

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 for the first time selected 'Consumer Protection' as one of the subjects to be included as priority areas for the Eleventh 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 four sub groups on (i) Consumer Awareness and Education including Misleading Advertisements; (ii) Consumer Protection and Redressal Mechanism; (iii) Internal Trade and Future Market including Pricing, and (iv) Quality Infrastructure and Standardisation including Legal Metrology. 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 four sub groups for their active involvement and constructive suggestions. I would also like to express my thanks to Mrs. Alka Sirohi, Additional Secretary, DCA and Mrs. Rinchen Tempo, 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 Prof.S.S.Singh of IIPA and the officials of the Department in facilitating the work of the sub groups and the Working Group.

Date: October 30, 2006

Place: New Delhi

(L. Mansingh)

Chairman

CONTENTS

Preface	i
Contents	ii
Terms of Reference	v
Composition of Sub-Groups	vi
1. Consumer Awareness and Education (Including Misleading Advertisements)	vi
2. Consumer Protection (including Consumer Fora)	vi
3. Internal Trade and Future Market	vii
4. Quality Infrastructure (including Standards and Legal Metrology)	vii
I Sub- Group on Consumer Awareness and Education (Including Misleading Advertisements)	(1-50)
Executive Summary	
Part I: (1)Background; (2)Consumer Rights;(3)Awareness of Consumer Protection Act.1986; (4)Review of Consumer Awareness in X Plan; (5)Consumer Awareness Thrust Area and Enhancement in Budget; (6)Multi-media Campaign (2005-07);(7)Physical Output in X Plan; (8)Advocacy; (9)Media Exposure; (10)Evaluation.	
Part II: Eleventh Plan Strategy: (11)Realistic Ads in Media;	
Part III: Misleading Advertisements: (12)Background	
Part IV: Recommendations and Suggestions: (13)National Level Status for Campaign on Consumer Awareness; (14)Recognition and awards; (15)Public Private partnerships; (16) Universities and College Education; (17)Consumer Education in Schools; (18)Popularising Reach of Comparative Testing Results; (19)Other Existing Awareness Projects; (20)Concurrent Evaluation; (21)Budget Estimate for the XI plan.	
II Report of Sub-Group on “Consumer Protection and Redressal Mechanism”	(51-63)
(22-26)Terms of References; (27-35) Strengthening the Redressal Mechanism (36-39) Building Strong Consumer Information System (40-46)Consumer and Empowerment (47-51)Review of Enactments Pertaining to Consumer Protection Including Consumer Protection Act, 1986.	

III. Sub-Group Report on Internal Trade and Futures Market including Pricing.

(64-89)

Chapter – I Commodity Features: (52-55)Historical Background; (56)Benefits of Future Trading;(57-58)Scheme of Regulation of Commodity Futures Market; (59)Present Status of Commodity Futures Trading.

Chapter-II Issues Core to Further Development of the Commodity Future Markets; (60-63)Introduction; (64)Strengthening and Restructuring of FMC, The Market Regulator;(65)Framing of Regulation; (66)Participation of Banks, Mutual Funds, Fills, in the Commodity Futures Market;(67)Fragmented Spot Market and Key Note role National Online Spot Markets can play;(68)Promoting National Level Exchanges for spot trading of agricultural commodities;(69)Providing appropriate legal framework for development and regulation of warehouses;(70)Setting Quality Certification Standards;(71)Creating Awareness about the Futures Markets; (72)Price Dissemination; (73)Developing the Human Resource Base; (74)Removal of restrictions on interstate movement of Goods and differences in the regulatory structure in different states; (75) Linkages with the Panchayati Raj Institutions and Organizations dealing with Rural Development; (76)Permitting Options in goods and certain types of derivatives and derivative products like index futures, weather options, etc.; (77)Issues related to different tax structures in different states;(78)Transactions in the Commodity Derivative Markets to be considered at par with the Security market Derivatives for the purpose of Section43(5)of Income Tax Act;(79)Uniformity in the Arbitration Process;(80)Benefits under Excise Laws;

Chapter-III Internal Trade: (81)Introduction; (82)Retail Sector;(83)Steps taken so far to Promote Organised Retailing; (84)Present Structure of Spot Market in Agricultural Commodities; (85)The following measures are suggested for promoting organised retailing and Spot Markets in India;

Chapter-IV Requirement of Funds during the XI Plan; (86-89)Strengthening of the FMC; (90)Asian Development Bank(ADB)TA Loan Project during the XI Plan;

Chapter-V The Recommendations: (91)Recommendation to promote and further develop Commodity Futures markets; (92)To promote organised retailing and spot markets in India, the following is suggested in the XI Five Year Plan.

IV. Sub-Group Report On Quality Infrastructure and Standardisation Including Legal Metrology (90-123)

(93) Background; (94)Current Scenario; (95)Infrastructure Requirements and Proposed Action Plan; (96)National System for Standardization; (97)Strengthening of Domestic Regulations for Health, Safety, Environment and International Trade; (98)National System for Conformity Assessment and Compliance; (99)Legal Metrology – Strengthening & Capacity Building; (100)Human Resource Development/Capacity Building; (101) Consolidated Financial Outlay.

Annexure (124-195)

Terms of Reference

The Planning Commission vide its Office Order No.I&M-3(36)/2006 dated 7th June 2006 constituted a Working Group on Consumer Protection in the context of the Eleventh Plan under the Chairmanship of the Secretary, Department of Consumer Affairs. The first meeting of the Working Group on Consumer Protection was held on 13th July 2006. The ToR as stipulated in the Planning Commission's letter is as follows:

1. To recommend a comprehensive set of policies, programmes and action plan to launch a strong paradigm for consumer protection covering *inter alia* consumer rights to awareness, education and redressal of grievances and quality infrastructure and standardisation.
2. To identify specific areas requiring government intervention and to suggest ways and means to enhance responsiveness of private sector to consumers.
3. To make an assessment of resource requirements and manner of financing including PPP models in the Eleventh Five Year Plan.

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

Sub Group I: Consumer Awareness & Education, Misleading ads.

I.	Nominee of TERI	Member
II.	Shri Manubhai Shah, CERC	Member
III	Shri Pradip Mehta, CUTS	Member
IV	Nominee of VOICE	Member
V	Nominee of FICCI	Member
VI	Nominee of ASSOCHAM	Member
VII	Nominee of CII	Member
VIII	Nominee of Govt. of AP	Member
IX	Nominee of Govt. of Gujarat	Member
X	Nominee of Govt. of Sikkim	Member
XI	Nominee of Govt. of Karnataka	Member
XII	Nominee of Health & Family Welfare, GOI	Member
XIII	Nominee of DAVP	Member
XIV	Nominee of Ministry of I&B, GOI	Member
XV	CCA, DCA,GOI	Member
XVI	Director (CPU, DCA),GOI	Member
XVII	Dy. Secretary (Pub.) , DCA,GOI	Member
XVII	Dy. Secretary (CWF), DCA, GOI	Member
XIX	Nominee of BIS	Member
XX	Prof .S. S. Singh, IIPA, New Delhi	Member
XXI	J.S. (CA), GOI jsrt –ca@nic.in	Convener

Sub Group II: Consumer Protection And Redressal Mechanism

I.	Shri Manubhai Shah, CERC	Member
II.	Shri Pradip Mehta, CUTS	Member
III	Nominee of VOICE	Member
IV	Nominee of FICCI	Member
V	Nominee of CII	Member
VI	Nominee of ASSOCHAM	Member
VII	Nominee of Health & Family Welfare, GOI	Member
VIII	Nominee of M/o Food Processing, Industries, GOI	Member
IX	Nominee of Govt. of Karnataka	Member
X	Nominee of Govt. of Gujarat	Member
XI	ADG (Certification), BIS	Member
XII	Nominee of NCDRC	Member
XIII	Nominee of Competition, Commission of India	Member
XIV	Dir (CPU), DCA, GOI	Member
XV	Prof .S.S.Singh, IIPA, New Delhi	Member
XVI	Secretary (CA), GOI of A.P. apcca@ap.nic.in	Convener

Sub Group III: Internal Trade & Futures Market (including pricing)

I.	Shri Pradip Mehta, CUTS	Member
II.	Nominee of FICCI	Member
III	Nominee of VOICE	Member
IV	Nominee of Govt. of Gujarat	Member
V	Nominee of Govt. of Rajasthan	Member
VI	Nominee of Govt. of Karnataka	Member
VII	CCA, DCA, GOI	Member
VIII	Director (I.T.), DCA, GOI	Member
IX	Prof .S.S.Singh, IIPA, New Delhi	Member
X	Chairman, F.M.C. Chairman.fmc@nic.in	Convener

Sub Group IV: Quality Infrastructure and Standardisation including Legal Metrology

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I.	Nominee of Teri	Member
II.	Shri Manubhai Shah, CERC	Member
III	Shri Pradip Mehta, CUTS	Member
IV	Nominee of VOICE	Member
V	Nominee of FICCI	Member
VI	Nominee of CII	Member
VII	Nominee of Govt. of Gujarat	Member
VIII	Nominee of Govt. of Rajasthan	Member
IX	Nominee of Govt. of Karnataka	Member
X	Nominee of Sikkim	Member
XI	Nominee of Health & Family Welfare, GOI	Member
XII	Nominee of M/o Environment	Member
XIII	Director (LM), DCA, GOI	Member
XIV	Prof .S.S.Singh, IIPA, New Delhi	Member
XV	ADG (Standardization), BIS	Convener