Case No: CCPA-9/2026-CCPA
Central Consumer Protection Authority

In the matter of: Misleading advertisement, unfair trade practice and violation of consumer rights by Just Dial Limited, through the listing, hosting, advertising and facilitation of access to and sale of Ammonium Nitrate, a regulated and hazardous substance, on its platform, in contravention of the Consumer Protection Act, 2019 and the Consumer Protection (E-Commerce) Rules, 2020, read with the Explosives Act, 1884 and the Ammonium Nitrate Rules, 2012.

CORAM:

Mrs. Nidhi Khare, Chief Commissioner

Mr. Anupam Mishra, Commissioner

Appearance on behalf of Just Dial Limited

1. Ms. Kavya Singh, Advocate
2. Mr. Rituraj Singh, Representative of the Company
3. Ms. Ananta Jaswal, Representative of the Company
4. Mr. Shanu Singh, Representative of the Company
5. Mr. Akshay, Representative of the Company
6. Mr. Gajendra Khichi, Representative of the Company

Date: 28.10.2026

ORDER

1. The Central Consumer Protection Authority (hereinafter referred to as 'CCPA' or 'the Authority') has been established under Section 10 of the Consumer Protection Act, 2019 (hereinafter referred to as 'the Act') to regulate matters relating to violation of consumer rights, unfair trade practices and false or misleading advertisements prejudicial to the interest of the public and consumers and to promote, protect and enforce the rights of consumers as a class. Section 18(1) of the Act provides that the Central Authority shall ensure that no false or misleading advertisement is made of any goods or services, prevent unfair trade practices and ensure that no person engages in unfair trade practices. Section 2(9) of the Act further recognises the right of consumers to be protected against the marketing of goods, products, or services which are hazardous to life and property.

2. In exercise of its powers under Sections 18 and 19 of the Act, the CCPA undertook a sector-wide examination of the various e-commerce platforms, with a view to ascertaining whether hazardous chemicals, explosive substances and related precursors including Ammonium Nitrate, Gun Powder, Picric Acid and Pentaerythritol Tetranitrate (PETN) which are regulated, restricted or prohibited under the Explosives Act, 1884, the rules framed thereunder and other applicable law were being listed, hosted, advertised or made available for sale online.

3. During the preliminary inquiry, the CCPA observed that several e-commerce entities and online platforms permitted the listing, advertisement and facilitation of sale of such regulated and hazardous substances thereby enabling access to highly sensitive materials without appropriate regulatory disclosures, warnings or traceability mechanisms, and exposing consumers and the public at large to serious safety and security risks.

4. In the course of the said examination, the CCPA examined the e-commerce platform operated by Just Dial Limited (hereinafter 'the opposite party') and observed that Ammonium Nitrate, a substance declared to be an 'explosive' by the Central Government vide Notification NO. S.O. 1678(E) dated 21st July, 2011, issued under Section 17 of the Explosives Act, 1884, appeared to be listed, hosted, advertised and made available for purchase on the said platform. It was also observed that the impugned listing was accompanied by photographic imagery depicting explosions and blast-effects, displayed alongside the product description. In the preliminary examination, it was observed that the impugned listing(s) did not appear to disclose the following material information to consumers:-

i. Valid PESO (Petroleum and Explosives Safety Organisation) licence details of the seller.

ii. Identity and licensed status of the buyer prior to completion of the transaction.

iii. Mechanisms for ensuring traceability of transactions, as mandated under the Ammonium Nitrate Rules, 2012.

iv. Appropriate disclosures, cautions, or regulatory notices regarding the legal restrictions on the possession and use of the said substance and the penal consequences of unauthorised possession under the Explosives Act, 1884

5. It is relevant to note that the possession and use of Ammonium Nitrate without a valid licence from PESO is a penal offence under law. The representation of such a product on a commercial listing, without disclosure of this position, appears to fall prima facie within the definition of 'unfair trade practice' under Section 2(47) of the Act, inasmuch as it involves a representation likely to be deceptive as to the lawful uses, characteristics and legality of the product.

6. The listing, hosting, advertising and facilitation of sale of Ammonium Nitrate on the opposite party's platform, without disclosure of material information relating to the mandatory licensing under the Ammonium Nitrate Rules, 2012 and the penal

consequences under the Explosives Act, 1884, appears, prima facie, to constitute a 'misleading advertisement' under Section 2(28) of the Act, in that it appears to conceal important information and convey an implied representation likely to mislead consumers as to the nature, legality and use of the product, which, if made by the seller, would amount to an unfair trade practice.

7. Rule 4(3) of the Consumer Protection (E-Commerce) Rules, 2020 provides that no e-commerce entity shall adopt any unfair trade practice in the course of business on its platform or otherwise, and Rule 5 of the said rules requires marketplace e-commerce entities to ensure that sellers provide accurate descriptions of goods and all relevant information necessary for consumers to make informed decisions, including disclosures relating to the legal status of the goods offered. The alleged failure to ensure compliance with these obligations, in respect of a regulated substance, appeared to attract contravention of the said Rules.

8. Such concealment of essential regulatory information deprives a consumer of any means of ascertaining, at the pre-purchase stage, that a restricted and hazardous product is being offered on the platform and that the same cannot lawfully be sold, purchased or possessed without the requisite licence/certification. Under the Act, the E-Commerce Rules and the applicable Guidelines for Prevention of Misleading Advertisements, an e-commerce entity that publishes such offers is obligated to place all such material information before the consumer in a clear and upfront manner at the pre-purchase stage, including whether the goods offered, and the manner of their sale, are compliant with applicable law.

9. The listing of Ammonium Nitrate for open and seemingly unrestricted commercial sale on an e-commerce platform, without such disclosures, appears to impinge upon the consumer's right under Section 2(9) of the Act, namely, the right to be protected against the marketing of products, or services which are hazardous to life and property.

10. From the preliminary inquiry and having regard to the examination recorded above, the CCPA was satisfied that the practices observed on the opposite party's platform prima facie appeared to violate the rights of consumers and constituted misleading advertisement and unfair trade practice within the meaning of the Act impacting consumers as a class.

11. The availability of Ammonium Nitrate for listing and facilitation of sale on the platform raised concerns regarding the due diligence, monitoring and compliance mechanisms of the party, having regard to the specific licensing, handling, delivery and traceability requirements prescribed under the Ammonium Nitrate Rules, 2012. In view of the potential implications for consumer safety and public security, it was considered necessary to ascertain the duration and extent of the alleged contravention.

12. The screenshots of the listings examined by the Authority are annexed herewith as **Annexure-1.** Taking cognizance of the above and in exercise of powers

under the Act, the CCPA issued a Show Cause Notice dated 01st April, 2026 to the opposite party calling upon it to furnish a response along with all necessary supporting documents regarding the alleged violations. The said notice alleged violation of the following provisions:

i. Section 2(28) of the Consumer Protection Act, 2019: Misleading advertisement

ii. Section 2(47) of the Consumer Protection Act, 2019: Unfair trade practice

iii. Section 2(9) of the Consumer Protection Act, 2019: right of consumer to be protected against the marketing of a good hazardous to life and property

iv. Rule 4(3) and Rule 5 of the Consumer Protection (E-Commerce) Rules, 2020

The notice sought (i) a list of all current and past listings of Ammonium Nitrate, (ii) details of all sellers and their regulatory compliance, (iii) quantities sold by each seller in the last two years, (iv) copies of valid licences verified for each seller and the verification mechanism employed, (v) the buyer verification mechanism, if any, (vi) details of imports, licences, invoices and approvals, and (vii) any other information or document the opposite party wished to rely upon, within fifteen days.

13. The opposite party submitted a holding reply dated 15th April, 2026 seeking three to four weeks to comply, and thereafter a consolidated reply dated 18th May, 2026, in which it submitted the following:

i. That it is an online directory and information listing service and not an e-commerce or trading platform, that it does not sell, manufacture, store or facilitate transactions, and that any transaction between a user and a vendor is to its exclusion.

ii. That it is an 'intermediary' under Section 2(1)(w) of the Information Technology Act, 2000 ('IT Act') entitled to protection under Section 79 thereof, having published its Terms of Service and Privacy Policy.

iii. That the alleged listings are fertilizer-grade Ammonium Nitrate used for agricultural purposes, most of them 3–20 years old and generated from public domain sources or user submissions, that no categories relating to Ammonium Nitrate are active, that no complaint had been received, and details of the listings were furnished.

iv. That it does not collect or maintain copies of licences under the Ammonium Nitrate Rules, 2012, the responsibility for which lies with individual vendors, and that the verification requirements under Rule 12(1) and (2) of those Rules are not applicable to it.

v. That, as there is no buyer–seller interface on its platform, it holds no data on quantities sold, imports, licences or invoices.

vi. That vendors accept its Terms of Service representing that they hold all necessary registrations and permissions, that users are bound by its Terms of Service for information dissemination disclaiming responsibility for the accuracy and legality of listed material, and that vendors who avail a paid campaign submit KYC documents including proof of business registration (GSTN, UDYAM or other certification/licence, as available).

vii. That the listings were merely directory listings and not advertisements or sale offers, that the occurrence was inadvertent, and that following the notice it had validated the listings, enhanced keyword restrictions, strengthened verification protocols and trained its staff.

14. The material and data furnished by the opposite party prima facie indicated that listings relating to a regulated and hazardous explosive substance were available on its platform without disclosure of material information relating to the mandatory licensing under the Ammonium Nitrate Rules, 2012 and the penal consequences under the Explosives Act, 1884. This raised serious concerns regarding compliance with the statutory framework governing the sale, listing, advertisement, disclosure and facilitation of access to regulated substances through digital platforms.

15. Having examined the aforesaid reply, CCPA found it necessary to have the matter investigated in detail by DG (Investigation). Accordingly, in exercise of powers under Section 19(1) Of the Act, the CCPA vide letter dated 21st May, 2026 requested Director General (Investigation) for detailed investigation.

16. The DG (Investigation) submitted its Investigation Report on 8th July 2026. The key findings of the Investigation Report are summarised below:

i. The company hosted and facilitated the sale of Ammonium Nitrate on its platform without ensuring mandatory regulatory safeguards. The listings neither disclosed nor verified the seller's valid PESO licence, the buyer's eligibility or transaction traceability mechanisms, and no adequate warnings regarding legal restrictions and penal consequences of unauthorised possession and use were provided.

ii. The omission of material information regarding licensing requirements, buyer eligibility and lawful usage conditions deprives consumers of essential information required to make informed decisions and exposes them to legal and safety risks.

iii. Although the company subsequently removed the impugned listings, such removal does not absolve it of liability for the period during which the products remained available, subsequent corrective measures cannot cure a violation that has already occurred.

iv. One of the impugned listings prominently displayed images depicting explosions and blast-related effects, which is inappropriate given the highly

regulated nature of Ammonium Nitrate, is capable of conveying misleading impressions regarding its intended use and reflects a lack of effective review and monitoring of seller-uploaded material.

v. Reliance on intermediary status is not sufficient, as a marketplace e-commerce entity facilitating transactions between buyers and sellers, the company is required to exercise reasonable due diligence and oversight over listings hosted on its platform and cannot disclaim responsibility solely because the products were uploaded by third parties.

vi. The contention that vendors accepted the Terms of Service and thereby assumed sole responsibility for legality is not tenable, the ability of sellers to upload and maintain listings of a highly regulated substance without adequate scrutiny reflects gross negligence and deficiencies in seller onboarding, product verification and content moderation.

vii. This responsibility cannot be avoided or contractually delegated. The company failed to furnish proper documentary evidence regarding the quantity of Ammonium Nitrate sold by each seller and copies of valid licences verified for each seller, even if an intermediary, it is expected to maintain and produce reasonable records demonstrating the due diligence measures undertaken in respect of regulated products.

viii. While the company denies earning revenue from the sale of products, it admits earning subscription-based revenue from listings. The existence of a paid subscription model indicates that subscribing sellers may receive advantages over non-subscribing sellers, so that the company's role cannot be viewed as that of a purely passive information repository, and it assumes a corresponding obligation of reasonable oversight.

ix. A significant contradiction emerged in the company's stand: its claim of being a mere intermediary is inconsistent with its 'paid campaigns' service involving face-to-face meetings with vendors, a presentation of its services and collection of essential vendor information, which demonstrates active participation beyond that of a purely passive intermediary.

x. The overall investigation indicates inadequate due diligence in verifying vendors, the company's primary focus appearing to be the promotion of its subscription-based listing services rather than transparency, accountability and consumer protection.

xi. The company is in violation of Sections 2(9), 2(28) and 2(47) of the Act, of Section 6A read with Sections 9B and 9C of the Explosives Act, 1884, of Rule 4 and Rule 6(6) of the Ammonium Nitrate Rules, 2012, and of Rule 4(3) and Rule 5 of the Consumer Protection (E-Commerce) Rules, 2020, and a case relating to the said violations stands established.

17. The Investigation Report was shared with the opposite party vide letter dated 28th July, 2026 calling upon it to furnish its comments thereon, and the hearing in the matter was listed for 7th August, 2026.

18. The opposite party filed an Interim Response dated 6th August, 2026 to the Investigation Report, submitting as under:

i. That it denied all findings and conclusions inconsistent with its replies, which stood incorporated by reference, and sought leave to file additional documents and evidence.

ii. That it neither hosts nor facilitates the sale of Ammonium Nitrate, its role being akin to a telephone directory, and it therefore cannot be said to have 'facilitated sale' within the meaning of the Explosives Act, 1884 or the Ammonium Nitrate Rules, 2012.

iii. That, as an intermediary, it is under no obligation to verify PESO licences absent a specific direction from a competent authority, its Terms of Use placing responsibility for accuracy and legality on the vendor, and that it removes listings upon notification.

iv. That accepting the Report's findings would dilute the safe harbour under Section 79 of the IT Act, relying on MySpace Inc. v. Super Cassettes Industries Ltd., (2017) 236 DLT 478.

v. That upon receipt of the notice it undertook a comprehensive review, permanently blocked the concerned product categories and deployed automated checks, voluntarily and in good faith, without admission of any lapse.

vi. That it is not an e-commerce entity or marketplace e-commerce entity under the E-Commerce Rules, 2020 and has not violated Sections 2(9), 2(28) or 2(47) of the Act.

vii. That the Explosives Act, 1884 and the Ammonium Nitrate Rules, 2012 bind only manufacturers, sellers and distributors, that PESO alone is competent to determine licence compliance, and that the findings at paras 10(B) and 10(C) of the Report exceed the Authority's role under Section 18 of the Act and are without jurisdiction.

viii. That paid campaigns are only a visibility-enhancement service, that the single listing bearing explosion imagery (out of approximately 54.7 million listings) does not establish systemic non-compliance, for which it sought particulars of the listing, and, without prejudice, that the listings pertain to fertilizer-grade Ammonium Nitrate falling outside Notification No. S.O. 1678(E).

ix. That it has a thirty-year record with no prior adverse finding and that the inquiry should be corrective and not punitive, it also denied the findings paragraph-wise.

19. In email dated 6th August, 2026, along with the Interim Response, the opposite party also sought two more weeks' time to file its detailed reply to the Investigation Report. Thereafter, by email dated 21st August, 2026, it requested a further adjournment of four weeks, citing personal difficulties and the need to collate additional details/documents. The Authority considered the request and granted it by email dated 24th August, 2026, and the hearing was fixed for 8th September, 2026.

20. On 7th September, 2026, the opposite party requested a further adjournment of six weeks citing unavoidable and pressing personal circumstances. By email dated 7th September, 2026, the Authority recorded that multiple opportunities had already been granted to the opposite party to file its detailed reply and prepare for the hearing, that it had despite these accommodations continued to seek further extensions, and directed that no further extension would be granted, that the hearing would proceed on 8th September, 2026 and that non-appearance would be viewed seriously.

21. The hearing was duly conducted on 8th September, 2026, during which the representatives of the opposite party appeared and again requested for an extension. The request of the party was considered by the Authority and the matter was then listed for hearing on 21st September, 2026.

22. On 21st September, 2026, the opposite party appeared and again requested for a further adjournment of four weeks on account of the unavailability of its counsel owing to the sudden demise of an extended family member. This time as well the request was duly considered by the Authority and the matter was listed for hearing on 16th October, 2026.

23. On 16th October, 2026, the opposite party filed its formal Written Submission dated 16th October, 2026. The hearing was held on the said date, during which an extension was once again sought on behalf of the opposite party. The matter was again adjourned and was listed for final hearing on 23rd October, 2026. The Authority expressly recording that no further opportunity would be provided in case of failure to join the hearing.

24. The Written Submission of the opposite party dated 16th October, 2026 is summarised as follows:

i. The opposite party (a subsidiary of Reliance Retail Ventures Limited, with approximately 56.1 million listings and 192.9 million quarterly unique users as of 30th June, 2026 and 11 branch offices) is an informational intermediary and online directory and not an e-commerce or trading platform. It holds no inventory, warehousing, logistics, shopping cart, payment gateway or escrow, it does not raise invoices, set prices, verify buyers or obtain permits, the transaction begins and ends between vendor and user outside its ecosystem, and it falls outside the definitions of 'e-commerce entity' and 'marketplace e-commerce entity' in Rule 3(1)(b) and (g) of the E-Commerce Rules, 2020.

ii. Rule 4 of the Ammonium Nitrate Rules, 2012 and the Explosives Act, 1884 bind only persons who manufacture, convert, import, export, transport or possess Ammonium Nitrate for sale or use, and not a listing intermediary, the report fails to establish any nexus between the opposite party and the movement or sale of the substance.

iii. It is under no obligation to verify vendor licences absent a specific direction from a competent authority. It relies on (a) its Terms of Use and Listing Policy prohibiting unlawful, hazardous or regulated goods, (b) KYC-based onboarding for paid listings on a best-effort basis, (c) a notice-and-takedown mechanism, and (d) after the Authority's notice, the permanent blocking of the product category and automated system-based checks. It also states that it has mandatory KYC and business registration checks for all vendors, automated content-moderation filters and periodic compliance audits.

iv. Safe harbour under Section 79 of the IT Act, relying on MySpace Inc. v. Super Cassettes Industries Ltd., (2017) 236 DLT 478, Shreya Singhal v. Union of India, (2015) 5 SCC 1 (Section 79(3)(b) read down to require actual knowledge through a court order or government notification) and the order of the Hon'ble Delhi High Court in CS (COMM) 33/2023, in which it was deleted from the array of parties.

v. The corrective steps taken were voluntary and without admission of any lapse. It acknowledges that, beyond removing the impugned listing and disabling the ability to list the product category, it did not terminate the concerned vendors' accounts or report the matter to PESO or law enforcement, and contends that no such obligation rests on an intermediary.

vi. Its users pay no consideration to it and are therefore not 'consumers' under Section 2(7) of the Act, so that the Act and the E-Commerce Rules are not attracted, there is no evidence of consumer harm or any safety incident.

vii. The findings at paras 10(B) and 10(C) of the Report, on the Explosives Act, 1884 and the Ammonium Nitrate Rules, 2012, are without jurisdiction, such matters lying with PESO, the Authority's role under Section 18 of the Act being limited to review and recommendation in respect of safeguards under other laws.

viii. Paid campaigns are only a visibility-enhancement subscription service, the collection of KYC particulars is a commercial formality and does not amount to review, approval or editorial control of listing content.

ix. The single listing bearing explosion imagery, out of approximately 54.7 million listings, does not establish systemic failure, it craves leave to identify the listing, it had no actual knowledge of it before the report, and it is, as an intermediary, prohibited from moderating or editing vendor-submitted information.

x. Without prejudice, the listings pertain to fertilizer-grade Ammonium Nitrate, outside Notification No. S.O. 1678(E), the burden of proving otherwise lying on the Authority, it wants leave to place vendor-side descriptions and certifications on record.

xi. It is a thirty-year-old, listed, law-abiding entity with no prior adverse finding, the inquiry should be corrective and not punitive, and the factors under Section 21(7) of the Act weigh in its favour.

xii. It prayed that the findings in the Investigation Report be set aside, that the Authority refrain from penal or corrective action under statutes inapplicable to its business model, and for such further orders as the Authority deems fit.

25. On 23rd October, 2026, the matter stood listed for final hearing at 4:30 PM, the VC link having been shared on 21st October, 2026. Several representatives of the opposite party, including members of its legal team and one of its counsel, were present. The counsel stated that the senior counsel was engaged in arbitration proceedings and could not join, and sought an adjournment. The Authority offered to wait until 7:00 PM to accommodate the senior counsel, but the opposite party did not accept this. Later, by email sent on the same day after the time fixed for the hearing, the opposite party cited the unavailability of its counsel due to an unforeseeable personal difficulty and sought a further hearing on or after 30th October, 2026. The Authority declines the request for the following reasons:

i. The opposite party has had the Investigation Report since 28th July, 2026, and the matter has been adjourned or extended at its request on 6th August 2026, 21st August, 7th September, 8th September, 21st September and 16th October, 2026, and again on 23rd October, 2026.
ii. The Authority had expressly cautioned the opposite party on 7th September and 16th October, 2026 that no further extension or opportunity would be given.
iii. The opposite party declined the Authority's offer to wait until 7:00 PM, and no shorter alternative date was proposed. It instead sought a date a week or more away, which does not reflect a genuine intention to be heard promptly or any regard for the time of the Authority.
iv. The reasons given have also differed, being arbitration proceedings in the hearing and a personal difficulty in the email.
v. The opposite party has already filed a detailed Written Submission. It has not identified any further material or oral submissions it wishes to make.
vi. The opposite party has an in-house legal team of senior officers, and several of its representatives were in fact present. Any of them could have made submissions.

The Authority is satisfied that the opposite party has been given ample and repeated opportunity, and that the repeated requests indicate a reluctance to proceed rather

than any genuine difficulty. It therefore proceeds to decide the matter on the record, including the Written Submission, which has been considered in full.

26. The principles of natural justice require that the opposite party be informed of the allegations against it and be given a reasonable opportunity to respond before an order is passed. In the present matter, these requirements have been duly complied with: the opposite party was served with a detailed Show Cause Notice dated 1st April, 2026, to which it replied on 15th April, 2026 and 18th May, 2026, it was given an opportunity to participate in the investigation, the Investigation Report was shared with it on 28th July, 2026, in response to which it filed an Interim Response dated 6th August, 2026 and a Written Submission dated 16th October, 2026, and it was afforded repeated opportunities of hearing, including on 7th August, 8th September, 21st September, 16th October and 23rd October, 2026, adjournments having been granted on its requests. The Authority is satisfied that the requirements of natural justice and due process have been duly complied with.

27. Section 2(1) of the Act defines "advertisement" to mean "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." The definition is wide and technology-neutral and expressly extends to publicity or representation made through "electronic media, internet or website", without confining the term to conventional print or broadcast media.

28. In the present case, the impugned listings were not bare entries of a name and number. As captured in the Investigation Report, each listing displayed the product name, product photographs, a price (for instance ₹90–₹100/Kg and ₹20–₹160/Kg), the seller's name and location, trade descriptors such as 'Wholesaler' and 'Dealer', ratings, 'Verified', 'Popular' and 'Trust' indicators, and the options 'Call Now', 'Get Best Price' and 'View Catalogue', all presented under the heading 'Top Ammonium Nitrate Products from Verified Sellers'. Such a listing constitutes "visual publicity" and "representation" made by means of the "internet or website" within the meaning of Section 2(1) of the Act and accordingly qualifies as an "advertisement". The opposite party, by hosting, displaying and disseminating such listings, is the medium through which the advertisement was published and made available to consumers.

29. The opposite party's analogy to a telephone directory or Yellow Pages cannot be accepted. A telephone directory does not rank products, display their prices and photographs, attach 'Verified' and 'Trust' badges to sellers, provide a one-click facility to call or seek the best price, or charge sellers a subscription to make their entries more prominent. The heading 'Top Ammonium Nitrate Products from Verified Sellers' and the 'Verified' indicators convey to a visitor that the sellers have been vetted, whereas the opposite party itself admits that it does not collect or maintain, and therefore never verified, the PESO licences of such sellers.

30. The opposite party's own account of its paid campaigns reinforces this conclusion. It states that vendors seeking a paid campaign are met face-to-face by its marketing executives, a presentation of its services is made, vendor KYC particulars (including photo ID, address proof and business registration such as GSTN or UDYAM) are collected, payment is taken, and its revenue is primarily derived from such subscriptions. The record also reflects that several sellers whose Ammonium Nitrate listings were identified in the Investigation Report, including Akhil India Pvt Ltd, Omsys India, Naveen Enterprise and Parnika Chemicals, are shown as 'Paid campaign' vendors in the opposite party's own reply dated 18th May 2026. An entity that collects identity and business documents from a vendor for the purpose of selling it enhanced visibility was in a position to ask for the licence required for the very commodity being promoted, the contention that the collection of KYC is a mere commercial formality only shows that verification was feasible and was not undertaken.

31. The opposite party's statement that, upon receipt of the Authority's notice, it permanently blocked the concerned product categories and deployed automated checks demonstrates that it possessed full technical and administrative control over the content on its platform, including the ability to review, restrict and remove listings at will. It cannot, in the same breath, contend that the responsibility for regulatory compliance rests exclusively with vendors and that it bears no independent responsibility in that behalf.

32. The opposite party contends that the E-Commerce Rules, 2020 do not apply as it is not an 'e-commerce entity'. The definitions reproduced by the opposite party itself in its Written Submission define an e-commerce entity as any person who owns, operates or manages a digital or electronic facility or platform for electronic commerce, and a marketplace e-commerce entity as one which provides an information technology platform on a digital or electronic network to facilitate transactions between buyers and sellers. They contain no requirement that the platform process payments, hold inventory or provide logistics, and the 'cumulative indicia' on which the opposite party relied in its Interim Response. A platform which displays prices, ranks and labels sellers, and enables a buyer to call the seller or seek the best price in a single click facilitates transactions between buyers and sellers. In any event, the findings under Sections 2(9), 2(28) and 2(47) of the Act do not depend upon the opposite party being a marketplace e-commerce entity, and apply to any person who publishes a misleading advertisement or engages in an unfair trade practice.

33. The opposite party also contends that its users are not 'consumers' within Section 2(7) of the Act as they pay it no consideration. The contention misconceives the nature of the present proceedings. The Authority exercises its powers under Sections 18 to 21 to protect consumers as a class against misleading advertisements, unfair trade practices and violations of consumer rights, and to ensure that no person takes part in the publication of a misleading advertisement.

These powers are directed at the advertisement and the practice, not at the existence of a contract of sale with the publisher. The persons to whom the listings are addressed, and who would purchase Ammonium Nitrate from the listed sellers in reliance on them, are the very persons whom these provisions protect. That the opposite party charges the searching user nothing, while charging sellers a subscription for visibility, does not take its publication outside the Act. For the reasons recorded in the following paragraphs, the Authority also does not accept the plea that the platform was exclusively meant for businesses.

34. The opposite party's reliance on the intermediary liability exemption under Section 79 of the IT Act is misplaced. Section 79(1) is expressly subject to sub-sections (2) and (3), and the benefit of safe harbour is conditional upon compliance with the due diligence obligations prescribed under Section 79(2) and the guidelines made thereunder. Rule 3(1)(b) of the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 independently obligates every intermediary to exercise due diligence to ensure that unlawful information, including the sale of goods prohibited under applicable law, is not hosted, displayed, uploaded, published or transmitted on its platform. The opposite party has placed on record only its published Terms of Use, Listing Policy and Privacy Policy. Its assertions that it conducts mandatory KYC and business registration checks for all vendors, operates automated content-moderation filters and conducts periodic compliance audits are bare statements, no record has been produced to show how any of these operated in respect of the Ammonium Nitrate listings, and the same submission elsewhere describes KYC as a best-effort measure for paid listings only. A policy prohibiting hazardous or regulated goods has value only if enforced. By the opposite party's own account, most of the Ammonium Nitrate listings were 3 to 20 years old and remained discoverable until the Show Cause Notice, notwithstanding its claim that its teams validate data at regular intervals and that a mandatory compliance audit exists for such categories. The opposite party does not satisfy the due diligence requirements as mentioned under Section 79 of the IT Act. It compiles data from various sources into its database, labels sellers as 'Verified', and ranks and promotes listings for a subscription fee, which goes beyond merely providing access.

35. Further, the impugned listings were removed/blocked only after initiation of regulatory proceedings, establishing that the products remained available and accessible on the platform for a considerable period prior to intervention by the Authority. In this regard, the Authority holds that the Ammonium Nitrate Rules, 2012 have been in force for well over a decade and an entity operating a digital platform in India is not entitled to await a notice or intervention from the CCPA before ensuring that goods regulated and restricted under the law of the land are not offered, listed or made available on its platform, the obligation to comply with such law is a continuing and independent one and does not arise only upon receipt of a regulatory communication. Subsequent removal, as correctly noted in the Investigation Report,

does not cure the contravention for the period during which the listings remained available.

36. The CCPA further observes that the opposite party's compliance framework, as described in its submissions, namely reliance on vendor representations in its Terms of Use, KYC for paid listings only and removal of listings upon notification, operates on a reactive, post-violation basis and presupposes that an unlawful listing must first appear, and be noticed by someone, before any corrective action is triggered. Such a framework is inherently insufficient for a platform that publishes listings of statutorily regulated and hazardous substances.

37. A consumer browsing a platform cannot reasonably be expected to independently verify complex regulatory requirements such as PESO licensing or traceability safeguards, the burden of ensuring that only lawful and compliant products are promoted rests upon the platform, not upon the consumer. A compliance model that depends entirely on ex-post detection, complaint or regulatory intervention, rather than ex-ante verification at the point of listing, impermissibly shifts the burden of legal compliance onto unsuspecting consumers and defeats the preventive object of the Act. The continued availability of the impugned listings, notwithstanding the opposite party's stated safeguards, demonstrates that such a reactive mechanism is, by itself, wholly insufficient to meet the standard of due diligence expected.

38. Section 2(9) of the Act defines 'consumer rights' to include, inter alia, the following right, which is squarely attracted in the facts of the present case:-

> *"(9) "consumer rights" includes,- (i) the right to be protected against the marketing of goods, products or services which are hazardous to life and property,"*

39. Ammonium Nitrate has been declared an explosive under Notification No. S.O. 1678(E) dated 21st July, 2011, issued under Section 17 of the Explosives Act, 1884 and its possession, transport and use are accordingly subject to statutory safeguards and restrictions. Listing and openly marketing such a substance on an e-commerce platform, without verifying the licence of the seller or the eligibility of the buyer, exposes consumers to a hazardous product without the safeguards by law and violates the consumer right set out in Section 2(9) (i) of the Act extracted above, warranting exercise of the Authority's under Section 18 of the Act in a matter affecting consumers as a class.

40. It may be mentioned that Section 2(28) of the Act defines "misleading advertisement" in relation to any product or service to mean 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 implicit 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.

42. The impugned listings presented Ammonium Nitrate for commercial dealing in the same manner as an ordinary and unregulated product, displaying its price, photographs and 'Call Now'/'Get Best Price' options, under a heading and indicators denoting verified sellers, without disclosing that its lawful purchase is subject to the requirement of a valid PESO licence or that unauthorised possession may attract penal consequences. By presenting the product thus, the listings created an impression that Ammonium Nitrate was freely and lawfully available to any visitor to the platform, which is both false and likely to mislead consumers regarding the legal status and permissible use of the product, within sub-clause (ii) of Section 2(28).

43. The same conduct amounts to deliberate concealment of important information under sub-clause (iv) of the Section 2 (28), particularly regarding licensing requirements, buyer eligibility, traceability and necessary safety disclosures, and, if such representation were made directly by a seller to a consumer, it would constitute an unfair trade practice, bringing the advertisement also within sub-clause (iii).

44. Further, as noted above, the listing was accompanied by imagery depicting explosions and blast-effects, which was apparently placed alongside the product description with a view to drawing consumer attention to and gaining interest in, the product, such use of imagery reinforces the misleading and inducing character of the advertisement and cannot be dissociated from the opposite party's liability merely on the plea that it operates a B2B platform, more so where, as found above, the opposite party retained full control Over the content on its platform and could and did, remove the listing once it chose to act. In view of the above, the impugned listing constitutes 'misleading advertisement' within the meaning of Section 2(28) of the Act.

45. Section 2(47) of the Act defines 'unfair trade practice' as a trade practice which, for the purpose of promoting the sale, use or supply of any goods, adopts any unfair method or unfair or deceptive practice. The promotion, by the opposite party, of the availability of a substance whose sale is statutorily restricted to licensed and verified persons, on terms indistinguishable from the sale of an ordinary commercial good and without the verification, traceability or disclosure safeguards required by law, is precisely such an unfair and deceptive practice.

46. It promoted the sale of the product by presenting it as though freely purchasable, while withholding the material information that its lawful acquisition requires a licence and that unlawful possession is a penal offence, information a reasonable consumer would regard as material to a decision to transact. As recorded in the Investigation Report, this misleading presentation was compounded by the use of imagery depicting an explosion, and by the 'Verified Sellers' framing,

which assured rather than cautioned consumers. The conduct of the opposite party accordingly amounts to an 'unfair trade practice' within the meaning of Section 2(47) of the Act.

47. Rule 4(3) of the Consumer Protection (E-Commerce) Rules, 2020 provides that no e-commerce entity shall adopt any unfair trade practice in the course of its business, whether on its platform or otherwise, Rule 5 requires a marketplace e-commerce entity to ensure that sellers provide accurate descriptions of goods and all relevant information necessary for consumers to make informed decisions. As discussed above, the opposite party is not excluded from these Rules merely because it characterises itself as a directory, nor is it absolved on the ground that the listings were uploaded by vendors, given that it retains, and has exercised, the ability to review, restrict and block such listings and itself sources data for its database.

48. No material has been placed on record to show that any effective verification mechanism was applied to the Ammonium Nitrate listings before they were detected by the CCPA. Accordingly, the opposite party has failed to comply with Rule 4(3) and Rule 5 of the Consumer Protection (E-Commerce) Rules, 2020. The Authority further affirms that the safe harbour under Section 79 of the IT Act is conditional upon fulfilment of the due diligence requirements under Section 79(2) thereof, and that the opposite party has failed to establish that it exercised such due diligence in relation to the impugned listings.

49. It is pertinent to note that Ammonium Nitrate is a highly reactive substance capable of being misused in the manufacture of improvised explosives. Any unauthorised sale, possession, transport, or use of the said substance without adequate safeguards poses a serious threat to public safety and national security, warranting strict regulatory oversight. Section 6A of the Explosives Act, 1884 prohibits the sale or delivery of explosives, including Ammonium Nitrate above the prescribed threshold, to a person not duly authorised or verified, Section 9B provides penal consequences for contravention, and Section 9C provides for liability of companies and persons responsible for the conduct of their business. Rule 4 of the Ammonium Nitrate Rules, 2012 prohibits possession of Ammonium Nitrate for sale without a valid PESO licence and Rule 6(6) prohibits delivery or dispatch of the substance to, or receipt from, any person other than a licence holder.

50. The opposite party has admitted that it does not collect or maintain licences under the Ammonium Nitrate Rules, 2012 and did not verify seller licences, buyer eligibility or transaction traceability in relation to the impugned listings, this failure may be dealt with separately by the competent authorities under the regulatory framework governing explosives, and independently supports the Authority's finding that the conduct of the opposite party was misleading and constituted an unfair trade practice under the Consumer Protection Act, 2019.

51. It is important to note that CCPA clarifies that the licensing, enforcement and penal provisions under the Explosives Act, 1884 and the rules made thereunder fall

within the jurisdiction of PESO and other competent authorities and the present Order does not record or determine any criminal liability thereunder. These provisions are, however, relevant to the present inasmuch as they establish the legal restrictions applicable to Ammonium Nitrate and, consequently, the information material to Consumers under Section 2(28) Of the Act and the safeguards required to considered by the opposite party while permitting the listing of such a regulated substance, in the context of Section 2(47) of the Act and Rules 4(3) and 5 Of the Consumer Protection (E-Commerce) Rules, 2020.

52. In view of the foregoing analysis, the CCPA finds that the opposite party has violated the following provisions:

i. Section 2(9) of the Consumer Act, 2019: by facilitating the marketing of a good hazardous to life and property

ii. Section 2(28) Of the Consumer Protection Act, 2019: misleading advertisement, inasmuch as the listing concealed material information regarding licensing, buyer eligibility and lawful usage conditions and was likely to mislead consumers as to the legality and permissible use of the product.

iii. Section 2(47) of the Consumer Protection Act, 2019: unfair trade practice, inasmuch as the opposite party adopted a deceptive practice by hosting and facilitating the availability of a regulated explosive substance without the regulatory safeguards mandated by law.

iv. Rule 4(3) and Rule 5 of the Consumer Protection (E-Commerce) Rules, 2020.

v. The aforesaid provisions Of the Consumer Act, 2019 and the Consumer Protection (E-Commerce) Rules, 2020, read with Section 6A read with Sections 9B and 9C of the Explosives Act, 1884 and Rule 4 and Rule 6(6) of the Ammonium Nitrate Rules, 2012, insofar as the latter provisions bear upon the materiality of the concealed information and the adequacy of the safeguards required, as discussed above, it is clarified that this Order does not record or determine any liability under the Explosives Act, 1884 or the Rules made thereunder, which falls within the jurisdiction of the competent authorities under that law.

53. The CCPA is empowered under Section 21 of the Act to issue directions to the advertiser of a false or misleading advertisement to discontinue or modify the advertisement and, if necessary, to impose by order a penalty which may extend to ten lakh rupees and for every subsequent contravention, to a penalty which may extend to fifty lakh rupees. Section 21(7) of the Act requires the Authority, while determining such penalty, to have regard to –

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.

54. The CCPA notes that this is the first proceeding of its kind against the opposite party before it within the meaning of Section 21 of the Act. At the same time, the Authority takes serious note of the following aggravating factors:

i. The substance in question is not an ordinary consumer good but a statutorily classified explosive, the unregulated availability of which carries grave implications for public safety and national security, placing the present violation, in terms of potential severity of harm, in a materially different category from an ordinary misleading advertisement,

ii. The opposite party's platform allowed a listing of the substance to be accompanied by imagery depicting an explosion, reflecting not merely a passive lapse but content that could induce consumer interest and a serious failure of content moderation,

iii. The opposite party operates at pan-India scale, with approximately 54.7 million listings and 192.9 million quarterly unique users on its own figures, the impugned listings relating to sellers in several States and being freely accessible to the public,

iv. The opposite party earned subscription revenue through paid campaigns in connection with sellers whose Ammonium Nitrate listings were identified, while carrying out no verification of the regulated status of the product being promoted,

v. The opposite party failed to maintain or produce records demonstrating the due diligence it claims, including data on quantities sold and licences verified, and produced no evidence of the actual functioning of the KYC, content-moderation and audit mechanisms it asserts,

vi. The opposite party took no step against the concerned sellers beyond removal of listings and did not report the matter to PESO or any other authority, as it has itself admitted,

vii. The opposite party advanced inconsistent positions, describing itself as a passive directory while promoting listings for consideration, asserting that it is prohibited from moderating vendor information while claiming automated moderation, and stating that no Ammonium Nitrate category was active while its own response recorded several of the listed sellers as 'Active'.

viii. The opposite party allowed the impugned listings, which by its own account were 3 to 20 years old, to remain available and did not act until regulatory intervention, notwithstanding that the licensing and traceability requirements under the Ammonium Nitrate Rules, 2012 have been in force for well over a decade.

55. The Authority notes that the opposite party has been given ample and repeated opportunities to present its case:

i. It was allowed time beyond the fifteen days given in the SCN dated 1st April, 2026 and filed its reply on 18th May, 2026. It responded to the DG (Investigation) on 23rd June, 2026 and to the Investigation Report on 6th August, 2026.

ii. After the hearing of 7th August, 2026 could not take place, the matter was adjourned on its requests of 21st August, 8th September, 21st September and 16th October, 2026, each of which was allowed. Its request of 7th September, 2026 for six weeks was declined, with a caution that non-appearance would be viewed seriously.

iii. On 16th October, 2026, the Authority listed the matter for final hearing on 23rd October, 2026 and expressly stated that no further opportunity would be given.

iv. On 23rd October, 2026, the opposite party's representatives, including its legal team and one counsel, were present but sought another adjournment because the senior counsel was in arbitration proceedings. It did not accept the Authority's offer to wait until 7:00 PM. Later it emailed a different reason and asked for a date on or after 30th October, 2026, without proposing any shorter date.

Thus, the Authority is satisfied that the opposite party has had ample opportunity to present its case. At the hearing held on 16th October, 2026, the Authority expressly stated that the next date would be the final opportunity, as recorded in para 23 above, and the same was reiterated by email dated 16th October, 2026, with the clear caution that no further opportunity would be provided. Despite this, the opposite party again sought an adjournment on 23rd October, 2026, and neither availed of the final opportunity nor accepted the Authority's offer to wait until 7:00 PM. The requirements of the principles of natural justice (*audi alteram partem*) have therefore been fully met, and the matter is decided on the record, including the Written Submission.

56. Having regard to the nature and gravity of the violations, the vulnerability of consumers and the public at large to the risks arising from unregulated access to an explosive substance, the pan-India reach of the opposite party's e-commerce platform, the duration for which the impugned listing remained available and the opposite party's failure to cooperate with the investigation or to demonstrate any legal action against the concerned seller, the CCPA is of the view that it is appropriate to impose the maximum penalty prescribed for the first contravention under Section 21 of the Act.

57. In view of the above, in exercise of powers under Sections 20 and 21 read with Section 10 of the Consumer Protection Act, 2019, the CCPA hereby issues the following directions:

i. The opposite party shall immediately discontinue the listing, hosting, advertising, promotion, or facilitation of access to or sale of Ammonium Nitrate, or of any other substance classified as an explosive under the Explosives Act, 1884, or otherwise regulated under any applicable law, on its platform.

ii. The opposite party is directed to pay a penalty of Rs. 10,00,000/- (Rupees Ten Lakh) for the violations detailed in the foregoing paragraphs.

iii. The opposite party shall submit a compliance report in respect of directions (i) to (ii) above within 15 days of receipt of this Order.

.....
(Nidhi Khare)
Chief Commissioner

.....
(Anupam Mishra)
Commissioner

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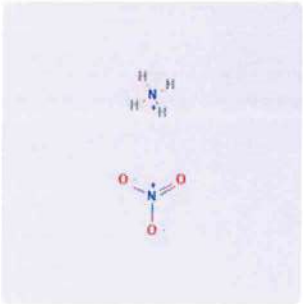
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