



CONSUMER

When Advertised Prices Mislead: Consumer Rights and Liability Under Indian Law

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PUBLISHED 3 March 2026

The decision of the Consumer Disputes Redressal Commission, Thrissur in *Krishnankutty V. v. Bose Varghese*¹ revisits a deceptively simple but legally significant question in consumer law: **Can a trader rely on undisclosed conditions to deny the benefit of an advertised price?**

At its core, the dispute arose from a photocopy shop's public display offering copies at 29 and 35 paise per sheet, while later charging a higher rate on the ground that the concessional pricing was subject to unmentioned prerequisites. What appeared to be a minor billing disagreement thus evolved into a substantive examination of misleading advertisements under the Consumer Protection Act, 1986.

The case is important not because of the monetary value involved, but because it clarifies a foundational principle of market fairness: an advertisement addressed to the public must disclose all material conditions that govern its applicability. The ruling reinforces the consumer's statutory right to transparent pricing and affirms that omissions capable of misleading consumers are as actionable as direct misstatements.

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Factual Matrix

The complainant, an Inspector of Police posted at the Kerala Police Academy, Thrissur, approached a photocopy shop operated by the opposite party after noticing a prominently displayed advertisement offering photocopies at 29 paise and 35 paise per copy. Relying on the representation contained in the advertisement, he obtained 1,203 photocopies (comprising three sets of 401 pages each).

Upon billing, the shop initially charged him at a substantially higher rate. After an altercation, the amount was reduced and ₹840 was collected. The complainant alleged that even the reduced amount exceeded the advertised rate by ₹491 and that the concessional pricing displayed in the shop had induced him to avail the service. A bill was issued only upon his insistence.

In response, the opposite party did not dispute the existence of the advertisement or the number of copies taken. However, it contended that the advertised rates were subject to specific conditions namely, that the offer applied only where (i) more than 2,000 copies were taken, (ii) the copies were of the same document, and (iii) printing was done on both sides. These conditions, though asserted in defence, were not reflected in the advertisement displayed to customers.

The dispute thus crystallized around whether the failure to disclose such qualifying conditions rendered the advertisement misleading and the higher charge unlawful under consumer protection law.

Core Legal Issue

The central legal question before the Commission was:

Whether an advertisement offering a specified rate, without disclosing limiting conditions, amounts to an unfair trade practice and deficiency in service under the Consumer Protection Act, 1986?

Statutory Framework

The Commission relied primarily on:

- **Section 6(b)** of the Act – recognizing the consumer’s right to be informed of price and other material particulars.
- **Section 2(1)(r)(1)(vi)** – defining “unfair trade practice,” including misleading representations concerning price.
- **Section 14(1)(hb)** – empowering the Commission to order payment to the Legal Benefit Fund where injury is caused to numerous unidentifiable consumers.

Judicial Reasoning

1. Right to Transparent Pricing

The Commission emphasized that a consumer has a statutory right to be clearly informed of the price and conditions governing a service. An advertisement that omits material qualifications cannot later be defended by invoking undisclosed conditions.

The absence of eligibility criteria in the advertisement rendered it misleading, irrespective of the trader’s internal pricing logic.

2. Misleading Advertisement as Unfair Trade Practice

The Commission held that:

- The displayed rate induced the complainant to avail the service.
- Subsequent denial of that rate based on unstated conditions amounted to deception.
- This conduct squarely fell within the statutory definition of an unfair trade practice.

The reasoning highlights that misrepresentation need not be explicit; omission of material conditions itself can mislead consumers.

3. Deficiency in Service

Beyond unfair trade practice, the act was also categorized as “deficiency in service.” When a service provider fails to deliver on publicly represented terms, the deficiency arises not from poor execution but from breach of represented standards.

Relief Granted

The Commission ordered:

- Refund of ₹491 (excess amount charged),
- ₹10,000 as compensation for mental agony,
- ₹2,500 as litigation costs,
- ₹10,000 to the Legal Benefit Fund for injury to unidentifiable consumers,
- Discontinuation of the misleading advertisement.

Interest at 9% per annum was also awarded for non-compliance.

Broader Legal Significance

1. Material Omissions Are Actionable

The ruling clarifies that silence regarding restrictive conditions is legally equivalent to misrepresentation when it affects consumer decision-making.

2. Consumer Dignity as a Legal Value

The Commission adopted a rights-based approach, observing that deceptive practices undermine consumer dignity and autonomy. The quantum of compensation reflects recognition of non-pecuniary harm even in low-value disputes.

3. Protection of Unidentifiable Consumers

By invoking Section 14(1)(hb), the Commission extended protection beyond the individual complainant. This demonstrates that consumer fora are not merely dispute-resolution bodies but regulatory guardians of market fairness.

Conclusion

The ruling in *Krishnankutty V. v. Bose Varghese* reinforces a fundamental principle of consumer jurisprudence:

An offer made to the public must be clear, transparent, and unconditional unless its limitations are explicitly disclosed.

In commercial practice, pricing representations must be complete and unambiguous. Conditional offers hidden behind fine print or not mentioned at all invite liability under consumer protection law.

The case serves as a caution to traders that even small-value transactions can attract substantial consequences where consumer rights are compromised.

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