

AS INTRODUCED IN THE RAJYA SABHA
ON 27TH APRIL, 2007

Bill No. IX of 2007

THE CONSUMER GOODS PRICE FIXATION BOARD BILL, 2007

A

BILL

to provide for setting up of a Board for determination of prices of consumer goods and services commonly used by public in the country and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Fifty-eighth Year of the Republic of India as follows:—

1. (1) This Act may be called the Consumer Goods Price Fixation Board Act, 2007.
- (2) It extends to the whole of India.
- (3) It shall come into force with immediate effect.

Short title,
extent and
commence-
ment.

2. In this Act, unless the context otherwise requires,—

Definitions.

(a) “Board” means the Consumer Goods Price Fixation Board constituted under section 4;

(b) “consumer goods” means any grocery item including milk, bread, cooking oils, cosmetic items, cloths, vegetables, fruits, finished goods or services which are commonly used by public and such other items as the Central Government may, by notification, in this regard, notify.

(c) “prescribed” means prescribed by the rules made under this Act;

(d) words and expressions used in this Act but not defined and defined in the Consumer Protection Act, 1986, shall have the meaning respectively assigned to them in that Act. 68 of 1986.

Board to fix the price of all the consumer goods and services.

3. Notwithstanding anything contained in any other law for the time being in force, the Central Government shall fix the price of all the consumer goods and services through the Board set up under section 4.

Establishment of Consumer Goods Price Fixation Board.

4. (1) The Central Government shall, by notification in the Official Gazette, establish, for achieving the objective mentioned in section 3, a Board to be called the Consumer Goods Price Fixation Board.

(2) The Board shall consist of members on such terms and conditions as may be prescribed, for carrying out its functions.

(3) The Board shall have its office in the capital city of each State and Union Territory.

(4) The Board shall have such number of officers and employees as may be necessary for performing its functions.

Functions of the Board.

5. (1) The Board shall fix the prices of all the consumer goods and services in the country.

(2) The Board shall, before fixing the prices, take into account the following factors besides other things:—

(i) quality of products;

(ii) demand and supply of products;

(iii) cost of production;

(iv) loss during production;

(v) price of accessories or which directly or indirectly affect the price factor of the products and services;

(vi) any other relevant factor as may be deemed necessary.

(3) The Board may fix different prices for different products and services in different States and in accordance with quality of the product and input cost and other relevant factors.

(4) The Board shall, from time to time, after taking into relevant factors revise the prices fixed for different products and services.

Publicity to the prices fixed by Board.

6. The Board shall cause to publish the prices fixed for various consumer goods and services in newspaper, radio/television, cable network.

Penalty.

7. If any person contravenes any decision of the Board he shall be punished with three years simple imprisonment and a fine which may extend upto rupees fifty thousand.

Offences by companies.

8. Where a person committing a contravention of any of the provisions of this Act or of any rule, direction or order made thereunder is a company, every person who, at the time the contravention was committed, was in charge of, and was responsible to, the company for the conduct of business of the company as well as the company, shall be guilty of the contravention and shall be liable to be proceeded against and punished accordingly.

Provided that nothing contained in this sub-section shall render any such person liable to punishment if he proves that the contravention took place without his knowledge or that he exercised all due diligence to prevent such contravention.

(2) Notwithstanding anything contained in sub-section (1), where a contravention of any of the provisions of this Act or of any rule, direction or order made thereunder has been committed by a company and it is proved that the contravention has taken place with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purpose of this section:—

(i) “company” means anybody corporate and include a firm or other association of individuals; and

(ii) “director”, in relation to a firm, means a partner in the firm.

9. If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty:

Power to
remove
difficulties.

Provided that no such orders shall be made after the expiry of the period of three years from the date of commencement of this Act.

10. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force on the subject and save aforesaid the provisions of the Act shall be in addition to and not derogation of any other law for the time in force.

Overriding
effect of
the Act.

11. The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

Power to
make rules.

STATEMENT OF OBJECTS AND REASONS

There are many initiatives that have been taken with the sole objective of protecting the rights of the consumers. The government has also brought forward many legislative measures in this regard. These legislations would help consumer fight for his rights and are helpful in checking the malpractices. But, there is hardly any check on the prices of consumer goods. It has been seen that after one percent increase in the taxation or even for no reason, many unscrupulous manufacturers would enhance price of their products, sometimes, manifold. There is hardly any relationship between the quality and quantity of their product on the one hand and the price, on the other.

This problem is acute in the rural areas. In villages, commodities of much inferior quality are being sold at exorbitant prices. Of late there has been unbridled rise in the prices of essential commodities and other consumer products. The goods of daily use have gone out of the reach of the common man. The same is the position of various services commonly used by public.

In order to fix the prices of consumer goods and services, it has been proposed that a Board shall be set up with its offices in every State and UT. The Board, apart from determining the price of products, shall also act as a check on the agencies who increase the prices at their own will. Since the functions and policies of the Board are regulated by the Central government, the prices of the product will be uniform throughout the country to some extent.

Hence this Bill.

VIJAY J. DARDA

FINANCIAL MEMORANDUM

Clause 4 of the Bill provides for setting up a Board for the price fixation of the consumer goods and services. The Board shall have offices in the capital city of each State and Union Territory.

It is estimated that an annual recurring expenditure of about rupees ten crore is likely to be involved from the Consolidated Fund of India.

A non-recurring expenditure of about rupees five crore is also likely to be involved.

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MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 11 of the Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. As the matter will relate to details only, the delegation of powers is of normal character.

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(Shri Vijay J. Darda, M.P.)