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LEGAL INSIGHTS:
FOOD, DAIRY & FMCG

RECENT IMPORTANT LEGAL DEVELOPMENT

1. **RESTROS' CANNOT CHARGE ABOVE MRPS FOR PACKED DRINKING WATER.**

In the case titled *as* ***Ishita Khanna v. Ghazal Restaurant*** *[A/142/2025],* SCDRC, Chandigarh had observed that:

19. As regards the reliance placed by the Respondent on the judgment of the Hon'ble Supreme Court in Federation of Hotel and Restaurant Associations of India v. Union of India & Ors., 2018 AIR (SC) 72, we find the same to be clearly distinguishable on facts for the reasons recorded hereinabove. That decision primarily addressed the issue of regulatory competencies and the composite nature of services in certain contexts; it does not confer any blanket authority upon restaurants to charge above the printed MRP for a separately billed, sealed, pre packaged commodity supplied to a Consumer. In the present case, the mineral water bottle was invoiced as a distinct line item, thereby evidencing a retail sale of a packaged commodity within the meaning of the Legal Metrology (Packaged Commodities) Rules, 2011. The statutory mandate is unequivocal, restaurants, like any other retail dealer, are prohibited from selling packaged goods at a price exceeding the MRP, regardless of claims relating to ambience, service, or infrastructure. While food and beverages prepared in-house may be priced freely and taxed as applicable, packaged commodities are bound by the MRP regime.

2. **HOTELS LIABLE FOR SERVING FOODS CONTAINING STONE PARTICLES.**

In the case titled *as* ***Kaushik Lodh v. Sukh Sagar Hotels Pvt. Ltd.*** *[DC/AB1/483/CC/285/2022], D*CDRC, Mumbai Sub Urban, had observed that:

12) The service providers, especially those in the food industry, are under a duty of care to ensure that the food served is safe and free from harmful foreign substances. The Hon'ble Supreme Court in the case of "Kusum Sharma & Ors. vs. Batra Hospital &

Medical Research Centre", reported in (2010) 3 SCC 480, emphasized the principle that the service providers must maintain a reasonable standard of care.

14) Further, in the case of "KFC vs. Pawan Kumar", reported in 2012 SCC OnLine NCDRC 3474, the Hon'ble National Commission held that the presence of any foreign object in the food, constitutes deficiency in service, irrespective of whether the incident was deliberate or accidental.

16) Considering the above facts and analysis, we hold that the present complaint is maintainable and the complainant deserves to get the cost of treatment of the tooth crown. […]

3. SUB-STANDARD POULTRY FEED, FAILURE TO DISPLAY NUTRITIONAL CHART ON FEED BAGS, CONSTITUTES UNFAIR TRADE PRACTICE.

In the case titled *as* ***Lone Poultry & Anr. v. Maha Feeds Agrotech & Anr.*** *[CC/12/2023], D*CDRC, Baramulla/Bandipore, had observed that:

[…] However, they were advised to get the feed tested consequently complainants got the feed tested from poultry nutritionist Hariparbat Srinagar which reported the protein level of the said feed as 15.5% only as against 20% which substantiates that the feed supplied by the OP's was not on the standard level. Additionally, as per Bureau of Indian Standards guidelines displaying the nutritional chart on the feed bags is essential which ensures transparency about the feeds nutritional contents so that the consumers use the feed safely and effectively however in the present case it has come to fore that the feed bags supplied by the OP's were supplied without any nutritional chart.

Since the OP's have failed to adhere to the guidelines of the Bureau of Indian Standards Act and to display the nutritional chart on the feed bags sold to the consumers. And selling the feed bags without displaying the nutritional chart and the feed which does not *contain sufficient nutritional level amounts to unfair trade practice on the part of the OP's in accordance with section 2/47 of the consumer protection Act 2019.*

4. **FOOD MANUFACTURERS AND RETAILERS LIABLE FOR SALE OF CONTAMINATED BISCUIT FOODS.**

In the case titled *as* ***Ms. Inderpreet Kaur Dhillon v. Britannia Industries Limited & Anr.*** *[CC/112/2019], D*CDRC, South Mumbai, had relied on certain mentioned caselaws and had observed that:

"The Opposite Parties have failed to demonstrate that the biscuit packet sold was free from contamination or defect. The manufacturer's claim of stringent quality checks without direct evidence cannot absolve them of liability. The sale of a contaminated biscuit is a grave breach of consumer trust and statutory duties under Food Safety laws and Consumer Protection laws. Both Opposite Parties are jointly and severally liable for the deficiencies and unfair trade practices committed."

5. **MANUFACTURERS GROSSLY NEGLIGENT FOR ALLOWING HIGHLY CONTAMINATED FOODS TO REACH MARKETS.**

In the case titled *as* ***Sree Raj Pradeep Kumar v. Authorized Officer, M/s Pagariya Food Products Pvt. Ltd.*** *[CC/1011/2024], D*CDRC, *Ernakulam,* had relied on certain mentioned caselaws and had observed that:

This aligns with the principle laid down in the landmark case **Donoghue v. Stevenson** *[1932] AC 562, where the House of Lords established the foundational doctrine of product liability. The Court held that a manufacturer owes a duty of care to the ultimate consumer to ensure that the products placed in the market are free from harmful defects […]*

The complainant, a working professional with limited time for daily routines, opted for a convenient breakfast option with the confidence that the product met basic safety and hygiene standards. The shocking discovery of dead worms in a sealed packet not only disrupted his routine but left a lasting sense of anxiety and mistrust toward packaged food.

In view of the above facts and circumstances of the case, we are of the opinion that the Opposite Party is liable to compensate the complainant.

6. STORE LIABLE FOR SELLING EXPIRED FOOD PRODUCTS.

In the case titled *as **Avneet Singh Dhillon v. 24 Seven** [CC/300/2022], D*CDRC, Panchkula, had observed that:

13. Therefore, we conclude that the OP was not only deficient but it also indulged into unfair trade practice by selling the eatable items to the complainant beyond the expiry date; hence, the complainant is entitled to relief.

7. TRACING OF PIECES OF GLASS INSIDE ALCOHOL BOTTLE, MAKES THE ALCOHOLIC BEVERAGE MANUFACTURER LIABLE.

In the case titled *as **Abhijit v. United Breweries Limited & Ors.** [CC/57/2023], D*CDRC, Palakkad, had observed that:

7. As per the direction of this Commission, the bottle was produced in this Commission on 25/9/2023. Counsel for complainant and OPs 1 & 2 were present in the court. The bottle was visually checked and the visually available data and the feeble sound when the particle hit the side of the bottle upon inverting the bottle was taken down in open court and the information so received were reduced to writing in open court in the presence of the counsels appearing for complainant and OPs 1 & 2. From the date of preparation of this report till the date of marking the documents on 04/12/2023, there was no objection *whatsoever to the contents of this report. This report was marked as Ext.C1. OPs had no objection whatsoever in marking Ext.C1.*

8. Ext.C1 clearly proves that there is a solid particle in the bottle. It is also clear that the cap of the bottle is untampered with. Bottle was produced in the court without any tampering.

8. IMPOSITION OF SERVICE CHARGE BY RESTRO AND CAFÉ CONSTITUTES UNFAIR TRADE PRACTICE.

In the case titled *as **Mannat Dutt v. 145 Café & Bar Bandra** [CC/45/2024], D*CDRC - II, Chandigarh, had observed that:

7. […] It is observed that from the complaint that Opposite Party has wrongly charged Rs. 101.70/- as service charges from the complainant despite the fact of Prevention of service charges by the Hotel and restaurant by the Ministry of Consumer Affairs, Food and Public Distribution (Department of Consumer Affairs) vide order dated 21.04.2017 and Central Consumer Protection Authority, which is duly placed on record by the Complainant as annexure C-2 and C-3.

8] Taking into account the above said observations, the present Complaint is partly allowed and Opposite party is directed to […]

9. FOOD MANUFACTURERS AND ITS SELLERS, LIABLE FOR SELLING UNDERWEIGHTED BISCUITS.

In the case titled *as **George Thattil v. The Proprietor, Chukkiri Royal Bakery & Anr.** [CC/191/2020], D*CDRC, Thrissur, had observed that:

7. The opposite parties' misdeed of having delivered or caused to be delivered, as the case may be, articles in quantities less than that paid for, certainly has inflicted financial loss on the buyer –complainant herein. A Legal Metrology Officer (LMO), who is in receipt of a petition alleging shortage in net quantity of a packaged commodity, is duty bound, to proceed, as per law, against the accused manufacturer or dealer, as the case may be, as stipulated under Rule 19 to 23 of the packaged commodities Rules, 2011 r/w the pertinent schedule, but is not empowered under the Legal Metrology Act or the Rules made thereunder, to extend compensation for the loss, if any, incurred by the consumer, concerned. But the Consumer Protection Act, meant for the better protection of consumers at large from such acts of exploitation, provides the Commission with sufficient legal teeth to direct such wrong doers to pay the complainant such sum as determined by it, towards compensation for the agony and hardship inflicted on them. In the case at hand, the complainant, apart from the financial loss sustained, had also undergone agony and hardship-both mental and physical, as well.

KEY CONTRIBUTORS

Deepak Panwar
Managing Partner
Infolex Consultants
M.: 8890238352
E.: deepak@infolexconsultants.com
W.: www.infolexconsultants.com