

28 JUL 2006

**Bill No. 57 of 2006**

**THE CONSUMER GOODS (MANDATORY PRINTING OF COST OF PRODUCTION AND MAXIMUM RETAIL PRICE) BILL, 2006**

By

**SHRI HANSRAJ GANGARAMJI AHIR, M.P.**

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**BILL**

*to provide for printing of cost of production and maximum retail price of consumer goods being sold in the market and for matters connected therewith.*

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

1. (1) This Act may be called the Consumer Goods (Mandatory Printing of Cost of Production and Maximum Retail Price) Act, 2006.

Short title, extent and application.

5 (2) It extends to the whole of India.

(3) It shall apply to all persons involved in marketing or manufacturing of goods based on either indigenous or imported materials with the intention of offering it for sale in the market.

Definitions.

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

(a) "appropriate Government" means the Central Government or a State Government as the case may be;

(b) "consumer goods" mean all goods and items brought in the market for sale and are meant for the use and consumption of the consumers;

(c) "cost of production" means cost incurred directly or indirectly by the manufacturer in the production of goods;

(d) "prescribed" means prescribed by rules made under this Act;

(e) "printing" means printing of the cost of production and retail price at a visible place on the product in Hindi and English and the local language of the place it is sold; and

(f) "maximum retail price" means such price at which the product shall be sold in retail and such price shall include all taxes levied on the product.

Mandatory printing of cost of production and maximum retail price on packaging of consumer goods.

3. No person shall sell or cause to be sold any consumer goods without the cost of production and maximum retail price of the product printed on such product after the expiry of six months from the date of coming into force of this Act.

Provision of complaint against selling of consumer goods for a price more than maximum retail price, etc.

4. (1) any person may file a complaint with the appropriate Government in case a consumer goods is sold at more than the maximum retail price printed on the product or is sold without the cost of production of the product printed on it.

(2) The appropriate Government, on receipt of the complaint from any individual or on its own, shall cause an enquiry made into the complaint.

(3) If, after the enquiry made under sub-section (2), it is found that the provisions of the Act have been violated, the license of the organization responsible for manufacturing the consumer goods as also of the organization selling the consumer goods shall be cancelled forthwith and the person-in-charge of the organization shall be punished with simple imprisonment for a term which shall not be less than one year and with a fine which shall not be less than rupees one lakh.

Act to be given wide publicity.

5. The provision of this Act shall be given wide publicity by the appropriate Government through such media as it may deem fit.

Act not in derogation of any other law.

6. The provisions of this Act shall be in addition to, and not in derogation of any other law, for the time being in force, relating to matters provided in this Act.

Power to make rules.

7. The Central Government may, by notification in the official Gazette, make rules for carrying out the provisions of this Act.

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## STATEMENT OF OBJECTS AND REASONS

It is generally seen that the prices of consumer goods sold in the markets are determined arbitrarily by the manufacturers. In this process, the manufacturers gain huge profit as the actual manufacturing cost is very low. The consumers' interests are compromised and they are compelled to buy goods at much higher prices in comparison to actual manufacturing cost of goods. Thus, consumers are subjected to economic exploitation.

For example, Potato chips, drinking water, soft drinks, automobiles, medicines, etc. are being sold at a price much higher than their cost price. The manufacturers arbitrarily fix the price and the consumers are compelled to purchase goods at higher costs. If it is made mandatory for the manufacturers to print the actual cost of production of goods alongwith their maximum retail price it will help to curb the greed of the manufacturers. Such a measure will also help the consumers in making a decision regarding buying the product.

It is the duty of the Government to bring a legislation for protecting the interests of consumers. In the wake of economic liberalisation, it has become essential that the consumers are given the right to know the actual manufacturing cost of the goods they are going to purchase.

It is also in the public interest to make commodities and goods available at fair prices to consumers. The interests of consumers can be protected against the vice of profiteering by making the goods and commodities available to them at a reasonable price.

Hence the Bill.

NEW DELHI;  
*April 27, 2006.*

HANSRAJ GANGARAMJI AHIR

FINANCIAL MEMORANDUM

Clause 5 of the Bill provides that appropriate Government shall give wide publicity to the provisions of this Act.

The Bill, therefore, if enacted, would involve expenditure from the Consolidated Fund of India. The State Governments will also incur expenditure from their respective Consolidated Funds. An annual recurring expenditure of about rupees twenty-five crore is likely to be incurred from the Consolidated Fund of India.

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

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 7 of the Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. The rules will relate to matters of detail only and as such the delegation of legislative power is of a normal character.

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(Shri Hansraj Gangaramji Ahir, M.P.)