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Overpricing Beyond MRP Violates Consumer Law: Thrissur Forum Orders Refund and Compensation

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In a powerful reminder of the binding force of the Legal Metrology Act and the importance of consumer rights, the Consumer Disputes Redressal Commission, Thrissur, has ruled that charging even a rupee more than the Maximum Retail Price (MRP) on a pre-packaged commodity is unlawful, and an outright unfair trade practice. This decision underscores how robust the protections are under the Consumer Protection Act, reinforcing the sanctity of the MRP printed on every package. (Lenish V.R. v. Managing Director, Kerala State Beverages Corporation Limited, CC 241/2018, decided on 27 June 2025)

Factual Background

In this case, the complainant, Lenish V.R., bought a bottle of 'Macdowell VSOP Brandy' from a Kerala State Beverages Corporation (KSBC) outlet on 10 January 2018. Although the bottle clearly displayed an MRP of Rs. 740, the shop charged him Rs. 800, Rs. 60 extra, as reflected in Invoice No. 01109. Refusing to let this slide, Lenish filed a complaint under Section 12(1) of the Consumer Protection Act, 1986 seeking a refund and appropriate redress.

The KSBC denied any wrongdoing. Interestingly, while they did not dispute that they charged Rs. 60 extra, they claimed it was lawful, but offered no credible evidence to back that claim.

Legal Reasoning

The Commission meticulously examined the facts and evidence, including the invoice and the empty brandy bottle, which clearly indicated an MRP of Rs. 740/-. The Commission noted that the complainant successfully discharged the initial burden of proof by demonstrating that Rs. 60/- was collected in excess of the MRP. The onus then shifted to the opposite parties to prove the legality of their action but they failed completely.

The Commission highlighted that the commodity in question was a 'pre-packaged commodity' as defined under Section 2(1) of the Legal Metrology Act, 2009. Therefore, the Legal Metrology (Packaged Commodities) Rules, 2011 (Packaged Commodities Rules) governed it. Specifically, Rule 18(2) unequivocally prohibits any retail dealer or person from selling a packed commodity at a price exceeding its retail sale price. The only exception is a valid tax revision in the month of packing or the immediately following month. Here, the bottle was packed in October 2017. Any valid tax revision would have had to happen in October or November 2017, but KSBC produced no evidence of this.

Moreover, Kerala State Beverages Corporation (KSBC) being a government-owned retail establishment must act as model vendors, upholding consumer rights and statutory norms without exception.

Directions and Wider Impact

Recognising the mental agony and inconvenience faced by the complainant, the Commission ordered KSBC's Managing Director and Branch Manager to refund the excess Rs. 60, pay Rs. 5,000 as compensation for mental agony, and Rs. 10,000 towards litigation costs, all with interest. And it also directed KSBC to immediately discontinue any practice of overcharging for pre-packaged commodities.

Conclusion

This decision is a strong wake-up call for retailers, especially government-owned outlets: the MRP on a product is sacrosanct. Charging even a rupee more is illegal unless a clear, lawful exception applies, and consumers have every right to hold sellers accountable, no matter how small the amount.

It also sends a powerful message to consumers: don't hesitate to stand up for your rights. A single receipt and a bottle label can protect you from unfair trade practices, and remind sellers that consumers are not to be taken lightly.

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