



Pre-Packaged Commodities – Labelling requirements



Law governing declarations of pre-packed commodity:

All declarations to be made on packaged commodity are prescribed under the Legal Metrology Act, 2009 and Rules (LM Provisions)

Why is this law relevant ?

This law regulates goods which are sold or distributed by weight, measure or number

Applicability

Wherever goods are manufactured, packed, sold, imported, distributed, delivered as any pre-packaged commodity, such package must mandatorily contain various declarations.

Commodities to which LM Act Apply



Applicability – Declarations to be made on all pre-packaged commodity.



What is Pre-packaged commodity – They are commodities which are placed in a package without the purchaser being present, irrespective of its sealing, so that the product contained therein has a pre-determined quantity.



What must a person dealing in Pre-packaged commodity do -
All persons dealing with any pre-packaged commodity are required to comply with the provisions.

Exclusions from the applicability of LM Act



- 1 Any commodity weighing more than 25 kg or 25 liters
- 2 Cement, fertilizer and agricultural farm produce sold in bags above 50 kg
- 3 Net weight or measure of that commodity is less than ten gram or millimeter
- 4 Such other notified items

- 5 Packaged commodity meant for Industrial consumers and Institutional consumers (refer next slide)
- 6 Fast food items packed by restaurant or hotels
- 7 Certain drugs

Industrial consumers and Institutional consumers

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Who are “industrial consumer”

They are the consumer who buys packaged commodities directly from the manufacturer/ importer/ from wholesale dealer for use by that industry;

2

Who are “institutional consumer”

They are the institution who buys packaged commodities directly from the manufacturer/ importer/ wholesale dealer for use by that institution and not for commercial or trade purposes;

Important caveat

The commodities sold to such consumers must conspicuously declare that these items are “not for retail sale”

Compliance requirements under the LM Provisions

Declaration

All pre-packaged goods sold by such person must have multiple declarations. Some of which are as:

- Name and address of manufacturer and packer to be mentioned.
- For imported goods, name and address of importer.
- Name of country of origin for imported and assembled goods
- Month and year in which commodity is manufactured or packed
- MRP in Indian Currency
- Identifying a Principal display panel
- Size and width to be in compliance with mandatory specified size
- Adequate spacing is made available
- Customer complaint numbers to be highlighted
- If the package contains more than one item, additional declarations are specified.

Persons who pre-packs or imports any commodity for sale, distribution or delivery must obtain LM registration



Registration

Penal provisions for non-compliance



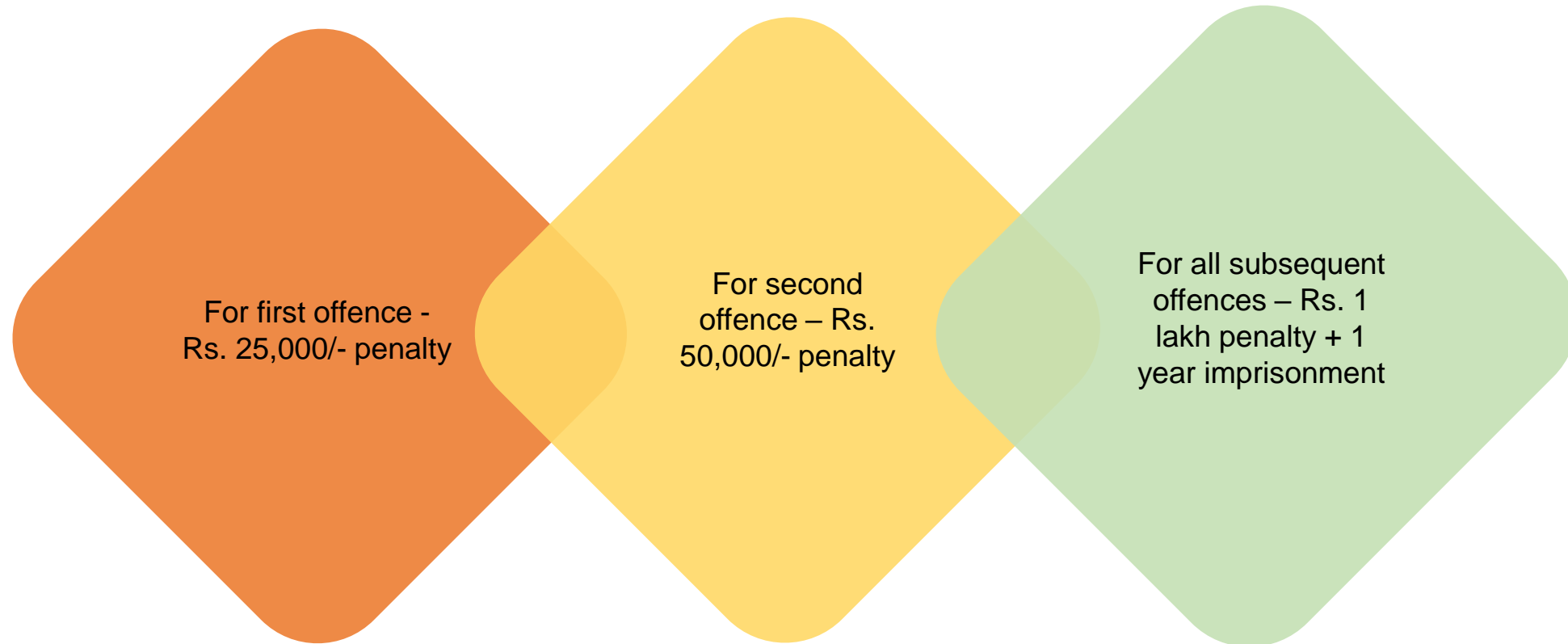
Non-compliance may lead to

- a) penalty,
- b) Prosecution of all/nominated directors and
- c) imprisonment

LM officers also review the packaging at various retail stores and levy penalty on the dealers.

Penalty for continuous offence

For selling any pre-packaged commodity without any prescribed declarations penalty and imprisonment get triggered




Various other penal provisions prescribed for offences relating to non-registration, wrong declaration of quantity, non-production of documents, sale by non-standard weight, giving any false information etc.

Can any liability be fixated on the Board?


- Every person who was at the time of the offence, in-charge of and responsible to the company for the business conduct will be deemed to be guilty.
- In essence, every Director of the company is deemed guilty and may be served with notice under the Act
- Alternatively, company has option to nominate a Director who alone would be subjected to receive notices under the Act.




Major Sectors where LM Act is applicable




Auto components



FMCG



Electronics




Leather

Retail & E-commerce




Sport goods



Textile & Related Articles



Consumer Durables



How can we assist you..

Verify if the law is applicable to your business. If LM is applicable to your products, we can ensure you are



LM compliant by obtaining registration



Review your labels and packaging to suggest best market practice



Ensure that the company takes appropriate strategy to mitigate SCN's to be received by all directors



In case of litigation, support you in responding to officer and advise on compounding

THANK YOU

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