

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary _ Public

Date: 10/4/2017

GAIN Report Number: IN7121

India

Post: New Delhi

Timeline to Display Revised MRP Due to GST Implementation Extended

Report Categories:

Sanitary/Phytosanitary/Food Safety

Exporter Guide

Beverages

Food Processing Ingredients

Food and Agricultural Import Regulations and Standards - Narrative

Fresh Fruit

Tree Nuts

Retail Foods

Approved By:

Mark Wallace

Prepared By:

Radha Mani

Report Highlights:

On September 29, 2017, the Government of India's (GOI's) Department of Consumer Affairs, Legal Metrology Division, published a notification to extend the timeline provided to the manufacturers, packers or importers of pre-packaged commodities to declare the changed retail sales prices on the unsold stock of product manufactured, packed or imported before the goods and services tax (GST) implementation date of July 1, 2017. The earlier timeline of September 30, 2017 has been extended until December 31, 2017.

General Information:

DISCLAIMER: The information contained in this report was retrieved from the Department of Consumer Affairs website <http://consumeraffairs.nic.in/home.aspx>. The Office of Agricultural Affairs and/or the U.S. Government make no claim of accuracy or authenticity.

The GOI's Department of Consumer Affairs notified the extension of timeline for manufacturers, packers or importers of pre-packaged commodities to declare the changed retail sales prices on the unsold stock of product manufactured, packed or imported before the GST implementation date of July 1, 2017. This includes the increased amount of tax due to GST if any, in addition to the existing retail sales price. The new timeline to comply on this requirement is December 31, 2017. The notification also clarifies that in case the MRP is lowered, the revised lower MRP should be affixed in a way that it does not cover the MRP declaration made by the manufacturer or packer or importer, as the case may be, on the label of the package. All other information remains as provided in the July 4th notification. The full text of the most recent September 29th notification is pasted below for readers' convenience.

Background

On July 4, 2017, the GOI's Department of Consumer Affairs published a notification relating to a change in the maximum retail price (MRP) and its display on the labels of packaged commodities. According to this notification, the manufacturers, packers or importers of pre-packaged commodities are allowed to declare the changed retail sales prices on the unsold stock of products manufactured, packed or imported before the GST implementation date of July 1, 2017. This includes the increased amount of tax due to GST if any, in addition to the existing retail sales price, for three months starting July 1, 2017, until September 30, 2017. The declaration of the changed MRP as per the July 4th notification was allowed through stamping or pasting a sticker or online printing, as the case may be. For additional details, please refer to GAIN [IN7086](#).

Speed Post

WM-10(31)/2017
Government of India
Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs
Legal Metrology Division

Krishi Bhawan, New Delhi
Dated: ..29.....9.2017

To,
The Controllars of Legal Metrology,
All States/ UTs

Subject: Impact of GST on unsold stock of pre-packaged commodities -reg.

Sir,

The undersigned is directed to refer to this office letter No. WM-10(31)/2017 dated 04.7.2017 on the above mentioned subject and to state that in exercise of the powers conferred by rule 33(1) of the Legal Metrology (Packaged Commodities) Rules, 2011, considering the requests received from manufacturers, traders and Industries, the Central Government hereby further permits the manufacturers or packers or importers of pre-packaged commodities to declare the changed retail sale price (MRP) on the unsold stock manufactured/ packed/ imported prior to 1st July, 2017 after inclusion of the increased amount of tax due to GST if any, in addition to the existing retail sale price (MRP), up to 31st December, 2017. Declaration of the changed retail sale price (MRP) shall be made by way of stamping or putting sticker or online printing, as the case may be, after complying with the following conditions:

(i) The difference between the retail sale price originally printed on the package and the revised price shall not, in any case, be higher than the extent of increase in the tax if any, or in the case of imposition of fresh tax, such fresh tax, on account of implementation of GST Act and Rules.

Explanation: (A) The phrase "the increased amount of tax due to GST, if any" means "the effective increase in the tax liability calculated after taking into consideration extra availability of input tax credit under GST (including deemed credit available to the traders under CGST)".

(B) The declaration of new MRP on unsold stock manufactured/ packed/ imported prior to 1st July, 2017 should not be done mechanically but after factoring in and taking into consideration extra availability of input tax credit under GST (including deemed credit available to the traders under proviso to subsection (3) of section 140 of the CGST Act, 2017).

(ii) The original MRP shall continue to be displayed and the revised price shall not overwrite on it.

(iii) Manufacturers or packers or importers shall make atleast two advertisements in one or more newspapers in this regard and also by circulation of notices to the dealers and to the Director of Legal Metrology in the Central Government and Controllers of Legal Metrology in the States and Union Territories, indicating the change in the price of such packages, if not done earlier.

2. Further, it is clarified that under sub-rule (3) of rule 6 of the Legal Metrology (Packaged Commodities) Rules, 2011 "for reducing the Maximum Retail Price (MRP), a sticker with the revised lower MRP (inclusive of all taxes) may be affixed and the same shall not cover the MRP declaration made by the manufacturer or the packer or importer, as the case may be, on the label of the package".

3. It is also clarified that any packaging material or wrapper which could not be exhausted by the manufacturer or packer or importer, may be used for packing of material upto 31st December, 2017 or till such date the packing material or wrapper is exhausted, whichever is earlier after making corrections required in retail sale price (MRP) on account of implementation of G.S.T. by way of stamping or putting sticker or online printing.

Yours faithfully



(B. N. Dixit)

Director of Legal Metrology

Tel: 011-23389489/ Fax.-011-23385322

Email: dirwm-ca@nic.in

Copy to: All Industries/ Industry Associations/ Stake Holders