

Central Consumer Protection Authority
Krishi Bhawan, New Delhi -110011

Case No: CCPA-2/49/2023-CCPA

In the matter of: M/s Hindware Home Innovation Ltd. regarding misleading advertisement.

CORAM:

Mrs. Nidhi Khare, Chief Commissioner

Mr. Anupam Mishra, Commissioner

APPEARANCES:

For M/s Hindware Home Innovation Ltd:

- i. Mr. Sanjeev Kumar, DSM Legal
- ii. Mr. Manvendra Singh, DSM Marketing

Date: 08.07.2024

ORDER

1. The hearing was conducted through video conferencing on 27.06.2024
2. This is a suo-moto case taken up by the Central Consumer Protection Authority (hereinafter referred as CCPA) against M/s Hindware Home Innovation Ltd. (hereinafter referred as opposite party) wherein it was observed that the opposite party was allegedly publishing the misleading advertisement on its official website (www.hindwareappliances.com). The opposite party claims "LIFETIME WARRANTY[#]" on following products which is followed by '#' as a superscript.

- i. Delfina Plus 60 designer Chimney
- ii. Optimus i-Pro 60 Chimney
- iii. Optimus i-Pro 60 Auto Clean Chimney
- iv. Optimus BLK 90 Auto Clean Chimney
- v. Optimus BLK 60 Auto Clean Chimney
- vi. Titania 60 Maxx Auto Clean Chimney
- vii. Essence 60 Auto Clean Chimney
- viii. Serena 60 Auto Clean Chimney
- ix. Revio 60 Maxx Clean Chimney
- x. Revio Plus 60 Auto Clean Chimney
- xi. Viola Auto Clean 60 Chimney

- xii. Nadia Auto Clean 60 Chimney
- xiii. Alicia Plus 60 Auto Clean Chimney
- xiv. Alicia Plus 90 Auto Clean Chimney
- xv. Cravia Neo 90 Island Chimney
- xvi. Zavio Plus 60 Auto Clean Chimney
- xvii. Zita 60 Decorative Chimney
- xviii. Zinnia BLK 60 Maxx Silence Chimney
- xix. Ricardo- Handmade designer sink
- xx. Cameron- Designer sink
- xxi. Everado- Handmade Designer sink.
- xxii. Enrico 54X18XB (GLOSSY) sink

3. Accordingly, the CCPA took cognizance of the matter and conducted a preliminary inquiry to examine the veracity of the advertisement made by the opposite party. As per the preliminary inquiry report, it was found that the opposite party showcased various types of products on its official website. However, for a significant number of chimneys and sinks, they used the term 'LIFETIME WARRANTY[#]'. The CCPA observed that important information regarding the 'LIFETIME WARRANTY[#]' claim was deliberately concealed. Further, the opposite party appears to be falsely describing its abovementioned products and providing a false guarantee about them, which is likely to mislead consumers regarding the nature, substance, or quality of such products. Therefore, the CCPA is satisfied that there exists a prima facie case of misleading advertisement under the Consumer Protection Act, 2019.

4. Accordingly, the Central Authority issued a notice dated 11.07.2023 to the opposite party for violation of provisions of the Consumer Protection Act, 2019 highlighting the issue of misleading advertisement by deliberately concealing important information, falsely describing such products and giving a false guarantee which is likely to mislead consumer as a class. An opportunity to furnish its response within 15 days of the issue of the Notice was given to the opposite party.

5. In response to the notice, a reply dated 08.08.2023 was received from the opposite party, wherein, following submissions were made:

- i. Opposite party stated that instruction manual/owner's manual of the products in question mentions about lifetime warranty of the said products. The said instruction manual/owner's manual is available with each product and every customer can verify the commitment of the word "LIFETIME WARRANTY[#]" related to the said product before purchasing the same. We have not given an advertisement to public

at large nor made any advertisement for offer to buy the product to public at large.

- ii. Opposite party stated that the customer should be aware and apply common sense what they are buying and what are the salient features of the products etc. The company is providing the Lifetime warranty on the motor of chimney and not on the product but clearly declared that the life of the product is 10 years.
- iii. Opposite party stated that lifetime warranty of products depends on various natural factors such as fire, earthquake, and acts of God as well as usage factors such as supplying electricity load, corrosive material for cleaning, unauthorized way of servicing etc. The company covers the lifetime warranty of the products, if customer uses the products as per guidelines suggested in the instruction manual/owner's manual and prescribed norms of usage.
- iv. Opposite party stated that when a product is manufactured, it consists of many parts which together assemble to make a whole product in question. Some Products have limited useful as normal working life. Chimney is covered under electrical goods category wherein its durability depends on many factors and electrical supply is one of the ingredients. Considering all these various facts in mind, opposite party provided the instruction manual and usage guidelines to customer to normal care and protection of products in question.
- v. Opposite party placed reliance on case- DG (I&R) v. Faber Heatkraft Industries Limited 2013 (12) TMI 51- Competition Appellate Tribunal.

6. In view of the above, the CCPA vide letter dated 28.08.2023 has requested Director General (Investigation) to initiate a detailed investigation into the matter.

7. Thereafter, an opportunity of hearing was provided to the opposite party on 11.09.2023 wherein opposite party was represented by Mr. Sanjeev Kumar and Mr. Manvendra Singh, wherein, they made the following submissions: -

- i. Opposite party is not advertising the said products anywhere on print media or electronic media. They are selling the said products through their official website.
- ii. Opposite party does not provide a Lifetime warranty on all products.

- iii. The opposite party defines the life of the product as 10 years, and Lifetime warranty is applicable only to selected models and specifically to the motor of the questioned products.
- iv. Opposite party stated that it is the duty of consumer to be aware about the product and its details. They should go through the product catalogue and brochure before purchasing the product.
- v. The opposite party stated that products launched after receiving notice from CCPA comply with CCPA's requirement that warranty terms should be clear upfront.
- vi. The opposite party stated that the Amazon site is managed by Amazon, and they provide information about products to be uploaded accordingly. The opposite party submitted that they would ask Amazon and other e-commerce platforms/sites to rectify the discrepancies pointed out by CCPA on an urgent basis.
- vii. The opposite party assured that they will change the descriptions, specifications, and product details regarding the claim of "LIFETIME WARRANTY" accordingly.

8. In view of the above, the CCPA issued the following directions through an interim order dated 16.10.2023:

- i. The CCPA noted that the opposite party should not advertise a lifetime warranty for a product if it is not meant to be a lifetime warranty. A consumer of ordinary prudence is likely to understand a claim of "Lifetime Warranty" to mean the entire life of the product, not just the product life as defined by the company.
- ii. The period of warranty for any durable product should be clearly stated in the advertisement and not only in the user manual. Advertisements attract customers based on guarantees and warranties; therefore, the fact that the guarantee or warranty is valid during the normal/expected working life of the product must be mentioned upfront in any advertisement, and not only in brochures or the user manual that the consumer goes through only after purchase.
- iii. The CCPA directed the opposite party to submit an undertaking regarding the products advertised with a "LIFETIME WARRANTY." This undertaking must state that the opposite party will revise their

warranty claims to accurately reflect the actual warranty period in specific years and clearly specify which parts are covered by the said warranty.

9. The opposite party vide letter dated 26.10.2023 made the following submissions:

- i. That the company does not intend to violate the rights of the consumer provided under the provisions of the consumer protection Act, 2019 and concluded to withdraw Lifetime Warranty clause.
- ii. Consumer often misinterpret the actual meaning of the Performa delivered to them along with the product that leads to such kind of discourse. That the sellers/retailers selling the products are also not aware about the legal complications behind such clauses like lifetime warranty and wrongly misinterpret it to the customer which result in such unintended disputes.
- iii. To avoid any future disputes, and as suggested by the CCPA, the Lifetime Warranty has been removed from all the products. This change has been implemented on www.hindwareappliances.com and other e-commerce portals.
- iv. For products with a lifetime warranty that have already been sold to consumers, or products that are not under the direct control of the company, the conditions cannot be changed and will remain as originally specified. We assure adherence to the terms of service as agreed with the customer and will honor these terms in good faith whenever required.

10. The Director General (Investigation) in its investigation report dated 06.05.2024 submitted the following:

- i. Two emails dated 16th February and 12th March 2024, were sent to Company's official email IDs (wecare@hindware.co.in) and (ngoenska@hindware.co.in), calling for additional documents or submissions, to which the Company did not respond. The Company on its website was still using the term "Lifetime Warranty" on their products namely Optimus iPro-60 Chimney and Optimus iPro Chimney on 14.02.2024. Thus, it appears that the Company was

trying to mislead the consumers by giving a false guarantee, falsely describing such product or services and deliberately conceals important information with respect to above mentioned product and consequently violates the rights of consumers as a class as per the provisions of the Consumer Protection Act, 2019. In the meanwhile, it is also noticed that the Company has removed the term "Lifetime Warranty" for its products from its website now. Instead, now the company is using the words for warranty, like "2 years comprehensive; 10 years on Motor" in its advertisements.

- ii. M/s Hindware Home Innovations Ltd. previously utilized the term "Lifetime Warranty" for its products in advertisements across various online e-commerce platforms, including Amazon, Flipkart, etc., as well as on its own website. Following scrutiny, the company has removed such terms from both its website and other online platforms. However, it's noteworthy that until recently (14.02.2024), the company's use of the term "Lifetime Warranty" may have misled consumers, potentially influencing their purchasing decisions. This could be seen as a violation of Section- 2(9) and 2(28) under the Consumer Protection Act, 2019.
- iii. Additionally, the lack of response from the company to communications and failure to furnish requested documents or clarifications to the investigating team are concerning.

11. The Investigation Report submitted by DG (Investigation) was shared with the opposite party vide letter dated 29.05.2024 to furnish its comments, if any within 7 days.

12. In response to the Investigation report, CCPA received a reply from the opposite party on 10.06.2024, wherein, following submissions were made:

- i. This is to state that on suggestion of the CCPA and communication thereto, we have taken time to remove/rectify the "Lifetime Warranty" on the product in questions. Our team/consultant has rectified/deleted the term "Lifetime Warranty" of the products in question and inform the same to your office in this regard.

- ii. Further to your mail dated 16.02.24 and 12.03.24 when we noticed that it is still pending on “Optimus I pro chimney” products, we warned our consultant and instructed to look into the same and they promptly rectify the same.
- iii. We as a team are also looking at the online website and its contents continuously to keep things in mind not to violate the laws/rules made thereto, if any noticed. We have consumer centric business and having in this field as a “Hindware” Brand in the market from more than 65 years.
- iv. We further reiterate that the company does not have any intention to represent false representations or misleading advertisement pertaining to warranty of the products or services to consumer at prevailing time and we assure to adhere the same in future.

13. Thereafter, an opportunity of hearing under the Consumer Protection Act, 2019 was provided to the opposite party on 27.06.2024 wherein opposite party was represented by Mr. Sanjeev Kumar, DSM legal and Mr. Manvendra, DSM marketing. They made the following submissions:

- i. After receiving directions from the CCPA, the opposing party has removed the term 'Lifetime Warranty' from all its products except for one or two products that were mistakenly left. As soon as the opposing party became aware of this, they also removed the said term from those products.
- ii. Opposite party stated that other brands were using the same term for their products. That's why they also opted to use the term 'Lifetime Warranty'. They were of the opinion that the term 'Lifetime Warranty' will give them marketing mileage.
- iii. As of today, opposite party is not using 'Lifetime Warranty' on its products, either on online platforms or offline stores.
- iv. Opposite party has started mentioning specific warranty with respect to the product and its parts to make it more elaborate for the consumers.

14. Section 2(1) of the Consumer Protection Act, 2019 defines 'advertisement' which 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. Therefore, the opposite party making a representation or pronouncement of "LIFETIME WARRANTY" about its products on print or electronic media, internet, or website fall within the definition of 'advertisement' under Section 2(1) of the Consumer Protection Act, 2019.

15. It may be mentioned that Section- 2(28) of the Act defines "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.

16. The opposite using the term 'LIFETIME WARRANTY' which could mean that the warranty will last for the entire life of the product. However, the opposite party's definition of "lifetime" refers to a limited period or the expected working life of the product which makes the description false and misleading. The term "Lifetime Warranty" suggests a long-term commitment from the opposite party, which influences consumers' purchasing decisions. If the warranty period is actually limited and not as extensive as implied, it constitutes a false guarantee and mislead consumers about the true duration of the warranty.

17. It is important to mention that the Consumer Protection Act, 2019 empowers consumers and protect their rights. The Act emphasizes the rights of consumers, such as the right to be informed, right to choose, right to be heard, and right to seek redressal. These rights shift the burden of responsibility onto sellers and manufacturers to ensure transparency and fair dealing.

18. The term "Lifetime Warranty" attracts a large number of consumers to purchase the products. Therefore, information regarding the warranty and guarantee of a product is important for consumers to address any issues with the product. The actual terms and conditions of the "Lifetime Warranty" are deliberately concealed from the consumers. It is only when consumer buy products through stores or online platforms, the instruction manual will be provided in the product box after the purchase and in that instructions manual, company provide warranty card and further details about

warranty. Therefore, an important information is being concealed from consumers at the time of sale/advertising. Opposite party used the term "LIFETIME WARRANTY" with the products and later defined the life of such products as 10 years, specifically for the motor of the chimney, can lead consumers to make purchasing decisions based on incomplete or misleading information. Instead of concealing this important information, the opposite party should have mentioned the warranty claims truthfully, honestly, and upfront in its advertisement.

19. It is important to mention that Consumer Protection (E-Commerce) Rules, 2020 specially provides for duties and liabilities of inventory e-commerce entities under Rule 7 which states that they shall provide the information in a clear and accessible manner, displayed prominently to its users at the appropriate place on its platform i.e., information relating to return, refund, exchange, warranty and guarantee, delivery and shipment, modes of payment, and grievance redressal mechanism, and any other similar information which may be required by consumers to make informed decisions. Rule 8 provides for Contravention of rules and states that the provisions of the Consumer Protection Act, 2019 (35 of 2019) shall apply for any violation of the provisions of these rules. The opposite party has also violated the abovementioned provisions of Consumer Protection (E-Commerce) Rules, 2020.

20. The CCPA has carefully considered the written submissions as well as submissions made by the opposite party during hearings and investigation report submitted by Director General (Investigation) and found that the opposite party in its advertisement has used the term "Lifetime Warranty" for its products and deliberately concealed important information, falsely describes its products, gives false guarantee as to nature, substance or quality of the products. This practice mislead consumers as a class and attract them into buying the said products. Thus, it makes a fit case of misleading advertisement under Consumer Protection Act, 2019.

21. The CCPA is empowered under Section- 21 of the Consumer Protection Act, 2019 to issue directions to the advertiser of false or misleading advertisement to discontinue or modify the advertisement and if necessary, it may, by order, impose a penalty which may extend to ten lakh rupees and for every subsequent contravention may extend to fifty lakh rupees. Further, Section 21 (7) of the above Act 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.

22. The subject matter products are chimneys and sinks which are commonly used in every household in India. Therefore, the vulnerability of the class of persons likely to be adversely affected by such misleading advertisement is huge.

23. In view of the above, under section- 21 of the Consumer Protection Act. 2019, CCPA hereby issues the following direction to the opposite party:

- a) To discontinue the impugned advertisement from all electronic and print media whatsoever with immediate effect.
- b) Opposite party shall pay a penalty of ₹ 1,00,000 for publishing a misleading claim "LIFETIME WARRANTY#".
- c) The opposite party shall submit the amount of penalty and a compliance report to CCPA on the above directions within 15 days from the date of this Order.


Nidhi Khare
Chief Commissioner


Anupam Mishra
Commissioner