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January 11, 2022

Smt. Nidhi Khare, IAS  
Addl. Secretary  
Department of Consumer Affairs

**Subject: Legal Metrology (Packaged Commodities) Amendment Rules, 2011, dated 2nd November 2021**

Respected Madam,

We thank you for chairing the Industry Interaction Session on Legal Metrology Amendment related issues and understanding the concerns of the industry vis-à-vis the Amendment on 4<sup>th</sup> January 2022.

We are grateful to you and the other officials of the Ministry for the time and patient listening of all our concerns and requests. The meeting was very helpful and the discussions have provided clarity on some important aspects with regards to compliance with the above stated amendments.

With regards to the clarifications provided to Industry by your good office on certain provisions of the above amendments, we would like to present the clarification provided in the meeting as below.

**1. Provides flexibility in the manner of display of MRP price declarations:**

The new Rules 6 (1) (e) following amendment reads,

“The retail sale price of the package shall clearly indicate that it is maximum retail price inclusive of all taxes in Indian currency.” MRP illustrations have now been removed by the amendment to ensure flexibility in the way MRP is displayed.

We are thankful for providing utmost flexibility to the industry to display MRP on their products. Manufacturers/packagers can now display the MRP declaration in a flexible manner. This change is quite significant to ensure ease of doing business.

**2. Symbols “N” or “U” may be used in quantity declarations:**

The amendment to Rule 13 (5) (ii) eases out the earlier compulsory requirement of denoting the quantity declaration for commodities sold by number exclusively as ‘N’ or ‘U’.

We are thankful for clarifying that the usage of the term “N” or “U” in the quantity declaration is permitted even after the amendment in Rule 13 (5) (ii) of the LMPC Rules.

**3. Applicability of Amended Rules effective 01.04.2022:**

The effective date of the amendment currently is April 1, 2022 and will be applicable to products that are being manufactured or packed on or after this date.

We are thankful to you for the above clarifications and request that these may be shared / clarified with/to the state LM officials/ Field officers as well for their reference

in order to maintain an uniform practice / understanding at field level and avoid unnecessary dispute arising out from any other interpretation on the above in future.

Additionally, we would like to suggest recommendations on some of the provisions of the amended rules for your kind consideration, as below:

#### **4. Applicability on “per number” declaration for electronics:**

The Amended Rules have introduced Rule 6 (11) to the LMPC Rules which requires the declaration of “unit sale price”. We understand that the intent behind the introduction of Rules 6 (11) under the Amended Rules is to provide more flexibility to industry and is more relevant for the declaration to made at E Commerce platform while offering the product for sale, thereby enabling an easier comparison of the prices of the commodities for the consumer at the time of purchase. Further Rule 6(1) also does not mandate any declaration of unit price on the Label, rather it mandates the declaration of MRP.

It is our understanding that this provision will come into play only when there are more than 1 units of the same saleable commodity in the package that can be sold separately by number, for e.g., in the case of a carton of mineral water bottles. For the electronics industry, mostly all pre-packaged commodities include one (1) main product to which the Maximum retail sale price can be ascribed to and its accessories such as chargers/ cables which are also inside the box of the main product to which a retail sale price cannot be ascribed. Further, this will also create a concern for retail packs which have 2 or 3 units for convenience of customers. Such packs cannot be split and sold individually to separate customers (For example Printer cartridges twin packs or similar packs etc). Our suggestion is that unit price be insisted only for packages having more than a specified no. of units (Based on industry consultation).

Thus, we understand that the declaration pertaining to unit sale price will not be applicable to electronics products such as smartphones, printers, Cameras, tablets, laptops, and other electronic devices since there is only a single main saleable Product offered along with its accessories for retail sale per package, having MRP of the main saleable Product as per the requirement of Rule 6(1)(e). This was also presented by many of the industry associations present, including MAIT.

Accordingly, we request the Ministry to issue necessary clarification that Rule 6 (11) to apply only to those product packages where there is more than 1 unit of the same saleable commodity within a package. This will not be applicable to single products within a package that are accompanied with its accessories.

#### **5. Reconsider clause 5(i) of the Amendment rules 2021, especially for spare parts sold directly to end consumers as a standalone product**

Companies in the electronics sector import spare parts/ components, primarily for two purposes as given below:

- (i) For repairs/ after sale service and/or as components for industrial manufacturing – Such spare parts are typically not sold as standalone products to end consumers These are the parts which either goes into manufacturing or are used for repair of existing products under specific warranties/ aftersales service at designated service centres and are usually for institutional purposes.

It is the common understanding that the law does not require mandatory label information on such spare parts used for institutional and repair/ after sale service purposes. We are also thankful to the department for reconfirming the above understanding during the consultation meeting last week

- (ii) Spare parts/components sold on a standalone basis to retail consumers:

As per the clause 6(5) of the Legal Metrology (Packaged commodities) Rules 2011, if the components are sold as spare parts directly to end customer, all declaration has to be given on the packages. This requirement poses some challenges on industry due to the recent amendment rules.

Under the latest amendment, as per clause 5(i) it mentions that “in clause d of Rule 6 the words, —or pre-packed or imported shall be omitted”

This would imply that all the pre-packaged commodities including spare parts sold to end consumers shall need to mandatorily include the Month and Year in which the commodity is manufactured and the flexibility to mention the date of packaging or import is taken away.

While we appreciate the intent of the amendment, which may be relevant for few sectors which provide perishable goods to consumer, however, for an electronics and consumer durable industry this amendment is very onerous.

We would like to share some insights which may help you appreciate the complexity of tracing such products at global manufacturing level especially for the spare parts which are enclosed as Annexure 1. **Prior to the latest amendment, there was a flexibility provided in terms of mentioning month & year of manufacturing, or pre-packaging or import which greatly benefited the industry.** Regarding the changes to Rule 6(1)(d) pertaining to the deletion of the words ‘*pre-packaging or import*’, it is our view that these changes are taking away the required flexibility by which companies had to declare either the month and year of manufacture or pre-packaging or import. This will have a significant impact on companies. This needs to be relooked for the purpose of EoDB.

Given the challenges of the global supply chains and the nature of the product (which is non-perishable), we humbly request you to consider our recommendations as below:

- 1) Retain the term “pre-packaged or imported” in the clause 6 (d) as it was in the original rules to mention the details of month and Year**

**OR**

- 2) Provide an exception for spare parts sold to the end consumer to have the flexibility to use term ‘Pre-packaged or imported’ vis-à-vis month and year OR manufacturing month and year on the packaging label.**

#### **6. Timeline for implementation to be extended by 9 (nine) months to ensure smooth transition.**

We request that the industry may be provided sufficient time to implement the changes introduced by the amended rules. It is recommended that those provisions of the amended rules which require printing of new details on the packaging be extended by 9 months, w.e.f January 1, 2023.

To comply to the new rules, there needs to be a paradigm shift in the labelling requirements for millions of products across sectors. This shift entails re-calibration of the packaging requirements across the board. This will also entail several operational changes such as new printing contracts, changes in designing etc. In addition to this, COVID-19 and the incoming third wave owing to the Omicron variant has severely impacted supply chains and caused several logistical bottle necks. Businesses are only striving to make products available to consumers and the re-calibration needed to comply with the new requirements will cause further hurdles and delays. In view of these issues, the industry at large believes that the timeline for implementation is grossly short.

We trust you will find the above in order and look forward to favourable considerations on the above issues (Sr. No. 4-6).

With regards,

A handwritten signature in black ink, appearing to read "George Paul". The signature is written in a cursive style with a long horizontal stroke at the end.

George Paul  
Chief Executive Officer

CC: Shri Rohit Kumar Singh, IAS, Secretary, Department of Consumer Affairs

CC: Shri Anupam Mishra, IES, Jt. Secretary, Department of Consumer Affairs