

**Central Consumer Protection Authority**  
**Room No. 545, Krishi Bhawan, New Delhi – 110001**

**Case No: CCPA/26/2024-CCPA**

**In the matter of:** Case against Digital Age Retail Pvt. Ltd. (FirstCry) regarding alleged violation of consumer rights, misleading advertisements and unfair trade practices

**CORAM:**

Smt. Nidhi Khare, Chief Commissioner

Shri. Anupam Mishra, Commissioner

**Appearance on behalf of Digital Age Retail Pvt. Ltd. (FirstCry):**

Adv. R. Sudhinder, Legal Counsel for Digital Age Retail Pvt. Ltd. (FirstCry)

Adv. Ekta Basin, Legal Counsel for Digital Age Retail Pvt. Ltd. (FirstCry)

Adv. Anushka Sharma, Legal Counsel for Digital Age Retail Pvt. Ltd. (FirstCry)

Mr. Palak Patel, Representative from Digital Age Retail Pvt. Ltd. (FirstCry)

**Date: 24.09.2025**

**ORDER**

1. This is a case taken up by the Central Consumer Protection Authority (hereinafter referred to as 'CCPA') based on a grievance received via email on 02.09.2024 against M/s Digital Age Retail Pvt. Ltd. (hereinafter referred to as 'opposite party' or 'FirstCry') regarding false advertising and misleading pricing practices on its e-commerce platform ([www.firstcry.com](http://www.firstcry.com)). The grievance pertains to the addition of Goods and Services Tax (GST) on discounted prices during the checkout process, despite the product pages stating that the "MRP is inclusive of all taxes".
2. The complainant alleged that the opposite party is advertising discounts based on the Maximum Retail Price (MRP) but subsequently levying additional GST at the

payment stage. This creates a misleading impression of the actual discount offered and ultimately disadvantages consumers. Further, the complainant alleged that by displaying a seemingly higher discount than is actually offered, this practice misleads consumers and potentially encourages them to make purchase decisions they might not otherwise make.

This practice creates a false impression of a greater discount and potentially influences consumer purchasing decisions. This misrepresentation amounts to deceptive pricing and constitutes a misleading advertisement within the meaning of Section 2(28) of the Consumer Protection Act, 2019. It further constitutes as an unfair trade practice under Section 2(47) and deficiency in service under Section 2(11) of the said Act, along with violation of consumer rights under Section 2(9).

3. Accordingly, a preliminary examination of the complaint was undertaken by the CCPA. Data received from the National Consumer Helpline (NCH) to examine the grievances and a review of the company's website corroborated the concerns raised in the complaint. As per the 13 grievances registered on the National Consumer Helpline from September, 2023 to September, 2024 it was observed that:
  - i. The MRP of the products listed on the FirstCry website is displayed with the statement that the price is "inclusive of all taxes." However, when the product is added to the cart, an additional amount is charged in the name of GST over and above the discounted price.
  - ii. This pricing practice amounts to misleading advertisement and deceptive representation under Section 2(28) of the Act, as it implies that the displayed price is final, inclusive of all statutory levies, which it is not.
  - iii. This also amounts to an unfair trade practice under Section 2(47), deficiency in service under Section 2(11), and violation of the consumer's right to be informed as per Section 2(9) of the Consumer Protection Act, 2019.
  - iv. Further, such a pricing model appears to be in contravention of Rule 6(1)(da) of the Legal Metrology (Packaged Commodities) Rules, 2011, which mandates that the MRP declared on the package shall be the maximum price inclusive of all taxes.

4. In view of the above findings, a Show Cause Notice dated 17.10.2024 was issued to the opposite party under the provisions of the Consumer Protection Act, 2019. The notice sought an explanation as to why action should not be initiated for engaging in misleading advertisement, deceptive pricing, and unfair trade practices. The opposite party was directed to submit a detailed reply along with supporting documents substantiating their response within 15 days.

5. In its response dated 18.11.2024, the opposite party contended that:

- i. It has complied with all legal and regulatory requirements and operates transparently with due regard to consumer protection.
- ii. It does not impose any charges above the MRP, which is inclusive of all taxes, and therefore, its pricing practices are not misleading.
- iii. GST is charged on the transaction value (i.e., post-discount price), which it claims is in accordance with the CGST Act, 2017.
- iv. The product page displays the MRP as inclusive of all taxes and also carries a disclaimer stating "Add'l charges may apply on discounted price."
- v. Once a product is added to the cart, the website displays the estimated GST. The final price, including all applicable taxes, is shown clearly at the checkout stage and remains unchanged throughout the payment process.
- vi. Consumers are made fully aware of the final payable amount and retain the option to cancel the order at any point prior to payment if dissatisfied.
- vii. In all 13 cases referred to in the Show Cause Notice, the company states that complete pricing information was provided from the beginning and consumers were informed and had the option to cancel.

6. The response of the opposite party was examined. CCPA observed that the response of the opposite party needs further examination and the matter requires detailed investigation.

7. As per sub-section (1) of Section 19 of the Act, "The Central Authority may, after receiving any information or complaint or directions from the Central

Government or of its own motion, conduct or cause to be conducted a preliminary inquiry as to whether there exists a prima facie case of violation of consumer rights or any unfair trade practice or any false or misleading advertisement, by any person, which is prejudicial to the public interest or to the interests of consumers and if it is satisfied that there exists a prima facie case, it shall cause investigation to be made by the Director General or by the District Collector". The matter was referred to DG investigation by CCPA's order dated December 27, 2024 for detailed investigation.

8. The Director General (Investigation) in its investigation report dated 28.05.2025 submitted the following:

a. M/s Digital Age Retail Private Limited ([www.firstcry.com](http://www.firstcry.com)) asserts that its GST practices are fully compliant with applicable laws and that any breakdown of GST at the checkout stage enhances transparency, thus avoiding deceptive pricing. However, the company has displayed the product 'Babyhug Woven Sleeveless Georgett Sequined Embroidered Choli Lehenga Set with Dupatta & Frill Detailing Pink' with the term 'MRP inclusive of all taxes' on the product price (Rs. 2799 with a 27% discount Rs. 2043) on their website. The company implies that the price shown is the final amount payable by the consumer.

- Therefore, the payment information indicates that a subsequent addition of an estimated GST of Rs. 245 to the MRP (Rs. 2799 with a 27% discount = Rs. 2043) at the checkout stage makes the final amount payable by the customer to Rs. 2288. This directly contradicts the actual amount after the discount (Rs. 2043), which is displayed on the company's e-commerce website. The net payment amount of Rs. 2288, shown on the payment information page, creates confusion and could potentially mislead consumers. This inconsistency undermines the transparency the company claims to uphold and raises concerns about the accuracy of their pricing practices.

b. A retail customer is initially attracted to purchase after noticing a 27% discount. However, by paying Rs. 2288 instead of Rs. 2799, they are only receiving a discount of 18.2%. In this way, the customer has been misled.

- While the customer may have seen the same product on a different website with an 18% discount, he/she did not check it out further because FirstCry advertised a 27% discount. At the final point of purchase, when the customer realizes that the discount offered by FirstCry is the same as the one on the other website, they do not change their decision, as they have already invested time in making their choice. However, the shift from the other website to FirstCry was based on a deceptive marketing practice.
- c. The company asserts that the statement "MRP inclusive of all taxes" and "additional charges may apply on discounted price" is clearly disclosed across product pages, shopping carts, checkout stages and that consumers are fully informed of the final price, including taxes, before completing their purchase. It further claims that any change in price at checkout happens before the final purchase, allowing consumers to make an informed decision and cancel orders if dissatisfied. However, the company has levied additional taxes in the form of GST instead of imposing additional charges. This misrepresentation misleads consumers about the final cost.
- d. An analysis of the NCH data regarding grievances about extra GST charges on the company's website reveals that many customers are being misled. By displaying discounts based on the MRP and then charging estimated GST on the discounted price, the company is engaging in unfair trade practices. This creates confusion among consumers, undermines their ability to make informed purchasing decisions and erodes consumer trust.
- e. Nowhere in this report are we attempting to comment on the company's compliance or non-compliance with GST rules. Additionally, we are not questioning the transparency or disclosure of information by the company.

-P.T.O-



Shoes & Shoes / Ethnic Wear / Babyhug Woven Sleeveless Georgett Sequined Embroidered Choli Lehenga Set with Dupatta & Frill Detailing - Pink



Babyhug Woven Sleeveless Georgett Sequined Embroidered Choli Lehenga Set with Dupatta & Frill Detailing - Pink

₹2043<sup>27</sup> MRP: ₹2799 27% OFF

MRP incl. all taxes. Add'l charges may apply on discounted price.

Club Price : ₹1987<sup>29</sup>

Add'l saving of ₹55<sup>30</sup> Earn club cash ₹22\*<sup>31</sup>

Club Benefits

Club Cash Benefit Upto ₹22

Size

Sizing Tip: We recommend this size for child weighing between 10.9 - 12.5 Kgs

6-9M 12-18M 18-24M 2-3Y 3-4Y 4-5Y  
2 left 1 left 2 left 1 left



GO TO CART

Delivery To

Enter your pincode to check delivery info

checkout.firstcry.com/pay

← Cart

Login/Register My Shortlist

Delivery Pincode:

APPLY

Login to Apply Coupon/Gift Certificate

15-250 Cashback

On CRED UPI Txns | Above 999

Join Club & Save ₹103<sup>32</sup> with this Order<sup>33</sup>

3 Months	6 Months
₹271 <sup>32</sup> ₹399 32% OFF	₹527 <sup>34</sup> ₹799 34% OFF
ADD	ADD



Free Shipping  
On Your 1<sup>st</sup> Order

Payment Information

Value of Products : ₹2799<sup>30</sup>

Discount(-) : ₹755<sup>35</sup>

Estimated GST(+) : ₹245<sup>36</sup>

Shipping(+) : FREE ₹100

Want Free Shipping? Login Now!

Order Total : ₹2288<sup>15</sup>

Net Payment : ₹2288<sup>16</sup>



Qty: 1

Babyhug Woven Sleeveless Georgett Sequined Embroidered Choli Lehenga Set with Dupatta & Frill Detailing - Pink

₹2043<sup>27</sup> ₹2799 27% OFF

Club: ₹1987<sup>29</sup>

MRP includes all taxes

Add pincode to check delivery info

Size  
18-24m

Fabric  
Polyester

Ideal Baby Wgt  
10.9 - 12.5 (KGs)

REMOVE

MOVE TO SHORTLIST

9. The report for the Director General (Investigation) was shared with the opposite party via email dated 28<sup>th</sup> May, 2025, for their comments within 15 days, and a hearing was scheduled for 18<sup>th</sup> June, 2025. However, the opposite party failed to submit a written response within the stipulated time. The hearing scheduled on 18<sup>th</sup> June, 2025 was postponed to 19<sup>th</sup> June, 2025, due to unavailability of Chief Commissioner. However, the hearing could not be held on 19<sup>th</sup> June, 2025, since the party failed to appear before the Central Authority.
10. Further, the opposite party submitted its written response on 03.07.2025 stating that they have:
- i. Denied all allegations, assertions, and implications in the Notice and DG's findings, maintaining that no act or omission has been committed that could constitute an unfair trade practice or misleading advertisement under the Consumer Protection Act, 2019.
  - ii. Maintained consistent compliance with all legal, regulatory, and statutory requirements, operating with integrity, transparency, and accountability, and ensuring all representations are made in good faith with substantiation where required.
  - iii. Asserted adherence to the CGST Act, 2017 by computing GST on the discounted transaction value and not on the original MRP, issuing tax invoices reflecting discounted price as taxable value, and providing applicable GST details clearly for transparency.
  - iv. Clarified pricing disclosures by displaying MRP as inclusive of all taxes with the disclaimer "additional charges may apply on discounted price," and by ensuring GST charged is embedded in the final payable amount, in compliance the CGST Act, 2017.
  - v. Clear pricing policies, are compliant, and consumer-friendly, supported by grievance redressal mechanisms.
  - vi. Explained GST display at checkout ensures full visibility to consumers at all stages and the option to cancel orders before payment.
  - vii. Defended discount representation as calculated on the difference between MRP and pre-tax discounted base price, in line with lawful and accepted industry norms, with no manipulation or misrepresentation to influence consumer perception.
  - viii. Highlighted transparency in price breakdowns, including MRP, discount amount, discounted price, estimated GST, shipping charges, and net payable amount, ensuring no concealment or misrepresentation.

ix. Submitted that its pricing structure and GST application are in full compliance with tax laws, displaying discounts on MRP as per standard industry practice, and maintaining clarity in product prices and terms before payment.

11. Subsequently, the hearing was held on 04<sup>th</sup> July, 2025. Adv. Chirag Dave, Counsel for the opposite party and Mr. Palak, representative from the opposite party, appeared through video conferencing during the hearing on behalf of the opposite party. During the hearing, the Authority raised concerns regarding the practice of charging additional GST on the discounted price at checkout despite the product page clearly stating "MRP inclusive of all taxes." The Authority questioned whether such a pricing model, which advertised a 27% discount but delivered only an 18.2% effective reduction post-GST, constituted deceptive pricing and misleading advertisement. It was observed that disclaimers such as "additional charges may apply" in fine print do not override the statutory obligation of including all taxes within the displayed MRP. During the hearing, the representative of the opposite party argued that consumers are informed of the final amount before completing the transaction and have the option to cancel if dissatisfied. The company shared a screen demonstration showing the product pricing and annotations explaining the GST and discount mechanism.

with Dupatta & Frill Detailing - Pink

Babyhug Woven Sleeveless Georgett Sequined Embroidered Choli Lehenga

₹2043<sup>27</sup> MRP: ₹2799 27% OFF

MRP includes all taxes except GST. GST will be added at checkout. Price is for one person only.

However, the Authority observed that such practices trap consumers by first creating a false perception of a deeper discount and then adding taxes at checkout, thereby misleading them. The Authority emphasized that MRP must include all applicable taxes and that "Maximum or Max. retail price Rs.... / ₹..... is inclusive of all taxes after taking into account the fraction of less than fifty paise to be rounded off to the preceding rupee and fraction of above 50 paise and up to 95 paise to be rounded off to fifty paise;". The opposite party was advised to discontinue this misleading pricing model and submit any further documents by 14.07.2025.



12. The matter was subsequently listed for hearing on 16<sup>th</sup> July, 2025. During the hearing, the representative for the opposite party, Ms. Ekta Bhasin, submitted a vakalatnama and appeared for the first time. She requested additional time citing personal difficulties. The Authority acknowledged the circumstances and empathized with the situation but noted that the matter has been pending for long.
13. While the representative requested a three-week adjournment, the Authority emphasized that the issue of charging GST post-MRP affects consumers on a daily basis and must be addressed with urgency. The practice of levying GST on discounted prices when MRP inclusive of all taxes is advertised continues to mislead consumers.
14. CCPA carefully examined the response submitted by the opposite party, and the submissions made during the hearing and concluded that:
- i. Prima facie, the pricing practice adopted by the opposite party is misleading and amounts to deceptive pricing in violation of Section 2(28) and 2(47) of the Consumer Protection Act, 2019.
  - ii. The company's claim that "MRP inclusive of all taxes" is followed by a GST levy at checkout creates confusion and undermines consumer trust.
  - iii. The practice of offering a deeper advertised discount but delivering a lesser effective benefit due to GST addition is unfair and misleading.
  - iv. This continuous practice by the company, which has not been changed despite being pointed out by the CCPA, raises serious concerns. Not only does it mislead consumers, but it also places the burden on them to avoid being cheated. Such practices shift the responsibility onto consumers to detect pricing anomalies instead of providing upfront transparent pricing.
15. Accordingly, in view of the response submitted by the opposite party and the submissions made during the hearing, the Central Authority vide order dated 25.07.2025 issued the following directions:
- i. The opposite party is directed to file its final and comprehensive written response, with supporting documents within three weeks.

- ii. Despite being advised, the company has continued its misleading pricing practice. Therefore, the CCPA finds it necessary to refer the matter to the CBDT for appropriate action at their end as well.

16. The next date of hearing was scheduled at 06<sup>th</sup> August, 2025, at 04:00 PM. Before the hearing, an additional reply was filed by the company wherein the following submissions were made:

- i. The opposite party described itself as a reputed and trusted entity in the maternity, baby, and kids' products sector, claiming to operate with integrity, transparency, and consumer-centric values, and maintains robust systems for compliance with consumer protection norms, grievance redressal, accurate product disclosures, and responsible marketing.
- ii. It contended that its consumers are generally discerning and well-informed, that complaints relating to GST or pricing form only a negligible fraction of its customer base, and that a few grievances cannot be relied upon to indicate systemic misleading practices.
- iii. It stated that it has always complied with applicable laws, including the GST Act and Legal Metrology Act, and that disclaimers such as "Add'l charges may apply on discounted price" were displayed on product pages, along with price breakdowns on the product summary page.
- iv. Significantly, the opposite party acknowledged that, in view of concerns raised by the CCPA, it has revised its display format to expressly include the statement "GST & Add'l charges may apply on discounted price" immediately after the discounted price across its website and mobile application.
- v. It maintains that GST is charged on the discounted value as per law, and that the applicability of GST has been reflected throughout the purchasing journey.
- vi. Relying on judicial precedents, it asserted that adequate disclosure constitutes fair practice and that the case must be assessed from the perspective of a reasonable consumer, while arguing that the display of discounts accompanied by disclaimers and price breakdowns cannot materially mislead or influence consumer's economic decisions.

- vii. It further contended that certain commercial hyperbole or “puffery” is legally permissible and that none of its consumers are deceived by its pricing representations, notwithstanding the changes now made to enhance clarity.

17. During the hearing, which was attended by Adv. R. Sudhinder, Legal Counsel for Digital Age Retail Pvt. Ltd. (FirstCry), Adv. Ekta Basin, Legal Counsel for Digital Age Retail Pvt. Ltd. (FirstCry), Adv. Anushka Sharma, Legal Counsel for Digital Age Retail Pvt. Ltd. (FirstCry) and Mr. Palak Patel, Representative from Digital Age Retail Pvt. Ltd. (FirstCry), the following concerns were raised by the Central Authority:

- i. Despite displaying “MRP inclusive of all taxes,” why is the website adding GST separately over?
- ii. Is there any specific statutory provision that permits adding GST over and above a discounted MRP that is already declared as “inclusive of all taxes”?
- iii. When a product is advertised and shown with a 27% discount but the consumer ends up paying an amount that reflects only an 18.2% effective reduction, then whether this is a case of unfair trade practice?

18. Adv. R. Sudhinder, appearing on behalf of the opposite party submitted that:

- i. After reviewing the show cause notice and previous proceedings, they advised their client (FirstCry) to enhance clarity and transparency on their website to avoid any impression of misleading consumers, particularly regarding the effective discount percentage.
- ii. They have made changes to the website and mobile application to clearly state that GST will be charged on the discounted price, and this disclosure now appears at every stage, from the homepage banners to the product page and checkout.
- iii. They do not claim the discounted price to be a “discounted MRP” and has ensured that the MRP is displayed separately from the discount structure to avoid confusion and while the Legal Metrology Act requires MRP to include all taxes, a discounted price is distinct from MRP; therefore, GST can be charged on the discounted price if clearly disclosed.
- iv. GST is applied only when the discount exceeds 19%, and accordingly, the term “may apply” is used in the disclaimer.

- v. The opposite party admitted that the earlier website displays could have led to the impression that the discounted price was the revised MRP inclusive of taxes, but positioning and wording have now been altered to remove this impression.
- vi. They have implemented changes to bring its practices in line with the letter and spirit of the law. They have accepted the concerns raised by the Authority regarding purported deceptive pricing and unfair trade practice and have taken remedial action.
- vii. GST is a statutory levy that goes to the government and not to the company's accounts, and thus its collection should not be viewed as an unfair trade practice when properly disclosed.
- viii. Lastly, various judgements of the Hon'ble Supreme Court and Hon'ble High Court regarding unfair trade practice and misleading advertisements were discussed.

19. The next hearing in the aforesaid matter was held on August 12, 2025. During the hearing, which was attended by Adv. R. Sudhinder, Legal Counsel for Digital Age Retail Pvt. Ltd. (FirstCry), Adv. Ekta Basin, Legal Counsel for Digital Age Retail Pvt. Ltd. (FirstCry), Adv. Anushka Sharma, Legal Counsel for Digital Age Retail Pvt. Ltd. (FirstCry) and Mr. Palak Patel, Representative from Digital Age Retail Pvt. Ltd. (FirstCry), the following submissions were on behalf of the opposite party:

- i. That there was no intent on the part of the company to mislead consumers, and upon being apprised of the concerns by the Authority, it has revised its website and mobile application to ensure transparency in pricing.
- ii. That the current display format, across the landing page, product page, and selection page, now expressly mentions "GST and Add'l charges may apply on discounted price", thereby eliminating any scope for deception or ambiguity.

-P.T.O.-



Home / Clothes & Shoes / Sweat Shirts & Jackets / Babyhug Full Sleeves Sweatshirt Little Dragon Print - Blue



**Babyhug Full Sleeves Sweatshirt Little Dragon Print - Blue**

MRP ₹599 (incl. all taxes)

**₹323<sup>48</sup> 46% OFF**

GST & Add'l charges may apply on discounted price

**Club Price: ₹311<sup>48</sup>**

Add'l saving of ₹11<sup>88</sup> Earn club cash ₹2\*

Club Benefits

Exclusive Offers & Discounts

Size

6 - 9 M 9 - 12 M 12 - 18 M

1 left

Delivery To

Enter your pincode to check delivery info

Enter Pincode

CHECK



Gift Wrap



10 days Return/Exchange

- iii. That the disclosure is made upfront, in a clear and accessible manner, before the consumer exercises his choice to purchase, ensuring that the consumer is fully aware of the terms of trade at the very outset.
- iv. That the concept of "discounted price" is distinct from "Maximum Retail Price (MRP)." The MRP is statutorily required to include all taxes, whereas a discounted price is merely a reduced transaction value on which GST may further be levied.
- v. That the opposite party shows the revised amount after discount as discounted price and not as a revised MRP.
- vi. That the Authority's concern regarding the possibility of deception is addressed by the present disclosures, which are in line with the principle of fairness and transparency under the Consumer Protection Act, 2019.
- vii. That the practice cannot be said to constitute "unfair trade practice" so long as GST applicability is expressly and prominently conveyed, and further, that GST is a statutory levy payable to the Government and not a gain to the company.

viii. That in the alternative, if the Authority finds the present disclosure to be inadequate, the company is willing to further enhance the visibility of the disclosure, including by increasing the font size, so as to remove any possible misconception in the mind of consumers.

20. Upon consideration of the submissions and documents placed on record, the Central Authority made the following observations:

- a. That the Maximum Retail Price (MRP), as per law, is inclusive of all taxes, including GST, and any representation on the product page indicating “MRP inclusive of all taxes” necessarily conveys to consumers that no further statutory levy shall be imposed. MRP imposes a ceiling on the price that can be charged from a consumer. Any price charged over and above the MRP is unfair trade practice for the very reason that it is unlawful to do so.
- b. That by advertising discounts on the MRP and thereafter levying GST separately on the discounted price, the opposite party effectively diminishes the benefit of the discount promised, thereby misrepresenting the extent of the discount and misleading consumers.
- c. That the disclaimers such as “GST may apply on discounted price,” especially when displayed in a smaller font, do not cure the misrepresentation in the eyes of the consumer.
- d. That the practice falls squarely within the definition of “*drip pricing*”, which is recognized internationally and by the Authority as a dark pattern, and therefore constitutes an unfair trade practice within the meaning of Section 2(47) of the Act.
- e. That Rule 7(e) of the Consumer Protection (E-Commerce) Rules, 2020 obligates an inventory e-commerce entity to display the total price in a single figure along with its breakup, and prohibits representations that suggest “price + plus, plus” additions at a later stage. The opposite party’s conduct is in violation of this mandate.
- f. That the practice of showing a higher discount (e.g., 39% or 40%) and then reducing its effect by adding GST at checkout creates a false impression of a deeper discount, which vitiates the consumer’s ability to make an informed

choice and constitutes a misleading advertisement under Section 2(28) of the Act.

- g. That the conduct of the opposite party, by normalizing such practices, undermines consumer trust in e-commerce platforms and amounts to a violation of the consumer's right to be informed under Section 2(9) of the Consumer Protection Act, 2019.

21. The opposite party has cited various judgements of the Hon'ble Supreme Court and Hon'ble High Court regarding unfair trade practice and misleading advertisements. For instance, the opposite party has cited the case of Hon'ble Madras High Court, in the case of Reckitt v. Gillette MHC [2017 SCC OnLine Mad 37810] wherein it was observed that the word 'advertisement' has to be understood in the popular sense to connote 'notice given in a manner designed to attract public attention'. However, it also needs to be stated that the same judgement of Hon'ble Court also provided that truth cannot be twisted and that advertisements cannot misrepresent facts in a disparaging manner. It provided for the "dominant purpose test", stating that the real intent of an advertisement must be to promote one's own product, not to malign or mislead.

Further, the case of Havells India Ltd. v. Amritanshu Khaitan (2015 SCC OnLine Del 8115) has been cited wherein it was opined that:

*"41. This Court is also of the view that for any advertisement to be considered misleading, two essential elements must be satisfied. First, misleading advertising must deceive the persons to whom it is addressed or at least, must have the potential to deceive them. Secondly, as a consequence of its deceptive nature, misleading advertising must be likely to affect the economic behaviour of the public to whom it is addressed, or harm a competitor of the advertiser.*

*42. However, the same has to be harmonized with competitive interests. In the present case, the features being compared are not misleading and the said issue has to be seen not from a hyper sensitive viewpoint, but from the eyes of an average consumer who is used to certain hyperbole and rhetoric."*

The Hon'ble Court has provided for two key ingredients to account for misleading advertisements which are:

- i. potential to deceive persons to whom it is addressed
- ii. affect the economic behaviour of the public to whom it is addressed

It may be noted that from the practice of the opposite party the economic behavior of the consumer gets affected adversely. The company displayed products with the line "MRP inclusive of all taxes" but then added GST separately at checkout, creating an impression that the amount displayed after the discount would also be inclusive of GST.

Whereas, as stated by the opposite party that in the case of *Lakhanpal National Ltd. v. MRTP Commission* [(1989) 3 SCC 251], the Hon'ble Supreme Court held that a false statement that misleads the buyer is essential for an "unfair trade practice".

However, it may also be noted that in the same case, the Hon'ble Court, while explaining misleading advertisements has also stated that "Does it lead a reasonable person in the position of a buyer to a wrong conclusion? The issue cannot be resolved by merely examining whether the representation is correct in the literal sense. A representation containing a statement apparently correct in the technical sense may have the effect of misleading the buyer by using tricky language."

Also, the opposite party has referred to the case of *Colgate Palmolive Company v. Hindustan Unilever Ltd.* [2013 SCC OnLine Del 4986] ("*Colgate Palmolive*") wherein it was stated that it is permissible under law to glorify one's own product and engage in 'puffing', along with some hyperbole, in advertisements.

However, it may be stated that puffery extends exaggerating the qualities of the goods or services. In the present case, the opposite party is not alleged for engaging in puffery and hence the said case is not applicable. It is also pertinent to note that most of the judicial precedents cited by the opposite party in relation to misleading advertisements primarily concern representations regarding the quality, efficacy or correctness of the product itself. The issue in the present matter, however, does not pertain to the quality of the goods



offered for sale, but rather to the pricing disclosures and the manner in which the same have been represented to consumers. Accordingly, the reliance placed by the opposite party on those judgements is of no assistance as has been adequately highlighted above, as these judgements are based on different facts and circumstances.

22. It may be mentioned that Section- 2 (9) of the Consumer Protection Act, 2019 provides that "consumer rights" includes,--

*(ii) the right to be informed about the quality, quantity, potency, purity, standard and price of goods, products or services, as the case may be, so as to protect the consumer against unfair trade practices;*

*(vi) the right to consumer awareness;*

23. It may also be mentioned that Section- 2(11) of the Consumer Protection Act, 2019 defines "deficiency" as *any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of performance which is required to be maintained by or under any law for the time being in force or has been undertaken to be performed by a person in pursuance of a contract or otherwise in relation to any service and includes--*

*(i) any act of negligence or omission or commission by such person which causes loss or injury to the consumer; and*

*(ii) deliberate withholding of relevant information by such person to the consumer;*

24. It may be further mentioned that Section- 2(28) of the Consumer Protection Act, 2019 defines "misleading advertisement" in relation to any product or service to mean an advertisement, which—

*a) falsely describes such product or service; or*

*b) Gives a false guarantee to, or is likely to mislead the consumers as to the nature, substance, quantity or quality of such product or service; or*

*c) Conveys an express or implied representation which, if made by the manufacturer or seller or service provider thereof, would constitute an unfair trade practice; or*

d) *Deliberately conceals important information;*

25. Furthermore, it may also be mentioned that Section- 2(47) of the Consumer Protection Act, 2019 defines "unfair trade practice" means *a trade practice which, for the purpose of promoting the sale, use or supply of any goods or for the provision of any service, adopts any unfair method or unfair or deceptive practice including any of the following practices, namely:--*

- (i) *materially misleads the public concerning the price at which a product or like products or goods or services, have been or are, ordinarily sold or provided, and, for this purpose, a representation as to price shall be deemed to refer to the price at which the product or goods or services has or have been sold by sellers or provided by suppliers generally in the relevant market unless it is clearly specified to be the price at which the product has been sold or services have been provided by the person by whom or on whose behalf the representation is made;*
- (j) *gives false or misleading facts disparaging the goods, services or trade of another person.*
- (ii) *permitting the publication of any advertisement, whether in any newspaper or otherwise, including by way of electronic record, for the sale or supply at a bargain price of goods or services that are not intended to be offered for sale or supply at the bargain price, or for a period that is, and in quantities that are, reasonable, having regard to the nature of the market in which the business is carried on, the nature and size of business, and the nature of the advertisement.*
- (viii) *refusing, after selling goods or rendering services, to take back or withdraw defective goods or to withdraw or discontinue deficient services and to refund the consideration thereof, if paid, within the period stipulated in the bill or cash memo or receipt or in the absence of such stipulation, within a period of thirty days;*

26. From a bare reading of the above provisions of the Act, it is clear that consumers have a right to be informed about the price of goods and to have

consumer awareness so as to protect against unfair trade practices and that 'deficiency' includes any fault, imperfection, or inadequacy in service, including negligence or omission that causes loss or injury to the consumer. Further, a misleading advertisement under Section 2(28) includes any representation which falsely describes a product or service, gives a false guarantee, or is likely to mislead consumers as to its nature, substance, quantity, or quality. This extends to cases where the presentation of price or other key attributes creates an impression different from the actual facts. It also covers any express or implied representation amounting to an unfair trade practice, as well as the deliberate concealment of important information that would influence a consumer's purchasing decision, including facts relating to the total price payable.

27. Furthermore, unfair trade practice under Section 2(47) includes any unfair or deceptive method adopted for promoting the sale of goods or services, such as materially misleading the public concerning the price at which goods are ordinarily sold in the relevant market, unless the basis of the price is clearly specified. It also covers permitting the publication of misleading advertisements relating to bargain prices not genuinely intended to be offered, and refusing to rectify deficiencies or refund consideration within the prescribed time. These provisions extend to situations where the price representation made to the consumer is not consistent with the actual amount payable or the terms of sale.

28. It may be mentioned that clause 2 sub clause (e) of the Guidelines for Prevention and Regulation of Dark Patterns, 2023 defines that "dark patterns" as "(e) *"dark patterns" shall mean any practices or deceptive design pattern using user interface or user experience interactions on any platform that is designed to mislead or trick users to do something they originally did not intend or want to do, by subverting or impairing the consumer autonomy, decision making or choice, amounting to misleading advertisement or unfair trade practice or violation of consumer rights;*"

Further, Annexure 1 of the guidelines enunciate certain specified dark patterns, among which there is "drip pricing" which is explained as:

*(8) "Drip pricing" means a practice whereby-*

*(i) elements of prices are not revealed upfront or are revealed surreptitiously within the user experience; or*

*(ii) revealing the price post-confirmation of purchase, i.e. charging an amount higher than the amount disclosed at the time of checkout; or*

*(iii) a product or service is advertised as free without appropriate disclosure of the fact that the continuation of use requires in-app purchase; or*

*(iv) a user is prevented from availing a service which is already paid for unless something additional is purchased.*

29. It may also be mentioned that Rule 7 of the Consumer Protection (E-Commerce) Rules, 2020 entails the duties and liabilities of inventory e-commerce entities stating that:

*Rule 7: Duties and liabilities of inventory e-commerce entities*

*(1) Every inventory e-commerce entity shall provide the following information in a clear and accessible manner, displayed prominently to its users:*

*"... (e) total price in single figure of any good or service along with the breakup price for the good or service, showing all the compulsory and voluntary charges, such as delivery charges, postage and handling charges, conveyance charges and the applicable tax; and..."*

30. From a bare reading of the above-mentioned Guideline and Rules, it is clear that online platforms should not use tricks or confusing designs that mislead consumers into paying more or making choices they didn't really want. One such technique of dark pattern is called "drip pricing", which happens when a company shows one price upfront but then quietly adds extra charges later, so the customer only learns the real cost at the last stage of purchase. On the other hand, Rule 7 of the E-Commerce Rules (2020) makes it mandatory for inventory e-commerce entities to clearly show the total price in one figure right at the start, including all taxes and charges, so buyers know exactly what they will pay.



31. The manner in which the opposite party has presented and communicated the pricing of its products on its e-commerce platform is found to fall within the statutory definitions of misleading advertisement under Section 2(28) and unfair trade practice under Section 2(47) of the Consumer Protection Act, 2019.

Furthermore, this practice fits the definition of drip pricing, because the actual amount payable is not revealed upfront, and it also violates Rule 7 since the total price is not shown clearly in one single figure from the beginning.

32. Section 2(28) defines a misleading advertisement to include any advertisement which gives a false guarantee to, or is likely to mislead, the consumer as to the nature, substance, quantity or quality of such product or service, or which deliberately conceals important information. The phrase "MRP inclusive of all taxes" displayed on the product listing page, when read with the discounted price, creates an express and implied representation that the price so displayed is the final payable price for the product. However, the evidence on record demonstrates that, at the checkout stage, an additional Goods and Services Tax (GST) amount is calculated on the discounted price and added to the total payable amount. Such subsequent imposition of GST, despite the earlier representation of "MRP inclusive of all taxes", constitutes a material departure from the price initially conveyed to the consumer, and is thus likely to mislead the consumer regarding the actual amount payable. The act of representing a tax-inclusive price and thereafter levying an additional tax amount at the final purchase stage amounts to a concealment of material information which the consumer ought to have been apprised of at the outset, thereby satisfying the statutory test of a misleading advertisement under Section 2(28).

33. Furthermore, Section 2(47) defines an unfair trade practice to include, inter alia, any trade practice which materially misleads the public concerning the price at which goods are ordinarily sold, unless the basis of such price is clearly specified. The practice of advertising discounts calculated on the Maximum Retail Price (MRP), while separately levying GST on the discounted price, materially alters the effective benefit received by the consumer. As observed in the DG Investigation Report, while a consumer is induced to believe that they are receiving a 27% discount, the actual reduction in the final payable amount, post-GST, is substantially lower. This

discrepancy between the represented discount and the effective discount constitutes a misrepresentation as to price, and is capable of influencing the economic behaviour of the consumer by inducing them to prefer the opposite party's offer over other comparable market offers. The absence of a clear, prominent, and unambiguous disclosure on the product display page, specifying that GST will be separately added on the discounted price, results in the price representation being materially misleading within the meaning of Section 2(47)(i) of the Act.

It is worth iterating that Section 20 of the act provides that Central authority may pass any order if based on an investigation it found that a party is engaged in misleading advertisement, violation of consumer rights and unfair trade practice. The section clearly provides the mandate to CCPA to determine if an action falls within the purview of unfair trade practice as defined under section 2(47) of Act.

34. It may be mentioned that the opposite party has sought to alter its disclosure by stating, "GST and Additional charges may apply." However, this modification does not remedy the underlying deficiency. The continued display of "MRP inclusive of all taxes" on the product page stands in direct contradiction to the said disclaimer, thereby creating confusion in the mind of the consumer. A general and ambiguous caveat such as "GST and Additional charges may apply" fails to satisfy the requirement of a clear and unambiguous representation of the final payable price and instead perpetuates a misleading representation.
35. Further, as per Clause 2(e) of the Guidelines for Prevention and Regulation of Dark Patterns, 2023 read with Annexure I, such conduct falls within the category of "drip pricing," where the actual elements of price are disclosed only at a later stage in the transaction flow. By representing that the MRP is inclusive of all taxes, while simultaneously suggesting that additional charges may apply, the opposite party subverts consumer autonomy and decision-making by obscuring the true payable price until checkout.
36. Moreover, Rule 7(1)(e) of the Consumer Protection (E-Commerce) Rules, 2020 mandates disclosure of the total price in a single figure, including a breakup of

all compulsory charges such as applicable taxes. The reliance on a vague disclaimer does not discharge this statutory obligation. Instead of providing the final price upfront, the opposite party chose to rely on generic wording which leaves the consumer uncertain about the actual financial outlay. This amounts to non-compliance with the disclosure obligations under the Rules and constitutes a misleading advertisement and unfair trade practice within the meaning of Sections 2(28) and 2(47) of the Act.

37. Accordingly, the representations and practices adopted by the opposite party in relation to the display of "MRP inclusive of all taxes" alongside a discounted price, coupled with the subsequent levy of GST at checkout, amounted to both, a misleading advertisement under Section 2(28) and an unfair trade practice under Section 2(47) of the Consumer Protection Act, 2019. Such acts are not in consonance with the statutory mandate to ensure that consumers are provided with clear, accurate, and upfront information regarding the price of goods so as to enable them to make fully informed purchasing decisions.

38. Another hearing in the aforesaid matter was scheduled on 19<sup>th</sup> August, 2025. Before the hearing, the opposite party submitted an undertaking before the Central Consumer Protection Authority (CCPA). The Company, in deference to the observations of the Authority, has undertaken to enhance the transparency of its disclosures.

- i. The Company has accordingly agreed to implement changes across its website and mobile application to ensure that both original and discounted prices are clearly displayed as inclusive of all taxes, with explicit disclaimers and annotations regarding any additional charges. The undertaking details that:
  - a. The estimated GST component previously shown at the checkout stage has been removed.

- b. The phrase “price inclusive of all taxes” has been expressly added to the product display page, listing page, and checkout page.
- c. A tool-tip/annotation has been inserted beside this disclosure, clarifying that “additional charges may apply at checkout.”
- d. On activation, this annotation triggers a pop-up message repeating the disclosure for consumer clarity.
- e. The final product summary page will reflect a complete price breakup, including any additional charges such as shipping, platform, or convenience fees.
- ii. The Company has undertaken that these modifications shall be fully implemented across its digital platforms no later than 15<sup>th</sup> September 2025, while assuring that efforts are being made to implement them earlier. It further affirmed its continuing commitment to transparency, fairness, and compliance with the Consumer Protection Act, 2019, as well as allied legislations including the GST Act and the Legal Metrology Act.

39. During the hearing, held on 20.08.2025, which was attended by Adv. R. Sudhinder, Legal Counsel for Digital Age Retail Pvt. Ltd. (FirstCry), Adv. Ekta Basin, Legal Counsel for Digital Age Retail Pvt. Ltd. (FirstCry), Adv. Anushka Sharma, Legal Counsel for Digital Age Retail Pvt. Ltd. (FirstCry) and Mr. Palak Patel, Representative from Digital Age Retail Pvt. Ltd. (FirstCry), the opposite party reaffirmed the facts stated in the undertaking and assured the Central Authority that the changes proposed would be made at the earliest.

40. It is pertinent to note that a Compliance Report on the above-mentioned undertaking has been received by the Central Authority wherein the party has provided that it aims to bring in more transparency in the display of prices across the company’s website and mobile application and has undertaken the changes promised in the said undertaking. Also, a prominent display of the disclaimer ‘price inclusive of all taxes’ is put across all pages of the Website and mobile application of the Company. The changes are live on the Company’s platform and clearly reflect that no GST will be charged on the discounted price and the price displayed after discount across all pages is final price of the product inclusive of all the taxes.



41. The CCPA has carefully considered the written submissions as well as submissions made by the opposite party during the hearings and investigation reports submitted by the Director General (Investigation) and concludes that:-

- i. The earlier display of “MRP inclusive of all taxes” alongside the discounted price, without a clear and prominent qualification that GST would be levied on the discounted value, created an express and implied representation that the amount shown was the final payable price. This constituted a misleading advertisement within the meaning of Section 2(28) of the Act, as it was likely to mislead consumers regarding the final price and concealed material information about the actual amount payable.
- ii. The practice of calculating and advertising discount percentages on the MRP, while separately charging GST on the discounted price, materially reduced the effective benefit to the consumer compared to what was represented. This amounted to materially misleading the public concerning the price of the goods, thereby constituting an unfair trade practice under Section 2(47)(i) of the Act.
- iii. The opposite party further amended its display to include the statement “GST & Additional charges may apply on discounted price”; this modification is an acknowledgment that the earlier representation lacked the requisite clarity. The absence of such a disclosure at the outset deprived consumers of full and upfront information, thereby violating the consumer’s right to be informed under Section 2(9) and amounting to concealment of important information as contemplated under Section 2(11)(ii) of the Act during the relevant period. However, the opposite party vide undertaking dated August 19, 2025 assured the Central Authority to enhance transparency by ensuring that all product prices are displayed as inclusive of taxes, with clear disclaimers on any additional charges. They assured to remove GST at checkout, add explicit disclosures across webpages, incorporate tool-tip clarifications, and ensured a complete price breakup on the final summary page. In consonance with the said undertaking, the opposite party has also submitted a compliance to the said undertaking and has carried out all the necessary changes.

42. The CCPA is empowered under Section- 21 read with section 20 of the Consumer Protection Act, 2019 to issue directions to the advertiser of false or misleading advertisement to discontinue or modify the advertisement and if necessary, it may, by order, impose a penalty which may extend to ten lakh rupees and for every subsequent contravention may extend to fifty lakh rupees. Further, Section 21 (7) of the above Act prescribes that following may be regarded while determining the penalty against false or misleading advertisement:-
- i. the population and the area impacted or affected by such offence;
  - ii. the frequency and duration of such offence;
  - iii. the vulnerability of the class of persons likely to be adversely affected by such offence.
  - iv. Gross revenue from sales effected by virtue of such offence.

43. In view of the above, under section- 21 of the Consumer Protection Act. 2019, CCPA hereby issues the following direction to the opposite party:
- i. The Opposite Party is directed to forthwith refrain from publishing or displaying any advertisement, representation, or price statement that is likely to mislead consumers regarding the final payable amount, including any representation of "MRP inclusive of all taxes" when the final amount payable computes tax in the form of GST from the consumer, thereby reducing the effective discount advertised. Considering the company's mass presence as India's leading brand in the baby products sector, with its market presence since 2011, operating more than 1,000 stores across the country, and being the largest online store for baby, kids', and maternity products in India and Asia, such misleading representation has had a significant impact on a vast class of consumers. The said practice, though now discontinued, is impermissible and must never be adopted in the future course of time.
  - ii. The opposite party shall always ensure that both the original price and the discounted price are expressly displayed as inclusive of all taxes across the product display page, listing page, checkout page, and promotional materials. Any additional charges, such as shipping or convenience fees, shall be clearly and prominently

disclosed through proximate annotations and pop-ups, as represented in the undertaking submitted by the company.

- iii. In light of the violations discussed in the foregoing paragraphs, and taking into account that the opposite party was originally engaged in a practice which misrepresented consumers by displaying "MRP inclusive of all taxes" while subsequently levying GST on the discounted price, thereby reducing the effective discount and causing prejudice to consumer interest, the Central Authority finds it necessary to impose a penalty on the opposite party. Considering the facts and circumstances of the case highlighted above and having regard to the factors enumerated in section 21(7) of Act, the CCPA rules, the wider reach of the brand, the Opposite party shall pay a penalty of ₹ 2,00,000/- within 15 days for publishing false and misleading price representations that affected the consumers as a class.

44. It is also hereby clarified that these directions/order are without prejudice to any proceedings or determinations by the Central Board of Indirect Taxes and Customs (CBIC) regarding the company's compliance with the Goods and Services Tax laws.

45. The above order and directions are passed in exercise of the powers conferred upon CCPA under section 10, 20, 21 of the Consumer Protection Act 2019.



Chief Commissioner



Anupam Mishra  
Commissioner