

Central Consumer Protection Authority
Case No: CCPA-10/2023-CCPA

In the matter of: Suo-moto case against Rau's IAS Study Circle regarding misleading advertisement

CORAM:

Mrs. Nidhi Khare, Chief Commissioner

Mr. Anupam Mishra, Commissioner

APPEARANCES

For Rau's IAS study circle:

1. Mr. Amit Goel, Advocate

Date: 06.06.2023

ORDER

1. The hearing was conducted through video conferencing.
2. This is a suo-moto case taken up by the Central Consumer Protection Authority (CCPA) against Rau's IAS Study Circle wherein it was observed that the company was allegedly publishing misleading advertisement on their website (www.rauias.com) making the following claims :-
 - (i) "Best IAS Coaching for UPSC Civil Services Preparation"
 - (ii) "Hundreds of Rau's IAS Study Circle students aced UPSC exams this year as well."
3. After conducting a preliminary examination, it was found that the claim was not substantiated by any third-party market survey. Further, the claim was being advertised on the website in the absence of any comparative data, making it a prima facie case of misleading advertisement under Consumer Protection Act, 2019 (hereinafter referred to as 'the Act').
4. Accordingly, the Central Authority issued notice dated 25.08.2022 to the opposite party highlighting the issue of misleading advertisement by falsely describing

its service and deliberately concealing relevant information with respect to the specific course which was attended by the rank holders highlighted in the advertisement. As per the notice, the opposite party was given 15 days' time period to substantiate the claims made in the advertisement.

5. In response to the notice, a reply dated 09.09.2022 was received from the opposite party. In its reply, the opposite party submitted that :-

- (i) The institute was established and started by Dr. S. Rau, 70 years back i.e. in the year 1953 with a view of establishing a benchmark institution to achieve excellence in the toughest competitive exam.
- (ii) The institute has evolved into a unique fraternity of educators and students striving together, year after year, in pursuit of a single goal to contribute to the growth of the country with such an exclusive education platform.
- (iii) No other institute in New Delhi is having such an unprecedented and glorious past, vast experience of imparting IAS coaching, and exceptional faculty for the UPSC Civil Services Examination.
- (iv) The institute offers various courses such as :-
 - a) GSI Foundation Course (includes coaching and QIP i.e., Quality Improvement Program) - Course duration of 9 months + 2 years QIP support
 - b) GSI QIP/ Quality Improvement Program Course - Course duration 1 year
 - c) Optional foundation (includes coaching) - course duration 6 months
 - d) Interview Guidance Program - Mock Interviews of 1 hour with a panel of retired bureaucrats.
- (v) More than hundred candidates enrolled with the institute have cleared the UPSC 2021, thereby validating the claim on the website that "Hundreds of RAU's IAS Study Circle students aced UPSC exams this year as well"
- (vi) The institute also provides scholarships between the ranges of 33% to 100% of the course fee. The verified testimonials are available on social media platform i.e., Youtube.
- (vii) As per the following table submitted by the institute, in the year 2021, 2020 and 2019 total successful students were 143, 229 and 152 respectively. Out of these successful students in last three years 39, 45 and 28 were in top 100;

Year	Total Selection in UPSC	Students Rau's Among Total selections	Students from Rau's among Top 100
2019	829	152 (18%)	28
2020	761	229 (30%)	45
2021	685	143 (20%)	39

6. The opportunity for hearing, as mandated under Section 21 of the Act, was provided to Rau's IAS study circle on 23.05.2023.

7. In the hearing, the opposite party was represented by Ms. Swara Lipi, Advocate. Ms. Swara Lipi submitted that Mr. R.K. Gupta, who is the authorized counsel of Rau's Study Circle, is out of India currently because of some undergoing medical treatment. Ms. Lipi submitted that since Mr. Gupta is out of India till 10.07.2023, the matter may be kept for hearing any time after that date.

8. With respect to the above request, Chief Commissioner, CCPA noted that the time gap requested will be quite long and will not protect the essence of speedy disposal. Therefore, the opposite party requested to keep the matter after a couple of days so that they could consult Mr. R.K. Gupta and Rau's IAS study circle for further directions.

9. The next date for the first hearing was scheduled on 30.05.2023. Mr. Amit Goel, Advocate, appearing on behalf of the opposite party submitted with respect to the claim "Best IAS Coaching for UPSC Civil Services Examination" that the Rau's IAS Study Circle is the oldest institute, established in the year 1953, and has the most experienced faculty with retired bureaucrats and experienced educators.

10. During the hearing it was pointed out that in para 3 (a to e) of the reply dated 09.09.2022, nothing has been furnished to substantiate the claim that the institute is the best. By being the oldest or having an experienced faculty as claimed by the coaching institute, without any substantiation, the coaching institute cannot claim to be the best institute.

11. The second claim is "Hundreds of Rau's IAS Study Circle students aced the UPSC exam this year as well". During the hearing when the opposite party was questioned about this claim, Mr. Amit Goel, Advocate stated that 143 students qualified the UPSC exam in the year 2021 from their institute.

12. The data analysis of Annexure- A to the reply dated 09.09.2022 is reproduced below:-

Annexure-A

Row of Courses	Students Enrolled
GSI Foundation (includes coaching and QIP) (course duration of 9 months + 2 years Quality Improvement Program {QIP} support)	15
GSI Foundation, Quality Improvement Program Mains 2017 (Quality Improvement Program)	1
GSI Foundation, Optional Foundation	1
Interview Guidance Program (IGP)	111
Mains Quality Improvement Program 2020	1
Mains Quality Improvement Program 2020, Essay Quality Improvement Program 2020	1
Mains Quality Improvement Program 2020, Interview Guidance Program	3
Mains Quality Improvement Program 2021, Interview Guidance Program	2
Optional Foundation (includes coaching) course duration 6 months	1
Prelims Test Series 2020, Interview Guidance Program	1
Quality Improvement Program Mains 2020	2
Quality Improvement Program Mains 2021	1
Test Series Mains 19 (ENG)	2

13. On examination of the annexure (which includes the data on students) submitted with reply dated 09.09.2022, it is patently clear that out of 143 students, 111 students belong to Interview Guidance Program (IGP) course.

14. As submitted by the opposite party, the IGP course is an Interview Guidance Program which only includes mock interviews of 1 hour with a panel of retired bureaucrats.

15. Courses other than IGP are a) GSI Foundation Course (includes coaching and QIP i.e., Quality Improvement Program) - Course duration of 9 months + 2 years QIP support b) GSI QIP/ Quality Improvement Program Course - Course duration 1 year c) Optional foundation (includes coaching) - course duration 6 months

16. The total number of successful students, as claimed by the institute largely belong to the IGP course. The remaining number i.e., only 32 belong to their other course categories.

17. Unlike other courses, the IGP Course is not a full-time course. The IGP Course comes into play only after an aspirant has cleared the Prelims examination and the

Mains Examination of the UPSC CSE. Hence, claiming that an aspirant is a 'successful student' of RAU's IAS Study Circle, in absence of necessary disclosure with regard to the course opted by the aspirant, constitutes misleading advertisement under the Act. Therefore, the claim "Hundreds of Rau's IAS Study Circle students aced the UPSC exam this year as well" can undeniably mislead consumers with regard to the actual role played by the opposite party in successfully clearing the exam by an aspirant.

18. Under Section 2(28) of the Act, (28) "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;

19. In the present case, the advertisement was published on the company website, which was available in public domain 24*7, accessible to aspirants across India. The opposite party was seeking to attract a large number of aspirants through the claims in the above-noted misleading advertisement.

20. In view of the above, the Central Authority hereby passes the following directions –

- a) The opposite party shall pay a penalty of ₹1,00,000 for publishing misleading advertisement and making the above-mentioned claims in its advertisement.


Nidhi Khare
Chief Commissioner


Anupam Mishra
Commissioner

