

**FAQs on Relaxation of Legal Metrology (Packaged Commodities)
Rules, 2011 for facilitation of implementation of the provisions of the
GST Act and Rules**

1) What is MRP?

MRP is the maximum retail sale price inclusive of all taxes.

2) Whether GST is included in MRP?

Yes, The MRP on a pre-packaged commodity is inclusive of all taxes that can be levied from the consumer, including the GST.

3) Whether any retailer may charge GST over MRP?

No. GST is included in MRP and is not to be charged over MRP.

4) Is it allowed to revise the MRP if there is any price change after coming into force of the GST law?

With coming into force of the GST law, in rare cases, where there is a need for revising the retail sale price above the already printed MRP on a pre-packaged commodity, Manufacturers/ Packers/ Importers can declare such revised MRP on their unsold stock through stickers/ online printing/ stamping, with the following conditions:

- i) Difference cannot exceed the net price increase on account of incidence of tax after factoring in and taking into consideration extra availability of input tax credit under GST (including deemed credit available to traders under proviso to subsection (3) of section 140 of the CGST Act,2017);
- ii) Original MRP shall continue to be displayed and the revised MRP shall not overwrite on it;
- iii) Manufactures/ Packers/ Importers have to issue two advertisements in one or more newspapers and intimate the Director Legal Metrology and Controllers of Legal Metrology in the states.

5) How new MRP will be calculated for the purposes of labeling?

New MRP of unsold stock manufacture/ packed/ imported prior to 1st July 2017 should not be calculated mechanically but after factoring in and taking into consideration extra availability of input tax credit under GST (including deemed credit available to traders under provision to subsection (3) of section 140 of the CGST Act,2017).

6) How upward revision of prices can be displayed?

After declaration of the price by the manufacturer/ Packer/ Importer by complying with the procedure explained in answers to the questions 4 and 5 above, either the Manufacturer/ Packer/ Importer as the case may be or a Wholesaler/Retailer shall affix a sticker/ print/ stamp indicating the revised prices so fixed, advertised and communicated by the Manufacturer/ Packer/ Importer.

7) How downward revision of prices can be displayed?

As per proviso to rule 6(3) of the Legal Metrology (Packaged Commodities) rules, 2011 reduced MRP may be declared by putting a separate revised MRP sticker, and the same shall not cover the MRP declaration made by the Manufacturer/ Packer/ Importer. Further, i) Advertisement and intimation to Legal Metrology authorities will not be mandatory in case of such downward revision, ii) Either the Manufacturer/ Packer/ Importer as the case may be or a Wholesaler/ Retailer shall affix the sticker displaying reduced MRP as per the price fixed and communicated by the Manufacturer/ Packer/ Importer.

8) Does the order on MRP issued by the department of Consumer Affairs apply to all the goods?

The order applies only to the goods sold in the pre- packaged form, excluding scheduled formulations and non-scheduled formulation covered under the drugs (price control) order. Commodities sold in loose condition are not covered under the said order.

9) What is the time limit for display of revision of MRP through stickers/ stamps/ online printing, on unsold stocks?

The time limit is 30th September 2017 or till the stock remains unsold, whichever is earlier.

10) Is the said order applicable for unused wrappers?

Yes. Any packaging material or wrapper which could not be exhausted by the manufacturer or packer or importer prior to 1st July, 2017 may be used for packing of material upto 30th September, 2017 or till such date the packing material or wrapper is exhausted, whichever is earlier.