CENTRAL CONSUMER PROTECTION AUTHORITY

Krishi Bhawan, New Delhi - 110001

Case No. CCPA- 2/11/2023-CCPA (Part-4)

In the matter of Flipkart Internet Private Limited with regard to sale of toys on its platform which do not confirm to compulsory BIS Standards.

CORAM:

Ms. Nidhi Khare, Chief Commissioner
Mr. Anupam Mishra, Commissioner

Appearance on behalf of Flipkart Internet Private Limited:

Dheeraj Nair, Advocate
Vrishtyui Sahni, Advocate

Date: 19th August, 2026

ORDER

1. The Central Consumer Protection Authority has taken suo-moto cognizance of the sale of toys on the E-commerce platform operated by Flipkart Internet Private Limited that do not confirm to BIS Standards prescribed under Toys (Quality Control Order, 2020) [hereinafter referred to as "the QCO, 2020"]. The Sale of such non-compliant toys can be unsafe, dangerous, hazardous and can cause injury or harm to consumers.

2. In exercise of the powers conferred under Section 18(2) and Section 19 of the Consumer Protection Act, 2019 (hereinafter referred to as 'the Act, 2019'), the Central Consumer Protection Authority conducted a preliminary inquiry into the sale of non-complaint BIS standard toys on various E-commerce platforms including Flipkart Internet Private Limited (hereinafter referred to as "the Opposite Party"). The inquiry established that despite the QCO, 2020 coming into effect on 01st January, 2021, the Opposite Party failed to exercise requisite due diligence to ensure that only QCO, 2020 complaint toys were sold to consumers on its platform.

3. Based on the preliminary findings, the Central Consumer Protection Authority (hereinafter referred to as "The Authority") observed that toys failing to comply with the mandatory BIS standards prescribed under the QCO, 2020 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. Consequently, 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. Accordingly, a Notice dated 10th January 2023 was issued to the Opposite Party, directing them to furnish a response regarding the alleged violations of the Consumer Protection Act, 2019, the Consumer Protection (E-Commerce) Rules, 2020 (E-Commerce Rules, 2020), and the Toys (Quality Control) Order, 2020 issued under Section 16(1) of the Bureau of Indian Standards Act, 2016 ("BIS Act, 2016").

5. In response to the said notice, vide email dated 30th January, 2023, Opposite Party made the following submissions:

    a. Intermediary Safe Harbor: Opposite Party invoking its status as an intermediary under Section 2(1)(w) of the Information Technology Act, 2000 (IT Act, 2000), claims exemption under Section 79(1) of the IT Act, 2000, and the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 {IT Rules, 2021}. It submitted that, they are legally exempted from the liability for any third-party information, data or communication link made available or hosted by them.

    b. Opposite party operates as a marketplace-based model of E-commerce through the website www.flipkart.com and the Flipkart App ("Flipkart Platforms"). It merely provides an information technology platform to facilitate buyers and sellers with each other on a digital and electronic network. All products on the Platform are sold by third-party "Sellers". Opposite Party does not sell, store, supply, promote for sale, any product on its platform.

    c. Role as an Intermediary: Opposite Party is neither the seller, nor the manufacturer of the products bought and sold on its platform. They never have physical possession of any of the products listed on its platform, and the transactions are directly between the buyer and seller on the platform.

    d. The Sellers agree to the Flipkart Terms of Use ("ToUs") which, inter alia, requires that anyone using the Platform shall not host, display, upload, modify, publish, transmit, update or share any information which violates any law for the time being in force.

    e. Inapplicability of the BIS Act: The Opposite Party asserts that Section 17 of the BIS Act, 2016 casts an obligation strictly upon the manufacturer, importer, distributor, or seller or lessor of the sale of any goods without the standard mark. Opposite Party is only a technology platform to facilitate the sale and purchase of the products listed on its platform and not the manufacturer, importer, distributor or the seller of such products. Hence, the provisions of the BIS act not applicable to the Opposite Party.

f. As far as, the allegation of 'unfair trade practice' is concerned, the same also no longer survives against Opposite Party, in view of the fact that the underlying BIS non compliances are not applicable to its operations.

g. Opposite Party further submits that an 'unfair trade practice' allegation requires it to possess knowledge or reason to believe that the goods do not comply with the standards prescribed. It points out its mandatory Seller's Terms of Use (ToUs) and puts liability on the sellers to ensure all compliances under applicable laws.

h. Opposite Party maintained that it fully complies with the obligations of a marketplace e-commerce entity under Rule 5 of the E-Commerce Rules, 2020. It submitted that the statutory framework deliberately distinguishes between a marketplace entity under Rule 5 and a marketplace seller under Rule 6, explicitly casting the duty to avoid unfair trade practices upon the individual seller under Rule 6(1) of the E-commerce Rules. Consequently, Opposite Party contended that no allegation of unfair trade practices can be sustained against the platform for third-party goods listed on its network.

i. Opposite party has taken down the impugned, listings specified in Annexure-1 of the Notice.

j. Opposite party had issued formal communications dated 19th January, 2023 to the concerned sellers of the impugned listings. It has informed the sellers that their product listings are presently non-discoverable to the buyers on its platform. Moreover, it has sought a valid BIS certification, failing which their listings will be permanently delisted on the platform.

6. The Authority reviewed the response and found that the Opposite Party has not submitted the details of sellers of the listings mentioned in the notice. Hence, Authority issued a letter dated 18th April, 2023, directing the Opposite Party to furnish the said information.

7. In response to the said letter, the Opposite party on 28th April, 2023 submitted the sellers details of the listings mentioned in the notice:

Seller Name	Sellers address
Happy Zone2	Ghaziabad, Uttar Pradesh
All Good Quality	Ghaziabad, Uttar Pradesh
SmileMakers	Latika Enterprises, New Delhi
Optim VRcommerce	Mohali

8. The Authority issued a follow-up inquiry by email on 10th November, 2023, requesting to provide following information within 7 days of receipt of email:

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

   II. The amount of money earned by each seller from the sale of the toy on Flipkart's E-commerce platform.

   III. The amount of fee earned by Flipkart from the sale of the toys on its platform.

9. On 05th December, 2023, the Opposite Party submitted its response via email, providing the specific details as requested above (refer para 8):

Seller Name	The number of toys sold on Flipkart after the Toys (Quality Control) Order, 2020 came into force on 01.01.2021	Seller Revenue (INR) (B)	Flipkart's Fee (INR) (c)
Happy Zone2	301	86815.044	30455.95
AllGoodQuality	903	357104.55	93884.445
SmileMakers	9	4137.56	1421.44
OptimVRcommerce	125	97502.74	17217.26
Total	1338	Rs. 5,45,559.694	Rs. 1,42,979.095

10. Upon obtaining the requisite information from Flipkart, individual actions were initiated against the concerned sellers—namely, Happyzone2, AllGoodQuality, SmileMakers, and OptimVRcommerce.

11. Upon examining the responses submitted by the Opposite Party, the Authority found that despite the enforcement of the QCO, 2020, the platform continued to list and facilitate the sale of toys that were marked "Made in China" or otherwise lacked the mandatory BIS certification, thereby directly violating the statutory standards. Furthermore, the Opposite Party hosted sellers with inaccurate or unverifiable addresses, which hindered effective regulatory oversight and accountability. This systemic 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.

12. Opposite party, *inter-alia,* had earned fees of Rs. 1,42,979.095 from the sale of non-compliant BIS Standard toys prescribed under QCO, 2020 through its platform, as disclosed in its response dated 05th December, 2023.This indicates commercial benefit from the distribution of sub-standard products, raising serious concerns under Section 2(47) of the Act, 2019, pertaining to unfair trade practices.

13. 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, Flipkart has potentially misled consumers into purchasing products not conforming to prescribed safety standards, thereby violating the consumer's right to be protected against hazardous goods and right to be informed as enshrined under Section 2(9) of the Consumer Protection Act, 2019.

14. In light of the above, the Authority 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. The Authority on 03rd June, 2025 directed Director General (Investigation) to conduct a detailed investigation.

15. The Director General (Investigation) submitted the Investigation Report dated 19th December, 2025 to the Authority vide email dated 01st January, 2026. The Investigation report states that:

    a. The company stated that the non-compliant toys referred to in the SCN had been delisted from the platform. However, upon further scrutiny, it is observed that Flipkart continued to list toys lacking the requisite BIS certification on its online platform for purchase till date, as of December 2025. Additionally, certain listings did not mention the sellers or manufacturer's name and address, reflecting a gap in compliance monitoring on the platform.

b. The investigation revealed several toy listings that continue to display the country of origin as China, even though toys manufactured in China cannot be BIS-compliant, as no Chinese toy manufacturer has been granted a BIS licence to date, as confirmed by the Director General, BIS.

c. Currently, Flipkart 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. 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 the listing of non-compliant products.

d. Further, the company has derived substantial fees from the sale of the non-compliant toy listings mentioned in the SCN, amounting to Rs. 1,42,979/-. Therefore, the company cannot completely shift responsibility onto sellers by solely relying on the "Seller's Terms of Use" clause that places liability for non-compliance on the sellers.

e. 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-compliant products are not allowed to be listed or sold. The duty of due diligence cannot be contractually waived off.

f. It is observed that the email address of the Grievance Officer is not displayed in the dedicated "Grievance Redressal" section, where consumers would ordinarily expect to find such information. Instead, it is included only within the lengthy "Terms of Use", thereby requiring users to navigate through multiple layers to access essential grievance related details. Furthermore, the designation of the Grievance Officer differs between the two sections, resulting in inconsistency and potential confusion for consumers.

g. It is pertinent to note that the platform lacks clear disclosure at the time of purchasing regarding its limited role as a neutral intermediary. The platform does not adequately inform customers that the sellers are solely responsible for any discrepancies during purchasing. These crucial terms are embedded deep within lengthy "Terms of Use" which are impractical for an average customer to fully review, thereby limiting informed consent.

h. It is evident that the company has failed to submit communications sent to the specific sellers mentioned in the SCN regarding BIS certification. Only a general email has been provided, clearly showing that they did not contact all the sellers.

i. The investigation establishes that Flipkart has undertaken certain steps to delist non-compliant toys from its platform. However, further investigation revealed that toys without BIS certifications continue to remain listed and available for purchase on the platform till date as of December 2025.

j. The investigation clearly indicates that the platform's existing compliance and monitoring systems are inadequate in preventing the listing of non-BIS compliant toys and in ensuring proper on boarding of toy sellers. Despite assurances from the company regarding the implementation of origin-based filters, toys manufactured in China remain available for purchase, representing a direct violation of the Quality Control Order (QCO). This ongoing non-compliance not only reflects gaps in the platform's due diligence but also exposes consumers to significant safety hazards.

k. This continued availability, even after receiving actual knowledge during the investigation, reflects Flipkart's 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.

l. Flipkart failed to provide the email address of the Grievance Officer in a clear and accessible manner on its platform which amounts to the violation of Rule 4(2) of the Consumer Protection (E-Commerce) Rules, 2020.

m. Additionally, the company, though acting as an intermediary does not directly manufacture, import, or sell products. However, it is in violation of

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.

16. The Investigation Report submitted by DG (Investigation) was shared with the opposite party vide letter dated 09th January, 2026 to furnish its comments and thereafter hearing was scheduled on 30th January, 2026.

17. On 27th January, 2026, the Opposite Party submitted its comments on investigation report stating as follows:

    i. Flipkart operates as a marketplace-based E-commerce model through its website www.flipkart.com and mobile application (collectively, the "Flipkart Platform"), which merely provides a neutral technology interface enabling independent third-party sellers and buyers to connect and transact on a digital network.
    ii. In law and in fact, Flipkart functions as an "intermediary" within the meaning of Section 2(1)(w) of the Information Technology Act, 2000 ("IT Act").
    iii. Flipkart does not manufacture, import, distribute, sell, store, or exhibit goods for sale on its own account. Title, possession, and control over the goods listed on the platform remain exclusively with the respective third-party sellers.
    iv. Being an intermediary, Flipkart is not a participant in the underlying commercial transaction between sellers and buyers. It neither initiates the transmission of product information, nor selects the receiver, nor modifies or alters the content of seller-uploaded listings.
    v. Flipkart's role is confined to hosting third-party information and facilitating transactions through a secure technological infrastructure.
    vi. Flipkart never has physical possession of the products listed on its platform, and does not exercise control over the manufacture, storage, or sale of such goods.
    vii. Flipkart denied the allegation that it continued to host non-BIS compliant toy listings up to December 2025, clarifying that all specific products identified in the 2023 notice were promptly made non-discoverable and permanently delisted after sellers failed to produce valid certificates.
    viii. The platform strongly objected to the screenshots in "Annexure A" of the Investigation Report, stating they were never shared during the

investigation, thereby denying Flipkart a contemporaneous opportunity to verify if the URLs were live, discoverable, or transactable.

ix. Furthermore, Flipkart as a marketplace intermediary is under no statutory obligation to proactively or continuously monitor third-party listings in the absence of a specific lawful notice identifying precise SKUs or URLs. Hence, no adverse inference can be legally drawn from ex-parte screenshots.

x. With respect to the observation in the Investigation Report that certain listings did not disclose the sellers or manufacturer's name and address, Flipkart submits that this allegation does not form part of the notices issued to Flipkart, nor was it a subject-matter on which Flipkart was called upon to furnish any explanation during the proceedings. It is a settled legal principle, Flipkart maintained that an investigation cannot travel beyond the scope of initial notices, rendering this newly introduced ground outside the scope of the current proceedings.

xi. It emphasized that the Investigation Report failed to identify a single instance where the platform was notified of a disclosure omission and failed to act. Consequently, Flipkart argued that generalized observations of "gaps in compliance monitoring" without specific statutory notice are legally insufficient to fasten liability onto a marketplace intermediary.

xii. Flipkart submits that the allegation premised on product listings reflecting "country of origin: China" was never part of the notices issued to Flipkart, nor formed the subject-matter of the proceedings initiated against it. The introduction of this allegation for the first time in the Investigation Report therefore travels beyond the scope of the proceedings and cannot be relied upon to attribute liability to Flipkart. As a marketplace intermediary, Flipkart neither certifies nor independently verifies product origin or conformity and is entitled to only rely on seller representations (under the statutory framework), subject to immediate action upon receipt of lawful and specific notice.

xiii. It objected to the Investigation Report's reliance on screenshots, noting that the Report failed to prove these listings were live or transactable, nor did it identify any specific product lacking a valid BIS license. Under the regulatory framework that governs intermediaries, a platform can act only on specific identification of allegedly unlawful listings and cannot be expected to infer illegality solely from "country of origin" descriptors.

xiv. The Investigation Report proceeds on an assumed correlation between the disclosure of "country of origin: China" and non-compliance with BIS requirements, without identifying any specific provision of the Bureau of Indian Standards Act, 2016 or the Toys (Quality Control) Order, 2020 that is alleged to have been violated by Flipkart.

xv. The Opposite Party has placed reliance on *Flipkart Internet Private Limited v. State of Uttar Pradesh, 2022 SCC OnLine All 706; and Flipkart Internet Private Limited v. State of Uttar Pradesh, 2022 SCC OnLine Del 2439* wherein the Courts have categorically recognized that Flipkart, as a marketplace intermediary, has put in place a robust system to inform sellers of their legal obligations and to act upon receipt of lawful notice, and that liability for product-level non-compliance rests with the sellers alone.

xvi. In this backdrop, the finding in the Investigation Report that Flipkart's reliance on seller self- declarations is "inadequate" and that the platform must institute automated compliance checks proceeds on an impermissible reassessment of Flipkart's due-diligence framework, which has already been judicially examined and upheld as compliant with Section 79 of the IT Act and Rule 3 of the Intermediary Rules.

xvii. It is reiterated that as an intermediary, Flipkart's obligations are governed by Section 79 of the IT Act read with the IT Rules. Rule 3 of the IT Rules exhaustively sets out the due- diligence obligations of intermediaries, which are limited to publication of platform policies, notifying users not to host or transmit unlawful content, and acting expeditiously upon receipt of lawful and specific notice. The IT Act and IT Rules, by design, do not impose any positive or proactive obligation on intermediaries to independently verify, certify, or audit regulatory compliance of third-party sellers or their products prior to listing. The due- diligence obligations prescribed under Rule 3 constitute an exhaustive and objective statutory benchmark, leaving no scope for discretionary or subjective enhancement by investigating authorities.

xviii. This position is further reinforced under the E-Commerce Rules. Flipkart qualifies as a "marketplace e-commerce entity", and Rule 5(1) expressly recognizes the applicability of Section 79 of the IT Act to such entities. The E-Commerce Rules place the onus of ensuring legality, accuracy, and completeness of product information on the sellers, not on the marketplace platform. Rules 4 and 5 specifically require sellers to ensure that listings, descriptions, certifications, and disclosures are accurate and compliant with applicable law. The statutory scheme under the Consumer Protection Act, 2019 ("CP Act') thus expressly preserves intermediary safe-harbour and does not impose product-compliance verification duties on marketplace platforms.

xix. Flipkart's seller onboarding process is structured to ensure that only those sellers who expressly undertake compliance with all applicable laws, including the BIS Act and allied Quality Control Orders, are permitted to list and sell products on the Flipkart Platform. At the time of registration, every seller is required to furnish its credentials and expressly consent to the Flipkart Sellers' ToU, which contain binding declarations, warranties, and undertakings relating to statutory compliance.

xx. Upon onboarding, sellers gain access to the Seller Dashboard and the Seller Learning Portal, which includes the Prohibited and Restricted Items Policy. This policy expressly cautions sellers against listing products under mandatory licensing or certification regimes without obtaining the requisite BIS approvals and displaying the applicable Standard Mark. Seller onboarding and continued access to the platform are contingent upon adherence to these requirements.

xxi. In this backdrop, the suggestion that Flipkart must introduce automated or proactive compliance checks to independently verify BIS certification requirements runs contrary to the express scheme of Section 79 of the IT Act, the IT Rules, and the E-Commerce Rules. Any failure or falsity in seller declarations is attributable to the concerned seller alone and cannot be transposed onto the intermediary platform, which has complied with its statutory due diligence obligations.

xxii. The mere earning of platform fees from transactions conducted between independent third- party sellers and buyers does not alter Flipkart's legal character as an intermediary, nor does it create any nexus between Flipkart and the underlying product compliance. The consideration received by Flipkart is solely for providing access to a neutral technology platform and allied facilitation services, and not for the manufacture, import, sale, storage, or exhibition of goods.

xxiii. Flipkart respectfully submits that the observation concerning disclosure of grievance officer details is factually incorrect and does not disclose any violation of the Consumer Protection Act, 2019 or the E-Commerce Rules.

Rule 4(2)(d) and Rule 4(4) of the E-Commerce Rules require an e-commerce entity to display the name, designation, and contact details of the grievance officer on its platform in a clear and accessible manner. Flipkart has, at all material times, complied with these statutory requirements and has duly disclosed the grievance officer's details on the Flipkart Platform, including within its ToU and other legally mandated disclosures forming part of the platform interface. The E-Commerce Rules do not prescribe a rigid format, location, or singular page on which such disclosures must be hosted.

xxiv. The Investigation Report does not record any finding that Flipkart failed to appoint a grievance officer, failed to disclose the requisite contact details, or failed to comply with the timelines or process prescribed under Rule 4(5) of the E-Commerce Rules. In the absence of any substantive failure in grievance redressal, minor or perceived inconsistencies in nomenclature cannot be elevated into a regulatory violation.

xxv. Flipkart has, at all material times, clearly and adequately disclosed its role as a neutral marketplace intermediary through its platform disclosures, ToU, and associated policies, which form part of the contractual framework governing all transactions on the Flipkart Platform.

xxvi. The allegation that Flipkart failed to communicate with the specific sellers identified in the SCN is factually incorrect and proceeds on an erroneous premise. Upon receipt of the notice dated 10.01.2023, Flipkart issued a consolidated and comprehensive advisory dated 19.01.23 to all identified sellers whose listings were under scrutiny, expressly apprising them of the mandatory BIS certification requirements applicable to toys and calling upon them to furnish valid BIS licenses within the stipulated time. In the absence of any response or valid BIS certification from the sellers concerned, the impugned listings were thereafter delisted uniformly.

xxvii. Any alleged violation of BIS standards, including under the Toys Order, is enforceable against the actual manufacturer/importer/seller in possession and control of the goods, and cannot be transposed onto a neutral intermediary absent statutory grounds.

xxviii. Without prejudice to the above, Flipkart reiterates that it has at all material times maintained and implemented robust compliance processes consistent with the IT Act, the IT Rules and the E-Commerce Rules, including seller undertakings, category-specific advisories, and notice-and-action protocols. To the extent the Investigation Wing proposes additional measures beyond the statutory due diligence framework, Flipkart respectfully submits that such measures cannot be imposed as a basis to infer contravention under the CP Act or to dilute intermediary protections, and would, in effect, amount to introducing obligations not contemplated by the governing law.

18. Subsequently, hearing was held on scheduled date i.e., 30th January, 2026. During the hearing, the Opposite Party made the following submissions:

(a) Flipkart is an intermediary and details of sellers provided has been provided as and when required by CCPA.

(b) Flipkart has their own Terms of Use and as per BIS is concerned the obligation/ liability is on the seller and not on the platform, an intermediary.

(c) Recently, BIS has filed certain cases against Instamart, Flipkart and several High Court has stayed the order of BIS.

(d) Flipkart has the responsibility according to the Terms of Use, section 79 of IT Act and Rule 5 of the E commerce rules.

(e) All the Chinese products are not getting listed and a check has been put in place on the platform for the same.

(f) To ensure that our terms of use is strictly followed by sellers, Flipkart does a random check every now and then. There is no responsibility on Flipkart to do a regular day to day monitoring of all the products. If something has been brought to our notice then the action will be taken.

(g) Flipkart submitted that random check is done at back end and products are delisted.

(h) When requested by the CCPA, Flipkart declined to disclose the exact figures regarding products delisted from its platform for legal non-compliance.

(i) Much like a newspaper publishing a classified ad, Flipkart acts purely as an intermediary. When a newspaper prints a seller's product details, it isn't held liable if a buyer visits that seller and finds the item doesn't match the description. Similarly, because sellers provide all their own product specifications during our on boarding process, Flipkart cannot be held liable for discrepancies in the final product.

19. Based on the submissions made by the Opposite party another hearing was scheduled on 27th March, 2026. During the hearing, the Opposite Party made the following submissions:

I. There is no obligation upon the Flipkart an intermediary under the BIS Act, IT Act or Intermediary Guidelines to collect/ verify BIS certification from the sellers. Instead, the duty is cast upon the sellers to present that certificate while on boarding on the platform.

II. Again, the rulings of High Court of Delhi and Allahabad wherein the court has recognised the Flipkart's position and held that Flipkart is not the seller of goods listed on its platform and that sellers registered on the platform are solely responsible to purchasers.

III. We strictly comply with directives from courts or legal authorities by immediately removing any non-compliant listings. Consequently, as a compliant intermediary, we bear no liability or wrongdoing, and there is no basis for any penalty or action against us under the Consumer Protection Act framework.

IV. The products are listed on the platform based on an undertaking by the seller that the product being listed is in compliance with law. Whenever there is a government mandate on intermediaries the company has abide the same. But the BIS standard are applicable to manufacturers or sellers and not intermediaries.

V. The two cases laws submitted by the company: Flipkart Internet Private Ltd. v. State of NCT of Delhi and Another, 2022 SCC OnLine Del 2439 and Flipkart Internet Private Limited v. State of U.P. and Others, 2022 SCC OnLine 706

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

21. Department for Promotion of Industry and Internal Trade, 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.

22. 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 published under Section 16(1) of the BIS Act, 2016.

23. 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.*

24. 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"*

25. 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".

26. 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;

27. 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.

28. Taking into consideration the above-mentioned provisions, Investigation report along with the oral and written submission made by the Opposite Party, 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.

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. In the present case, it is clearly established that Sale of toys is in violation to the mandatory standards notified in the QCO and high safety risk for children which could lead to severe harm or injury. When the QCO for toys came into force on 01.01.2021, the opposite party ought to have ensured that toys which do not conform to the prescribed mandatory standards are not sold to consumers. Any proposition of ignorance or unawareness of law cannot be countenanced.

31. The Flipkart, a marketplace E-commerce entity enables listing, hosting, advertising, exhibiting, categorisation, discovery, and facilitation of transactions between buyers and sellers, thereby playing an active role in the sale process. CCPA is of the view that regulatory obligations under consumer law must be determined by the functional role

and consumer impact of the platform, and cannot be avoided by platform design choices or self-characterisation.

32. Further, it is pertinent to note that the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, under the Information Technology Act, 2000, cast specific duties and obligations upon intermediaries wherein Rule 3(1) mandates that every intermediary shall exercise due diligence while discharging its functions, including making reasonable efforts to ensure that unlawful or misleading information is not hosted or published on its platform, and promptly removing such unlawful information upon receiving actual knowledge.

33. The Authority 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.

34. 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. 1, 42,979.095/- from just four 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.

35. Because the Opposite party uses algorithms to tag a product as "Flipkart Assured", "Best Seller", "Trending" "AD", then it is no longer a neutral host. Specifically, the tag "Flipkart Assured" misleads consumers into believing, the platform has verified the product's safety and quality, thereby, giving an assurance and conveys an express or implied representation that the toys are safe for the children. Despite this assurance, the opposite party is selling non- compliant BIS certified toys which gives a false guarantee. 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.

36. 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. 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.

37. 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.

38. 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:-

   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.

39. 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:

   I. 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.

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

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

40. 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