GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:928
ANSWERED ON:24.11.2000
INDICATION OF MRP ON CONSUMER PRODUCTS
SHEESH RAM SINGH RAVI

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether there is any proposal to make it mandatory to indicate ex-factory prices on consume products to check rise in prices;

(b) if not, the reasons therefor;

(c) the details of the criteria for fixing MRP on consumer products;

(d) whether the Government charges excise duty on MRP or ex-factory price;

(e) where there is any law to deal with excessive fixation of MRP; and

(f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTIRBUTION (SHRI V. SREE PRASAD)

(a) & (b) The Packaged Commodities rules, 1977 require declaration of retail sale on packaged Commodities.

(c) Under the provisions of the Packaged Commodities Rules, 1977, retail sale price is one of the declarations to be made on pre-packed commodity before sale, packed commodity before sale, distribution or delivery. The MRP is fixed by the manufacturer/packer and no criteria is prescribed for this under the said Rules as it is outside its scopre.

(d) The Government does not charge excise duty on MRP. However in the case of certain excisable consumer goods in respect of which there is a statutory requirement of indication of the retail sale price on the retail packages and notified by the Government is this regard, excise duty is charged on the retail sale price less such abatement towards excise duty, local taxes and trade margins provided thereon. In respect of other goods sold at the factory, excise duty is charged on the transaction value at the factory gate, less taxes payable on such goods.

(e) Under the provisions of the Packaged Commodities Rules, 19977, MRP is fixed by the manufacturer/packer. The said Rules require only declaration of MRP. Determination of the reasonableness of the MRP so fixed is outside the scope of the said Rules.

(f) Does not arise.