CENTRAL CONSUMER PROTECTION AUTHORITY Room No.567-A, Krishi Bhawan, New Delhi-110001

Ref:F.No.J-25/78/2022-CCPA

In the matter: Case against Sunflame Enterprises Pvt. Ltd. with regard to misleading advertisement and unfair trade practice.

CORAM:

Mrs. Nidhi Khare, Chief Commissioner, CCPA

Mr. Anupam Mishra, Commissioner, CCPA

Appearance on behalf of Sunflame Enterprises Pvt. Ltd.

Mr. Rohit Pandit, CEO

Mr. Ravi Mehra, Sr. Vice President

Mr. Rupam Ahaluvalia, Legal Head

Date: 22.06.2023

ORDER

This is a case taken up by the Central Consumer Protection Authority (CCPA) based on a complaint alleging that misleading advertisement and unfair trade practice are adopted by Sunflame Enterprises Pvt. Ltd. (opposite party) by blatantly making the claim of Lifetime Warranty for their products such as gas stoves, chimneys etc..

2. Accordingly, CCPA conducted a preliminary inquiry to examine the veracity of the claim made by the opposite party. As per the preliminary inquiry report, it was found that the official website showcases the warranty of the product (chimney) in two forms that includes:

- i. Warranty period as 'one year'/'two years'.
- ii. Warranty as 'Lifetime' along with the phrase 'T&C Apply'.

3. The terms and conditions are not displayed along with the information on the webpage of the product. (copy enclosed). A consumer of ordinary prudence is likely to comprehend a claim of 'lifetime warranty' as the entire life of such a product and not just the product life mentioned by the company.

4. In light of the above, a Notice dated 24.08.2022 was issued to Sunflame Enterprises Pvt. Ltd. in the matter of misleading advertisement and unfair trade practice under the Consumer Protection Act, 2019 (hereinafter referred to as "the Act") to furnish its response within 15 days on the veracity of claim made in the advertisement along with the supporting documents.

- 5. The opposite party by email dated 13.09.2022 submitted that:
 - i. It does not give a lifetime warranty on any of its gas stoves and has never claimed so in any media or otherwise.
 - ii. It provides lifetime warranties on certain limited models of Cookerhoods (chimneys) with spelled out terms & conditions mentioned on the warranty card, which is provided with every product.
 - iii. Due to the paucity of space, all terms & conditions cannot be comprehensively detailed on all advertisements or marketing materials of the products.
 - iv. The opposite party does not have any control over sellers of e-commerce sites. Therefore, it cannot be held responsible for the third-party sellers who are selling its products on different e-commerce and other platforms without publishing the terms and conditions.

6. The matter was referred to the Director General (Investigation) CCPA. The Investigation Report highlights the following:

- i. Due to scarcity of space, M/s Sunflame Enterprises Pvt. Ltd. must specify only the details (terms and conditions in an advertisement) which can be vetted and not mislead by claiming Lifetime Warranty.
- ii. It is clear that M/s Sunflame Enterprises Pvt. Ltd. has deliberately mentioned the term "Lifetime Warranty" on its website/product to mislead the class of consumers. Hence, actions as per Section 21 of the Consumer Protection Act 2019 may be considered.

7. Therefore, an opportunity for a hearing was provided to the opposite party on 22.06.2023.

8. Mr. Ravi Mehra, Sr. Vice President and Mr. Rupam Ahluwalia, Legal Head submitted on behalf of the opposite party that:-

i. The product with the claim of lifetime warranty was available for approx. 1-2 months. However, on receipt of the Notice from CCPA, the same is 100% withdrawn from every electronic as well as print media.

- ii. The said claim on the company's own website showcases a hyperlink of terms and conditions which mentions 5 years of warranty on the motor and 1 year warranty on the product.
- iii. In the consumer durable product industry, the life of the product is considered of 5 years only.
- iv. Due to paucity of space, terms & conditions cannot be displayed in detail. Further, the opposite party adheres to Legal Metrology Act.
- v. The practice of claiming a lifetime warranty is practiced by all other competitors, therefore, the same practice has been adopted.
- vi. It is accepted that the mistake was committed by the company by deceptively claiming lifetime warranty.

9. During the hearing the Central Authority found that the product Tulip 60 SS chimney <u>https://www.sunflame.com/chimney.html</u> (copy enclosed). was still available on the company's own website till the time of hearing, claiming a lifetime warranty. The company is deceptively promoting its sale by drawing the attention of large number of consumers with such false and misleading claims.

10. As per the Oxford dictionary the word lifetime means the length of time that somebody lives or that something lasts. Owing to a misleading declaration of lifetime warranty by the company, consumers are easily deceived to purchase the company's product, believing that she/he is purchasing a product with a significant warranty duration of lifetime coverage of repair and replacement. However, by employing such words about the warranty of the product, the company is camouflaging the declaration of limited warranty under the garb of lifetime warranty by deliberately concealing important information making it a fit case of misleading advertisement and unfair trade practice.

- 11. Under the Consumer Protection Act, 2019:-Section 2 (28) stipulates 'misleading advertisement' in relation to any product means an advertisement, which:-
 - (i) falsely describes such product or services, or
 - (ii) gives a false guarantee to....mislead the consumers as to the nature....or quality of such product or service; or
 - (iii) 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
 - (iv) deliberately conceals important information.

Further, Section 2 (47) enumerates that '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 or deceptive practice including –

- (i) Making any statement, whether orally or in writing or by visible representation including by means of electronic record, which
 - (b) falsely represents that the services are of a particular standard, quality or grade;
 - (d) represents that the services have....performance, characteristics....uses or benefits which such services do not have.
 - (g) gives to the public any warranty or guarantee of the performance, efficacy or length of life of a product or of any goods that is not based on an adequate or proper test thereof.

The claim made in the advertisement also violates the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022, notified by the CCPA:-

Para 4: Conditions for non-misleading and valid advertisement. -

- (1) An advertisement shall be considered to be valid and not misleading, if-
 - (b) it does not mislead consumers by exaggerating the....validity or practical....performance or service of the goods or product;
 - (f) it ensures that the claims that have not been independently substantiated but are based merely on the content of a publication do not mislead consumers;
 - (g) it complies with the provisions contained in any other sector specific law and the rules and regulations made thereunder.

Para 12 stipulates Duties of manufacturer, service provider.... –

Every manufacturer, service provider....to whom these guidelines apply shall ensure that:

(d) advertisement shall not contain statements or visual presentations which directly, or...by ambiguity, or by exaggeration are likely to mislead consumers about the product advertised....

12. Section 21 (7) of the Consumer Protection Act, 2019 prescribes that the following may be regarded while determining the penalty against false or misleading advertisement:-

- (a) the population and the area impacted or affected by such offence;
- (b) the frequency and duration of such offence;
- (c) the vulnerability of the class of persons likely to be adversely affected by such offence.

13. Pertinently it is noted that the opposite party has accepted during the hearing that claiming a warranty with a term lifetime is a deceptive and misleading advertisement to the consumers and the same is still available on company's website. There are instances where the consumer visits local shops or orders online based on the trust and goodwill of the company. The terms and conditions mentioned in the warranty card for the claim of lifetime warranty are part of the post-sale which should be clearly displayed at the point of pre-sale of the product, to enable the consumer in making an informed decision.

14. In view of the above, the Central Authority hereby issues the following directions:-

- a. The opposite party shall pay a penalty of ₹ 1,00,000/- for publishing a misleading claim "Lifetime Warranty" by giving a false warranty and deliberately concealing important information which affects the consumers as a class.
- b. To discontinue the present advertisement from all electronic and print medias and modify the same.
- c. The company shall submit a compliance report to CCPA on the above directions within 30 days from the date of this Order.

(Nidhi Khare)

Chief Commissioner

(Anupam Mishra) Commissioner





(https://www.sunflame.com/chimney/regal-autoclean-dx.html? SID=eb853dbbedcde20053c7d421fc89c51e)

Regal 60 Auto Clean Dx (Https://Www.Sunflame.Com/Chimney/Regal-Auto-Clean-Dx.Html? SID=Eb853dbbedcde20053c7d421fc89c51e)

MRP Rs. 19,990.00 Rs. 10,580.00 incl., of all taxes

- Air Flow: 1100 (m3/h)
- Stainless Steel & GlassFinish:
- Controls: Push Button
- · Filter: Pyramid Baffle Filter
- · Lighting: 2 x LED
- · Heat operated auto clean function
- · Oil collector
- Size: 60 (cms)

Warranty: 1 Year

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SID=Eb853dbbedcde20053c7d421fc89c51e)

MRP Rs. 22,990.00 Rs. 10,900.00 incl., of all taxes

- Air flow (Max) 1250 m/h
- Stainless steel & Glass finish
- · Heat operated auto-clean system
- · Feather touch controls with display
- · Delay auto shut-off function
- Twin baffle filters
- In-built oil collector
- LED lamps
- Warranty: Lifetime

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Magnum 60 Auto Clean Gesture Control (Https://Www.Sunflame.Com/Chimney/Magnu 60-Ac-Gc.Html? SID=Eb853dbbedcde20053c7d421fc89c51e)

MRP Rs. 29,490:00 Rs. 10,990.00 incl., of all taxes

- · Heat operated Auto Clean function
- · Airflow max 1350 m /h
- Unique gesture control for operation .
- Feather touch controls panel .
- · Next generation, filter-less technology
- Black powder coated, tempered glass and stainless . steel finish
 - Delay auto shut-off function
- 3 speed settings .
- Stainless steel oil collector
- · LED Lights

Warranty: Lifetime





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NOVA 60 SS BF (Https://Www.Sunflame.Com/Chimney/Eva-60-1967.Html? SID=Eb853dbbedcde20053c7d421fc89c51e)

MRP Rs. 15,990.00

incl., of all taxes

- Air flow (max) 1000 m3/h
- SS finish
- · Push button controls
- · Stainless steel baffle filters
- LED lamp

Warranty: ONE YEAR

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CH ACE 60 AUTO CLEAN DX-SS (GC) (Https://Www.Sunflame.Com/Chimney/Ace-60-Ac-Dx-Ss-Gc.Html? SID=Eb853dbbedcde20053c7d421fc89c51e)

MRP Rs. 32,760.00 Rs. 16,059.00

incl., of all taxes

- · Air flow (Max) 1230 m/h
- · Unique, gesture control for operation
- · Stainless steel & Glass finish
- · Heat operated auto-clean function
- · Feather touch controls
- Stainless steel oil collector
- Twin baffle filters .
- LED lamps
- Lifetime Warranty*
- *T&C Apply

ADD TO CART

ADD TO WISHLIST (HTTPS://WWW.SUNFLAME.CC SID=EB853DBBEDCDE20053C

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CH ACE 60 AUTO CLEAN DX-BK (GC) (Https://Www.Sunflame.Com/Chimney/Ace-60-Ac-Dx-Bk-Gc.Html? SID=Eb853dbbedcde20053c7d421fc89c51e)

MRP Rs. 32,760:00 Rs. 16,059.00 incl., of all taxes

- · Air flow (Max) 1230 m/h
- · Unique, gesture control for operation
- · Black & Glass finish
- · Heat operated auto-clean function
- · Feather touch controls
- Stainless steel oil collector
- Twin baffle filters
- · LED lamps





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Lifetime Warranty*

*T&C Apply

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incl., of all taxes

Air Flow (max) 700 m /h Black finish Push button control Stainless baffle filter Incandescent lamps Size: 60 cms

Warranty: 1 Year

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ARIA 60 BK AC (GC)

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MRP Rs. 27,990:00 Rs. 16,990.00 incl., of all taxes

- Airflow max 1250 m³ /h
- · 60 cm wall mounted chimney
- Powder coated black body with tempered glass
- Unique gesture control for operation
- · Feather touch control panel
- · New generation filterless chimney
- · Heat operated auto-clean function
- Coppor motor with metal housing
- Delay auto shut-off function
- 3 speed settings

Warranty: Lifetime*

- Speed settings
- Stainless steel oil collector tray
- LED lamps

*T&C Apply Out of stock

Add to Wishlist (https://www.sunflame.com/wishlist/index/add/product/1991/form_key/dZPaYmyRZghf2lx5/7 SID=eb853dbbedcde20053c7d421fc89c51e)

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TULIP 60 SS

^{MRP} Rs. 14,990.00

incl., of all taxes

- Air flow (max) 1100 m/h
- Stainless steel & glass finish
- Also available in black finish
- Push button controls
- Delay auto shut-off functio
 ns
- Twin baffle filters
- LED lamp
 Warranty: LIFETIME*

(https://www.sunflame.com/grace.html) GRACE 70 (HTTPS://WWW.SUN

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RECENTLY VIEWED

PRODUCTS



(https://www.sunflame.com/isolaisland-chimney.html)



Out of stock

CHECK DELIVERY LOCATION

Enter PinCode CHECK

ADD TO ADD TO SHARE WISHLIST COMPARE PRODUCT (HTTPS://WWW.SUNFLAMERCEGIMMANISHSTNIPLIAN/ADDIMPRICIALIOG/PRE

Tweet

DESCRIPTION ADDITIONAL

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