



The consumer authority's glare on surrogate advertising follows its recent crackdown on IAS coaching institutes.

MINT

Surrogate advt rule breaches to attract stiff fines

Dhirendra Kumar

dhirendra.kumar@livemint.com

NEW DELHI

Liquor ad masquerading as soda? Tobacco ad in the guise of cardamom? Companies pushing surrogate advertisements of products they are not allowed to promote may face stiff penalties to be specified in upcoming consumer protection guidelines, two officials aware of the plans said.

A committee formed by the Central Consumer Protection Authority (CCPA) on surrogate advertisements is meeting next week to discuss the matter, one of the two officials said. Promotional activities must be genuine, and companies should not misuse legal provisions for brand extension, the official said on condition of anonymity.

"There are several well-known alcoholic beverage companies that engage in brand extension through surrogate advertisements. Once these guidelines are notified in consultation with all stakeholders, there will be a complete ban on such methods of brand promotion," the official said.

"The guidelines will be governed by the Consumer Protection Act. It will specifically mention what they (firms) can do and what they cannot. Viola-

tion of the norms will attract penalties up to ₹50 lakh," the official added. The Act empowers the Authority, which comes under the consumer affairs ministry, to issue guidelines to prevent unfair trade practices and protect consumer interest.

"Cases where spirits companies promote their brands through items such as music CDs, glasses, soda, etc., but these products are not available for sale in the open market—this practice needs to be stopped," the official said.

"Similarly, brands of *guthka*, a prohibited item, are promoted under the name of *elai-chi* (cardamom), which is also not available in the open market," the official added.

The consumer authority's glare on surrogate ads follows its recent crackdown on IAS coaching institutes issuing misleading advertisements. It has also brought separate guidelines to prevent greenwashing, and plans to issue rules to prevent pesky calls. Existing guidelines on misleading advertisements released in 2022 broadly prohibit promoting products through deceptive activities, but do not set out a rulebook.

Queries sent on Tuesday to consumer affairs secretary,

TURN TO PAGE 6

Surrogate advertisement rule breaches to attract stiff fines

FROM PAGE 1

consumer ministry spokesperson, and liquor makers Radico Khaitan, Bacardi and Pernod Ricard remained unanswered till press time.

Shweta Purandare, an advertising compliance expert, appreciated the CCPA move. "It will definitely put a deterrent on unscrupulous advertisers from promoting their products in various categories that are prohibited from advertising, such as alcohol, tobacco, betting and gambling to name a few," said Purandare, a former secretary general of the Advertising Standards Council of India (ASCI).

"If the CCPA guidelines were to allow advertisers to use the brand name of prohibited products in surrogate advertisements, that would defeat the very purpose of preventing the promotion of those goods,"



The CCPA plans to issue rules to prevent pesky calls. MINT

said Purandare.

The 11-member committee is chaired by joint secretary Anupam Mishra, and includes representatives from ministry of information and broadcasting, Advertising Standards Council of India, International Spirits and Wines Association of India, All India Distillers Association, Confederation of Indian

Alcoholic Beverage Companies, E-Gaming Federation, All India Gaming Federation, and consumer activists Ashim Sanyal and Pushpa Girimaji.

"Regulations are most effective when they are reasonable, and cognizant of prevailing reality. The focus of regulation should be to encourage responsible behaviour regarding alcohol rather than a complete ban," said Vinod Giri, who heads Confederation of Indian Alcoholic Beverage Companies (CIABC), and a member of the CCPA committee.

Section 89 of the Consumer Protection Act stipulates that creating a false or misleading advertisement detrimental to consumers can lead to jail time up to two years and a fine of up to ₹10 lakh, with subsequent offences potentially resulting in imprisonment up to five years and a fine of up to ₹50 lakh.