

CCPA Fines Food Brands for Misleading Labels with “100%” Claims

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Misleading Labels Latest News

- The Central Consumer Protection Authority has fined two major food companies Rs 1 lakh each for misleading consumers through “100%” claims on product packaging and advertisements.

Consumer Protection and Misleading Advertising in India

- India’s consumer protection framework is primarily governed by the **Consumer Protection Act, 2019**, which aims to protect consumers from unfair trade practices, misleading advertisements, and defective goods and services.
- A key institution under this law is the Central Consumer Protection Authority (CCPA), established to:
 - Protect consumer rights as a class,
 - Prevent unfair trade practices,
 - Take action against misleading advertisements,

- Order recall or discontinuation of deceptive promotions.
- Under the law:
 - Section 2(28) defines a misleading advertisement as one that falsely describes a product, gives a false guarantee, or deliberately conceals important information.
 - Section 2(47) defines an unfair trade practice as making false representations about the standard, quality, quantity, or composition of goods.
- The Guidelines for Prevention of Misleading Advertisements and Endorsements, 2022 further require that advertising claims must be truthful, verifiable, and not likely to mislead an ordinary consumer.
- In the food sector, the **Food Safety and Standards Authority of India** (FSSAI) also plays an important regulatory role.
- In an advisory issued in May last year, FSSAI warned that the increasing use of the term “100%” was likely to create a false impression of absolute purity or superiority, especially because the term is not specifically defined in its regulations.

News Summary

- In two separate orders, the CCPA imposed a penalty of Rs 1 lakh each on Mrs. Bectors Food Specialities Ltd and Storia Foods and Beverages Pvt Ltd for misleading advertisements and unfair trade practices through the use of “100%” claims on packaging and promotional materials.
- The authority also directed both companies to immediately withdraw these claims from product packaging, websites, and digital platforms.

Case 1: “100% Atta Bread”

- The CCPA took suo motu cognisance of advertisements by the company behind English Oven bread for products labelled “100% Atta Bread” and “100% Whole Wheat Bread.”
- During proceedings, the company admitted that the bread actually contained 87% wheat flour (atta). It argued that the phrase “100%” was only meant to indicate that wheat flour was the sole grain source, with no refined flour or maida used. It also relied on FSSAI labelling rules, which require at least 75% whole wheat flour for a bread to be classified as whole wheat bread.
- The CCPA rejected this defence. It held that meeting the minimum FSSAI threshold for classification does not justify an absolute and unqualified “100%” claim.
- According to the authority, an ordinary consumer would reasonably understand “100% Atta Bread” to mean that the product is entirely composed of atta. Since the actual content was only 87%, the claim was factually incorrect.
- The authority also noted that the combined use of “100% Whole Wheat Bread” and “Zero Maida” on the packaging created a cumulative and false impression that the bread was entirely whole wheat.

Case 2: “100% Tender Coconut Water” and “100% Juice”

- The CCPA also investigated Storia’s “100% Tender Coconut Water” and various “100% Juice” claims, including pomegranate and mixed fruit variants.

- It found that the coconut water was not fresh from the fruit, but reconstituted from 9.6% coconut water concentrate. Likewise, the “100% Juice” variants were found to consist mostly of water, with fruit pulp or concentrate ranging only between 4% and 16%.
- The authority also objected to health-related statements on the company’s website, claiming that the coconut water “Combats Virus” and “Kills Fatigue”, finding them unsubstantiated.
- The company argued that FSSAI permits reconstitution of juices from concentrates and that the packaging carried a disclaimer on the back stating the product was “reconstituted.”
- The CCPA rejected this too, making an important distinction: a permitted manufacturing process does not automatically justify a marketing claim that gives a misleading impression.
- It held that a back-label disclaimer in fine print cannot cure a bold and misleading front-of-pack claim. An ordinary consumer buying “100% Tender Coconut Water” would naturally expect the product to be in its natural form, not something made by concentration and re-dilution.

Key Legal Principle

- A central principle emerging from both orders is that technical compliance with food safety standards is not a safe harbour against deceptive advertising.
- Even if a product is legally manufactured under FSSAI norms, its branding and advertisement must still meet the standards of fairness and truthfulness under consumer law.
- The CCPA also made it clear that advertisements must be judged from the perspective of a reasonable consumer, not by post-facto technical explanations offered by the company.
- If a claim is capable of misleading consumers, the advertiser’s intention becomes irrelevant.
- The authority also underlined the shift from the old doctrine of caveat emptor (“let the buyer beware”) to caveat venditor (“let the seller beware”), meaning the burden now lies more heavily on sellers to ensure that their representations are truthful and not misleading.

Significance

- These orders are significant because they strengthen consumer protection in three important ways.
- First, they send a strong signal that front-of-pack claims matter, and companies cannot rely on hidden disclaimers or technical ingredient details to escape responsibility.
- Second, they clarify that regulatory compliance under one law does not excuse misleading conduct under another.
 - Food law may permit a production method, but consumer law still governs how that product is presented to the public.
- Third, the decisions are likely to influence the wider food and beverage industry, where terms such as “100%,” “natural,” “pure,” and “healthy” are frequently used as marketing tools.

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