

Bill No. 331 of 2019

THE BASIC ITEMS PRICE FIXATION BOARD BILL, 2019

By

SHRI MIDHUN REDDY, M.P.

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BILL

to provide for establishment of a Board for determination of prices of basic food items and services commonly used by public in the country and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Basic Food Items Price Fixation Board Act, 2019.

Short title,
extent and
commencement.

(2) It extends to the whole of India.

5 (3) It shall come into force with immediate effect.

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

Definitions.

(a) "Board" means the Basic Food Items Price Fixation Board constituted under section 4;

(b) "basic food items" 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; and

(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.

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68 of 1986.

Fixation of
Prices of basic
food items.

3. Notwithstanding anything contained in any other law for the time being in force, the Central Government shall fix the prices of all the basic food items and services through the Board established under section 4.

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Constitution
of the Basic
Food Items
Price Fixation
Board.

4. (I) The Central Government shall, by notification in the Official Gazette, establish, for achieving the objectives mentioned in section 3, a Board to be known as the Basic Food Items Price Fixation Board.

(2) The Board shall consist of a chairperson and such number of members as may be prescribed.

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(3) The salary and allowances payable to, and other terms and conditions of service of the Chairperson and members shall be such as may be prescribed.

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

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

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Fixation of
prices by the
Board.

5. (I) The Board shall fix the prices of all the basic food items and services in the country.

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

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(i) quality of products;

(ii) demand and supply of products;

(iii) cost of production;

(iv) loss during production;

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

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(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.

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

Publicity of
prices fixed by
the Board.

6. Board shall cause to publish the prices fixed for various basic food items and services in newspaper, and give wide publicity through 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.

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Panalty for
contravention
by company.

8. (I) 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
5 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,
10 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:—

15 (i) "company" means any body corporate and includes 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
20 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
25 aforesaid the provisions of the Act shall be in addition to and not in derogation of any other law for the time being in force.

Act not in derogation of any other law for the time being in force.

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

Power to make rules.

(2) Every rule made under this Act shall be laid, as soon as may be after it is made,
30 before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid both Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be
35 of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

STATEMENT OF OBJECTS AND REASONS

Many initiatives have been taken with the sole objective of protecting the rights of the consumers. These legislations would help consumer fight for his rights and are helpful in checking the malpractices. However, there is hardly any check on the prices of basic food items. 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.

In order to fix the prices of basic food items and services, it has been proposed that a Board shall be set up with its offices in every State and Union territories. 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 products will be uniform throughout the country to some extent.

Hence this Bill.

NEW DELHI;
November 6, 2019.

P.V. MIDHUN REDDY

FINANCIAL MEMORANDUM

Clause 4 of the Bill provides for establishment of a Board for the price fixation of the basic food items and services. Clause 6 provides that the Board shall give wide publicity to prices fixed for basic food items and services through newspapers, radio, televisions and cable network. The Board shall have its offices in the capital city of each State and Union territory. The Bill, therefore, if enacted, would involve expenditure from the consolidated Fund of India. It is estimated that an annual recurring expenditure of about rupees one hundred crore would be involved from the Consolidated Fund of India.

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

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 rules will relate to matters of details only, the delegation of Legislative power is of a normal character.

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