

Government to set up panel to scrutinise ad claims

By Ratna Bhushan , ET Bureau | Dec 02, 2019, 07.02 AM IST

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NEW DELHI: In a first such move, the Centre will set up a committee to scrutinise and regulate product-feature claims made in advertisements, seeking to fix accountability on manufacturers and help consumers choose food items objectively.

“The committee will scrutinise advertising claims, examine complaints, and subsequently take appropriate action,” national food regulator FSSAI’s chief executive Pawan Agarwal told ET. “A lot of businesses thrive on inducing fear in the public mind, which is incorrect.”

Apart from large corporates and MNCs with a national sales footprint, Agarwal said the regulator is “equally concerned with small and medium businesses that make misguided advertising claims”.

This is the first time the Centre has planned to directly involve itself with advertising scrutiny, through the Food Safety & Standards Authority of India. While FSSAI guidelines for advertising regulations are in place, implementation by advertisers hasn’t been followed closely.

So far, advertising regulations have been overseen through an independent entity, the Advertising Standards Council of India (ASCI).

“We are taking up a massive drive for education of food labelling and claim requirements and trying to bring in transparency, preceded by public education,” Agarwal said.

According to regulations, misleading ads not complying with the guidelines are to be penalised with fines up to `10 lakh. Regulations disallow food businesses to use words and phrases such as natural, fresh, original, traditional, authentic, genuine or real on food labels, except under specific conditions.

Making Corporate India Comply

Regulations also call for a disclaimer when a brand name contains adjectives such as natural, fresh, pure, or original in the labelling. As the presentation could mislead consumers, prominent disclaimers are needed on labels stating “it is only a brand name or trade mark and does not represent its true nature.”

“With the help of widespread education on misplaced advertising, we can regulate the ill effects of advertising.

Some of this type of advertising, especially in the case of smaller and localised businesses, is done out of ignorance,” Agarwal said.

Last week, the FSSAI had issued show-cause notices to quick service restaurant chain McDonald’s for its ads. It said that government regulations do not allow companies to promote food choices that are against national initiatives encouraging healthier diets.

“In the US or Europe, they invest billions of dollars on food safety. In the US, for example, they spend \$2.2 billion every year on food safety issues.

India’s complexity is much larger in terms of the fragmented nature of our food ecosystem,” Agarwal said. The upcoming committee could be a third-party agency, which will scrutinise advertising claims across the country.

“The committee will look at complaints and we will issue notices and take appropriate action,” he said.