



## NITYA'S INSIGHT

### *NITYA | LMA Update*

September 11, 2018

Dear Reader,

We have shared the following update with our clients.

The Government of India has issued Advisory dated July 27, 2018 ('Advisory') for revision of MRP due to reduction in GST Rates of specified goods from July 27, 2018. The key points covered in Advisory are:

- It shall be permissible to affix an additional sticker by way of stamping / online printing for declaring reduced MRP on the packages till December 31, 2018.
- The Advisory is applicable on unsold stock of goods manufactured / packed / imported whose MRP should reduce pursuant to GST rate reduction in the GST Council Meeting dated July 21, 2018.
- Any packaging material which could not be exhausted by manufacturer / packer / importer may be used for packing till December 31, 2018 or till date such material is exhausted, whichever is earlier.

A copy of Advisory is attached herewith.

#### **NITYA Comments**

*Proviso to Rule 6(3) of the Legal Metrology (Packaged Commodities) Rules, 2011 ('LMPC Rules') allow affixing an additional sticker for reducing MRP. A specific Advisory was not needed to permit the same.*

*This Advisory, rather than providing an option to taxpayers, seems to mandate taxpayers to affix stickers and reduce MRP where there is reduction in rate of GST (also indicated in Para 6 of the Advisory). However, the Legal Metrology law does not mandate the taxpayers to reduce MRP on reduction of tax rate but merely provides an option. Further, it does not consider the practical difficulties of changing MRP on stock lying with distributors / retailers / depots.*

We hope that you will find this update useful. For any clarification, please feel free to revert.

Regards,

Team NITYA



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