

Central Consumer Protection Authority

**Ground Floor, CCPA Wing, Indian Institute of Public Administration, IP
Estate, Ring Road, New Delhi, 110002**

Case No: J-25/72/2021-CCPA (Part 4)

In the matter of: Suo-moto case against Paytm Mall with regard to sale of pressure cookers which do not conform to compulsory BIS standards.

CORAM:

Ms. Nidhi Khare, Chief Commissioner

Mr. Anupam Mishra, Commissioner

APPEARANCES

For Paytm E-commerce Private Limited (Paytm Mall)

1. Mr. Lokesh Sugandh
2. Ms. Namrata Bhatia
3. Mr. Kushank Kumar

Date: 25.03.2022

ORDER

1. The hearing was conducted through video conferencing.
2. This is a suo-moto case taken up by the Central Authority against Paytm Mall with regard to sale of domestic pressure cookers which purportedly do not conform to compulsory BIS standards on its e-commerce platform 'Paytm Mall' available at www.paytmall.com
3. Notice to the company in this regard was issued on 18.11.2021. The products listed out in the notice were :-
 - Pristine 5.5 L Outer Lid Pressure Cooker Induction Bottom (Silver Stainless Steel , Set of 1)
Product Page link: <https://paytmall.com/pristine-stainless-steel-5-5-l-induction-bottom-outer-lid-pressure-cooker-set-of-1-HOMPRISTINE-STASOHI3324494636086-pdp?sid=7094033b->

1bd8-42bb-a904-62f00460fe34&src=consumer_search&svc=-1&cid=52798&tracker=organic%7C52798%7Cpristine%205.5%20l%20outer%20lid%20prssure%7Cgrid%7CSearch_experimentName%3Ddemographics_location%23NA_gender%23NA%7C%7C1%7Cdemographics_location%23NA_gender%23NA&get_review_id=338072287&site_id=2&child_site_id=6

- Quba 5 L Inner Lid Pressure Cooker Induction Bottom (Silver , Aluminium , Set of 1)
Product page link: <https://paytm mall.com/quba-aluminium-regular-5-litre-pressure-cooker-with-induction-bottom-aluminium-HOMQUBA-ALUMINIQUBA21909627BAA96-pdp>
- Ethical Cookware Combos Induction Bottom (Stainless Steel , Set of 1)
Product page link: <https://paytm mall.com/ethical-tri-nature-pressure-cooker-5-ltr-induction-bottom-stainless-steel-triply-sas-steel-aluminium-steel-3-layers-HOMETHICAL-TRI-ETHI11708532F62CE24-pdp>

4. In response to the notice, reply dated 25.11.2021 was received from the company. In its reply, the company has submitted that since the inventory of goods neither belong to Paytm Mall nor does it hold any control of the inventory of the goods, therefore, the obligation of all and any of the statutory compliance in respect of the goods purported to be sold from the Platform rests on the Seller/ merchant and the Brand Owner as the case maybe. The company has submitted the contact details of the respective sellers of each listing.
5. Opportunity of hearing as mandated under the Consumer Protection Act, 2019 was given to the company on 09.03.2022 and the following directions were passed:-

“Opposite party shall furnish the number of pressure cookers sold and details of customers to whom such pressure cookers were sold on its platform by each of the three sellers of brands Pristine, Quba and Ethical by 11.03.2022. The next hearing shall be held on 16.03.2022.”
6. Pursuant to the order passed by CCPA, reply was received from the opposite party on 11.03.2022 with the details of the pressure cooker

orders, which were sold on its platform in compliance with the order passed on 09.03.2022. The details sent by the company are as under:-

Brand	Merchant	Sold Items	Merchant Status
Pristine	Sohil Impex	28	Active
	Hardtrac Computer Services	3	Active
Quba	Tekshiv Systems	7	Active
	Nanak Sales Corporation	1	Active
Ethical	Null	0	—
Grand Total		39	

The company has also submitted details of consumers to whom the identified pressure cookers were sold through its e-commerce platform.

7. The hearing scheduled on 16.03.2022 was postponed and was held on 17.03.2022. During the hearing opposite party made the following submissions:-

- The data as required in terms of Order dated 09.03.2022 has been obtained for the three brands from our system by our customer service team. The data period is from 1.2.2021 i.e., date of coming into force of QCO on pressure cooker up till the listings were live on the platform.
- The responsibility and duty, yes, as per the e-commerce rules lies on us as well but it is also the case that the merchants were not aware of the fact that their product is now regulated by BIS and requires standard mark.
- As per the agreement executed between the company and seller, it is the duty of the seller and responsibility lies on the seller. We have given sellers liberty that all required information should be disclosed by them.

- We act as an intermediary and provide a platform to sellers to sell their products and we have given the sellers rights of uploading and updating the information. So the onus lies on sellers, not on us.
8. It may be mentioned that the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry notified the Domestic Pressure Cooker (Quality Control) Order, 2020 ("QCO") on 21.01.2020 mandating conformity to standard - IS 2347:2017 and compulsory use of standard mark for 'Domestic Pressure Cooker'. The date of coming into force of QCO was stated as 01.08.2020.

Thereafter, vide Domestic Pressure Cooker (Quality Control) (Amendment) Order, 2020 notified on 23.06.2020, date of coming into force of the QCO was postponed to 01.02.2021. This offered all manufacturers/sellers reasonable time to sell their old stocks and prepare for conformity to the standards prescribed under QCO.

Therefore, since 01.02.2021, any domestic pressure cooker offered for sale in India is required to conform to IS 2347: 2017.

9. Undoubtedly, quality and standard of a good or service not only reduces safety hazard but is also one of the most important factors considered by consumers during a purchase.

Goods or products, which violate the standard required to be maintained by or under any law for the time being in force, are liable to be termed "defective" under the Consumer Protection Act, 2019.

Under Section 2(10) "defect" means any fault, imperfection or shortcoming in the quality, quantity, potency, purity or standard which is required to be maintained by or under any law for the time being in force or under any contract, express or implied or as is claimed by the trader in any manner whatsoever in relation to any goods or product and the expression "defective" shall be construed accordingly.

Thus, Pressure cookers which do not conform to the compulsory standards are liable to held 'defective' under the Act.

'Consumer rights' as defined under Section 2(9) include:

(i) the right to be protected against the marketing of goods, products or services which are hazardous to life and property;

(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;

Further, Rule 4 of the Consumer Protection (e-commerce) rules, 2020 stipulates the duties of e-commerce entities. Sub-rule (3) of Rule 4 states that:-

No e-commerce entity shall adopt any unfair trade practice, whether in the course of business on its platform or otherwise

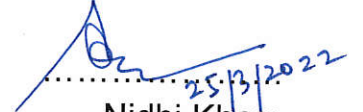
10. In the product listing of pressure cookers of Pristine and Quba on the Paytm Mall platform, the product description itself clearly states "ISI Mark – No". Despite an openly declared violation, opposite party has allowed these listings on its platform.
11. Violation of standards mandated by the QCOs can not only endanger public safety, it can make consumers vulnerable to severe injuries. This is a critical cause for concern especially in case of domestic pressure cooker, which is a household good, present in most homes in the immediate vicinity of family members.
12. Moreover, it is pertinent to note that the notification of QCOs is not a sudden overnight action by the Central Government. Before finalizing the notification of a compulsory standard for any good or article, extensive stakeholder discussions are undertaken by BIS and the concerned Ministry for effective implementation of the standard in public interest.
13. When compulsory conformity to standard and requirement of standard mark has been made mandatory by the central government, it was the duty of the opposite party to put in place necessary mechanism for ensuring only valid products are allowed to be sold on its platform. Any proposition of ignorance or unawareness of law cannot be countenanced. By allowing non-standard pressure cookers to be sold on its platform, opposite party has not only violated consumers' right to be protected against marketing of goods hazardous to life and property and the right to be informed, it has also aided in sale of non-standard

pressure cookers by providing a fertile breeding ground through its e-commerce platform.

14. In view of the above, opposite party is hereby directed to:-

(a) Notify all consumers of the 39 pressure cookers sold on its platform, recall the pressure cookers and reimburse their prices to the consumers and submit a compliance report of the same within 45 days.

(b) Opposite party shall pay a penalty of ₹1,00,000 for allowing sale of pressure cookers in violation to the QCO on its platform and violating rights of consumers.

 25/3/2022

Nidhi Khare
Chief Commissioner



Anupam Mishra
Commissioner