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APHC010291672020

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI **[3331]**
(Special Original Jurisdiction)

WEDNESDAY, THE 22nd DAY OF JULY 2026

PRESENT

THE HONOURABLE SRI JUSTICE SUBBA REDDY SATTI

<u>WRIT PETITION NO: 19262/2020</u>

Between:

1. SAMSUNG INDIA ELECTRONICS PVT. LTD., HAVING ITS REGISTERED OFFICE AT 6TH FLOOR, DLF CENTRE, SANSAD MARG, NEW DELHI - 110 001. AND HAVING ITS CORPORATE OFFICE AT 20TH TO 24TH FLOOR, TWO HORIZON CENTRE, GOLF COURSE ROAD, DLF PHASE-5, SECTOR 43, GURUGRAM, HARYANA-122 202. REPRESENTED BY ITS AUTHORIZED SIGNATORY MR. PRAVEEN SANGWAN.

...PETITIONER

AND

1. THE STATE OF ANDHRA PRADESH, THROUGH ITS PRINCIPAL SECRETARY, DEPARTMENT OF CONSUMER AFFAIRS, FOOD AND CIVIL SUPPLIES, A.P. SECRETARIAT, VELAGAPUDI, AMARAVATI, GUNTUR DISTRICT ANDHRA PRADESH.

2. THE CONTROLLER OF LEGAL METROLOGY D NO 101521, CIVIL SUPPLIES CORPORATION, 1ST FLOOR, BANDAR ROAD, ASHOK NAGAR, KANURU, VIJAYAWADA, ANDHRA PRADESH - 520 007.

3. THE INSPECTOR, DEPARTMENT OF LEGAL METROLOGY, D. NO. 4/62-A, USMAN NAGAR, RAJAMPET, KADAPA DISTRICT, ANDHRA PRADESH - 516 115.

...RESPONDENT(S):

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue an appropriate writ or order or direction more particularly a writ in the nature of a writ of Mandamus declaring the actions of Respondent No.2 in passing the Order dated 01.10.2020 in Respondent No. 3 in the case bearing no. 113/PC/2020-21, against the Petitioner as being illegal, arbitrary and violative of the Legal Metrology Act, 2009, Legal Metrology (Packaged Commodities) Rules, 2011 as well as Articles 14 and 19 of the Constitution of India and consequently set aside the same and b.declaring the actions of the Respondent No.3 in drawing the Panchnama dated 13.06.2020 and issuing the Notice bearing no. 113/PC/2020-21 dated 08.10.2020 in relation to the case bearing no. 113/PC/2020-21, to the Petitioner as being illegal, arbitrary and violative of the Legal Metrology Act, 2009, Legal Metrology (Packaged Commodities) Rules, 2011 as well as Articles 14 and 19 of the Constitution of India and consequently set aside the same and pass

IA NO: 1 OF 2020

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay the operation of Notice bearing no. 113/PC/ 2020-21 dated 08.10.2020 issued by the Respondent No.3 in relation to the case bearing no. 113/PC/2020-21 including the initiation of any proceeding(s)/proceeding further in relation to case bearing no. 113/PC/2020-21, against the Petitioner and pass

IA NO: 1 OF 2021

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to extend the Interim Order granted on 21.10.2020 and pass such

<u>IA NO: 2 OF 2021</u>

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to vacate the interim order dated 21-10-2020 passed in W.P. No 19262 of 2020 and dismiss the Writ Petition in the interest of justice

Counsel for the Petitioner:

1. VARUN BYREDDY

Counsel for the Respondent(S):

1. GP FOR CIVIL SUPPLIES

The Court made the following:

<u>ORDER</u>

The Samsung India Electronics Private Limited, being a company incorporated under the Companies Act, 1956, represented by its authorized signatory, filed the above writ petition, impugning the order dated 01.10.2020 in Appeal No.1 of 2020 passed by the 2nd respondent, confirming the order dated 29.06.2020 vide Notice No.113/PC/2020-21 of the 3rd respondent, as illegal, arbitrary and violative of Legal Metrology Act, 2009 (for short "**L.M.Act**") and Legal Metrology (Packaged Commodities) Rules, 2011 (for short ("**L.M.Rules**").

2. The 3rd respondent inspected the premises of M/s Lakshmi Narasimha Mobiles, a retailer of the petitioner, on 13.06.2020. During the inspection, the authorities seized three packages of 'Samsung Galaxy A31' mobile phones, alleging that the packages did not contain a declaration regarding sizes/dimensions. A panchanama (Ex.P3) was drawn alleging violation of Sections 18 and 36 of the L.M.Act and Rules 4 & 6(1)(f) of the L.M.Rules. The petitioner submitted a detailed representation to the 3rd respondent (Ex.P5) to release the seized

packages. Thereafter, the 3rd respondent passed Ex.P2 proceedings, holding that the screen size/dimension of mobile phones must be declared under Rules 4 & 6(1)(f) of the L.M.Rules and the petitioner thus violated Sections 18 and 36 of the L.M.Act. Aggrieved by the same, the petitioner preferred appeal No.1 of 2020 before the 2nd respondent under Section 50 (1) of the L.M.Act. The appeal filed by the petitioner was dismissed on 01.10.2020 (Ex.P1).

3. An interim order was granted on 21.10.2020 in I.A.No.1 of 2020.

4. Heard Sri O.Manohar Reddy, learned senior counsel, assisted by Sri Varun Byreddy, learned counsel for the petitioner and Sri P.Venkata Sai Krishna, learned Government Pleader for Civil Supplies, for the respondents.

5. Learned senior counsel for the petitioner would submit that Rules 4 & 6(1)(f) of the L.M.Rules do not apply to the seized mobile phones. The price of the mobile phones depends upon storage capacity, processors and lens etc. As per Rule 15 of the L.M.Rules, the dimensions need not be declared. Alternatively, he would submit that even assuming that there are violations, the said violations neither attract Section 18 nor Section 36 of the L.M.Act. He would submit that Sections 18 and 36 of the L.M.Act would apply if the manufacturer misquotes, but not for non-disclosure.

6. *Per contra*, learned Government Pleader for Civil Supplies would submit that the screen size was not mentioned on the package as mandated under the L.M.Rules. He would also submit that the screen size is important, and it influences every customer. The L.M.Rules do not discriminate between outer form and inner form, and the screen is

part of the dimensions. The orders passed by the 2nd respondent confirming the order of the 3rd respondent do not call for any interference.

9. The points for consideration are:

a) Whether the order impugned of the 2nd respondent suffers from any illegality. If not, the order impugned is liable to be set aside.

b) Whether the non-mentioning of the size of commodity (dimensions of the screen of the mobile phone) would amount to violation of Sec 18 and 36 of the Legal Metrology Act, 2009 and Rule 4,6(1)(f) of the Legal Metrology (Packaged Commodities) Rules 2011.

19. Before delving into the merits of the case, it is apt to refer to Sections 18 and 36 and Rules 4 and 6(1)(f) of the L.M. Act and L.M. Rules, respectively, which are reproduced below:

"Section 18. Declarations on pre-packaged commodities.—

(1) No person shall manufacture, pack, sell, import, distribute, deliver, offer, expose or possess for sale any ***pre-packaged commodity*** *unless such package is in such standard quantities or number and bears thereon* **such declarations and particulars** *in such manner as may be prescribed. (emphasis is mine)*

(2) Any advertisement mentioning the retail sale price of a **pre-packaged commodity** *shall contain a declaration as to the net quantity or number of the commodity contained in the package in such form and manner as may be prescribed. (emphasis is mine)*

…

Section 36. Penalty for selling, etc., of non-standard packages.—

(1) Whoever manufactures, packs, imports, sells, distributes, delivers or otherwise transfers, offers, exposes or possesses for sale, or causes to be sold, distributed, delivered or otherwise transferred, offered, exposed for sale ***any pre-packaged commodity which does not conform to the declarations on the package as provided in this Act,*** *shall be punished with fine which may extend to twenty-five thousand rupees, for the second offence, with fine which may extend to fifty thousand rupees and for the subsequent offence, with fine which shall not be less than fifty thousand rupees but which may extend to one lakh rupees or with imprisonment for a term which may extend to one year or with both.(emphasis is mine)*

(2) Whoever manufactures or packs or imports or causes to be manufactured or packed or imported, any pre-packaged commodity, with error in net quantity as may be prescribed shall be punished with fine which shall not be less than ten thousand rupees but which may extend to fifty thousand rupees and for the second and subsequent offence, with fine which may extend to one lakh rupees or with imprisonment for a term which may extend to one year or with both.

…

Rule 4. Regulation for pre-packing and sale etc. of commodities in packaged form.

- On and from the commencement of these rules, no person shall pre-pack or cause or permit to be pre-packed any commodity for sale, distribution or delivery unless the package in which the commodity is pre-packed bears thereon, or on a label is securely affixed thereto, such declarations as are required to be made under these rules.

Explanation. - The existence of packages without the declaration of retail sale price within the manufacturer's premises shall not be construed as a violation of these rules and it shall be ensured that all packages leaving the premises of manufacturer for their destination shall have declaration of retail sale price on them as required in this rule.

…

Rule 6. Declarations to be made on every package.

(1) Every package shall bear thereon or on label securely affixed thereto, a definite, plain and conspicuous declaration made in accordance with the provisions of this chapter as, to-

…

(f) Where the ***sizes of the commodity contained in the package are relevant****, the dimensions of the commodity contained in the package and if the dimensions of the different pieces are different, the dimensions of each such different piece shall be mentioned.”*

20. A perusal of the provisions extracted supra, while Section 18 mandates only those declarations as may be prescribed, Rule 4 requires that every pre-packed commodity leaving the manufacturer’s premises must bear the prescribed declaration. Rule 6(1)(f) outlines where the sizes of the commodity contained in the package are relevant. A conjoint reading of the provisions referred to supra demonstrates that the obligation to declare the dimensions is not an absolute statutory requirement. The requirement arises only where the size of the commodity is relevant.

21. In fact, Rule 6(1)(f), in its plain terms, is conditional and not an absolute rule. It does not mention a blanket requirement that the dimensions of every pre-packaged commodity be declared; it applies only where the size of that class of commodity is “relevant”. This qualifying expression must be given full effect. It is a settled law that a rule-making authority is not presumed to use words without purpose, and a literal interpretation of provisions must be taken.

22. As observed by the Hon’ble Apex Court in **J.K. Cotton Spinning & Weaving Mills Co. Ltd. v. State of U.P.**[1] the Apex Court applied the

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[1] (1961) 3 SCR 185 : AIR 1961 SC 1170 : (1961) 1 LLJ 540

rule of harmonious construction even to subordinate legislation and laid down as follows:

> *"7. …In applying the rule however we have to remember that to harmonise is not to destroy. In the interpretation of statutes the courts always presume that the legislature inserted every part thereof for a purpose and the legislative intention is that every part of the statute should have effect. These presumptions will have to be made in the case of rule making authority also."*

23. Again in **Lt. Col. Prithi Pal Singh Bedi vs Union of India**[2] the Hon'ble Apex Court observed as follows:

> *"8. The dominant purpose in construing a statute is to ascertain the intention of the Parliament. One of the well recognised canons of construction is that the legislature speaks its mind by use of correct expression and unless there is any ambiguity in the language of the provision the court should adopt literal construction if it does not lead to an absurdity. The first question to be posed is whether there is any ambiguity in the language used in Rule 40. If there is none, it would mean the language used, speaks the mind of Parliament and there is no need to look somewhere else to discover the intention or meaning. If the literal construction leads to an absurdity, external aids to construction can be resorted to. To ascertain the literal meaning it is equally necessary first to ascertain the juxtaposition in which the rule is placed, the purpose for which it is enacted and the object which it is required to sub-serve and the authority by which the rule is framed. This necessitates examination of the broad features of the Act."*

24. It is pertinent to mention here that Rule 15 of the 2011 Rules lends further support to the case of the petitioner. It requires a declaration of dimensions and weight only "where the dimensions and weight, or combination thereof, of a commodity has or have a relationship to the price of that commodity". If these two provisions are read together, Rules 6(1)(f) and 15 disclose a coherent scheme that the obligation to declare

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[2] (1982) 3 SCC 140: 1982 SCC (Cri) 642: (1983) 1 SCR 393

size arises only in respect of commodities where size is the metric, or one of the principal metrics, by reference to which the commodity is transacted in trade, as illustrated in Rule 14.

25. This leads this Court to extract Rule 14 for a better appreciation. Rule 14 is reproduced as under:

> *"Rule 14. Declarations with regard to dimensions of certain commodities.- Where a package contains commodities like bed-sheets, hemmed fabric materials, dhoties, sarees, napkins, pillow-covers, towels, table cloths or similar other commodities, the number and the dimensions of finished size of such commodities shall also be declared on the package or on the label affixed thereto:*
>
> *Provided that where the package contains more than one piece of different dimensions, the package shall also contain a declaration as to the dimensions and the retail sale price of each such piece:*
>
> *Provided further that the dimensions of the commodities and the sale price thereof shall also be marked on each individual piece."*

Thus, Rule 14 makes it clear that bed-sheets, hemmed fabric materials, dhotis, sarees, napkins, pillow-covers, towels, table cloths or similar other commodities are sold by measurement.

26. Even otherwise, the expression "similar other commodities" employed in Rule 14 needs to be construed on the settled principle of *ejusdem generis*. Where a statutory provision enumerates specific items followed by a general residuary expression, the general words take colour from the specific words preceding them and must be confined to things of the same type, provided that type is not itself exhausted by the enumeration, and there is no contrary legislative intent. The Constitution Bench of the Hon'ble Apex Court, in **Amar Chandra Chakraborty v.**

Collector of Excise, Govt. of Tripura,[3] laid down the essential conditions in Para 9 which are reproduced as under:

> ***“9.*** *…The ejusdem generis rule strives to reconcile the incompatibility between specific and general words. This doctrine applies when*
> *(i) the statute contains an enumeration of specific words;*
> *(ii) the subjects of the enumeration constitute a class or category;*
> *(iii) that class or category is not exhausted by the enumeration;*
> *(iv) the general term follows the enumeration and*
> *(v) there is no indication of a different legislative intent.”*

Applying this test, the items specifically enumerated in Rule 14 form a species i.e., articles whose utility, value and manner of sale are closely tied to their dimensions. Therefore, applying the above principle, the general term “similar other commodities” must be confined to articles sharing that same defining characteristic, and cannot be stretched to embrace commodities whose value and marketability bear no relationship to physical measurement.

27. It is pertinent to mention here that a mobile phone is not a commodity of that description. It is sold, and understood by the consumer, by reference to its brand, model, processor, memory, camera and other functional specifications and, more importantly, by its declared retail price and not by reference to its physical dimensions. Essentially every specification of a mobile phone may be said to influence purchase decisions and pricing, but that does not render each such specification a “relevant” detail required to be declared under Rule 6(1)(f).

28. To lend certainty to Rule 6(1)(f), this Court formulates the test for adjudging “relevance” of size. Dimensions are “relevant”, and must be declared, only where the following are satisfied:

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[3] (1972) 2 SCC 442

(i) the commodity is, by trade practice, transacted or identified by reference to its physical dimensions;
(ii) the dimensions bear a direct and proximate relationship to price, as contemplated by Rule 15; and
(iii) an ordinary prudent purchaser would buy principally, not merely incidentally, on that basis.

If any of the conditions are absent, Rule 6(1)(f) will not be attracted, and no penal consequence under Sections 18 and 36 of the L.M. Act follows.

29. Looking at it from another angle, the words in Rule 6(1)(f) "where the sizes'... are relevant" make the requirement conditional, not mandatory for every commodity. If the same is applied to a cell phone, as rightly contended by the learned senior counsel appearing for the petitioner, an ordinary prudent man purchases a cell phone looking at the brand, model number, storage capacity (e.g., 128 GB, 256 GB, 512 GB), RAM, IMEI, MRP, manufacturer's details, etc. The physical dimensions (length × width × thickness) are generally not the basis on which the commodity is identified, sold, or valued.

30. The reasoning of the 3rd Respondent, which was affirmed by the 2nd Respondent in appeal, proceeds on the notion that screen size may have some bearing on consumer preference or on the pricing of a device across different models of the same brand and therefore, the size of the commodity becomes "relevant" for Rule 6(1)(f) is misplaced. Thus, the "screen" of the device cannot be treated as a separate commodity whose size must be declared independently since the screen is a component of the mobile phone, and it is the mobile phone that is the pre-packaged commodity contemplated by the Rules.

31. There is a further reason. Section 18 obligates only such declarations “as may be prescribed”, and the Rules of 2011, being delegated legislation under Section 52, cannot travel beyond the parent statute. As held repeatedly by the Hon’ble Apex Court in **General Officer Commanding-in-Chief v. Dr. Subhash Chandra Yadav**[4]; **Kunj Behari Lal Butail v. State of H.P.**[5]; **Naresh Chandra Agrawal v. ICAI**[6] that a rule must conform to its parent statute and penal provisions must in any event be strictly construed in favour of the subject. If the respondents’ construction were accepted, every specification of every manufactured article would become a mandatory declaration which neither Section 18 nor the Rules contemplate.

32. This interpretation is supported by the settled principle that penal provisions must receive strict construction, and that where two constructions are reasonably possible, the one favouring the subject is to be preferred.

33. The constitution bench of the Hon’ble Apex Court in **Tolaram Relumal v. State of Bombay,**[7] referring to privy council judgement observed that if two possible constructions can be put upon a penal provision, the court must lean towards that construction which exempts the subject from penalty rather than the one which imposes penalty. Para 8 is reproduced as under:

> *“8. The question that needs our determination in such a situation is whether Section 18(1) makes punishable receipt of money at a moment of time when the lease had not come into existence, and when there was a possibility that the contemplated lease might never come into existence. It may be here observed that the*

[4] (1988) 2 SCC 351
[5] (2000) 3 SCC 40
[6] 2024 INSC 94
[7] (1954) 1 SCC 961

provisions of Section 18(1) are penal in nature and it is a well-settled rule of construction of penal statutes that if two possible and reasonable constructions can be put upon a penal provision, the court must lean towards that construction which exempts the subject from penalty rather than the one which imposes penalty. It is not competent for the court to stretch the meaning of an expression used by the legislature in order to carry out the intention of the legislature. As pointed out by Lord Macmillan in London & North Eastern Railway Co. v. Berriman [London & North Eastern Railway Co. v. Berriman, 1946 AC 278 at p. 295 (HL)] : (AC p. 295)

> *"… Where penalties for infringement are imposed it is not legitimate to stretch the language of a rule, however, beneficent its intention, beyond the fair and ordinary meaning of its language."*

34. Similarly, the Hon'ble Apex Court in **Balaji Traders v. State of U.P.,**[8] reiterated the principle as was held in **Tolaram (supra)**. Para 21 & 24 is reproduced as under:

"21. It is a well-settled principle of law that penal statutes must be given strict interpretation. The Court ought not to read anything into a statutory provision that imposes penal liability.

24. A three-Judge Bench of this Court has also observed in Dilip Kumar Sharma, (1976) 1 SCC 560 that a penal provision must be strictly construed; that is to say, in the absence of clear, compelling language, the provision should not be given a wider interpretation."

35. This position has been consistently reiterated by courts, including in **Leo Crasta (supra),** where it was held that a contravention under Section 18 read with Section 36 of the Act arises only where the specific declarations mandated by the Rules are made and that penal consequences cannot be extended beyond what the provision requires.

36. Thus, this court concludes that it is impermissible for the authority to stretch the language of a penal provision, however beneficent its object,

[8] (2025) 10 SCC 638

beyond its fair and ordinary meaning, and that where two reasonable constructions are open, the construction favouring the person proceeded against must prevail. In **Vertex Stock & Shares (supra)** it has similarly been held that a penal provision must be so construed that no case is held to fall within it unless it falls within the plain and reasonable meaning of the words used, and that hardship to the enforcing authority cannot enlarge that meaning.

37. Given the discussion supra, the invocation of Sections 18 and 36 of the Act read with Rules 4 and 6(1)(f) of the 2011 Rules against the Petitioner cannot be sustained. The orders impugned are liable to be set aside.

38. Accordingly, the writ petition is allowed. The proceedings of the 2nd respondent confirming the proceedings of the 3rd respondent and the proceedings of the 3rd respondent are set aside. No order as to costs.

As a sequel, all the pending miscellaneous applications shall stand closed.

JUSTICE SUBBA REDDY SATTI

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