

CENTRAL CONSUMER PROTECTION AUTHORITY

Krishi Bhawan, New Delhi - 110001

Case No. CCPA- 2/11/2023-CCPA (Part-1)

In the matter of Stallion Trading Company with regard to sale of non-compliant BIS standard toys.

CORAM:

Ms. Nidhi Khare, Chief Commissioner

Mr. Anupam Mishra, Commissioner

Appearance on behalf of Stallion Trading Company:

Mr. Memon Hamza, Proprietor

Date: 23rd April, 2026

ORDER

1. The Central Consumer Protection Authority (hereinafter referred to as 'CCPA') has taken suo-moto cognizance against Stallion Trading Company (hereinafter referred to as 'Opposite Party') for sale of toys on Snapdeal (Ace Vector Limited) (an E-commerce platform) which do not conform to BIS Standards as made mandatory under Toys (Quality Control) Order, 2020 [hereinafter referred to as QCO, 2020] which prohibits sale of such toys that 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 sale of non-compliant BIS standard toys by Stallion Trading Company. The inquiry revealed that despite the QCO, 2020 taking effect on 1st January, 2021, the Opposite Party failed to exercise necessary due diligence and was found selling such non-compliant BIS standard toys to the consumers.

3. Based on the preliminary findings, it was clear that *prima facie*, the Opposite party was selling toys, in non-compliance of BIS standards as laid in QCO, 2020, on the E-commerce platform Snapdeal (Ace Vector Limited). Such an act is in violation of 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. Hence, toys which do not conform to the compulsory standards appear to be in violation of Section 2(10) of the Act, 2019 wherein, 'defect' means any fault, imperfection or shortcoming in the quality or standard which is required to be maintained by or under any law for the time being in force as well as Unfair Trade Practice as defined under Section 2 (47) of the Act, 2019.
4. Therefore, the Opposite Party was directed to furnish their response vide Notice dated 12th June, 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 12th June, 2023, Opposite Party made the following submissions:
 - I. It's been more than a year the Opposite Party have not sold any kind of toys on the E-commerce platform, due to the BIS issue.
 - II. Upon becoming aware of the mandatory BIS (Bureau of Indian Standards) requirements for toys, the Opposite Party immediately discontinued the sale of all products in this category.
 - III. At the time these products were originally listed, the seller portal of the e-commerce platform did not prompt for BIS or

ISI certification, nor were there mandatory document upload requirements for the toy category.

IV. The Opposite Party's core business operations are now strictly limited to other categories like Stationery and Card Holders.

V. The opposite Party sincerely apologize for the inadvertent mistake of selling non-compliant BIS standard toys.

6. In light of the above, CCPA was of the view that there exists a prima facie case as the Opposite Party in its reply confirmed of selling non-compliant BIS standard toys. Such actions constitutes Unfair Trade Practice and violation of consumer rights under the Act, 2019 which impacted the consumer as a class. Therefore, on 13th June, 2023, CCPA directed Director General (Investigation) to conduct a detailed investigation.

7. The Director General (Investigation) submitted the Investigation Report which states as follows:

(a)The address "1306,13th Floor, PLOT-CS No-1413, 1414,1415,99/103, Noble Tower, Zakaria Masjid Street, Chinchbunder" belongs to a residential house and it is neither a manufacturing unit nor a sales office. Moreover, no stock of any toys found available at the given address.

(b)Contacted Mr Memon Hamza during the visit over mobile as he was not available and only his mother and sister were available in the house. Mr Memon Hamza has informed over phone that he was selling toys on Snapdeal by procuring the toys from local stores. He was requested to provide the details of purchases made by him to which he replied that he was selling toys on Snapdeal almost a year back and he is presently not selling any toys.

8. The DG (Investigation) report states that the Opposite Party is neither a manufacturing unit nor a sales office and also no evidence of stock of toys was found. On the other hand, the Opposite Party was selling toys on

Snapdeal. Consequently, the Authority has requested a detailed explanation from the Opposite Party to resolve this inconsistency.

9. Therefore, a hearing was scheduled on 07th November, 2023, however none appeared on the said date.
10. CCPA on 08th November, 2023 issued an interim order wherein the Opposite Party was provided an opportunity of hearing on 10th November, 2023 and also was directed to provide the following information:
 - (a) The number of toys sold in violation to mandatory standards after 01.01.2021 i.e., the date on which the Toys (Quality Control) Order, 2020 came into force.
 - (b) The amount of money earned by the Opposite Party from the sale of such non-standard toys.
11. Again, on the scheduled date of hearing i.e., 10th November, 2023, no one appeared on behalf of the company.
12. In furtherance to the hearing, vide email dated 10th November, 2023 CCPA enquired from Snapdeal the following information
 - (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
13. Snapdeal vide email dated 14th November, 2023 has provided the following information:

Year	Seller	Product Name	Delivered Units	Selling Price by Seller	Seller Proceeds (in ₹)	Snapdeal Fee (Post GST)
2022	Stallion Trading Company	Dancing Cactus Musical Toy	140	99,360	74,552	21,023
2023	Stallion Trading Company	Dancing Cactus Musical Toy	3	2,097	1,569	447
Total			143		₹76,121	

14. After examination of investigation report and reply of the Seller, the matter was again referred for additional investigation on the following point –

(a) Considering the reply submitted by the company to the notice issued by CCPA wherein it has apologized and stated that it was not aware of the QCO, whether the company has been involved in sale of non-ISI toys to consumers?

15. On 28th November, 2025, DG (Investigation) CCPA submitted its final report which states as follows:

(a) During the investigation it was observed that the address belongs to a residential house and it is neither a manufacturing unit nor a sales office. During the investigation, contacted Mr. Mohammed Hamja Abdul Hamid Memon, Proprietor of M/s Stallion Trading Company. It was informed by the proprietor that:

- i. The company did not sell any toys directly to the customers and it was informed that all their sales were through Snapdeal only.
- ii. The company did not sell any toys during the year 2021, sold 140 numbers in 2022 and 3 numbers in 2023. No sales were made after the year 2023.

iii. The company has submitted undertaking for the above information.

16. The investigation report was shared with the Opposite Party on 02nd February, 2026 along with an opportunity of hearing on 12th February, 2026. The Opposite party was default in appearance on the scheduled date of hearing.

17. Subsequently, CCPA granted another opportunity of hearing to the restaurant scheduled on 24th March, 2026. On the said date the Mr. Mohammed Hamja, Owner of Stallion Trading Company made following submissions:

(a) The Opposite party deals with keychain, cardholders etc. but not non-BIS toys.

(b) Moreover, the Opposite party stopped all his online business and only dealing with wholesale market.

(c) They confirmed about the items sold 140 numbers in 2022 and 3 numbers in 2023 and apologised that he was not aware of selling of only BIS toys.

(d) Snapdeal sales team asked the Opposite party to list the toys because it was trending at that time.

(e) As a small-scale seller, I sourced items in very limited quantities from the local market.

(f) The total volume of these sales was negligible, and there was no intent to distribute non-compliant goods on a large scale.

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

19. 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 1 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.

20. 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.

21. 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.

22. 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"

23. 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".

24. 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;

25. 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.

26. 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, should have exercised due diligence to ensure that non-BIS complaint toys were not listed and consumer safety is not compromised

27. 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.
28. 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. Hence, any proposition of ignorance or unawareness of law cannot be countenanced.
29. 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. Consequently, the onus is on the platform and the seller 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.
30. In the present case, though Opposite party had stopped selling toys and in two years sold only 143 units, but it is clearly established that sale of non-compliant BIS standard toys is in violation to the mandatory standards notified in the QCO could be a high safety risk for children and may lead to severe harm or injury.
31. 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.

32. 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.

33. 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 offered for sale without full compliance with applicable laws and mandatory disclosures, as stipulated from time to time.
- (b) The CCPA hereby imposes a penalty of Rs. 1, 000/- on the Opposite party for sale of non-compliant BIS standard toys on its platform.

34. 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