Ministry of Consumer Affairs, Food & Public Distribution

CCPA Imposes ₹10 Lakh Penalty on Dial4Trade for Online Listing and Sale of Explosive Substance Without Mandatory Safeguards

Platform found facilitating online listing of Ammonium Nitrate without licence verification, buyer eligibility checks and mandatory safety disclosures

Action follows sector-wide examination of online platforms for listing and sale of regulated hazardous and explosive substances

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The Central Consumer Protection Authority (CCPA) has imposed a penalty of ₹**10 lakh on Dial4Trade Technologies Private Limited** for facilitating the online listing, hosting, advertising and sale of **Ammonium Nitrate** on its e-commerce platform without the mandatory regulatory safeguards required under law. The final order was passed by the CCPA, headed by Chief Commissioner Smt. Nidhi Khare and Commissioner Shri Anupam Mishra, under Sections 10, 20 and 21 of the Consumer Protection Act, 2019.

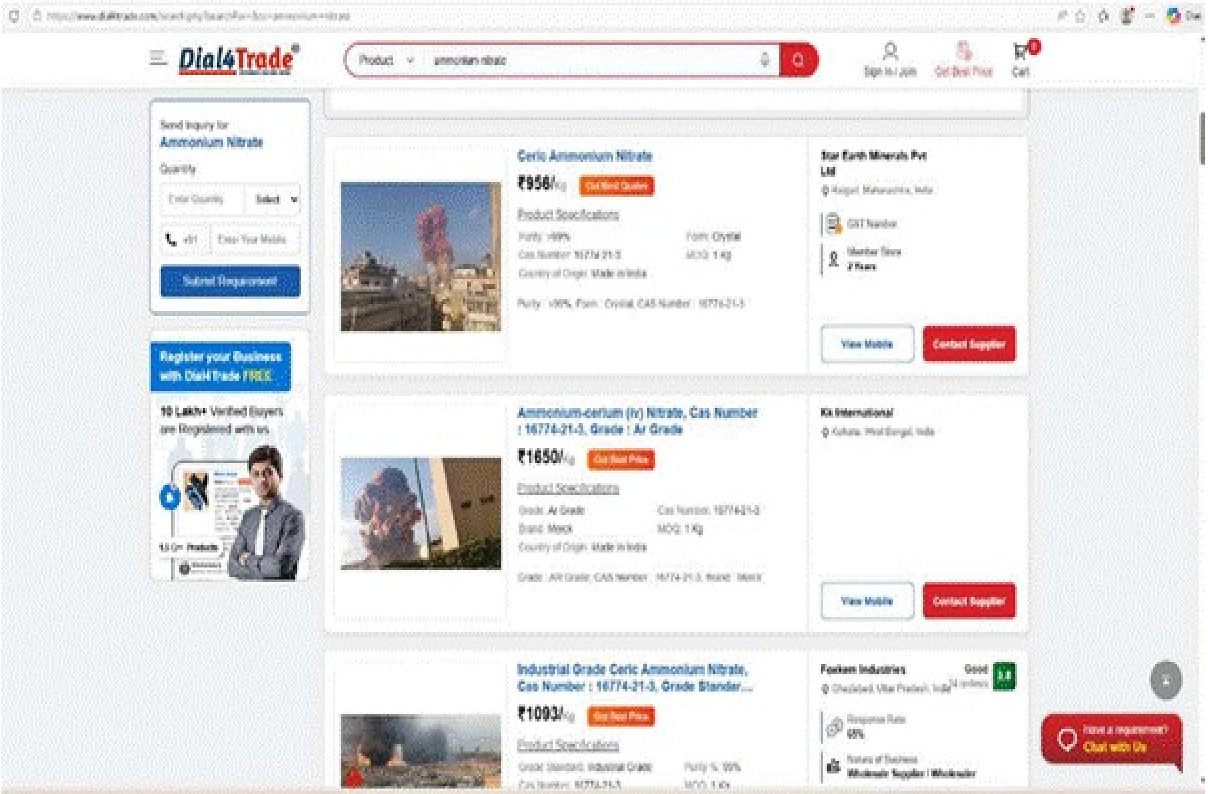
The CCPA has also directed Dial4Trade to **immediately discontinue the listing, hosting, advertising or facilitation of sale of Ammonium Nitrate, or any other substance classified as an explosive under the Explosives Act, 1884**, on its platform.

CCPA finds absence of mandatory disclosures and verification

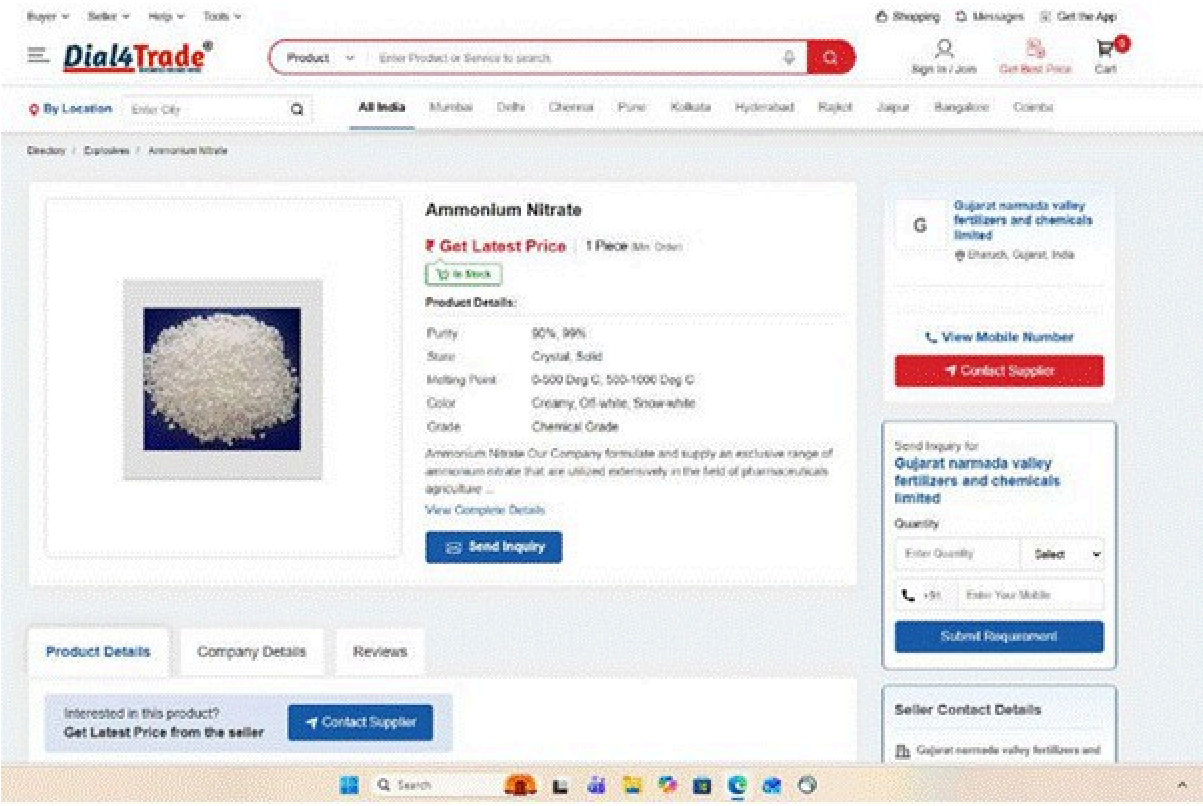
During examination of the platform, the CCPA found that Ammonium Nitrate was listed and made available for purchase without adequate safeguards, including:

- Disclosure of valid **PESO (Petroleum and Explosives Safety Organisation) licence details** of the seller.
- Verification of the **identity and licensed status of the buyer** before purchase.
- Mechanisms to ensure **traceability of transactions**, as required under the Ammonium Nitrate Rules, 2012.
- Cautions regarding legal restrictions on the possession and use of the substance and the consequences of unauthorised possession.

The listing was also accompanied by imagery depicting explosions and blast effects. The CCPA observed that such imagery was likely to attract attention to the product rather than communicate its hazardous and regulated nature.



The CCPA held that a product listing hosted on a digital marketplace and communicated to the public over the internet falls within the definition of an **"advertisement" under Section 2(1) of the Consumer Protection Act, 2019**. The Authority further held that presenting a regulated explosive substance for sale in the manner of an ordinary consumer product, without informing users that its lawful purchase requires the prescribed licence, constitutes a **misleading advertisement and unfair trade practice** under Sections 2(28) and 2(47) of the Act.



Dial4Trade contended that it operates as a **Business-to-Business (B2B) marketplace intermediary** and should not be held responsible for listings uploaded by third-party sellers. The CCPA rejected the contention, noting that the platform permitted purchase of the substance in quantities as low as a single unit and did not have minimum order quantity or institutional-buyer verification mechanisms ordinarily associated with a B2B model.

The CCPA also held that the **Consumer Protection (E-Commerce) Rules, 2020 apply to marketplace e-commerce entities**, irrespective of how the platform describes its business model.

The CCPA also examined Dial4Trade's reliance on the intermediary safe-harbour protection under **Section 79 of the Information Technology Act, 2000**. The Authority observed that such protection is subject to compliance with prescribed due-diligence requirements. It found that a compliance mechanism based only on **reactive removal of listings after detection**, rather than verification at the point of listing, was insufficient in the case of regulated and hazardous substances.

The CCPA also noted that Dial4Trade had the ability to block sellers and delist products from its platform, indicating that the platform exercised control over the content hosted on it.

Sector-wide examination of e-commerce platforms

The action against Dial4Trade forms part of the CCPA's ongoing examination of e-commerce platforms concerning the unauthorised online sale of **hazardous chemicals, explosive substances and related precursors**. The substances under examination include **Ammonium Nitrate, Gun Powder, Picric Acid and Pentaerythritol Tetranitrate (PETN)**.

The matter is currently under examination in respect of the following platforms:

1. India MART
2. Justdial
3. Sigma-Aldrich India
4. Exporters India
5. Ibuychemikals
6. Alpha Chemika
7. TradeIndia

CCPA reiterates need for due diligence by e-commerce platforms

The CCPA noted that Ammonium Nitrate is a regulated substance whose unauthorised sale or possession without prescribed safeguards can pose risks to public safety. The Authority reiterated that consumers rely on product listings and descriptions while making online purchases and that e-commerce platforms are required to undertake appropriate due diligence when dealing with regulated products.

The CCPA reaffirmed its commitment to **protecting consumer rights, preventing unfair trade practices and strengthening compliance by e-commerce platforms**, particularly in relation to regulated and hazardous products.

The final order is available on the CCPA website: https://ccpa.doca.gov.in/

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RT/ ARC