



Ministry of Consumer Affairs Comes to the Aid of Retailers/Manufacturers

On July 04, 2017, the Ministry of Consumer Affairs, Food and Public Distribution (hereinafter referred to as the 'Ministry of Consumer Affairs') issued a notification numbered, WM-10(31)/2017 to the Controllers of Legal Metrology in all States and Union Territories, wherein they provided a breath of relief to the manufacturers/packers/importers by allowing them to revise the retail sale price of packaged commodities in accordance with the newly implemented GST. Of late, this issue had become a growing apprehension in the minds of the above parties, as it was feared that they would not be able to revise the Maximum Retail Price of the commodities after GST would be rolled out, since the same was prohibited by law under the Legal Metrology (Packaged Commodities) Rules, 2011.

However, with the said notification, the Ministry of Consumer Affairs has demonstrated that it is not only concerned with the needs of the consumer, but also that of the manufacturers/packers/importers. The notification permits the manufacturers/packers/importers to declare the changed retail sale price (MRP) on the unsold stock manufactured/packed/imported prior to July 01, 2017 after inclusion of the increased amount of tax due to GST, if any, in addition to the existing retail sale price. Manufacturers/packers/importers were allowed declare the changed retail sale price by way of stamping, affixing a sticker or online printing, after complying with the following conditions:

1. The difference between the retail sale price originally printed on the package and the revised price shall not be higher than the extent of increase in the tax (if any), or in the case of imposition of fresh tax, on account of implementation of GST Acts and Rules.
2. The original MRP shall continue to be displayed, and the revised price shall not overwrite or block the original MRP as printed.
3. Manufacturers/packers/importers shall make at least two advertisements in one or more newspapers in this regard, and also by circulation of notices to the dealers, Director of Legal Metrology in the Central Government and the Controllers of Legal Metrology in their respective States and Union Territories, indicating the change in price of such packages.

Further, the notification also clarified that under Rule 6 (3) of the Legal Metrology (Packaged Commodities) Rules, 2011, for the purposes of reducing the MRP, a sticker with the revised lower MRP may be affixed and the same shall not cover the existing MRP declaration made by the manufacturer/packer/importer.

Lastly, the notification provided clarity on the duration of such practice being allowed. It states that any packaging material or wrapper which could not be exhausted by the

manufacturer/packer/importer prior to July 01, 2017, may be used for the purpose of packing of material till September 30, 2017, or till such date the packing material/wrapper is exhausted, whichever is earlier.