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January 12, 2022

Shri Rohit Kumar Singh, IAS
Secretary
Department of Consumer Affairs

Sub: Request for reviewing provisions of the Legal Metrology (Packaged commodities) Rules, 2011

Respected Sir,

Greetings from MAIT

I am writing to you on behalf of the members of MAIT. Incorporated in 1982, MAIT represents the interest of companies championing the electronics hardware manufacturing eco-system of India.

We would like to thank you for giving us the opportunity to present our concerns with regards to Legal Metrology Rules and make suggestions to the states LM officers at the National workshop held on November 25, 2021.

We are writing to bring to your attention issues being faced by our member companies with regard to Rule 6 & 7 of the Legal Metrology (Packaged Commodity) Rules, 2011 (*LMPC Rules*). These provisions do not appear to be in line with the spirit of the Legal Metrology Act, and are adversely impacting consumer interests (as the additional labelling cost gets passed on to the consumer ultimately), while also hampering Ease of Doing Business for manufacturers, importers and sellers of consumer electronic items who have to undergo additional layers of compliance i.e., requirement of PDP display, printing BIS number, ROHS etc.

Provisions under the LMPC Rules leading to practical issues for compliance

The Legal Metrology Act establishes and enforces standards and regulations of weights & measurements or any aspects that are incidental to the same. The LMPC Rules prescribe labelling requirements for pre-packaged commodities by delineating the declarations as well as the manner of declaration of this information. Compliance of these provisions is incumbent on manufacturers, importers, and sellers of consumer electronic goods.

The mandatory declarations do not fall in line with the original intent of the Legal Metrology Act and the LMPC Rules which are focussed on consumer protection by providing consumers with the required information in a clear and concise manner. The intent is not to baffle a consumer with lengthy declarations while making compliance requirements unviable for manufacturers/importers.

Currently, many industry members are struggling to adhere with the labelling requirements being unviable. These provisions are against the spirit of Ease of Doing Business for companies who are constantly facing the risk of noncompliance. These issues may result in long term detrimental effects on manufacturers/importers who will continue to find it a

herculean task to adhere to such compliance requirements. Given the additional layer of compliance and impact on Ease of Doing Business, many companies will be discouraged to invest in India.

Key provisions and corresponding issues relating to the adverse impact of the labelling requirements

There are numerous issues associated with the labelling compliance requirements under LMPC Rules, that are adversely impacting manufacturers/importers of pre-packaged goods. Some of the relevant issues are listed below for your consideration:

1. Labelling requirements under Rule 6 leading to lengthy labels to be displayed on packages –

The LMPC Rules under Rule 6, prescribe mandatory declarations required to be affixed on a label to be displayed on the PDP of every package. In many cases such as consumer electronic goods, there are 10 or more such mandatory declarations. These declarations inter-alia include the name and complete address of manufacturer/importers, Maximum Retail Price (MRP), details for filing consumer complaints, net quantity etc.

“6. Declarations to be made on every package. – (1) Every package shall bear thereon or on the label securely affixed thereto, a definite, plain and conspicuous declaration made in accordance with the provisions of this chapter as, to - (a) the name and address of the manufacturer, or where the manufacturer is not the packer, the name and address of the manufacturer and packer and for any imported package the name and address of the importer shall be mentioned.....month and year in which the commodity is manufactured.....net quantity.... common generic names....”

The label which was originally introduced to declare only some very relevant critical information has now turned into a label requiring a number of declarations, some of which may not be critical. Over the years many mandatory requirements have been added to Rule 6. This has led to increase in size of the label. Further, in addition, there are several other mandates outside of the LMPC Rules that have been mandated for display on the label. For instance, the Bureau of Indian Standards (BIS) related markings and information under BIS-Conformity Assessment Scheme (BIS-CAS) and the Compulsory Registration Scheme (Scheme II) etc..

The increase in the label size along with the need to display information based on other mandates other than LMPC Rules, has resulted in a substantial part of the product box being covered in mandatory declarations. The result of this that there is very little space left for the manufacturer to display other information about the product. In addition, the large labels hamper with the design aesthetics of packaging. These large labels also lead to numerous other issues such as increased costs of packaging, impact brand appeal of the package, and consequently hamper Ease of Doing Business. Most importantly, these labels are environmentally unsustainable as they are of paper. With Billions of packaged boxes sold every year, the aggregate adverse impact of these requirements on the environment is high.

Thus, on the basis of the above, the two key issues that must be considered are:

1. The need for reduction of mandatory requirements prescribed on a label.
2. Flexibility in the manner in which critical information is displayed on the label.

We propose the below approach:

- **Non-critical declarations to be reconsidered and/or moved to digital format.**

The declarations as mandated under Rule 6 to be divided into categories based on immediacy and criticality of their relevance. This will help position them on the physical label. We recommend that, critical information can remain on the physical label and non-critical declarations can be moved to weblink format. The electronics industry is well positioned to adopt this approach since consumers are already well versed with QR codes and bar codes. The LMPC rules already allow use of QR code/bar code and we are proposing this as an additional measure without replacing the physical labels.

- **Repetitive information to be clubbed together and redundant information can be removed.**

Many a time, the information required under different heads is the repetitive. For instance, the name of the manufacturer/importer/consumer redressal is the same. We recommend that such repetitive information may be clubbed under a single head rather than appearing multiple times on a label.

Rule 10^[1] of the LMPC Rules lay down the requirement to display complete addresses of the manufacturer/importer or consumer redressal mechanism. This information is now redundant since the consumer redressal number is already available on company websites. Other alternatives are suggested to be made available to manufacturers such as Post Office Boxes, email ID etc.

2. Font size requirements under Rule 7 resulting in lengthy labels -

Rule 7 of the LMPC Rules prescribe the character size of the mandatory declarations that have to be displayed on packages under the LMPC Rules. This is done to ensure that the declarations are legible to a consumer.

These labels take up almost all/substantial percentage of the space on the PDP. This leads to a situation where one entire side of the package has to be dedicated to the label on the PDP side and does not leave any room for other crucial information that the manufacturer may need to provide and or/ markings and information relating to product technical safety, environment, and other consumer centric information.

In view of the above, it is proposed that the requirements are reconsidered and rationalised.

- Countries having similar requirements have restricted the applicability of minimum height requirements for letters and/ or numerals to only certain specific mandatory declarations such as the quantity of a product and not all declarations^[2]:
 - **United States of America (US):** Under various laws and regulations in the US, the requirement for letters and numerals appearing on the PDP to be of a certain type size or height, is confined to only certain specific declarations such as the quantity of contents and do not extend to other lengthy declarations such as the name and complete address of the manufacturer/importer.

^[1] "10. Declaration of name and address of the manufacturer, etc.- (1) Subject to the provisions of rule 6, every package kept, offered or exposed for sale or sold shall bear conspicuously on it, the name and complete address of the manufacturer, or where the manufacturer is not the packer, the name and address of the manufacturer and the packer and in case of imported packages, the name and address of the importer....."

^[2] TBD- While sources are available, they have been removed as they are very lengthy

- **Australia:** National Trade Measurement Regulations 2009 provide for a minimum requirement for the size of characters to be used in measurement markings and not for any other declaration.
- **Canada:** The Consumer Packaging and Labelling Regulations provide for a minimum height requirement for the numerical portion of the net quantity declaration and also requires that the said portion be in bold type face. All other information in the declaration of net quantity, other than numerical portion, are to be shown in letters of not less than 1.6 millimetres in height.

It is imperative to find a resolution to these issues in order to help retain and enable increased investments and ensure that compliance hurdles do not come in the way of the growth of a sunrise sector like electronics in India. With the increasing digital penetration, the government and industry should work together to resolve any issues that have the potential to hamper the vision of 'Digital India'.

The current requirements prescribed under the LM rules, have led to a situation where several industry members, despite their best intentions, find themselves in violation of such requirements and they are facing the constant risk of running into breach of law. The industry has witnessed rampant seizures of goods by officials that are holding companies accountable for their inability to comply with such requirements leading to products being unavailable to the consumer and therefore these Rules should be reconsidered in consumer interest.

Proposal

The above stated issues are only a few of many that highlight the adverse impact on consumers and sellers alike. Given the above issues, we humbly request for the following:

1. **Review of Marking & Labelling under LM Rules as Stated Above:** We propose formation of a committee with relevant ministries, industry and consumer groups to **review LM rules related to labelling and marking.**
2. In the interim the Government is requested to provide appropriate clarifications regarding relevant provisions for reducing the number of declarations as well as the manner of declaration and calculation of the PDP area.
3. No coercive action should be taken against companies for non-compliance, while the review of provisions is underway. Instead, more time should be provided to these companies for compliance. Efforts must be taken to uphold and improve Ease of Doing Business for companies to ensure companies are not discouraged from investing in India.

We humbly urge you to consider the above requests that will help manufacturers/importers ensure full compliance with the law by providing all information to consumers in a clear and concise manner, upholding the spirit of the LM Act and Rules. The Government has kept Ease of Doing Business high on its list of priorities and we hope for your support in this case.

With regards,



George Paul
Chief Executive Officer