.0	For Short circuit test of Txr.
	Acoustic noise level measurement meter , Digital display , 135 dB , 100kHz (max.)	Electrical	3.0	For Acoustic noise level measurement.
	On load tap changer test set., Three phase tap changer monitoring set (max.)	Electrical	8.0	For On load tap changer test .
	Control Panels for test set up, For monitoring test parameters viz volt , amp, temp. etc.	Electrical	6.0	For monitoring test parameters at remote point.
	Stabilized Power Source Suitable for 11 KV , 150KVA transformer.	Electrical	80.0	For input supply to the test sample.
		Total cost	281.0	
<b>B</b>	<b>LEDs AND LED LUMINARIES TEST SET UP</b>			

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	Photo detector 6( Optional7) Measurement Range Display Range 0.0001 Lux to 2000000Lux 4½ digit LED Display Range Auto/Manual Nominal Frequency 40-400Hz Adjustable Factor 0.001 to 99.99	Electrical		For measuring luminance, Luminance intensity and luminance flux in laboratory in lighting system.
	Integrated sphere ( 20 & 76 inch ) Metal Frame construction with mechanism to open the sphere. Light tight mechanism Lock. 3 burning position( 2 vertical & 1 Horizontal )	Electrical		Integrated spheres are used to integrate radiant flux either from an external or internal source or radiation for Luminance flux measurement of light source by comparison with a standard lamp
	Colorimeter 6 measuring Range in Decades High Display Value Upto 600000Lux Resolution 0.001 Lux 4 digit display Light sensitive surface 14 or 16 mm dia Rated Voltage 230V ±10% Housing for Rack	Electrical		Colorimeter to be used for color measurement on primary light source i.e. Lamp , Luminaries, Light Signals, monitors display glasses and filter.
	DC Power supply System 50 V ,20A Adjustment 1 mV, 1 mA Low ripple and Noise	Electrical		
	Array Spectrometer with PC and soft ware .	Electrical		To be used for an ideal key identifies a accessories to enable reliable Operation with

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
				several measurement adaptor.
		<b>Total cost</b>	<b>100</b>	
<b>D</b>	<b>Impulse Voltage System with the following components:</b> Impulse Generator, 1200kV, 100KJ High Voltage rectifier, 200KV, 30mA Multiple Chopping Unit 1200KV Impulse Voltage Divider , 2400KV Digital Impulse Analysing system, Dual Channel Impulse Oscilloscope, Dual Channel with camera <b>Control Desk. (Imported)</b>	Electrical	300	Replacement
	AC Power Frequency Test System: 300kV AC rms		100	
	High Voltage Schering Bridge , 200kV, 50 Hz with accessories	Electrical	45	Replacement
	Climatic Test Chamber, 600Liters, 950mmH x 800mmW x 800mmD, -40°C to 180°C, RH:10% to 98%	Electrical	20	New facility
	Dust Chamber, 1000 lts. Shall meet the requirement of IS:2147 & 10236	Electrical	10	Replacement
	Rain Test Apparatus, 1000 lts Shall meet the requirement of IS:2147 & 10236	Electrical	5	Replacement
	Equipments for testing of FRLSH Cable i) Oxygen Index/ Temperature Index Tester ii) Flame Retardance test on single cable (Swedish Chimney Test) iii) Flame Retardance test on bunched cables iv) Smoke density test apparatus v) Flammability test apparatus vi) Test for Halogen gas evolution	Electrical	10	New facility
	Current Injection Transformer : 3Φ,4000A	Electrical	4	New facility
	8 (Eight) Channel PT Scanner with data loggers	Electrical	2	New facility

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	Equipments of sorts	Electrical	5	
	Total of Electrical		<b>882.0</b>	
	<b><u>TOTAL of NTH(ER),KOLKATA</u></b>		<b><u>1154.5</u></b>	
	<b>NTH(NER), Guwahati</b>			
	Optical Emission Spectro- photometer (OES) – Bench Top Model GDS with drift standard (Imported),	Chemical	35	Determination of chemical composition in Steel, TMT Bar, Metallurgical slags, etc. New Facility
	Atomic Absorption Spectrophotometer with Graphite furnace, computer controlled with accessories, Softwares, Printers, UPS, hollow Cathode lamps- Double beam type with – 1 No. Hydride Generator for analysis of metals, alloys and water, (Imported)	Chemical	30	Present one is approx 10 years old and has undergone repairing several times.
	Fourier Transform Infrared Spectrophotometer (FTIR)(Imported) 375/cm to 7800/cm, $\pm 0.01$ /cm at 2000/cm, (Imported)	Chemical	14	New test facility. Advanced instrumental method analysis of polymeric compounds and other wide range of organic chemicals.
	Total of Chemical		<b>79.0</b>	
	Equipments for setting up of Workshop	Mechanical	25	
	Universal Testing Machine (UTM), Capacity 600 kN, Computerised with window based software (Imported) Range : 0 to 100 X 0.1 kN, 0 to 300 X 0.5 kN, 0 to 600 X 1kN, (Imported)	Mechanical	70	Augmentation of existing test facility mechanical engineering products
	Universal Hardness Tester Rockwell A, B, C Scales Vickers : HV 0.1 to HV 100 Brinell : (a) 1 mm to 10 mm Ball Dia (b) Load upto 30 kN (Imported)	Mechanical	15	New facility for testing of steel, alloys & non-ferrous metal.
	Equipments of sorts	Mechanical	10	

Sl. No	Name of the Equipments	Discipline	Estimated Cost (Rs. In lakh)	Justification
	Total of Mechanical		120.0	
	Humidity chamber	Civil Engg.	2	
	Rebound Hammer	Civil Engg.	2	
	California Bearing ratio test apparatus	Civil Engg.	5	
	Portable concrete core cutter	Civil Engg.	3	
	Ultrasonic concrete tester	Civil Engg.	5	
	Apparatus for Concrete Mix Design test	Civil Engg.	5	
	Equipments of sorts	Civil Engg.	5	
	Total of Civil Engg.		27.0	
	<b><u>TOTAL of NTH(NER),GUWAHATI</u></b>		<b><u>226.0</u></b>	
	<p><b>TOTAL( As above) = 3822.0 Lakh = 38.22 Crore</b></p> <p><b>Machinery &amp; Equipment for Automobile Tyre Test = <u>29.36Crore</u></b></p> <p><b>( at NTH(SR), Chennai and NTH(NR), Ghaziabad )</b></p> <p><b>Grand Total for Cost of Machinery &amp; Equipments = Rs. 67.58 Crore</b></p>			

**Annex-IV**

**List of Machinery & Equipments** and tentative cost estimation for creation of **Automobile Tyre Testing facilities of NTH** as per **IS 15627/2005, IS 15633/2005 & IS 15636/2005** respectively

Name of the test	Name of the equipments	Estimated Cost	Manufactured by ( Imported) Remarks
Endurance Test ( 4 stations; 2 TBR+2 PCR) as per <b>IS 15627,15633 and 15636</b>	Endurance Test Machine	<b>3.0 crore excluding optional items and spares</b>	TMSI(USA)
Load / Speed Performance Test( Rolling Resistance Test) ( 4 stations; 2 TBR+ 2 PCR) as per <b>IS 15627,15633 and 15636</b>	Rolling Resistance Test Machine	<b>4.20 crore excluding optional items and spares</b>	TMSI(USA)
Tyre Strength Test as per <b>IS 15627,15633 and 15636</b>	Multifunction Load Deflection Test Machine	<b>4.0 Crore (2.0 crore for each unit. excluding optional items and spares)</b>	TMSI(USA)
Packaging and Forwarding Charges for above machines		<b>0.73 crore</b>	TMSI(USA)
Installation & Commissioning		<b>0.45 crore</b>	TMSI(USA)
Optional Items & Spares for above tests / machines		<b>2.0 crore</b>	TMSI(USA)
Cost of <b>50 no. of Rims</b> initially for testing purposes		<b>0.30 crore Sub- total for machinery &amp; equipments : Rs. 14.68 Crore</b>	TMSI(USA)
Infrastructure Building		<b>4.0 crore</b>	

( Civil & Electrical) through CPWD		<b>Grand Total : Rs. 18.68 crore</b>	
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## PROPOSAL FOR SETTING UP OF SOLAR PANEL TESTING FACILITY

Solar energy is a very popular and useful source of non conventional energy. In today's perspective of green energy generation, solar energy plays the vital role. The main attribute of the solar energy is that it can be used for large scale power generation as well as medium and small scale application. Most interesting part of the solar cell is that it can be used for house hold appliances like solar lantern, solar cooker, solar heater, solar emergency light etc and also for medium scale industrial applications like water heater, street light etc.

Increasing demand of solar energy has boost up the requirement of quality control procedures among the manufacturers and end users. This eventually opens the prospect of the testing requirements for the solar panels. Ministry of Non-conventional and Renewable Energy (MNRE) is also investing a good amount of fund for development of the Solar Energy system in India.

In view of above, it is proposed to introduce "Setting up of Test Facility of Solar Panel" to ensure the quality of the panels and its electrical efficiency performance at NTH(NWR), Jaipur only during the 12<sup>th</sup> Five Year Plan.

The requirement of equipments are as follows:

Sl.No	DESCRIPTION of EQUIPMENTS	COST IN LACS
	<b><i>For Physical test of the solar panels:</i></b>	
1.	Universal Testing Machine for Tensile-Compression-3 point bending test with proper grips and attachments. Capacity: 5kN with 5kN Load Cell.	10
2.	Digital Slide Calipers, set for different geometrical measurements	1
3.	Vernier Height Gauge, 5ft	1
4.	Thickness Gauge, Micron Level for measuring the thickness of the substrates.	0.4
5.	Transparency Meter for Fibre coating on the solar panel	4
6.	Scratch Testing Equipments	8
7.	Abrasion testing equipments	5
	<b><i>For Mechanical Arrangements :</i></b>	
8.	Mechanical Systems for mounting the Natural Light sources.	2.0
9.	Mechanical Systems for mounting the Solar panels.	2.0
	<b><i>For Electrical test (performance) of the solar panels:</i></b>	
10.	Solar Simulator for artificial generation of Solar Light. Size- 2meter x 1.5meter(max.)	35.0
11.	Panel surface temperature scanner (16 channel Temp. scanner) with data logger:	4.0
12.	Pyranometer for solar light intensity test ; Digital system , 360 rotation	24.0
13.	Photometric measurement set: Digital display , 2,00,000 Lux.(max.) for Lux measurement	5.0
14.	Power Analyser - 1 phase with low voltage , current multiplier probe: 20A, 500V direct injection , single channel	5.0



15.	PT100 Temp sensor for ambient temp measurement set.	0.4
16.	Humidity probe for relative humidity (%RH) measurement	0.6
17.	Current clamps for current & voltage measurement	0.6
18.	Wattmeter for power measurement	1.0
18.	Electronic inclinometer for inclination measurement (4 Numbers)	5.0
20.	Multichannel Data Acquisition system for the above sensors	4.0
21.	Software for analysis of the various parameters, performance curves etc. Software can be developed with user given parametric set ups as per IEC guide lines. Report can be generated as per international/national guide lines.	12.0
	Total	130.0

A summary of Financial Outlay clubbing all the projects as described above for National Test House during the 12<sup>th</sup> Five Year Plan( Region-wise and Head-wise) and estimated outcome in terms of Revenue Generation are depicted below in the Table

( Rupees in Crore)

Regions	Heads					
	Major Works (Land & Building) (Capital)	Machinery & Equipments ( M&E) (Capital)	Recurring (OE, DTE, FTE) (Revenue)	Information Technology (IT) (revenue)	Total	Outcome in terms of revenue generation
NTH(ER), Kolkata	9.0	11.55	6.0	0.30	26.85	30.0
NTH(WR), Mumbai	29.0	6.46	4.0	0.40	39.86	22.0
NTH(SR), Chennai	13.0	21. 83	4.0	0.40	39.23	22.0
NTH(NR), Ghaziabad	8.50	21.67	4.0	0.30	34.47	25.0
NTH (NWR), Jaipur	4.0	3.81	2.0	0.40	10.21	6.50
NTH (NER), Guwahati	7.0	2.26	3.0	0.15	12.41	3.0
Total	70.5	67.58	23.0	1.95	163.03	108.50

**Year-wise fund allocation required for National Test House(NTH) during the  
12<sup>th</sup> Five Year Plan Period**

<b>Plan</b>					
<b>(Rs. in Crore)</b>					
<b>Year</b>	<b>Major Works (Land &amp; Building) (Capital)</b>	<b>Machinery &amp; Equipments (M&amp;E) (Capital)</b>	<b>Recurring (OE,DTE,FTE) (Revenue)</b>	<b>Information Technology (IT) (Revenue)</b>	<b>Total</b>
2012-13	12.7	4.70	4.05	0.30	21.75
2013-14	21.3	10.40	4.05	0.40	36.15
2014-15	20.5	27.18	4.50	0.45	52.63
2015-16	8.5	12.50	5.25	0.40	26.65
2016-17	7.5	12.80	5.15	0.40	25.85
<b>Total</b>	<b>70.5</b>	<b>67.58</b>	<b>23.00</b>	<b>1.95</b>	<b>163.03</b>

The year-wise fund requirement of National Test House for the 12<sup>th</sup> Five Year Plan as shown above is subjected to the approval of Planning Commission / Department of Consumer Affairs.

## **PART: II- WEIGHTS & MEASURES AND LEGAL METROLOGY**

### **1. Strengthening of Legal Metrology & Capacity Building of States/UTs for XIIth Five Year Plan:**

#### **(1) Introduction:**

The term “Legal Metrology” is used to cover this field of interaction between regulation and measurement. Legal Metrology originated from the need to ensure fair trade and provide consumer protection, and it continues to place its greatest emphasis on this areas. In the recent decades, however, the need to protect the society in other areas such as health safety and the environment has led to new laws and regulation, and a broadening of legal metrology activities. The demand for legal metrology services is clearly linked to the government policies and will vary over time.

(II) Although the desirability of international uniformity in measurement was recognized prior to the establishment of the BIPM in 1875 , the need has continuously increased ever since and particularly over the past few decades. Reasons for this include strong trend towards globalization of world trade, the move to international co-manufacture of goods, the greater technical complexity of most products and services, and increased with health, safety and environmental issues. This trend is expected to continue in strengthening a mutual desire between nations for greater confidence in each other’s measurements, tests a product-conformance assessments. India acceded to the metre convention in 1957.

(III) India is a member country of International Organization of Legal Metrology (OIML) from 1956. The International Organization of Legal Metrology (OIML) is an intergovernmental treaty organization established in 1955 in order to promote the global harmonization of legal metrology procedures. Since that time, the OIML has developed a worldwide technical structure that provides its Members with metrological guidelines for the elaboration of national and regional requirements concerning the manufacture and use of measuring instruments for legal metrology applications.

(IV). Legal metrology comprises all activities for which legal requirements are prescribed on measurement, units of measurement, measuring instruments and methods of measurement, these activities being performed by or on behalf of governmental authorities, in order to ensure an appropriate level of credibility of measurement results in the national regulatory environment.

It applies not only to trading parties, but also to the protection of individuals and society as a whole (e.g. law enforcement, health and safety measurements).

Legal metrology includes provisions related to units of measurement, to measurement results (e.g. prepackages) and to measuring instruments. These provisions cover the legal obligations related to the measurement results and the measuring instruments, as well as the legal control which is performed by or on behalf of the government.

### **(2) Constitutional provision of legal metrology in India;-**

In the constitution of India, establishment of standards of weights and measures falls under entry no.50 in list 1- Union List of the seventh schedule and matter relating to weights and measures except establishment of Standards are in the Concurrent list, under entry 33-A.

### **(3) Current Scenario;-**

The Legal Metrology Act,2009(1 of 2010) has come in to force with effect from 1.4.2011. The Standards of Weights and Measures Act,1976 (60 of 1976) and The Standards of Weights and Measures(Enforcement) Act,1985 (54 of 1985) have been repealed accordingly under section 57(1) of the Legal Metrology Act,2009.

(II) The units of measurements in the Legal Metrology Act, 2009 are based on the international system (SI) of units and are according to OIML recommendations. The new laws cover both establishment of Standards and enforcement of weights and measures. The important features of the new Act are as follows:

- (i) It have only 57 sections.
- (ii) It covers both establishment and enforcement of Weights and Measures.
- (iii) Government Approved Test Centre(GATC) has been introduced for the verification of specified weights and measures.
- (iv) It does not regulates export of Standards weights and measures.
- (v) Registration of weights or measures are not regulated.
- (vi) Qualification of Director, Controller and Legal Metrology Officer have been prescribed.
- (vii) nomination of one Director of company for legal metrology has been made.

(III) The following rules have been made under new Act;-

- (i) The Legal Metrology(General) Rules,2011
- (ii) The Legal Metrology(Packaged Commodities) Rules,2011
- (iii) The Legal Metrology(National Standards) Rules,2011

- (iv) The Legal Metrology(Numeration) Rules,2011
  - (v) The Legal Metrology(Approval of Model) Rules,2011
  - (vi) Indian Institute of Legal Metrology Rules,2011.
- (IV) The Standards of weights and measures are laid down by the Central Government and enforcement of the weights and measures are done by the State Government.
- (V) The Weights and Measures laws envisage regulation of weighing and measuring instruments, as given below;-
- (i) Approval of Model of weighing and measuring instrument- by Central Government,
  - (ii) Licensing of manufacture of any weight or measure/ weighing or measuring instruments- by State Government.
  - (iii) Verification, stamping, inspection of any weight or measure/ weighing or measuring instruments- by State Government.
  - (iv) Booking of case for violation of the provision of the Act and rules made their under- by State Government.
  - (v) Checking of net contents and declaration of Pre-packaged Commodities- by State Government.

#### **(4) Economic Considerations**

Economic theory is useful in identifying areas where Government intervention (i.e. regulation) is likely to be required. Standard economic theory states that the free market will usually produce the best outcomes for consumers. However it also identifies several ways in which market can fail. A lack of competition can lead to market failure and this is why governments intervene to ensure competitive markets. Another source of failure is where consumer do not have full information about the products or prices and consequently are not able to make an informed decision on whether to purchase. When markets, even competitive markets, fail to provide good outcomes for consumers then government interventions can improve these outcomes in the case of Weights and Measures, consumers are subject to imperfect information or “information asymmetry” because they have no practical means of verifying the quantity of product being purchased, such as the weight of the some purchased vegetables or the volume of fuel put into a motor vehicle. This leaves the trader with a potentially unfair advantage because he is able to provide a quantity of product less than the stated amount. There are also competition implications because those traders providing less of the product per unit price will gain an economic advantage over honest traders supplying the correct amount.

#### **(5) Social Reasons for Regulating Instruments**

The current legal protection ensure that the goods offered for sale by quantity can be trusted because the amount has been determined by a legally controlled (prescribed) measuring instruments whose accuracy is independently monitored according to risk by the enforcement authorities. The law gives the same protection to those who are normally thought of as vulnerable consumers, as to all other consumers in this respect. Such vulnerable consumers may need this protection more than others, for example because they spend a higher proportion of their disposable income on subsistence items such as utilities (gas, electricity and water), motor fuel, and food (all of which have become more expensive), or make more use of street markets where goods are sold loose in bulk. However, it is right to extend the same protection to all. This is because where goods are sold by weight or measure, it is strongly arguable that all consumers (and in many cases business customers as well) are “vulnerable” much of the time, because it is difficult for them to independently verify or effectively dispute that purported quantity is as stated without having access to an alternative accurate and reliable measuring instrument at the point of sale. For example, for purchases of petrol/diesel it is impossible for a buyer to determine how much fuel he/she has received the moment it enters the fuel tank.

‘Vulnerable consumers’ include a surprisingly high proportion of the adult population of both consumers with a low income- for whom deregulation could mean the onset of over-inflated/ unaffordable price increases- and /or those who suffer from illiteracy, and who are therefore dependent on accurate measurement rather than written information about quantity and price such as that found on package labeling which they cannot read.

## **(6) The theoretical case for regulating instruments**

The purpose of regulating equipment is to ensure that those who sell by weight or measure have systems in place that minimize the risk of mistakes being made in the vast majority of "honest" transactions. If the equipment is manufactured and maintained to a sufficient degree of accuracy, each individual transaction in which that equipment is used to weigh or measure goods should be accurate - in the absence of fraud or gross incompetence on the part of the seller. There are many more transactions than there are instruments, so that from an enforcement point of view, an intervention to correct an inaccurate instrument, based on equipment controls, may be expected to deliver greater public benefit than an intervention based on a single instance of giving short weight, based on transaction controls. Indeed, from a value for money point of view the argument for relying on equipment controls in preference to transaction controls is overwhelming. Transaction controls rely on test purchases, which by their nature are more expensive to conduct than the examination of instruments, while giving no more assurance as to the levels of accuracy being maintained.

Moreover, as noted above, in many transactions it is difficult, if not impossible, for most customers to check whether the seller has delivered the quantity of goods

they have contracted for, so that the only realistic way in which the consumer purchasing goods is protected is by making as sure as possible that the instrument delivering the product is accurate. This is done by controlling the equipment through a process of design or type approval and then by in-service controls (i.e. the periodical checking of the instrument to ensure its continued accuracy). Removing controls would place vulnerable consumers at a much greater risk of detriment. Although equipment controls may appear to impose an additional requirement. They actually make life easier for business. They mitigate the severity of a requirement such as the prohibition on giving short weight or measure by providing traders with a defense. For example, a trader selling 0.5 % less of a product than he purports to sell commits a short weight offence, but if the level of accuracy required of the equipment allows for a margin of error of between 1 % less and 2 % more than the correct measurement, and the equipment used falls within those limits, the trader is very likely to have a defense. In practice, therefore, all the trader has to do is to ensure that his equipment complies with the equipment rules and he should never face prosecution under the transaction rules.

This is not to say that where equipment is controlled, there is no need for a transaction control, because it is always possible to misuse a perfectly accurate piece of equipment so as to achieve a dishonest result.

#### **(7) Status of existing infrastructure of States/UTs:-**

The existing infrastructure at the state level is not adequate to verify all the weights or measures, specified under the rules. The existing weights and measures specified under General Rules, 2011 are given in Annexure-I and the existing manpower of the States/UTs are in Annexure-II. This is very clear that a heavy amount of funds are required to modernize the state's weights and measures along with a capacity building programmed so that with the help of electronic/modern standard equipments and latest techniques, enforcement machinery may provide better solution for the protection of consumer interest in legal metrology.

(i) The objective of the scheme is augmentation of State's Legal Metrology infrastructure in holistic way by construction of laboratory building, supply of equipments and their capacity building of enforcement officials for effective implementation of weights and measures laws.



(ii) The Central Government is committed to modernization of enforcement machinery of States/UTs. During 2007-09, 59 sets of Secondary Standard Balances and 41 No. of mobile kits for testing of Weighbridges have been supplied to various States/UTs.

(iii) A new scheme with an outlay of Rs. 143.286 crore is being implemented during 2009-12 to strengthen the State enforcement machinery in a holistic way. Under this scheme, Grant in Aid of amount Rs. 38.37 Crore was given to 24 States/UTs for the construction of Secondary/ Working Standard Laboratories/Calibration towers for testing of tank lorries and Rs. 36.98 Crores was spent towards machinery and equipments which includes 31 No. of mobile kits to states and UTs for testing of Weighbridges and rest of the amount on the supply Secondary/Working Standards Weights, Working Standards Capacity Measures and Check measures for testing of dispensing pump through Government of India Mint, Mumbai to States/UTs. The Total budget estimate for the said scheme during 2011-12 is Rs.59.20 which includes Rs.37.74 Crores for Machinery and Equipments, Rs.19.46 crores for grant in aid to States for construction of laboratories and Rs.2.0 Crores for capacity building. Government of India Mint has started supply of equipments to States/UTs. The list of benefitted states is at Annexure III and distribution of funds and equipments are at Annexure IV.

8. **Objectives:** The objective of XIIth Five year plan is augmentation of legal metrology infrastructure of States and UTs in holistic manner so that consumer interest may well served through legal metrology department.

- i. To develop a scheme for strengthening legal metrology wings of States and Union Territories for providing:
  - a. Working standards
  - b. Secondary standards
  - c. Mobile Kits for testing for testing of weighbridge
  - d. Mobile van for inspection and verification of weights and measures at different market locations.
- ii. To set up new testing facilities for States/UTs
- iii. To provide for building to house the equipment properly for each State.
- iv. Capacity Building
- v. Research and Development
- vi. Consumer Awareness in Legal Metrology

9. **Infrastructure Requirements**

- i. Capacity building
- ii. Working Standards
- iii. Secondary Standards
- iv. Mobile Kits

- v. New testing facilities
- vi. Strengthening enforcement activity of States/UTs
- vii. Building for housing equipment
- x. Up-gradation systems
- xi. Notifying Regional Referral Labs

**Action Plan:**

Action plan include construction of Controller Office, Secondary/ Working Standards Laboratories building, purchase of equipments and capacity building program in India and abroad. The proposal is made to cater the requirement of the States/ UTs for their development.

The enforcement of the Legal Metrology is the responsibility of the States Governments and they are less equipped with the Standards and other modern infrastructure for the verification of the weights and measures and other commodities. The consumers are protected by the verification of the weights and measures and commodities for the short weightment and measurement of the goods. The States are not verifying many weights and measures like CNG/ LPG dispensers, Sphygmomanometer, clinical thermometer, water meters etc. due to lack of facility. The Central Government is providing all these facilities to the States to safeguard the interest of the consumer. The total proposal for the States/ UTs is of Rs. 474.38 Crores.

During the XIIth Five Year Plan two new Regional Reference Standards Laboratories are being proposed at Nagpur, Maharashtra and Varanasi, Uttar Pradesh on the request of the States for their development. Under the Scheme of RRSLs and IILM, there is a provision for the modernization of the existing RRSLs and IILM, Ranchi. The new testing facilities will be set up at RRSLs and IILM, Ranchi. The total proposal for the RRSLs and IILM, Ranchi is Rs. 33.0 Crores.

**Details of purchase of new equipment/facilities & training programs for RRSL/ IILM, Ranchi**

To achieve the objectives, the following equipments and training are proposed for all RRSLs & IILM, Ranchi in the following areas:

Sr. No.	Parameter	Approximate cost (Rs. in Crore)
<b>A</b>	<b>Mass, Volume &amp; Density measurement</b>	
1	Laboratory Air Conditioners with precision air flow and humidity control.	3.00
2	E-1 class weights	0.03
3	High precision Balances	3.00
4	Environmental conditions measuring instrument.	0.12
5	Flasks, capacity measure etc.	0.12
6	Triple distillation plant made of Quartz material	0.03
7	Breathalyzer testing units	0.12
<b>B</b>	<b>Length Measurement</b>	
1	Laser interferometer based measurement system.	3.00
2	Calibration facility for vehicle speed measurement, digital imaging systems.	1.00
3	Tape measurement systems.	0.60
4	Reference Standard Meter Bar	0.30
<b>C</b>	<b>Flow Measurement</b>	
1	CNG/LPG/LNG meter testing equipment	1.80
2	Flow measurement by Gravimetric Method	1.00
<b>D</b>	<b>Electrical Measurement</b>	
1	Electrical meter testing equipment	1.00
<b>E</b>	<b>Force measurement</b>	
1	High capacity load cell testing unit	3.00
<b>F</b>	<b>Temperature Measurement</b>	
1	Clinical (Electrical) thermometer testing equipment.	0.60
2	High precision (Mercury in glass) thermometer testing equipment.	0.30
3	Clinical (Mercury in Glass) thermometer rapid testing equipment	0.30
4.	Testing equipment for temperature measurement based on electricity, infrared etc.	0.60
<b>G</b>	<b>Taximeter</b>	
1	Electronic taximeter testing rig.	1.20
2	Vibration testing equipment.	0.30

3	Bump testing instrument.	0.30
<b>H</b>	<b>Pressure testing</b>	
1	Pressure (including blood pressure) testing equipment.	0.60
<b>I</b>	<b>Capacity Building programs in India and abroad</b>	2.50
<b>J</b>	<b>Setting up of new RRSLs at Nagpur &amp; Varanasi</b>	6.00
1	Land & Building construction cost - Rs. 100 Lakh	
2	Equipment - Rs. 50 Lakh	
3	Staff strength- Rs. 30 Lakh X 5 yr	
<b>K</b>	<b>Additional requirement for IILM Ranchi</b>	3.40
1	Training facilities for Storage Tank, Dispensers- LPG/LNG/CNG, In-Motion weighbridge (Rail & Road type), Flow meters etc.	
2	Civil work- Rs. 1.50 Crore	
	Approx. Total	33.0 Crore

**Proposed XII Five Year Plan for States/ UTs:** To achieve the objectives, the following equipments and training are proposed in different areas:

Sr. No.	Particulars	No.	Rate per unit	Total Cost (Rs. in Crore)
1.	Controller Office	12	Rs. 1,00,00,000	12.00
2.	R&D Centre at Pune, Noida and Ahmedabad	3	Rs. 1,00,00,000	3.00
3.	Secondary Standards Laboratory	74	Rs. 50,00,000	37.00
4.	Working Standards Laboratories	350	Rs. 50,00,000	175.00
5.	Secondary Standard Weight	74	Rs. 3,00,000	2.22
6.	Secondary Standard Measure	74	Rs. 2,00,000	1.48
7.	Secondary Standard Metre	74	Rs. 2,00,000	1.48
8.	Working Standard Weight	350	Rs. 3,50,000	12.25
9.	Working Standard Measure	350	Rs. 2,50,000	8.75
10.	Working Standard Metre	350	Rs. 2,50,000	8.75
11.	Mobile Test Laboratories	244	Rs. 20,00,000	48.80
12.	Mobile Kit for Weighbridges	27	Rs. 75,00,000	20.25
13.	Calibration Tower for vehicle tanks	73	Rs. 35,00,000	25.55
14.	CNG Kit	271	Rs. 10,00,000	27.10
15.	LPG Kit	371	Rs. 10,00,000	37.10
16.	20kg CI Weights	8622	Rs. 1,000	0.86
17.	Check Measures	1091	Rs. 1,00,000	10.91
18.	Crane with Tripod Stand	605	Rs. 50,000	3.03
19.	Clinical Thermometer Test Unit	70	Rs. 1,50,000	1.05
20.	Sphygmomanometer	450	Rs. 6,00,000	27.00
21.	Taxi Meter	46	Rs. 5,00,000	2.30
22.	Capacity building program in India and abroad			5.00
23.	Consumer Awareness in Legal Metrology			3.50
	Total			474.38 Crore

### National Physical Laboratory (CSIR-NPL)

The role of National Physical laboratory (CSIR-NPL) as the National Metrology Institute in the fields of metrology, calibration, measurement systems and quality control. The fields of metrology, calibration, measurement systems and quality control are used by world economies to help develop technical regulations that address optimization of production, health, consumer protection, environment, security and quality. Sound development and effective implementation of these procedures and regulations enable sustainable development, build welfare and facilitate trade.

CSIR-NPL is the custodian and develops by research National Standards of weights and measures<sup>1</sup>. It provides an open, transparent and comprehensive scheme to give users reliable quantitative information on the comparability of National and International Metrology Services and to provide the technical basis for quality control and for the subsequent wider agreements negotiated for international trade, commerce and regulatory affairs. From October, 1999, CSIR-NPL is the signatory of **Mutual Recognition Arrangement (CIPM MRA)** under the International Bureau of Weights and Measures ([BIPM](#)), an intergovernmental organization under the authority of the General Conference on Weights and Measures ([CGPM](#)). The aim of this agreement is to bring together the officials concerned with measurements in trade, representatives from intergovernmental organizations and international bodies whose missions benefit from the global uniformity and international acceptance of measurements, and representatives from industry.

After signing the CIPM MRA, the responsibilities of CSIR-NPL are not only to develop, maintain and disseminate national measurement standards appropriate to national needs, but also to ensure internationally recognized traceability of measurements and calibration of measuring instruments and provide the basis

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<sup>1</sup>**Legal Metrology Law – 2011 [ Article 23]**

“(1) Work relating to the realization, establishment, custody, maintenance, determination, reproduction and updating of national standards of weights and measures shall, on the commencement of these rules, be the responsibility of the National Physical laboratory.

(2) The Central Government may call such reports from, or issue such direction to the National Physical laboratory as it may think fit, in relation to all or any of the matters specified in the sub rule (1).”

for activities such as calibration services, trade metrology services and conformance testing, in all sectors. As a result, there is an increasing awareness of the need to discuss, compare and improve countries' abilities to establish, maintain and improve their infrastructure, practices, as well as international compatibility and recognition in these areas. This need extends to ensuring that the institutional frameworks (i.e. the technical infrastructure) to support these activities are effective, efficient and credible in the eyes of domestic constituencies and international partners. Exchange of information and ideas about metrology, standards, conformity assessment, and technical regulations is an effective mechanism to **reduce potential barriers to trade between countries**. By exploring areas of potential collaboration and developing sustainable interactions countries can foster long term partnerships to promote mutual scientific and economic development.

CSIR- NPL is engaged in the following standards related R&D :

- a) Mass, Volume, Density and Viscosity Standards,
- b) Length and Dimension Standards,
- c) Temperature and Humidity Standards,
- d) Optical Radiation Standard (visible infrared and ultraviolet regions),
- e) Force, Torque and Hardness Standards
- f) Pressure and Vacuum Standards
- g) Acoustic Standards and Ultrasonic Standards,
- h) Fluid Flow Standards (Water medium only),
- i) Josephson Voltage and DC Current, Voltage and Resistance Standards
- d) DC High Voltage Standards
- e) AC Power and Energy Standards
- f) AC High Current and High Voltage Standards
- g) LF and HF Impedance Standards
- h) LF and HF Voltage, Current and RF Power Standards
- i) RF Attenuation and Impedance Standards
- k) Magnetic Standards
- l) Time and frequency
- n) Metrology in Chemistry
- m) Nano Metrology

There are many other fundamental metrology activities.

Each group is responsible to establish, maintain and continually upgrade the National Standards of measurements related to above said activities and disseminate the standards by providing the apex level calibration services to the industry and institutions of the country and thus ensures the traceability to measurements made by these parameters. The calibration and measurement capabilities (CMCs) of all the activities engaged in measurement and calibration

have been peer-reviewed by Technical experts of leading NMIs in the world. NPL has thus met the requirements of Mutual Recognition Arrangement (MRA) of BIPM of which NPL, India is the signatory. As a result, the CMCs of the above said activities are available on BIPM website ([www.bipm.org](http://www.bipm.org)) and the calibration certificates issued by these activities of NPL are acceptable world over. The activities regularly participate in international inter-comparison organized/coordinated by BIPM and or APMP (Asia Pacific Metrology Program) / RMOs (Regional Metrology Organization of Asian region) regularly.

The division takes active part in most of the international inter-comparison organized by international bodies like BIPM, APMP etc. Also the division takes part in the bilateral comparison. At national level CSIR NPL is the reference laboratory for many Proficiency Testing (PT) programme and scientists technically supports the standardization and accreditation bodies, namely Bureau of Indian Standards (BIS) and National Accreditation Board for calibration and Testing Laboratories (NABL) of India.

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