

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION NO. 1271
ANSWERED ON MONDAY, DECEMBER 11, 2023/ 20 AGRAHAYANA, 1945 (SAKA)**

“OVERCHARGING OF CUSTOMERS BY TRADERS”

†1271. SHRI RAMDAS C. TADAS:

Will the Minister of FINANCE be pleased to state:

- (a) whether various retail traders are overcharging the customers and are remitting lesser Goods and Services Tax (GST) to the Government by presenting inflated bills after charging GST over MRP;
- (b) whether the Government has also received information of the elements cheating the customers in the name of GST and if so, the details thereof;
- (c) whether this malpractice is prevailing in various parts of the country owing to the connivance of officers and cheating traders;
- (d) if so, the details thereof including the cases reported to the Government; and
- (e) the steps taken or proposed to be taken by the Government after consultation with various State Governments to address the issue and enforce proper vigilance to check such malpractice?

**ANSWER
MINISTER OF STATE IN MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)**

- (a) to (d) No specific case of such type has come to the notice of any Central Tax formation.
- (e) Rule 6 of the Legal Metrology (Packaged Commodities) Rules, 2011 (as amended) provides that:

“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-

.....

(e) the retail sale price of the package shall clearly indicate that it is the maximum retail price inclusive of all taxes and the price in rupees and paise be rounded off to the nearest rupee or 50 paise;

.....

.....”

Therefore, maximum retail price (MRP) of a pre-packaged commodity under the said rules is inclusive of all applicable taxes including GST. Department of Consumer Affairs has vide letter dated 23.12.2019 advised the Controllers of Legal Metrology of all States/UTs to direct the field staff to ensure the compliance of provisions of the rules.
