

CENTRAL CONSUMER PROTECTION AUTHORITY

Krishi Bhawan, New Delhi - 110001

Case No. CCPA- 2/11/2023-CCPA (Part-5)

In the matter of Snapdeal (Ace Vector Limited) with regard to sale of non-compliant BIS standard toys.

CORAM:

Ms. Nidhi Khare, Chief Commissioner

Mr. Anupam Mishra, Commissioner

Appearance on behalf of Snapdeal (Ace Vector Limited):

Akshat Sharma, Legal Team of Ace Vector Limited

Tanya Varma, Advocate

Date: 13.02.2026

ORDER

1. The Central Consumer Protection Authority (hereinafter referred to as 'CCPA') has taken suo-moto cognizance against Snapdeal (Ace Vector Limited) (hereinafter referred to as 'Opposite Party') for sale of toys on their platform which do not conform to BIS Standards i.e., Toys (Quality Control Order, 2020) [hereinafter referred to as QCO, 2020]. Sale of such toys can be dangerous, hazardous and cause injury or harm to consumers.
2. The CCPA in exercise of power conferred under Section 18(2) and Section 19 of the Consumer Protection Act, 2019 (hereinafter referred to as 'the Act, 2019') conducted a preliminary inquiry on the sale non-compliant BIS standard toys on Snapdeal (Ace Vector Limited). The inquiry revealed that despite the Quality Control Order (QCO), 2020 taking effect on 1st January, 2021, the Opposite Party failed to exercise necessary due diligence. Further, no contact information of sellers i.e., their address, phone number or email ID is visible on the platform.
3. Based on the preliminary findings, it has come to the notice of CCPA that the Opposite party was selling non-compliant BIS standard toys laid down in QCO, were being offered for sale on the Opposite Party's platform. Section 17 of the BIS Act, 2016 prohibits any person to manufacture, import, distribute, sell, hire or lease, store or exhibit for sale any such goods or article for which direction of compulsory use of standard mark has been published under Section 16(1) toys. Thus, toys which do not

conform to the compulsory standards are liable to be held defective under the Section 2(10) of the Act, 2019 as well as Section 2 (47) of the Act, 2019.

4. Therefore, the Opposite Party was directed to furnish their response vide Notice dated 10th January 2023 for violation of the Consumer Protection Act, 2019, Consumer Protection (E-commerce) Rules, 2020 and Toys (Quality Control) order, 2020 issued under Section 16 (1) of the Bureau of Indian Standards Act, 2016 (hereinafter referred to as 'BIS, Act, 2016').
5. In response to the said notice, vide email dated 17th January, 2023, Opposite Party AceVector Limited (Formerly Snapdeal Limited) ("Snapdeal") made the following submissions:
 - a. Intermediary and Marketplace Status: Opposite party asserts that it is an "intermediary" under Section 2(w) of the IT Act, 2000, and a "marketplace e-commerce entity" as defined under rule 3(g) Consumer Protection (E-commerce) Rules, 2020. It emphasizes that it only provides the digital platform to facilitate transactions between independent third-party sellers and buyers.
 - b. Exemption from Liability: As per Section 79, IT Act, 2000 Opposite party being an intermediary shall not be liable for any third-party information, data, or communication link made available or hosted by it. This factual and legal position has been upheld in the judgment of the division bench of the Hon'ble High Court of Delhi in Snapdeal Pvt. Ltd. Vs. Amway India Enterprises Pvt Ltd [FAO (OS) 157 of 2019] and the order of the Hon'ble High Court of Karnataka in Criminal Petition No. 4712 of 2020.
 - c. Role as a Marketplace Intermediary: Opposite party functions as an online marketplace that enables independent third-party sellers to list, advertise, and offer products and services to users of Opposite party website. The platform acts strictly as an e-commerce intermediary through the website, providing a digital medium for various sellers across India to reach the general public at large.
 - d. Sellers' responsibilities and independence: Sellers are separate entities managed by independent stakeholders and are not controlled by Opposite Party. It does not directly or indirectly sell any products on the website itself. All listings and images are uploaded directly by the sellers for users to view. Sellers directly raise invoices to final customers and assume all commercial risks associated with the sale. Customers make payments for their purchases directly to the sellers, either via prepaid methods or cash on delivery.

- e. Opposite Party compares its operations to a physical shopping mall where the owner provides infrastructure like space, air-conditioning, escalators and lifts but does not control the goods sold by individual shopkeepers, similarly an E-commerce website provides online infrastructure and platform to advertise products but does not control the actual goods sold by individual sellers.
- f. All activities related to the listing and sale of products are performed exclusively by independent third-party sellers. The sellers are responsible for initiating the product listings that appear on the website. Opposite party does not interact with the physical products at any stage of the transaction and the products are never in possession of the opposite party at any given time.
- g. Opposite Party does not hold or control any legal title or ownership of the inventory being sold by the third-party sellers on it's website. To deliver goods, sellers use third-party logistics providers that have no corporate relationship with Opposite party.
- h. Opposite Party challenges the legal validity of the CCPA's notice, arguing that the Act, 2019, does not provide a basis for enforcement actions or penalties against an intermediary marketplace. It asserts that the sections cited in the notice (Sections 10, 18(1), 19(1), 2(10), and 2(47)) do not contemplate actions against the Opposite Party.
- i. The Opposite party describes the notice as bad in law, vague, arbitrary and contrary to statute because it fails to establish a clear legal or factual ground for liability. Opposite Party points out that the notice fails to refer to Section 21, which is the only provision under the Act, 2019 for imposing penalties.
- j. The notice involves the BIS Act, 2016 and the Toys (Quality Control) Order, 2020. Opposite Party submits that it is already in direct communication with the relevant certifying and enforcement authorities regarding these standards. Further, the notice appears to have been issued to Opposite party and not to the sellers of the impugned products.
- k. Opposite Party has confirmed the status of conformity with BIS standards from the independent sellers of the two products as detailed in the Annexure- 1 of the Notice. It submits that the product in question at serial No.2 is in conformance with BIS standards and bears BIS registration number CM/L 7700171718.
- l. Opposite Party has promptly deactivated the relevant listings in full compliance with its obligations as an intermediary under the Information Technology Act.

Further, without prejudice to the above, the Notice does not specify how Opposite party (as an intermediary) can possibly be liable under the Act, 2019 or any other law for such sale offered by independent sellers.

- m. A penalty for contravention under Section 29 (3) and (4) of The BIS Act, 2016 can only be against a person who is a manufacturer, importer, a distributor, retailer, seller, or lessor of goods or articles who uses or applies his name or trademark or any other distinctive mark on to goods or article or while providing a service, Opposite party is not a representative of any seller of the two goods identified by the CCPA in the notice and the two products as identified in the notice does not bear the name or trademark belonging to it.
 - n. It is further submitted that the Notice is misconceived and has been issued to Opposite party erroneously by CCPA. It is submitted that, subject to the outcome of the Writ Petition No. 5972 of 2022 filed by Opposite Party against CCPA order dated 25th March, 2022, pending before the Hon'ble High Court of Delhi. It would be expedient in the interests of justice for CCPA to withdraw the present proceedings against Opposite party as the adjudication of similar issues in that writ petition will have a direct bearing on the present proceedings.
6. The CCPA reviewed the response and found that the company provided a BIS registration for one product i.e., Rattle Toys for kids but is still waiting for proof that the second product mentioned in the notice i.e., Dancing cactus Musical toys for Boys/Girls/Baby toys meets the required standards or not. Consequently, CCPA issued a letter dated 19th May 2023, seeking status report regarding the seller (Stallion Trading Company) for whom BIS conformity is pending. In addition to this, the opposite party has approached Hon'ble High Court of Delhi against the CCPA order dated 25th march, 2022 which relates to sale of domestic pressure cookers which purportedly do not conform to compulsory BIS standards on its e-commerce platform 'Snapdeal'.
7. In response to the letter dated 19th May, 2023, the Opposite party submitted that *"we have not yet received any information from the seller regarding conformity with BIS standards and therefore we have been unable to provide you with any further information in this regard. However, we reiterate that the said listing has been taken down immediately upon receipt of the Notice."* Opposite party provided the seller details of the two products identified in the CCPA's Notice i.e., Stallion Trading Company and Thriftkart.
8. The CCPA issued a follow-up inquiry by email on 10th November, 2023, requesting Opposite Party to provide following information within 7 days of receipt of email:

(a) The number of toys sold by each seller on Snapdeal's e-commerce platform after the Toys (Quality Control) Order, 2020 came into force i.e., 01.01.2021

(b) The amount of money earned by each seller from the sale of the toy on Snapdeal's e-commerce platform.

(c) The amount of fee earned by Snapdeal from the sale of the toys on its platform.

9. On 14th November, 2023, the Opposite Party submitted its response via email, providing the specific details as requested above (refer para 7) for the year 2022 and 2023:

Seller Name	Units of the impugned Product Sold	Seller Revenue (in Rs.)	Snapdeal's Fee (in Rs.)
Stallion Trading Company	143	1,01,457	21,470
Thriftkart	162	45,198	19,562
Total	305	1,46,655	41,032

10. CCPA examined that the Opposite party was found to have hosted sellers with inaccurate or unverifiable addresses, hindering effective regulatory oversight and accountability. This lack of transparency and due diligence violates Section 79(2) (c) of the Information Technology Act, 2000 (as read with intermediary guidelines) and Consumer Protection (E-Commerce) Rules 2020. Opposite party earned substantial fees of Rs.41, 032 from the sale of non-compliant toys through its platform, as disclosed in its response dated 14th November 2023. *This indicates commercial benefit from the distribution of products in violation of Indian quality standards, raising serious concerns under Section 2(47) of the Consumer Protection Act, 2019, pertaining to unfair trade practices.*

11. Opposite party's attempt to shift responsibility solely to third-party sellers contradicts the consumer-centric obligations under the Act, 2019, and the E-Commerce Rules, 2020 where marketplace platforms are required to ensure that sellers comply with applicable laws, including those related to product safety and quality. By enabling the sale of toys without the BIS mark, Snapdeal has potentially misled consumers into purchasing products not conforming to prescribed safety standards, thereby violating the consumers' right to be informed and protected against hazardous goods as enshrined under Section 2(9) of the Consumer Protection Act, 2019.

12. In light of the above, CCPA was of the view that there exists a prima facie case of Unfair Trade Practice and violation of consumer rights under the Act, 2019 which

impacted the consumer as a class hence, a detailed investigation was required. CCPA on 03rd June, 2025 directed Director General (Investigation) vide to conduct a detailed investigation.

13. The Director General (Investigation) submitted the Investigation Report dated 03rd December, 2025 to the Authority vide email dated 05th December, 2025. The Investigation report states as follows:

- a. The company submitted that the non-compliant toys referred to in the SCN had been disabled from the platform. However, upon further scrutiny, it is observed that **Snapdeal continued to list toys lacking the requisite BIS certification on its online platform for purchase till date, as of December 2025.**
- b. It is acknowledged that the company has made a reasonable effort to provide specific and separate fields on its platform such as:
 - BIS/ISI Certification Requirements;
 - BIS/ISI Licence Numbers;
 - Country of Origin
 - Manufacture's Names & Address
- c. Despite the availability of these dedicated compliance sections, the investigation revealed the presence of several toy listings for which BIS certification is mandatory but the respective sellers failed to upload or provide the required BIS certificate.
- d. Additionally, certain listings did not mention the sellers or manufacturer's name and address, reflecting a gap in compliance monitoring on the platform.
- e. Currently, Snapdeal is not conducting any independent checks to verify whether sellers are complying with the mandatory legal requirements related to toys, such as the need for BIS certification. The platform is relying solely on the information provided by sellers in their Self-Declarations.
- f. However, sellers can submit false or incomplete declarations in order to list their products. Therefore, relying only on self-declaration is inadequate and the platform must introduce stronger due-diligence measures, including automated compliance checks, to prevent listing of non-compliant products.
- g. Further, the company has derived substantial fees from the sale of the non-compliant toy listings mentioned in the SCN, amounting to Rs. 41,032.

Therefore, the company cannot completely shift responsibility onto sellers by solely relying on the "Seller Agreement" clause that places liability for non-compliance on the sellers.

- h. Although sellers are contractually obligated to ensure compliance, the platform by virtue of hosting and benefitting from such listings, retains a corresponding responsibility to ensure that prohibited or non-complaint products are not allowed to be listed or sold. The duty of due diligence cannot be contractually waived.
- i. It is observed that the details of the Grievance Officer are not provided under "Contact Us" section where customers would look for assistance, thus requiring consumers to dig through multiple layers to access it.
- j. It is pertinent to note that the platform lacks clear disclosure at the time of purchasing regarding its limited role as a neutral intermediary.
- k. Therefore, the Opposite Party is in violation of:
 - (i) Section 2(9) of the Act, 2019 which describes Consumer Rights.
 - (ii) Section 2(10) of the Act, 2019 as it has permitted the listing and sale of toys that lack mandatory BIS certification, indicating a failure to ensure compliance with prescribed safety standards.
 - (iii) Section 2(47) of the Act, 2019 includes unfair trade practice by facilitating the sale of defective and non-compliant products, from which it also derives commercial benefit.
 - (iv) Rule 4(2) of the Consumer Protection (E-Commerce) Rules, 2020 as it failed to provide the contact details like landline and mobile number of the Grievance Officer on its platform.
 - (v) The continued availability, even after receiving actual knowledge during the investigation, reflects Opposite Party failure to expeditiously remove or disable access to unlawful material, thereby constituting a breach of Section 79(3)(b) of the Information Technology Act, 2000. Consequently, the company stands outside the protection of safe-harbour available to intermediaries under the Act.
 - (vi) Section 17 of the Bureau of Indian Standards Act, 2016 as it facilitates the exhibition of non-compliant toys without a Standard Mark, on its platform.

14. The Investigation Report submitted by DG (Investigation) was shared with the opposite party through a letter dated 10th December, 2025 to furnish its comments and thereafter hearing was scheduled on 17th December 2025 at 04:00 PM.

15. Subsequently, hearing was held on scheduled date i.e., 17th December, 2025. During the hearing, the Opposite Party made the following submissions:

- i. Immediately after the notice the products which were non-compliant of BIS Standard were delisted.
- ii. As an E-commerce platform Snapdeal require its sellers to provide BIS No. if it is applicable in their products.
- iii. Once the number is provided, Snapdeal has created an API Integration system with the BIS database in consultation with BIS. If the details provided by the seller are verified by BIS, then the seller will be able to list the products otherwise not. There are some occasions when the system stopped working, company proactively interacted with the BIS to correct the glitch.
- iv. Snapdeal has taken this extra step to ensure that BIS compliant matters are listed on their platform. May be, we are the only E-commerce platform who have taken this step.
- v. The platform has provided a BIS link in their website where consumers/sellers can go and check which product requires BIS verification.
- vi. It has also provided guidelines to the sellers for displaying BIS No. in the platform and sent a communication to all the sellers regarding the quality control order.
- vii. Intermediary status has not been challenged by the CCPA or investigation authority or any other authority as of today.
- viii. The moment platform has the knowledge of the mischiefs done by some misdemeanors then it has proactively taken steps to correct the measure.
- ix. Grievance officer details are provided in the terms of use and the seller's page.

16. During the hearing, CCPA directed the Opposite Party to submit their comments on investigation report. After the hearing, Opposite party by email dated 17th December, 2025 submitted their reply on investigation report which are as follows:

- i. The Company complies with its obligation under the Information Technology Act, 2000, by disabling access to third-party information once it is formally notified of a violation. As a marketplace ecommerce entity, the IT Act and Consumer Protection (Ecommerce) Rules, 2020 do not prescribe an obligation upon them to monitor compliance or misuse of the platform by the users thereof.
- ii. The Company ensures that all product and seller information on the platform complies with Rule 6(10) of the Legal Metrology (Packaged Commodities) Rules, 2011, as well as Rule 4(2) and Rule 5(3) of the Ecommerce Rules.
- iii. Snapdeal mandates its sellers to declare if BIS standards apply to their products and to provide the necessary BIS license or registration details during the listing process.
- iv. In collaboration with the Bureau of Indian Standards (BIS), the Company implemented an API integration that allows for the real-time verification of BIS numbers against the official database.
- v. The platform includes direct links to the official BIS website, enabling customers to verify which products require certification before making a purchase. These transparency features were developed in consultation with the BIS and implemented between January 2023 and December 2023 providing material information to a consumer at a pre-purchase stage.
- vi. The Investigation Officer has not distinguished between the responsibility of marketplace e-commerce entities and that of a seller as set out in Rule 5 and 6 of Ecommerce Rules respectively.
- vii. The Company disputes the finding that safe harbour protection is unavailable under Section 79(3)(b) of the IT Act. Legal protection is only lost if an intermediary fails to act after receiving "actual knowledge" of an unlawful act, as defined by the Digital Media Rules.
- viii. The Company immediately deactivated two listings identified in the notice issued in January 2023 and duly cooperated with the further request for information received by the company from CCPA.
- ix. Upon being notified of alleged BIS non-conformity through the Investigation Report, the Company deactivated listings where sellers failed to provide required BIS certification details. Details of the BIS

License numbers of the identified listings having a valid BIS license has been updated on the Platform and is mentioned below for your immediate reference and use: Swadesi-Viber Microcolour plastic helicopter — BIS Number 8530058920 and Remote-control car for kids — BIS Number 8530062414.

- x. We have not received any notification or order from the Bureau on non-conformity of the said listings with the BIS standards. The compliance with BIS standards is a matter of enquiry by the authority under the BIS Act.
- xi. The platform undertakes due diligence standards as set out under the IT Act and Rules thereunder. As an intermediary, the Company relies on the representations and technical undertakings provided by sellers regarding product compliance with Quality Control Orders (QCOs).
- xii. Under the E-commerce Rules, marketplace entities are not legally mandated to verify product quality or the accuracy of seller-provided information. The Company notes that the Investigation Report fails to identify specific instances of defective products actually being sold on the platform.
- xiii. AceVector Limited summarizes its customer support and grievance systems as follows: The Company maintains a robust mechanism where the Grievance Officer's name and email are prominently displayed in the Platform's Terms of Use.
- xiv. Each seller's storefront on the platform includes a dedicated customer care number for easy consumer reference and a "Call Me Now" feature to eliminate long wait times, requests typically addressed within five minutes. Every complaint or support request is assigned a unique tracking number, and the Grievance Officer regularly monitors these to ensure proper closure.
- xv. The Company denies that it violated Section 17 of BIS Act, 2016 and stated that it does not facilitate exhibition of non-compliant toys without a standard mark, on its Platform. The Platform transmits information as received from the sellers in compliance with the IT Act and Ecommerce Rules.
- xvi. No evidence has been placed on record to demonstrate that the products are unsafe, hazardous, or injurious to consumers, which is a critical

prerequisite for invoking regulatory or penal action under consumer protection framework.

- xvii. There is no finding in the Investigation Report of any consumer complaint, consumer harm, or misleading representation attributable to the Company or otherwise. In the absence of any identified incident of consumer deception or concealment of material facts, the essential element of a misleading advertisement under Section 2(28) or unfair trade practice under Section 2(47) of the Act, 2019 is unestablished.

17. Based on the above comments made by the Opposite party another hearing was scheduled on 23rd December, 2025. Advocate Tanya Verma and Akshat Sharma were the representatives of the company. During the hearing it was held that:

- i. Snapdeal is a pure technological platform with no sellers and no warehouses. So, most of the compliances and due diligence mechanism goes through IT Act, 2000.
- ii. The Opposite party reiterates that the Sellers have to provide BIS No. and the No. has to be verified in the BIS database through API integration system and after real time verification is successful only then seller can list the product and it will be live on the platform.
- iii. As soon as the non-compliant toys were brought to our notice we have deactivated but the investigation report concludes the continued listing of the non-compliant BIS standard toys.

18. In furtherance to the hearing held on 23rd December, 2025 wherein CCPA enquired whether the platform can guarantee sale of only BIS-compliant toys on its e-commerce platform, the Opposite party submitted their written submissions dated 30th December, 2025 which are as follows:

- i. The Company reiterates that it is a marketplace e-commerce entity and not an inventory-based platform. It does not own the goods or possess the ability to physically inspect them to verify technical specifications or BIS compliance. Hence, it is required to rely on the disclosures and undertakings provided by sellers on the platform in accordance with Consumer Protection Act, 2019.
- ii. The Company can undertake all reasonable measures as required under the law to ensure appropriate disclosures by the sellers, the Company cannot undertake to assume knowledge regarding the BIS compliance

requirements in respect of each of the products and hence, cannot undertake that toys not conforming to BIS requirements will not be sold on its platform.

- iii. The Company has been in the practice of and undertakes to continue to Delist products expeditiously upon receiving any notice of non-compliance or violation of law by any relevant authority or any court of law; Provide an API integration with the official database of BIS for conducting real time verification of BIS numbers provided by sellers while creating a product listing; Seek mandatory pre-listing disclosures by sellers regarding applicability of BIS standards to a product being listed by the seller on the Company's marketplace and transmitting such information on an "as is" basis on the product display page;
- iv. Publish relevant links to the official website of BIS on the platform through which a consumer can view products that require certification or license by the BIS. These links are available on the homepage of Snapdeal and are intended to create consumer awareness at a pre-purchase stage for consumers; Have stringent policies against non-compliance and publish such policies to the sellers and communicate the same regularly.
- v. All toy sellers have been instructed to update their BIS license or registration numbers by 21st January, 2026. The Company will, in accordance with its platform policies, discontinue the listing and sale of toys on its marketplace platform where the required BIS numbers are not updated by 21st January, 2026.
- vi. It is reiterated that the Company is not aware of any consumer harm, safety incident, or loss caused by misleading representation in respect of toys that may be attributable to the Company. The Investigation Report does not specify the findings of enquiry with the product sellers, technical assessment of the products, or testing results. Therefore, the investigation report does not prima facie evidence non-conformity of the toys in question.

19. Before delving into the specifics of the case, it is pertinent to examine the relevant legal framework that governs such transactions.

20. Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry notified the Toys (Quality Control) Order, 2020 ("QCO") on

25.02.2020 (and to come into force from 01.09.2020) issued under Section 16 (1) of the BIS Act, 2016 which states the application of the QCO as follows –

2. Application.-In this order, unless the context otherwise requires-

(a) This Quality Control Order shall apply to (Toys) Product or material designed or clearly intended, whether or not exclusively, for use in play by children under 14 years of age or any other product as notified by the Central Government from time to time;

(b) This order shall apply to Toys as they are initially received by the children and, in addition, this shall apply after a toy is subjected to reasonably foreseeable conditions of normal use and abuse unless specifically noted otherwise.

As per the QCO, the mandatory Indian Standard (IS) on toys are as follows —

Goods or articles	Indian Standard	Title of Indian Standard
(1)	(2)	(3)
Toys	IS 9873 (Part 1) : 2018	Safety of Toys Part Safety Aspects Related to Mechanical and Physical Properties.
	IS 9873 (Part 2) : 2017	Safety of Toys Part 2 Flammability
	IS 9873 (Part 3) : 2017	Safety Requirements for Toys Part 3 Migration of Certain Elements.
	IS 9873 (Part 4) : 2017	Safety of Toys Part 4 Swings, Slides and Similar Activity Toys for Indoor and Outdoor Family Domestic Use.
	IS 9873 (Part 7) : 2017	Safety of Toys Part 7 Requirements and Test Methods for Finger Paints.
	IS 9873 (Part 9) : 2017	Safety of Toys Part 9 Certain Phthalates Esters in Toys and Children's Products
	IS 15644: 2006	Safety of Electric Toys.

21. It may be further mentioned that Section 17 of the BIS Act prohibits any person to manufacture, import, distribute, sell, hire, lease, store or exhibit for sale any such goods or article for which direction of compulsory use of Standard Mark has been published under Section 16(1) of the BIS Act, 2016.

22. Sale of toys in contravention to the prescribed standards violates the rights of consumers as class. 'Consumer rights' as defined under Section 2(9) of the Act, 2019 includes:

(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

(v) The right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers.

(vi) The right to consumer awareness.

23. Goods or products, which violates 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 Act, 2019:

"(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"

24. Section 2 (1) defines "advertisement means any audio or visual publicity, representation, endorsement or pronouncement made by means of light, sound, smoke, gas, print, electronic media, internet or website and includes any notice, circular, label, wrapper, invoice or such other documents".

25. Subsequently, Section 2 (28) lays down "misleading advertisement" in relation to any product or service, means an advertisement, which—

(i) falsely describes such product or service; or

(ii) 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

(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;

26. Section- 2(47) of the Act, 2019 defines Unfair Trade Practice means and includes promoting the sale, use or supply of any goods by adopting any unfair method or unfair or deceptive practice by permitting the sale or supply of goods intended to be used, or are of a kind likely to be used by consumers, knowing or having reason to believe that the goods do not comply with the standards prescribed by the competent authority relating to performance, composition, contents, design, constructions, finishing or packaging as are necessary to prevent or reduce the risk of injury to the person using the goods.
27. Taking into consideration the above-mentioned provisions, Investigation report along with the oral and written submission made by the Opposite Party, the CCPA observes that Opposite Party, being a technologically advanced entity should possess adequate tools and resources to detect and prevent the listing of regulated or prohibited products. The Opposite Party must exercise due diligence to ensure that such listings do not recur and that consumer safety is not compromised
28. 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 were undertaken by DPIIT & BIS and the concerned Ministry for effective implementation of the standard in public interest.
29. After consultation with the industry stakeholders, DPIIT provided further relief to toys industry and shifted the Toys (Quality Control) Amendment Order, 2020 notified on 15.09.2020, to 01.01.2021. This extension period by DPIIT had given a reasonable time to all manufacturers/sellers to sell their old stocks and prepare for conformity to the standards prescribed under QCO.
30. The Opposite Party contends that Snapdeal functions merely as an "online shopping mall," providing online infrastructure without exercising control over the actual goods sold by individual sellers. However, CCPA rejects this analogy, noting critical distinctions in consumer experience and operational control. Unlike physical Malls, where consumers identify the seller before they purchase any product, e-commerce consumers sees the products first and then the platform's brand assurance (e.g., Snapdeal tags "great quality at best price" in toy products) over the identity of the third-party seller. Furthermore, in physical Malls, a particular seller or brand have their own pricing schemes and offer discounts or handles logistics etc., whereas the Opposite Party actively manages platform-wide discounts (e.g., "Toofan Sale", "Deal of the day")

and facilitates its refund and replacement schemes, also controls the delivery process. Hence, the platform's involvement extends far beyond providing mere infrastructure.

31. The Consumer Protection Act, 2019, has undergone a foundational shift from the traditional legal philosophy of *caveat emptor* (let the buyer beware) to *caveat venditor* (let the seller beware). This principle mandates that the burden of ensuring product safety, quality, and transparency rests squarely on the shoulders of the seller and the facilitating platform. For an entity like Snapdeal, this means it can no longer abdicate responsibility for the products sold under the name of its platform. By managing the online infrastructure, logistics, hosting, listings, advertising, exhibiting and promotional sales (such as the 'Deal of the Day'), without being the legal seller, Opposite party exerts substantial control over the online transactions. Consequently, the onus is on the platform to ensure that every listed product meets the safety and quality standards—such as the BIS certification for toys—and it remains vicariously liable for any deficiency in service or defect in goods that reach the consumers through its portal.
32. The CCPA finds no merit in the intermediary argument made by the Opposite Party as it has been revealed during the investigation that even after receiving actual knowledge of the hosting, listings and advertising of non-compliant BIS standard toys in their platform, the Opposite party has failed to expeditiously remove or disable access to such toys. This reflects gap in the platform's due diligence to comply with the mandatory QCOs and instead, it continued permitting the listing and sale of toys that lacked mandatory BIS certification, indicating a failure to ensure compliance with prescribed safety standards. Moreover, the opposite party has also derived commercial benefit of Rs. 41,032/- from just two sellers mentioned in the notice by facilitating sale of such non-compliant toys. The non-compliant BIS standard toys continued to remain listed, hosted, advertised and offered to sale on the platform till as recently as December, 2025. Thus, the Opposite Party is found to have engaged in Misleading Advertisement and Unfair Trade Practices under the Consumer Protection Act, 2019.
33. Because the Opposite party uses algorithms to promote "Deal of the Day" or "Toofan Sales," and tag a product as great quality at best price, then it is no longer a neutral host. The claim such as great quality but selling non-compliant BIS certified toys gives a false guarantee and conveys an express or implied representation that the toys are safe for the children. Furthermore, the failure to prominently display existing BIS certifications during the pre-purchase stage misleads consumers, creating an implied

representation that the products meet the safety standards made mandatory for children's use. The platform should have proactively disclosed the BIS Certification on description of toys offered for sale.

34. The CCPA further noted that when enquired about providing a guarantee for sale of BIS compliant toys on its platform in future, the opposite party failed to provide a guarantee or categorical undertaking that henceforth listings or exhibition of non BIS compliant toys would not reappear on the platform. The CCPA observed that platforms facilitating hosting, listing, advertising, exhibiting or promotion of products are required to ensure that prohibited or regulated products are not hosted, advertised, exhibited or facilitated in any form.

35. In the present case, it is clearly established that sale of non-compliant BIS standard toys is in violation to the mandatory standards notified in the QCO which could be a high safety risk for children and may lead to severe harm or injury. When the QCO for toys came into force on 01.01.2021 (instead of 15.09.2020), the opposite party ought to have ensured that toys which do not conform to the prescribed mandatory standards are not offered to be sold to consumers, as reasonable time was already given to liquidate existing inventory and ensure full compliance with the newly prescribed Quality Control Order (QCO) standards. Any proposition of ignorance or unawareness of law cannot be countenanced.

36. By listing, hosting, advertising or exhibiting sale of non-complaint BIS standard toys, the opposite party has engaged in giving false guarantee of product quality. The concealment of material information such as BIS certifications, ISI mark etc. directly violates the consumer's right to be informed about the quality and standard of the goods and to be protected against hazardous goods. The Opposite party with significant outreach, is presenting an untrue, incomplete and misleading claim, which leads to engagement in unfair trade practices, warranting corrective measures. Therefore, CCPA is satisfied that opposite party has engaged in unfair trade practice, false and misleading advertisement as envisaged under the Act, 2019 and therefore, is of the opinion that it is necessary to impose a penalty in consumer interest.

37. The CCPA is empowered under Section- 21 (7) of the Act, 2019 prescribes that 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.

38. In light of the detailed facts and findings mentioned above, CCPA issues the following directions mentioned herein under Section 20 and 21 of the Act, 2019:

(a) The opposite party shall ensure that in future no non-complaint BIS standard toy is listed, hosted, advertised, exhibited or offered for sale on its platform without full compliance with applicable laws and mandatory disclosures, as stipulated from time to time.

(b) To facilitate prompt consumer redressal, the Opposite Party must prominently display its contact number, email address, and Grievance Officer's details on its platform.

(c) The CCPA hereby imposes a penalty of Rs. 5, 00,000/- on the Opposite party for sale of non-compliant BIS standard toys on its platform.

39. The Opposite party shall submit the penalty and compliance report to the CCPA within 15 days from the date of this order.


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Nidhi Khare
Chief Commissioner


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Anupam Mishra
Commissioner