PACKAGED NATURAL MINERAL WATER

➢ Import and Bottling Guidelines in Brief
➢ Market Brief

In India, bottled water is classified into two broad categories:

A. Packaged Drinking Water: Water from surface, underground or sea undergoes chemical and/or other filtration techniques like reverse osmosis, desalination, demineralization, remineralisation etc. so that water is potable and as per Bureau of Indian Standards (hereinafter referred as BIS). This packaged drinking water market covers majority share (close to 85%) with many local and International brands.

Local Brands are Parle (Bisleri), Railneer (brand of Indian Railways – most selling brand due to large customer base /monopoly at Indian Railway stations). International brands are Aquafina from Pepsico, Kinley from Coca Cola etc.

Maximum Retail Pricing (MRP) ranges from starts from INR Rs 12/- to INR Rs 20/- per litre at public places and retailers.

B. Packaged Natural Mineral Water: Water obtained (and packed at natural site) directly from natural source containing natural composition of mineral salts in relative proportions and presence of trace elements. BIS standard has specifications for the composition levels of each mineral, microbiological purity, organoleptic & physical requirements, toxic, radioactive substances and pesticides. It is not subjected to any treatment except for mentioned in BIS standards.

This category has 15% of total packaged drinking water share and has around 11 companies that have obtained licenses (ISI mark) till now. Major Local brands are Himalaya (from Tata Group), Qua (an Indo French collaboration). Amongst International brands, Evian (French) has presence. One of the Italian brands is also in process of acquiring a license from BIS.

There are few Italian and French brands available in market as grey products (i.e. without any certification/ISI mark) and we do not advise/recommend to sell without Indian certification.

Evian sold per litre is close to Rs 110/- with ISI mark; Qua has price of Rs 40 per 500ml packing (French designed bottle). There are some guidelines on packing quantity size and labelling of products which can be dealt at a later stage.
License Conditions

License is mandatory (as per the BIS guidelines and recent November, 2012 court ruling cited as: http://www.thehindu.com/news/states/karnataka/bis-certification-mandatory-for-packaged-water-court/article4082100.ece) and shall be granted under FMCS (Foreign Manufacturer Certificate Scheme).

In brief, to obtain license (license shall be in name of foreign manufacturer and not importer), manufacturer must ensure:

a) Manufacturing facilities are available.
b) All testing equipment to test the product in accordance with relevant Indian Standards is available.
c) The product conforms to the relevant Indian Standard (Test a sample in the laboratory and enclose a copy of the test report with application).

License Registration Steps and Costs can be classified in to following three categories:

1. Pre Registration
2. On grant of licence
3. On operation and use of licence (costs in terms of annual Marking fee)

License process involving application submission, testing at Indian Labs, sampling and further visit of BIS officials at your premise typically takes 4-5 months of time period.

To obtain License, as per the guidelines (quoted below in italics from Certification Procedure for Foreign Manufacturers at BIS website), an Indian office with Reserve Bank of India’s permission need to be opened or alternately the manufacturer has to appoint a legal agent/representative.

1.3 The foreign manufacturer shall set up a liaison / branch office located in India with the permission of Reserve Bank of India, which shall meet all liabilities with respect to BIS Act, Rules and Regulations for purpose of the BIS licence. The requirement to set up an office in India shall not apply if the foreign manufacturer nominates a legally appointed Agent, located in India, who declares his consent to be responsible for compliance to the provisions of the BIS Act, 1986; Rules and Regulations framed thereunder, and terms & conditions of the BIS licence, including agreement, undertakings, etc., executed by or on behalf of the foreign manufacturer in connection with the grant of such licence. In either case, the foreign manufacturer shall inform BIS from time to time the name and particulars of the in-charge or a senior officer of the Indian Liaison / Branch Office or the legally appointed Agent of such manufacturer, who would be responsible for all compliances in connection with grant of licence to the foreign manufacturer, as aforesaid. In case of any change in the address of such Liaison / Branch Office of the foreign manufacturer or of its legally appointed Indian Agent,
the foreign manufacturer is required to obtain prior consent of BIS in that regard before effecting such change of address. The foreign manufacturer shall submit an undertaking to BIS that all the liabilities with respect to ensuring compliance to the BIS Act, Rules and Regulations framed thereunder; and the terms & conditions of the licence, shall be met through their Liaison / Branch Office or their legally appointed Agent, located in India. The nomination (click to know the format) of the legally appointed authorized Agent in India by the foreign manufacturer is to be given in the prescribed format (email us so that we can send you the format).

From Market research and PROJETO Consultants’ views, Indian market potential for quality packaged water is huge and there are various avenues that have not been explored yet to promote quality products. In case of pure mineral water, apart from retail segment, regular business and entertainment events, five star hospitals (India is a hub for medical tourism now) and hotels–Indian weddings offer new opportunity for high quality products.

In order to facilitate and strategize entry into Indian market, PROJETO CONSULTING can offer its Consulting and Business Development Services to your Manufacturing Company in India. The work timeline is tentatively classified into three stages as mentioned below:
### Pre Entry

**Pre License**

- Preparation for License Application (ISI mark -Indian Standards) - *Top Priority*
- Market Awareness, Various Cost Estimations & Breakdown

### Post Entry & License Application Submission

- Facilitation of Testings in Indian Lab, coordination with Bureau of Indian Standards (BIS), Indian representation on behalf of Company in BIS/Government matters, Post Application submission matters
- Market Strategy
- Cost Estimation
- Import matters, DGFT (Directorate General Foreign Trade matters)
- Suitable Indian Investor/Importer Identification

### Post Entry

**Post License Acquisition**

- Launch & Promotion Strategy (includes Geography, Pricing & Customer Segmentation)
- Importer Partner Agreement / Company Incorporation
- Sales Forecast Projections
- Distributor and sub distributor agreements
- In Shops (retail) arrangement, hospitality industry arrangements

Email us at contactus@projetoconsulting.com for more information on the subject and discuss your market entry strategy!