Central Consumer Protection Authority

Krishi Bhawan, New Delhi --110001

Case No: CCPA-2/35/2024-CCPA

In the matter of: Misleading advertisement and unfair trade practice by Rapido (Roppen

Transportation Services Pvt Ltd).

CORAM:

Mrs. Nidhi Khare, Chief Commissioner

Mr. Anupam Mishra, Commissioner

APPEARANCES

For Rapido (Roppen Transportation Services Pvt Ltd): -

1. Mr. Kaustav Som, Advocate

2. Mr. Sagar Ramangondi, Advocate

Date: 20.08.2025

ORDER

1. This is a suo-moto case taken up by the Central Consumer Protection Authority

('CCPA') against Rapido [Roppen Transportation Services Pvt Ltd] (hereinafter referred to

as 'opposite party') with regard to alleged misleading advertisements on its official platforms

including YouTube channel (www.youtube.com/watch?v=wfl4oZ66idU) and Facebook Page

(www.facebook.com/rapido4bike/). The following claims were made in the advertisements –

i. Guaranteed Auto

ii. AUTO IN 5 MIN OR GET ₹ 50 (Annexure-1)

2. Taking suo moto cognizance of the impugned advertisements, the CCPA, in exercise

of powers conferred under Section 19 of the Consumer Protection Act, 2019 (hereinafter

referred to as "the Act"), conducted a preliminary inquiry to ascertain the genuineness of the

claims therein. The advertisement, prominently displayed the guarantee i.e. "Guaranteed

Auto, AUTO IN 5 MIN OR GET ₹ 50". Such a strong claim, lacking hard to miss disclaimer

was capable of creating a strong visual impression and a definite expectation regarding the

speed and reliability of the service. This guarantee appears to be acted as a direct inducement

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to consumers as class, while concealing material conditions or limitations, if any, thereby appeared to be infringing the consumers' right to be informed under Section 2(9) of the Act.

3. The issue was further aggravated by the fact that, between April 2023 and May 2024, a total of 575 consumer complaints were registered against the opposite party on the National Consumer Helpline (NCH), relating to deficiency in services, non-refund of paid amounts, overcharging, failure to provide promised services, and non-return of money. The opposite party had not made any efforts to resolve these grievances on the NCH platform despite being regularly shared with them.

April 2023 to May 2024

S. No.	Nature of Grievance	Count	Count%
1.	Deficiency in Services	325	56.5%
2.	Paid amount not refunded	58	10.1%
3.	Charging more than MRP.	31	5.4%
4.	Promised service not provided	29	5.0%
5.	Unauthorized charge of CC user charges	18	3.1%
6.	Not returning the money	15	2.6%
7.	Overcharging/Demand of Excess amount than agreed	10	1.7%
8.	Agency not responding	10	1.7%
9.	Wrong Promises	6	1.0%
10.	Account blocked/service barred.	6	1.0%
11.	Others	67	11.7%
Grand '	Total	575	100.0%

4. The CCPA also observed that, out of these 575 complaints, 5 were related to the subject matter of the present case, i.e., the impugned advertisements/claims. In these complaints, consumers specifically alleged that the guarantee of "AUTO IN 5 MIN OR GET ₹ 50" as advertised by the opposite party was not honored. Instead of receiving the promised ₹50, consumers were credited with only ₹5 in the form of Rapido coins and thereby misled consumers into believing that a flat amount of ₹50 would be credited in case of failure to provide the guaranteed service. Consumers also highlighted that such misleading advertisements caused inconvenience and wasted considerable time of the consumers.

	C:	D.		N-4		TC21
C No	Grievance Number	Reg.	City	Nature of	Grievance Details	Final Status
S.No		Date 12-05-	City	Grievance		Status No
1.	5790108		Mumbai	Misleading	Roppen Transportation	
		24 17:38			Services Pvt Ltd also known as	response
		1/:38			"Rapido" has put up a series of	from
					ads on TV, Youtube,	Rapido
					Facebook, and social media	
					handles. From what any	
					common man would	
					understand, the ads claim to	
					give Rs.50 cashback in case an	
					Auto is not booked within	
					5mins as is evident from their	
					jingle lyrics "5 Nahi Toh	
					Pachaas". On the night of 10th	
					May, at around 9:45pm i was	
					desperately trying to search for	
					an Auto at Anand Nagar Metro	
					Station in Mumbai. Many autos	
					rejected my request both on	
					Road. Then, I remembered	
					their ads and installed their app	
					for the first time as I believed	
					they must be confident in their	
					claims. I shared my personal	
					details with them hoping to	
					find an auto after an extremely	
					stressful day. But I couldn't	
					book the Auto as even their app	
					failed to book it. As a	
					compensation, they sent me	
					Rs.5 as Rapido Coins	
					(screenshot attached as proof).	
					This is totally different from	
					what they claim blatantly in	
					their ads. I spoke to their	
					customer on the same night and	
					they gave an explanation that it	
					was "Upto 50rs Casback" but their video advertisements	
					never mention the word "upto"	
					anywhere. As an educated	
					person, if I fell for their fraudulent claims then I am	
					sure many other people will fall for it. Not to mention the	
					amount of stress and	
					disheartened I felt on an	

					exhausting day to not find an Auto. I spent so much time watching their ads at so many	
					places and fell for their misleading advertisements. The	
					links to their advertisements	
					are attached below in a PDF.	
					These Ads have a combined	
					view of Millions on YouTube.	
					In fact, they have also played	
					these Ads continuously during the course of IPL as well which	
					must have got them Crores of	
					views and app installs (like	
					myself). Their earnings from	
					this kind of publicity must have	
					been humungous and all this by	
					making a fool out of all the	
					viewers. A strict action is of	
					superior importance and it	
					should set up a benchmark	
					against other Brands making similar ads in the future. I want	
					an explanation and also a	
					public apology from Rapido and want their ads to be taken	
					down to ensure the sentiments	
					of people are not played with.	
					In fact, people should also be	
					compensated for their data as	
					they have accessed people's	
					phone numbers by misleading advertisements and that itself is	
					a serious fraud that is still	
2.	5252961	12-12-	Mumbai	Wrong	ongoing everywhere.	No
۷.	3232901	12-12- 23	iviuiiibai	Wrong Promises	Guaranteed auto booking in 5 minutes or Rs. 50 cashback.	
		12:24		1 101111868	Screenshot attached for	response from
		12.24			reference. Only Rs. 5, in the	Rapido
					form of Rapido coins, was	Kapido
					credited to my account. The	
					chat support later clarified that	
					up to Rs. 50 is given as	
					cashback. However, the	
					screenshot doesn't use to the	
					words 'up to'. After wasting a	
					lot of my time with a failed	
					booking and for seeking	
					support, their senior support	
					support, men semoi support	

					agent Saraswati assured me of Rs. 50 cashback but it was never credited. It's a misleading advertisement and wastes a lot of time.	
3.	5729823	26-04- 24 18:56	Bangalore	Deficiency in Services	Subject: Non-Compliance with '5 Nahi Toh 50' Guarantee Auto Campaign Hi [Recipient's Name], I am writing to bring to your attention a recurring issue I have experienced with your '5 Nahi Toh 50' guarantee auto campaign. As you may be aware, this campaign promises users that they will receive a confirmed auto allocation within 5 minutes of search time. However, my recent experiences with your service have not aligned with this promise. On26/4/2024, I attempted to book an auto through your app, but the allocation time consistently exceeded the 5-minute mark. Despite this delay, I did not receive the promised 50 Rapido coins as compensation, but received only 5 coins.	No response from Rapido
4.	5694806	16-04- 24 21:49	Jaipur	Misleading advertisem ent	As per the current advertisements on television, Rapido is claiming lowest price guarantee. But when I checked there price from my location to Railway station, it was more as compared to others. I also tried resolving the issue on their app, but there also I don't get any positive response. So I had to book other cabs for ride. So dissatisfied with the response and false claims. Copy of screenshot also attached	-

5.	5716589	22-04-	Mumbai	Deficiency	The complainant engaged the	_
		24		in Services	services of Rapido, attracted by	
		23:31			a promotional offer advertised	
					by the company, which	
					guaranteed the lowest price or	
					a refund of the difference. On	
					April 21st, the complainant	
					booked a ride for which the	
					fare was charged at Rs. 456.	
					Simultaneously, a competing	
					service provider, Ola, offered a	
					similar service for Rs. 446,	
					highlighting a discrepancy with	
					Rapido's lowest price	
					guarantee. Despite multiple	
					attempts to resolve this issue	
					through Rapido's customer	
					support, the complainant	
					encountered significant	
					difficulties. The service agents	
					frequently closed the chat	
					prematurely, provided	
					inconsistent information, and	
					repeatedly failed to address the	
					complainant's concerns	
					effectively. Additionally,	
					promises made by customer	
					service agents were not upheld,	
					undermining trust and failing to	
					adhere to the advertised service	
					guarantees. This situation	
					raises concerns regarding	
					misleading advertising, poor	
					customer service, and potential	
					breaches of consumer rights	

5. In light of these facts, and keeping in view Sections 2(28), 2(47) and 21 of the Act, which prohibit misleading advertisements and unfair trade practices, the CCPA took cognizance of the violations. CCPA also took note of Guidelines 4 and 12 of the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022. These Guidelines mandate that advertisements must make only truthful and honest claims, avoid misleading consumers with unsubstantiated assertions, and ensure that any claim based on objectively verifiable facts can be substantiated when required by the Central Authority, without exaggerating the accuracy, performance, or service of the

product. The impugned guarantee-based claim appears to be in violation of abovementioned provisions of the Act.

- 6. Accordingly, CCPA issued a notice dated 12.06.2024 to the opposite party. The notice specifically pointed out that such express or implied representation, if made without substantiation, falls within the ambit of "unfair trade practice" under Section 2(47) of the Act and constitutes a misleading advertisement as per Section 2(28) read with the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022. Further, abovementioned 575 grievances registered on NCH were also shared with the opposite party along with the notice for their comments and redressal. An opportunity to furnish response within 15 days of the issuance of notice was given to the opposite party to substantiate its claims.
- 7. In response to the notice, a reply dated 27.06.2024 was received wherein the opposite party made the following submissions:
 - i. The advertisements are neither misleading nor there is any deliberate concealment of relevant information from consumers. The alleged advertisement clearly mentions 'T&C's Apply' at both social media platforms in the said advertisements which T&C's were accessible to customers on the App and web page of Rapido.
 - ii. The said advertisement was specifically curated for a limited time period of the campaign during which it was disseminated for public view. We further state that during the lifetime of the campaign, Rapido did credit its customers' account with Rapido Coins of monetary value for usage as per the governing T&C's of the advertisement.
- iii. It is stated that they have very robust and elaborate customer grievance redressal system with 24*7. They have a very efficient system of handling customer complaints, being a digital platform, the nature of complaints received are of very varied nature and every grievance is evaluated for resolution by customer support executives. Complaints of trivial nature do get resolved in an automated manner which is an industry practice across all digital platforms.
- iv. It is stated that the email id of grievance officer along with the email id is mentioned in our Customer T&C's and they regularly receive complaints on the said email id. Details of grievance officer can be easily accessed by anyone on the

web page https://www.rapido.bike/CustomerTerms or Rapido App terms and conditions page. Thus, there is no violation of Rule 4 of the Consumer Protection (E-commerce) Rules 2020 by Rapido.

- 8. In view of the above, the CCPA examined the opposite party's reply dated 27.06.2024 and found that the opposite party submitted Annexure A- 1 with its reply wherein it mentioned the following:
 - i. Rapido Auto "5 nahi toh 50" To ensure availability of Rapido Auto within 5 mins of request raised by Customer. If the same is not met, Customer shall be eligible to receive **upto INR 50, through Rapido coins**.
 - ii. Terms and Conditions:
 - a. The offer does not apply if the booking is canceled by the Commuter within 5 minutes of booking the ride.
 - b. The offer is only applicable for a single ride booking. Not applicable for shared or scheduled trips.
 - c. The offer is valid only in cities having standard Auto service and is not applicable for Auto Share. The offer's availability may vary based on other factors.
 - d. Guarantee of availability of autos within 5 mins are provided by Captains listed on Rapido's platform, and such guarantee should not be construed (or interpreted) to be provided by Rapido in any manner.
 - e. Customers shall be eligible for coins upto INR 50 which could be redeemed against Bike rides on Rapido platform. Validity of such coins shall be for 7 days from the time it is credited to Customer's wallet.
- 9. Upon examination of the response, it has been observed that the term "up to" was not used anywhere in the impugned advertisement or claims, thereby indicating that the opposite party failed to disclose material information which was essential for consumers to make an informed decision.
- 10. It is important to note that the "T&C apply*" is hardly readable and is in extremely small font. Further, as per the Terms and Conditions submitted by the opposite party, the "₹50" benefit was not provided in actual currency but only in the form of "Rapido coins" credited to the consumer's wallet, redeemable exclusively against bike rides on the Rapido

platform and subject to a validity period of merely 7 days from the date of credit. Such a restriction materially alters the nature of the promised benefit and substantially limits its utility to consumers. The scheme appears to be effectively coercing consumers into availing another service from the same platform within an unreasonably short period. Such a condition, which was neither disclosed in the advertisement nor reasonably expected by the average consumer, not only materially alters the nature of the promised benefit but also creates an undue compulsion to re-engage with the service of the opposite party. This design has the effect of locking consumers into repeat transactions under restrictive terms, which appears to be unfair and contrary to the provisions of the Consumer Protection Act, 2019.

- 11. Moreover, while the advertisement prominently conveyed a categorical guarantee of "Auto in 5 min or get ₹50", the Terms and Conditions simultaneously stated that the "guarantee of availability of autos within 5 minutes" was provided by individual captains listed on Rapido's platform and should not be construed as a guarantee provided by Rapido itself. This contradictory position amounts to an attempt to evade liability for the very claim, thereby appears to be constituting both an unfair trade practice under Section 2(47) and a misleading advertisement under Section 2(28) of the Act read with Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022.
- 12. It is further stated that the opposite party failed to address 575 consumer complaints registered on the NCH (despite sharing with them) concerning deficiencies in services, non-refunded payments, overcharging, and non-fulfillment of promised services. Rule 4 of the Consumer Protection (E-commerce) Rules, 2020 requires that e-commerce entities provide clear details of grievance officers which was not found in the present case. The persistent and varied nature of complaints suggests potential inadequacies in the current system.
- 13. Additionally, the opposite party was still running the impugned advertisement on its official platforms including YouTube, Facebook channels and also running it as ads in between normal videos on YouTube. Considering the facts and circumstances presented, the CCPA was satisfied that there exists a prima facie case of misleading advertisement and unfair trade practices under the Consumer Protection Act, 2019. Therefore, vide letter dated 18.07.2024, the matter was referred for detailed investigation by the Director General (Investigation).

- 14. The Director General (Investigation) in its investigation report dated 02.07.2025 submitted the following:
 - a. Rapido writes in its Terms and Conditions, "Customers shall be eligible for coins upto INR 50 which could be redeemed against Bike rides on Rapido platform." (Screenshot 1)
 - b. It also asserts in ANNEXURE A-1 of its response to CCPA dated 27.06.24 that "By availing this offer, users agree to abide by these terms and conditions" (Screenshot 1)
 - c. However, the company does not include the term "UPTO" in its advertisements, and the disclaimer "T&C's Apply" is presented in a small font, in a colour and position that are not easily noticeable, which could potentially mislead an average customer. (Screenshot 2 to Screenshot 6)
 - d. Moreover, the company uses strong promotional phrases such as "5 nahi to 50" and "AUTO IN 5 MIN or GET ₹50" in its advertisements. Such statements can potentially create a misleading impression for customers and may unduly influence their decision to prefer Rapido over its competitors. (Screenshot 2 to Screenshot 6)
 - e. The advertisement appears misleading as it conceals material facts, falsely describes the service, and gives a **false guarantee**, **likely deceiving consumers about its nature or quality**. This suggests a deceptive practice under Section 2(28) and Section 2(47) of the Consumer Protection Act, 2019, read with the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022.
 - f. Rapido's promotional claims such as "Guaranteed Auto" and "AUTO IN 5 MIN OR GET ₹50", without adequate, conspicuous disclosure of the associated terms and conditions, constitute a failure to provide material information necessary for an informed consumer decision. (Screenshot 2 to Screenshot 6)
 - g. The fine-print "T&C's Apply" does not ensure adequate disclosure when key terms limit the advertised benefit. This likely violates Section 2(9) of the *Consumer Protection Act*, 2019 by denying consumers their right to be informed, protected from misleading ads, and to seek redressal against unfair trade practices (*Screenshot 2 to 6*).

- h. It is noted that these advertisements, despite the notice from CCPA, are still present on YouTube and their social media platforms like <u>Instagram</u>, <u>Facebook</u> and <u>twitter</u>. (Screenshot 2 to Screenshot 6)
- i. Additionally, the entity Rapido appears to be in violation of **Rule 4** of the Consumer Protection (E-Commerce) Rules, 2020, which requires that e-commerce platforms provide clear and easily accessible contact information for grievance redressal. In the case of Rapido, such information is not readily available in the "Contact Us" or "Help" sections on their website or mobile application. The platform currently provides only an email address and physical address. For better compliance and consumer accessibility, it is recommended that a functional mobile number also be provided, allowing consumers to reach the grievance officer or customer support team promptly and effectively. (https://www.rapido.bike/) (Screenshot 7 to Screenshot 11)
- j. The investigation into Rapido (RoppenTransportation Services Private Limited) has raised concerns due to the wide variety of complaints received from customers and the company's lack of responsiveness during the inquiry.
- k. The advertisement using attractive phrases such as "5 nahi toh ₹50" and "AUTO IN 5 MIN OR GET ₹50" appears to be deliberately misleading consumers by not providing sufficient information to enable them to make informed decisions. It is further observed that these advertisements are still being displayed on the company's social media platforms, such as YouTube, Instagram, Facebook, and Twitter.
- Potential deficiencies in the company's grievance redressal mechanism have also been observed, as the contact details for the same are not readily accessible to consumers in the "Contact Us" or "Help" sections of their website and mobile application. Consequently, the company appears to be in potential violation of Rule 4 of the Consumer Protection (E-commerce) Rules, 2020.
- m. These findings indicate that Rapido (RoppenTransportation Services Private Limited) may potentially be in violation of the following provisions of the Consumer Protection Act, 2019:
 - Section 2(9): Consumer's right to truthful information
 - Section 2(28): Misleading advertisements
 - Section 2(47): Unfair trade practices

- 15. The Investigation Report submitted by DG (Investigation) was shared with the opposite party vide letter dated 04.7.2025 to furnish its comments. Simultaneously an opportunity of hearing was offered to the opposite party on 17.07.2025. However, opposite party failed to appear for the scheduled hearing.
- 16. Thereafter, the CCPA received a response from the opposite party on 17.07.2025, wherein the following submissions were made:
 - i. The Company has now engaged legal counsel to prepare a detailed response to the investigation report due to the seriousness of the proceedings.
 - ii. It is noted that a prima facie direction under Section 19(1) of the Consumer Protection Act was passed on 18.07.2024, but a copy was never served to the Company.
- iii. The Company requests a copy of the said Section 19(1) direction dated 18.07.2024 from the Hon'ble Authority.
- iv. The Company seeks an extension of 4 weeks to file its response to the investigation report, from the date of receipt of the above direction.
- v. Accordingly, the hearing scheduled for 17.07.2025 should be deferred until after the Company files its comments.
- vi. The Company informs the Authority about another related proceeding (2025 CCPA Proceedings) scheduled for 18.07.2025, currently at a preliminary stage.
- 17. In view of the above, considering the opposite party's request CCPA rescheduled the hearing on 05.08.2025 and granted time to furnish its comments on DG Investigation report.
- 18. Thereafter, the CCPA received another response from the opposite party on 29.07.2025, wherein the following submissions were made:
 - i. Provide a copy of the CCPA's direction dated 18.07.2024 passed under Section 19(1) of the Act to the Director General to investigate in the 2024 CCPA Proceedings.
 - ii. Extend the time granted to the Company for filing their respective comments to the investigation report dated 02.07.2025 in the 2024 CCPA Proceedings by 4 weeks from the date of receipt of the direction / order prayed for in prayer (a) herein above; (c) Postpone the hearing fixed for 17.07.2025 in the 2024 CCPA Proceedings till after the filing of the respective comments to the investigation report by the Company;"

- iii. Thereafter, by way of the above-referred communications at Serial No. 2, we have been informed that the hearing is now scheduled for 05.08.2025 at 04:00 PM, and that the Company has been directed to submit its written response to the investigation report at the earliest. However, no directions have been issued with respect to providing a copy of the order/ direction dated 18.07.2024 issued under Section 19(1) of the Act.
- iv. We request you to kindly appreciate that it is critical that the Company is provided with access to this Hon'ble Authority's order/ direction dated 18.07.2024 under Section 19(1) of the Act, in order for the Company to effectively respond to the allegations levelled under the investigation report dated 02.07.2025.
- v. You may also note that granting access to such orders on the existence of a prima facie case under Section 19(1) of the Act, is consistent with the scheme of the Act. We particularly draw your attention to Regulation 7(4) of the CCPA (Submission of Inquiry or Investigation by the Investigation Wing) Regulations, 2021 ("CCPA Inquiry Regulations"), which clearly requires that the report of the Director General shall contain his findings on each of the allegations made in the information, complaint or direction, as the case may be.
- vi. In this regard, you may also note that the findings in the investigation report dated 02.07.2025 do not refer to any such allegations under the order/ direction issued by this Hon'ble Authority under Section 19(1) of the Act, which preliminarily indicates a clear violation of the requirements under Regulation 7(4) of the CCPA Inquiry Regulations. Therefore, it is respectfully submitted that denying the Company access to the order/ direction dated 18.07.2024 under Section 19(1) of the Act would constitute non-compliance of the CCPA Inquiry Regulations, besides being in violation of the principles of natural justice. Hence, we respectfully submit that it is incumbent on this Hon'ble Authority to grant the Company access to the order/ direction dated 18.07.2024 issued to the Director General under Section 19(1) of the Act.
- vii. We clarify that the Company reserves its rights to raise objections to the investigation report dated 02.07.2025, including objections with respect to non-compliance of the specified timelines and other specified requirements under Regulation 7 of the CCPA Inquiry Regulations.
- viii. Hence, in view of the above, we again request this Hon'ble Authority to:

- a. Provide a copy of the CCPA's order/ direction dated 18.07.2024 passed under Section 19(1) of the Act to the Director General to investigate in the 2024 CCPA Proceedings;
- Treat this letter as an application on behalf of the Company for inspection of records in the 2024 CCPA Proceedings, and kindly facilitate such inspection of records;
- c. Extend the time granted to the Company for filing their respective comments to the investigation report dated 02.07.2025 in the 2024
 CCPA Proceedings by 4 weeks from the date of receipt of the direction / order prayed for in prayer (a) herein above;
- d. Postpone the hearing fixed for 05.08.2025 in the 2024 CCPA Proceedings till after the filing of the respective comments to the investigation report by the Company.
- 19. An opportunity of hearing was provided to the opposite party on 05.08.2025 wherein opposite party was represented by Mr. Kaustav Som and Mr. Sagar Ramangondi, Advocates. They submitted the following:
 - i. That a prima facie direction under Section 19(1) of the Consumer Protection Act was passed on 18.07.2024, but a copy of the same was never served to them.
 - ii. Demanded copy of prima facie order from the CCPA.
- iii. Sought an extension to file its response to the investigation report.
- iv. Stated that in its reply dated 27.06.2024, opposite party submitted that promotional offer was discontinued.
- 20. Thereafter, CCPA received a letter 12.08.2025 from the opposite party wherein following submissions were made:
 - i. The company appeared before the Hon'ble Authority on 05.08.2025 to raise preliminary procedural objections, without addressing the merits of the Investigation Report dated 02.07.2025, because key documents and records especially the CCPA's order dated 18.07.2024 under Section 19(1) of the Consumer Protection Act, 2019 were never provided despite repeated requests (letters dated 17.07.2025 and 29.07.2025).

- ii. Non-disclosure of essential records: The company was denied access to the Section 19(1) order and inspection of records. This violates principles of natural justice as the company could not meaningfully respond to the Investigation Report.
- iii. Violation of the Central Consumer Protection Authority (Allocation and Transaction of Business) Regulations, 2020: Regulation 3(4) requires publication of all CCPA decisions on its website unless confidentiality is invoked; similar orders in other cases (Zomato, Swiggy) have been published.
- iv. Denial of the order in this case is discriminatory.
- v. Violation of Central Consumer Protection Authority (Submission of Inquiry or Investigation by the Investigation Wing) Regulations, 2021: Regulation 7(2)–(3) sets strict timelines for investigation; the Investigation Report (02.07.2025) appears grossly delayed compared to the Section 19(1) order (18.07.2024).
- vi. Regulation 7(4) requires findings to be tied to the Section 19(1) order impossible to verify without access to it.
- vii. No hearing before issuance of Section 19(1) order: In other cases (including the company's own 2025 proceedings), parties were given a hearing before such orders; here, the company was not.
- viii. Proceeding with the 2024 CCPA case without giving access to the Section 19(1) order and records, or considering the company's requests, amounts to a gross violation of natural justice and due process. The company reserves the right to contest the merits later.
- 21. The CCPA has carefully considered the submissions made by the opposite party vide letter dated 17.07.2025, 29.07.2025, 12.08.2025 and oral submissions during hearing dated 05.08.2025, wherein they raised preliminary procedural objections without addressing the merits of the Investigation Report dated 02.07.2025.
- 22. It is pertinent, at this stage, to revisit and examine the scheme of the provisions related to powers and mandate of the Central Authority. Section 10, 18,19,20,21 read with section 15 and 22 of the Consumer protection Act, 2019 forms the bedrock for CCPA mandate and actions.

S. no	Section	Provision in Act	Remarks
1.	Section 10	Establishment of Central	Established to regulate matters prejudicial to
		Consumer Protection	/public consumer interest; promote protect
		Authority (CCPA)	and enforce the right of consumer as a class.
2.	Section 18	Provides for the powers and	Provides the power to inquire, cause an
		functions of the central	inquiry or investigation.
		authority.	
3.	Section 19	Provides for the power of	Power to conduct preliminary inquiry based
		Central Authority to refer	on complaint or suo moto, and cause an
		matter for investigation after	investigation if it is satisfied that a prima
		satisfaction of prima facie	facie case exist.
		case	NOTE:
			No opportunity of being heard provided
4.	Section 20	Power of Central Authority to	Power to provide various remedies including
		recall goods etc.	-recall, reimbursement, discontinuation by
			passing an order.
			NOTE: Party has to be provided with an
			opportunity of being heard
5.	Section 21	Power of the central authority	Power to levy penalty for misleading
		to issue directions and	advertisement and prohibitions by
		penalties against false and	considering the factors provided therein.
		misleading advertisements.	NOTE: Party has to be provided with an
			opportunity of being heard
		Provisions related to	
6.	Section 15	The Central Authority shall	The mandate of the investigation wing- to
		have an investigation wing	carry out investigation as directed by Central
		headed by DG for the purpose	authority.
		of conducting inquiry or	
		investigation under the Act as	
		may be directed by the central	
		authority.	

7.	Section 22	Search and seizure	For the purpose of conducting an	
			investigation after preliminary inquiry under	
			section 19(1), DG (Inv.) can conduct search	
			& seizure operation as prescribed in this	
			section on its own volition or on a direction	
			by Central Authority.	

- a. As laid down in the provisions, the scheme of the statute examined above, the Central Authority conducts a preliminary inquiry, and when it is satisfied that there exist prima facie case, the authority <u>causes an investigation</u> by DG (Inv.)
- b. The Statute provides that, once a reference for investigation has been received, the DG (Inv.) carries out investigation through various means including conducting a search and seizure under section 22 of Act. After the receipt of the investigation report the Central Authority exercises its powers under section 20 and 21 following
 - i. The due process of law enshrined in the provision itself and the regulations so framed.
 - ii. It is essential to point out that "opportunity of being heard" is not provided in section 19, whereas section 20, 21 explicitly provides the principle of natural justice. The legislature has by design kept 'opportunity of being heard' outside the purview of section 19 of Act.
- 23. Now considering the objection raised by the opposite party it is also pertinent to examine the regulations referred to by the opposite party.
 - Central Consumer Protection Authority (Submission of Inquiry or Investigation by the Investigation Wing) Regulations, 2021.
 - **4.** Preliminary inquiry. (1) The Central Authority may, if it deems necessary, conduct or cause to be conducted a preliminary inquiry as to whether there exists a prima facie case as under sub-section (1) of section 19.
 - (2) The Central Authority may call for any information or invite any person as may be necessary for the preliminary inquiry.
 - (3) A preliminary inquiry need not follow formal rules of procedure

- **6.** Communication of order when no prima facie case found. If the Central Authority is of the opinion that there is no prima facie case, the Secretary shall send a copy of the order of the Central Authority regarding closure of the matter forthwith to the Central Government or the person who provided information or filed a complaint in the matter, as the case may be.
- 7. Investigation by the Director General. (1) The Secretary while conveying the directions of the Central Authority under regulation 5, shall send to the Director General:-
- (a) a copy of the information, complaint, or direction, as the case may be;
- (b) all other documents or materials or affidavits or statements which have been filed either along with the said information, complaint, or direction or at the time of the preliminary inquiry; and
- (c) a copy of the report of the preliminary inquiry.
- (2) The Central Authority shall direct the Director General to submit a report on the basis of the investigation conducted by him within such time as may be specified by the Central Authority which ordinarily shall not exceed thirty days from the date of receipt of the directions of the Central Authority.
- (3) The Central Authority may, on an application by the Director General giving sufficient reasons, extend the time for submission of the report within such period as it may consider reasonable.
- (4) The report of the Director General shall contain his findings on each of the allegations made in the information, complaint or direction, as the case may be, together with all evidence or documents or statement or analyse collected during the investigation:

Provided that when necessary, the Director General may, for maintaining confidentiality, submit his report in two parts, one of which shall contain the documents to which access may be accorded to the Central Government or the person who provided information or filed a complaint in the matter, and the other part, which shall contain confidential and commercially sensitive information and documents to which access may be partially or totally restricted.

(5) Two copies of the report of the Director General, along with a soft copy in document format, shall be forwarded to the Secretary within the time specified by the Central Authority:

Provided that the Secretary may ask for more copies of the report as and when required.

(6) If the Central Authority, upon consideration of the report, is of the opinion that further investigation is called for, it may direct the Director General to make further investigation and submit a supplementary report on specific issues within such time as may be specified by the Central Authority, but not later than forty-five days.

- ii. A perusal of the above regulations following highlights are thrown up, which is material to address the objection raised by the opposite party. These are reproduced below even at the cost of repetition:
- i. Regulation 4(3)- A preliminary inquiry need not follow formal rules of procedure
- ii. Regulation 6- Communication of order when no prima facie case found.
- iii. Regulation 7(2)- The Central Authority shall direct the Director General to submit a report on the basis of the investigation conducted by him within such time as may be specified
- iv. Regulation 7(6) If the Central Authority, upon consideration of the report, is of the opinion that *further investigation* is called for, it may direct the Director General to make further investigation.
- 24. Now we proceed to examine the objections of the opposite party on the touch stone of the provisions of the statute and the extant regulations relied upon by the opposite party:
 - a. The opposite party appeared before the Hon'ble Authority on 05.08.2025 and raised preliminary procedural objections, without addressing the merits of the Investigation Report dated 02.07.2025, because the CCPA's order dated 18.07.2024 under Section 19(1) of the Consumer Protection Act, 2019 were never provided despite repeated requests (letters dated 17.07.2025 and 29.07.2025).
 - b. In brief, stand of the opposite party is that because key documents and records, especially the CCPA's order dated 18.07.2024 under Section 19(1) of the Consumer Protection Act, 2019 were never provided, so it could not address the issues on merits. The stand of opposite party is not supported by the provisions of the Statute and Regulations. It is pertinent to point out here nowhere the provisions under section 19 nor the regulations (as examined in earlier paras) requires that the CCPA directions (to DG Inv.) are to be communicated to the opposite party. The opposite party's presumed necessity of affording an opportunity of being heard, before satisfaction of prima facie case, is not mandatory as Section 19 does not provide for it. Nevertheless the CCPA may provide an opportunity of hearing if it deems fit only for the limited purpose of arriving at the satisfaction. The hearing may not be necessary in every case if the facts indicating violation are clear and apparent. Hence such a hearing is discretionary, based on necessity on the part of CCPA only to arrive at satisfaction.

- No party facing CCPA action can allege disparity on this count, as the Statute under section 19 does not provide for it at the preliminary stage. The very extant regulations that the opposite party has relied upon, also explicitly mentions at regulation 4(3) that
 <u>A preliminary inquiry need not follow formal rules of procedure.</u>
- c. The opposite party submitted that there is violation of the Central Consumer Protection Authority (Allocation and Transaction of Business) Regulations, 2020: Regulation 3(4) requires publication of all CCPA decisions on its website unless confidentiality is invoked; whereas similar orders in other cases (Zomato, Swiggy) have been published.
- d. The Regulation 3(4) notified vide notification dated 13th August, 2020 F. No. 1-1/2020-CCPA reads as follows:
 - "Any decision taken by the Central Authority shall be published on the website of the Central Authority <u>unless the Chief Commissioner determines</u> <u>otherwise on grounds of confidentiality</u>".
- e. As is apparent, there are two legs to the regulation. The stand of the opposite party ignores the other leg of the regulation at 3(4) "unless the Chief Commissioner determines otherwise on grounds of confidentiality". When the regulation 3(4) of 2020 relied upon by party is read with the provisions under section 19 and further read with regulation 4(3) notified dated the 9th December, 2021 (A preliminary inquiry need not follow formal rules of procedure), it is apparent that the objection of the opposite party flawed having no legal leg to stand upon. The objection needs to be dismissed.
- f. The opposite party contends that the prima facie direction under Section 19(1) of the Act was passed on 18.07.2024, but a copy was never served to the Company.
- g. The contention of the opposite party is untenable since neither section 19 nor the extant regulations (supra) of 2020 and 2021 (supra) provides for sharing the directions to DG (Inv.) for investigation with the opposite party. The opposite party during the hearing through video conference attempted to draw an analogy for "closure" in regulation 6 of 2021 which provides for "Communication of order when no prima facie case found". There is a fundamental difference between an order of closure when no prima facie case is found and the directions to DG (Inv.) for investigation. The order of closure

signifies finality of the proceedings initiated on the issue. Order of closure cannot be equated to the communication of direction to DG (Inv.) which embodies continuation of the proceedings. The order of closure referred to in regulation 6 of 2021 can at best be similar to orders passed under section 20 and 21 of the Act which also culminates the proceedings initiated under section 19. Further section 19 does not prescribe sharing the directions to DG (Inv.) with the opposite party.

- h. By contending that "regulation 7(4) requires findings to be tied to the Section 19(1) order impossible to verify without access to it", opposite party has wrongfully attempted to read into the regulations what the parliament has not provided for in the statute under section 19 of the Act.
- i. It is evident from the above provision that the Section- 19(1) nowhere uses the specific term "prima facie order," nor does it mandate that any such "order" must be served on the party concerned. The reference to a "if it is satisfied that there exists a prima facie case, it shall cause investigation to be made by the Director General or by the District Collector" in Section 19(1) is descriptive of the threshold satisfaction the Authority must reach before directing an investigation. It does not transform the internal direction into a formal adjudicatory order, nor confer upon it the legal status of a document that must be communicated to the opposite party.
- 25. The interpretations of opposite party and its procedural/technical objection of not sharing the directions of CCPA to DG (Inv.) is faulty also for the following reasons:
 - a. Section 22 of the Consumer Protection Act provides for search and seizure. During the course of investigation DG (Inv.) may, having a reason to believe about violation of consumer rights, unfair trade practice or misleading advertisement by a party, carry out search and seizure operation. The search and seizure operation may be carried out if the DG (Inv.) has reason to believe that the opposite party shall not produce the documents and evidences pertaining violation of Act when asked to produce. The provision under section 22 empowers DG (Inv.) to enter premises and gather the evidences that may be material to CCPA proceedings.

- b. Section 19(1) mentions that on being satisfied of a prima facie case Central authority may cause an investigation. To 'cause an investigation' also includes a power of CCPA to direct the DG (Inv.) to conduct a search and seizure operation in a case. It is common knowledge that an element of surprise is at the heart of search & seizure operations. So it cannot be anybody's case that he has a right to be informed before any order/directions for search and seizure to be carried out in his premises. Keeping this aspect in mind legislature has kept the principle of opportunity of being heard outside the purview of section 19 of the Act. By repeatedly emphasizing on sharing the directions dated 18.07.2024 as a matter of right, the opposite party has ended up asserting that a party has a right to be informed in advance before conducting a search & seizure under section 22 in his premises. If this assertion is allowed to subsist then the party would get the time to remove incriminating material, evidences from premises, thereby rendering the search operation ineffective. Therefore the assertion of opposite party militates against the scheme of the Act and contrary to the procedure laid down by law.
- c. It will not be out of place to refer to the provisions of Right to information Act 2005 here. The RTI act reinforces citizen's right to information, to seek or demand information from the state. Even under the Right to Information Act 2005, there are exemptions. Section 8 (h) of RTI Act 2005 exempts information which may affect the 'process of investigation'. The provision is reproduced below:

Section 8 exemption from disclosure of information

- (h) Information which would <u>impede the process of investigation</u> or apprehension or prosecution of offenders
- d. Section 19 of Act clearly incorporates the exemption under section 8(h) of RTI act 2005 in letter and spirit. The provisions under section 8(1) (h) of RTI act 20025 and section 19,20,21 of consumer protection Act 2019 balances the rights of citizens and interest of the consumers. In principle, sharing the information on directions (to DG Inv.) to conduct search & seizure operation will impede the process of investigation, as the opposite party gets the opportunity to remove the incriminating documents and evidences from the premises beforehand. Therefore the assertion of opposite party militates against the scheme of the Act and contrary to the procedure established by law.

- e. The right to an opportunity of being heard has been provided under section 20 and 21 of the act. At this stage, on receipt of the investigation report, the opposite party is provided with all the evidences and documents which are gathered and arraigned to be used against him. The opposite party gets the opportunity to explain his case at this stage. Therefore, no prejudice could have been caused to opposite party by not being provided with the directions to DG (Inv.) dated 18.07.2024 as the law provides for opportunity in the sections 20,21 itself. Therefore the contention of the opposite party is not supported by the procedure established by law.
- f. The operation of section 19 continues until the final order has been passed under section 20,21 of the Act, as at any time CCPA may direct additional investigation or re-investigation by DG(Inv.). The contention that the directions under section 19(1) may be shared during the hearings after receipt of investigation report is also without merit. The principle of natural justice demands that a party should be given an opportunity to defend itself. In the context of Act, the DG investigation report is sought to be used against the opposite party and not the directions to DG (Inv). Under both the sections, 20 and 21 the premise for all the consequences is based on the Investigation report of DG (Inv). Therefore the opportunity to defend is provided by statute to the party under the two sections. Section 19 does not invite any consequences on the opposite party as no punitive, pecuniary or other consequences are imposed at this stage by the provision therein. No purpose would be served even if the directions are to be shared to the party. The stand of the opposite party of being prevented from defending its case for want of the directions dated 18.07.2024 is bereft of any merits.
- g. The direction passed by the CCPA under Section 19(1) of the Consumer Protection Act, 2019, dated 18.07.2024 are internal administrative directions to Director General (Investigation) to initiate a detailed investigation based on prima facie evidence of violation of misleading advertisement and unfair trade practice. Such directions does not contain any punitive, penalties against the opposite party.
- h. It is important to note that the record shows that the opposite party was duly informed of the initiation of investigation and its scope through official communications, and was afforded adequate opportunity to participate in the proceedings. The Section 19(1) directions forms part of the internal deliberation initiating investigation. Non-furnishing of said directions does not prejudice the opposite party's ability to respond

- to the Investigation Report. The principles of natural justice are satisfied where the party is given a reasonable opportunity to defend its case which has been provided through notice, inspection of the Investigation Report, and personal hearing.
- i. As per Regulation 7(4) of the Central Consumer Protection Authority (Submission of Inquiry or Investigation by the Investigation Wing) Regulations, 2021, the report of the Director General is required to contain his findings on each of the allegations made in the information, complaint, or direction, together with all evidence, documents, statements, or analyse collected during the investigation.
- 26. In compliance with the said provision, in the very beginning, the investigation report mentioned the specific allegations concerning the impugned advertisements and claims published by the opposite party. These allegations form the basis on which the CCPA and its Investigation Wing have proceeded to take action under the Consumer Protection Act, 2019. The allegations specifically pertain to:
 - i. "Guaranteed Auto";
 - ii. "Auto in 5 min or get ₹50"; and
 - iii. Grievances registered on the National Consumer Helpline (NCH).
- 27. These very issues had also been communicated to the opposite party in the initial notice dated 12.06.2024 issued by the CCPA, and have remained the subject matter of the proceedings since inception. The investigation has been conducted on these issues, and the investigation report has been prepared by addressing and recording findings on these issues.
- 28. The timelines in Regulation 7(2) (3) of the Central Consumer Protection Authority (Submission of Inquiry or Investigation by the Investigation Wing) Regulations, 2021 must be read in light of the complexity of the matter and the volume of consumer complaints involved. In the present case, the investigation examined advertising material over a prolonged period. The opposite party has not demonstrated any specific prejudice caused by the time taken. Moreover, the section 12(c) of the Act provides that any irregularity in the procedure of the Central Authority not affecting the merits of the case shall not invalidate the proceedings. The opposite party could not establish that the merit of his case was affected by the non-adherence to time limits prescribed. The Statute clearly protects the CCPA proceedings against flimsy objections such as of the opposite party has made in this case.

- 29. With respect to the opposite party's assertion of demanding a copy of CCPA prima facie order dated 18.07.2024, it is important to note that the section 19 of Consumer Protection Act, 2019 states the "Power of Central Authority to refer matter for investigation or to other Regulator" which is produced for ready reference:-
 - 19. (1) The Central Authority may, after receiving any information or complaint or directions from the Central Government or of its own motion, conduct or cause to be conducted a preliminary inquiry as to whether there exists a prima facie case of violation of consumer rights or any unfair trade practice or any false or misleading advertisement, by any person, which is prejudicial to the public interest or to the interests of consumers and if it is satisfied that there exists a prima facie case, it shall cause investigation to be made by the Director General or by the District Collector.
- 30. The principles of natural justice require that the opposite party be given full particulars of the allegations and adequate opportunity to respond before any adverse order is passed. In the present matter, these safeguards have been fully respected and followed. The opposite party has been served with a detailed notice dated 12.06.2024, the investigation report dated 02.07.2025 was shared for obtaining their response, opportunities to file responses and participate in hearings dated 17.07.2025 and 05.08.2025. This procedural framework satisfies all requirements of natural justice and due process. Therefore, CCPA finds no merit in the objections raised by the opposite party.
- 31. 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.

- 32. Further, it may be mentioned that 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 or for the provision of any service, adopts any unfair method or unfair or deceptive practice including any of the following practices, namely..."
 - "(h) makes to the public a representation in a form that purports to be—
- (A) a warranty or guarantee of a product or of any goods or services; or if such purported warranty or guarantee or promise is materially misleading or if there is no reasonable prospect that such warranty, guarantee or promise will be carried out;"
- 33. From a plain reading of the above provisions of the Act, it is evident that any advertisement must adhere to the following principles:
 - i. It should present a truthful and honest representation of facts.
 - ii. Any assertions or guarantees made in the advertisement must be supported by credible and authentic evidence, studies, or materials.
- iii. Must not engage in unfair trade practices as defined under Section 2(47) of the Act. Specifically:
- iv. It should not make false or misleading claims regarding the necessity or usefulness of any goods or services [Section 2(47) (f)].
- v. It should not adopt any unfair trade practice as defined under Section 2(47) of the Act, including making a materially misleading warranty, guarantee, or promise, or one that has no reasonable prospect of being carried out [Section 2(47)(h)].
- vi. Important information must be disclosed in a clear, prominent, and hard to miss manner to ensure that no critical details are concealed from consumers.
- 34. It is important to note that the opposite party published the impugned advertisements across all its social media platforms on 21st November 2023. As highlighted in the investigation report, as on 23rd May 2025, the opposite party was still running the impugned advertisement on its YouTube and Facebook channels, and also promoting it as ads between regular videos on YouTube. This shows that the opposite party ran the advertisement for a minimum period of 548 days. Rapido also released the impugned advertisement in various regional languages to influence consumers across India. Collectively, these videos have gained over one million views on its official YouTube channel alone, indicating that the

advertisement was widely circulated nationwide to influence consumers as a class. (Annexure-2)

- 35. The opposite party's assertion that the impugned advertisement was a mere promotional claim intended to run for a limited duration is untenable and devoid of merit. The evidences on record conclusively establishes that the said advertisement was disseminated continuously for an extended period of at least 548 days (1.5 years) and propagated in multiple regional languages across the country. Such extensive and prolonged circulation, coupled with its pan-India reach, demonstrates a clear intent to influence consumers on a nationwide scale, thereby negating any assertion of its limited or transitory nature.
- 36. The CCPA also received two grievances, from Mr. Sarfaraz Raj and Mr. Prashant Murty, through the Integrated Grievance Redressal Mechanism (INGRAM). Both consumers raised issues consistent with those observed by the CCPA as stated in above-mentioned paragraphs. They submitted that they received only 5 Rapido coins and not ₹50 as claimed/advertised by the opposite party in its advertisement. (Annexure-3)
- 37. Furthermore, the opposite party appears to be in violation of Rule 4 of the Consumer Protection (E-commerce) Rules, 2020, as it has failed to provide any grievance redressal mechanism and has not disclosed the details of its Grievance Officer for consumer grievance redressal on its platform.
- 38. Guidelines 11 of the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022

 States that:-

A Disclaimer in advertisement -

(a) may expand or clarify a claim made in such advertisement or make qualifications or resolve ambiguities therein in order to explain such claim in further detail, but such disclaimer shall not contradict the material claim made in the advertisement or contradict the main message conveyed by the advertiser or change the dictionary meaning of the words used in the claims received or perceived by a consumer;

- (b) shall not attempt to hide material information with respect to any claim made in such advertisement, the omission or absence of which is likely to make the advertisement deceptive or conceal its commercial intent;
- (c) shall not attempt to correct a misleading claim made in an advertisement.
- (2) A Disclaimer in advertisement shall fulfil the following requirements, namely:-
- (a) a disclaimer shall be in the same language as the claim made in the advertisement:
- (b) the font used in a disclaimer shall be the same as that used in the claim;
- (c) the placement of the disclaimer shall be at a prominent and visible place on the packaging and ideally be on the same panel of the packaging as that of the claim;
- (d) if the claim is presented as voice over, the disclaimer shall be displayed in sync with the voice over and at the same speed as that of original claim made in the advertisement;
- (e) a disclaimer shall be so clear, prominent and legible as to make it clearly visible to a normally-sighted person reading the marketing communication once, from a reasonable distance and at a reasonable speed.
- 39. From a plain reading of the above provisions of the Guidelines, it is evident that a disclaimer in an advertisement must not contradict the main claim, conceal material information, or attempt to correct a misleading claim. In the present case, the claims "Guaranteed Auto" and "AUTO IN 5 MIN OR GET ₹50" created an unqualified impression that the consumer would invariably receive ₹50 if the auto was not provided within 5 minutes. However, the material limitation that the benefit was restricted up to ₹50 was omitted from the main claim and, if at all disclosed elsewhere, was not presented with the same prominence, placement, or clarity as required under the Guidelines. This omission effectively contradicted the main claim and concealed essential information, making the advertisement deceptive and in direct contravention of Guideline 11(a) and 11(b) of the

Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022.

- 40. The mere presence of term 'T&C's Apply', especially if it is in extremely fine print or not prominently displayed, does not fulfill the requirement for transparency and company cannot escape its liability from using the term 'T&C's Apply'. The above-mentioned claims are strong guarantees that can significantly influence consumer behavior and decision.
- 41. The claim of "Guaranteed Auto" and "AUTO IN 5 MIN OR GET ₹50" projects an assurance of a very high degree of service reliability. Such representations create a clear and definite expectation in the mind of an average consumer that, irrespective of location or circumstances, an auto will be made available within a maximum waiting time of five minutes. By making such absolute promises, the opposite party has given the impression that the availability of autos within the stated timeframe is an assured and standard feature of its service.
- 42. The advertisement categorically promised "Auto in 5 min or get ₹50", the Terms and Conditions revealed that the "₹50" benefit was not provided in actual currency but in the form of "Rapido coins" credited to the consumer's wallet, redeemable only against bike rides on the Rapido platform and valid for a period of merely seven days from the date of credit. Such restrictions materially alter the nature and value of the promised benefit, significantly limiting its utility to consumers. The said pattern effectively coerces consumers into availing another service from the same platform within an unreasonably short period. This condition, undisclosed in the advertisement, not only diminishes the true worth of the promised "₹50" but also creates undue compulsion for repeat engagement under restrictive terms, contrary to the principles of the Consumer Protection Act, 2019.
- 43. Moreover, while the advertisement conveyed a guarantee of "Auto in 5 mins" the Terms and Conditions simultaneously stated that the "guarantee of availability of autos within 5 minutes" was provided by individual captains listed on the Rapido platform and should not be construed as a guarantee provided by Rapido itself. This contradictory stance amounts to an attempt to disclaim liability for the very claim that was used to attract consumers as a class, thereby constituting both a misleading advertisement under Section

- 2(28) and an unfair trade practice under Section 2(47) of the Act. The concealment of such material information from consumers, while making an absolute and unqualified claim in the advertisement, is in violation of the Act and the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022. Further the claim suggests that their service level is a standard benchmark achievable in all or most circumstances, thereby positioning Rapido as superior to competitors and influencing consumer choice under a false pretense. Such positioning, if not supported by actual evidence, consistent service performance, creates a false impression.
- 44. If, in reality, Rapido cannot reasonably ensure the availability of autos within five minutes for a substantial number of consumers in the advertised areas, such claims are factually inaccurate and amount to inducing consumers on the basis of false or misleading representations. Under Section 2(28) of the Consumer Protection Act, 2019, a "misleading advertisement" includes any advertisement which gives a false description of a product or service, or is likely to mislead the consumer as to the nature, quantity, or quality of such product or service. The impugned claims, by overstating service capability without adequate qualification, fall squarely within this definition.
- 45. Further, as per Guideline 4(1) of the Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022, an advertisement shall not describe a service in a manner that is likely to mislead consumers regarding its performance, accuracy, or scientific validity. Guideline 8 specifically requires advertisers to make adequate disclosures where there are limitations, restrictions, or conditions applicable to an offer. In the present case, no such disclosure was made regarding factors such as geographical coverage, operational hours, demand surges, or driver availability that could materially impact the 5-minute guarantee.
- 46. As held by the Hon'ble National Consumer Disputes Redressal Commission (NCDRC) in *Big Bazaar (Future Retail Ltd.) v. Ashok Kumar (RP No. 3298 of 2016)*, non-disclosure of material conditions in promotional schemes constitutes an unfair trade practice. In the present case, it is therefore evident that the opposite party has engaged in a practice calculated to mislead consumers by both commission and omission overstating its actual service capability while concealing qualifying conditions for the purpose of promoting its

business. Such conduct not only distorts consumer decision-making but also erodes fair competition in the marketplace, thereby violating Sections 2(28) and 2(47) of the Consumer Protection Act, 2019, as well as the provisions of the 2022 CCPA Guidelines.

- 47. The CCPA has exercised due diligence by examining the advertisement, responses submitted by the opposite party, and evaluating the impact of such advertisements on average consumers. The misleading nature of the advertisements was determined based on an objective assessment of how a reasonable consumer would perceive the information presented. The pattern of deceptive practices such as "Guaranteed Auto" and "AUTO IN 5 MIN OR GET ₹50" falls within the definition of a "misleading advertisement" under Section 2(28) and "unfair trade practice" under Section 2 (47) of the Act. As elaborated in the preceding paragraphs it directly influences their decision-making under the scheme of the Act. It is clear to say that the opposite party adopted such unfair and deceptive practice for the purpose of promoting the sale of its service.
- 48. The CCPA observed that a total of 575 consumer complaints were registered on the National Consumer Helpline (NCH) during the period April 2023 to May 2024, and 1,224 consumer complaints during the period June 2024 to July 2025, against Rapido. It is evident from the above figures that the number of consumer complaints against the opposite party has increased substantially over the subsequent period. Furthermore, 50% of these grievances/complaints remained unaddressed by the opposite party.

June 2024 to July 2025

S. No.	Nature of Grievance	Count	Count%
1.	Extra Amount charge/Ride charge increase after trip	331	27.0%
	Complete		
2.	Paid Amount not refund/ Claim Not Paid	208	17.0%
3.	Driver Misbehave with consumer/ safety issue	131	10.7%
4.	Driver not reached correct location /delay/ cancel	109	8.9%
	ride/ Drop away		
5.	Driver asking for Cash/Personal account/ Extra	100	8.2%
	Money		
6.	Parcel Not Deliver/Damaged	76	6.2%
7.	Proper amenities not available in cab	43	3.5%
8.	Promise offer/cashback not provided	39	3.2%
9.	Amount charge without consumer permission	36	2.9%
10.	Price discrepancies/Hidden fees/Extra charges	22	1.8%

11.	Others	129	10.5%
Grand Total		1224	100.0%

- 49. The Consumer Protection Act, 2019 upholds the right of consumers to make informed decisions. Misrepresentation of facts in advertisements interferes with this right. By presenting an untrue, incomplete and misleading claim, the opposite party has engaged in unfair trade practices, warranting corrective measures. Additionally, it is important to note that this misleading claim was disseminated continuously for an extended period of at least 548 days (1.5 years) and propagated in multiple regional languages across the country which significantly increases its reach and influence over consumers across the country allowing a larger number of consumers to be misled by the false impression created.
- 50. The CCPA after carefully considering the written submissions, the submissions (written & oral) made by the opposite party during the hearings and the investigation report submitted by Director General (Investigation) finds that:
 - i. The opposite party has violated the following provisions of the Consumer Protection Act 2019:-
 - a. Section 2(28) (i)- Falsely describes such product or service
 - b. Section 2(28)(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
 - c. Section 2(28)(iii) Unfair Trade Practice
 - d. Section 2(28)(iv) Deliberately conceals important information
 - e. Section 2(47)- Unfair Trade Practice
 - f. Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022
- 51. The Act provides for protecting the interest of consumers, Section 2(9) defines the various rights of the consumers. The rights under Section 9 cannot have meaning if corresponding duties of the business entities are also not read into it. In other words rights of consumers cannot be operationalized if the business do not imbibe the corresponding duties. Hence business entities are partners in protecting consumer interest. In the instant case, the opposite party has made every attempt to twist and misinterpret the provisions of the Act and the procedure laid down by law. The opposite party objection on no sharing of the directions date 18.07.2024 is without backing of law. Its objection amounts to assertion of a non-existent right to be informed before the power of search and seizure under section 22 is exercised (elaborated in foregoing paras) is repugnant to provisions of law. The approach is

also a blatant display of utter disregard to consumer rights and provisions of Consumer Protection Act 2019.

- 52. The unresolved grievances pending in NCH clearly highlights the apathetic attitude towards the consumers. Consumer protection is a welfare legislation which spells out the protections against the actions of the providers of goods & services. The CCPA finds that the opposite party has not shown an iota of concern in its submissions (written and oral) for the public wellbeing and consumer interest. It has consistently and persistently harped on the non-access to directions dated 18.07.2024 and attempted to divert the discourse away from the issues concerning consumers which were flagged by Central Authority including the NCH grievances. The illegality of the opposite party stand vis-à-vis the directions dated 18.07.2024 has been abundantly revealed in the foregoing paras at 21-30 above.
- 53. The conduct of the opposite party leaves no doubt in the minds of CCPA regarding the apathetic attitude of opposite party towards consumer rights and consumer interest. Despite abundant opportunities provided under section 20 & 21 of the Act the opposite party failed miserably to negate the findings of DG (inv). Therefore, CCPA is satisfied that opposite party has engaged in unfair trade practice, false or misleading advertisement as envisaged under the Act and therefore CCPA is of the opinion that it is necessary to impose a penalty in consumer interest in addition to the other consequences.
- 54. 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.

55. It may be noted that Rapido offers its services in over 120 cities, and the impugned advertisement ran for at least 548 days (approximately 1.5 years), being propagated in multiple regional languages across the country. Therefore, the CCPA finds it necessary to impose a penalty to safeguard the interests of consumers.

56. In view of the above, under Section- 20, 21 read with Section 10 of the Consumer Protection Act 2019, CCPA hereby issues the following directions:-

a) Discontinue the misleading advertisements with immediate effect.

b) In light of the nature of the violations detailed in the foregoing paragraphs, it is necessary that the opposite party is directed to Pay a penalty of ₹ 10,00,000 for publishing misleading advertisement and unfair trade practice.

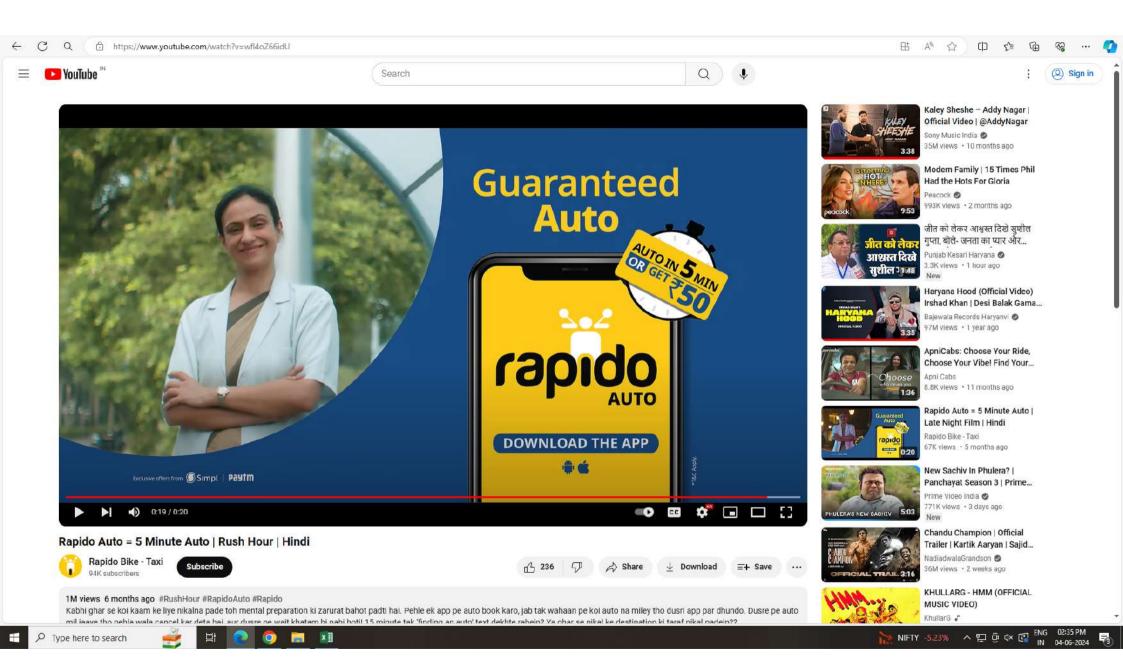
c) The opposite party shall ensure that any consumer who availed the "AUTO IN 5 MIN OR GET ₹50" offer and did not receive the promised ₹50 compensation shall be reimbursed the said amount in full without any further delay or condition.

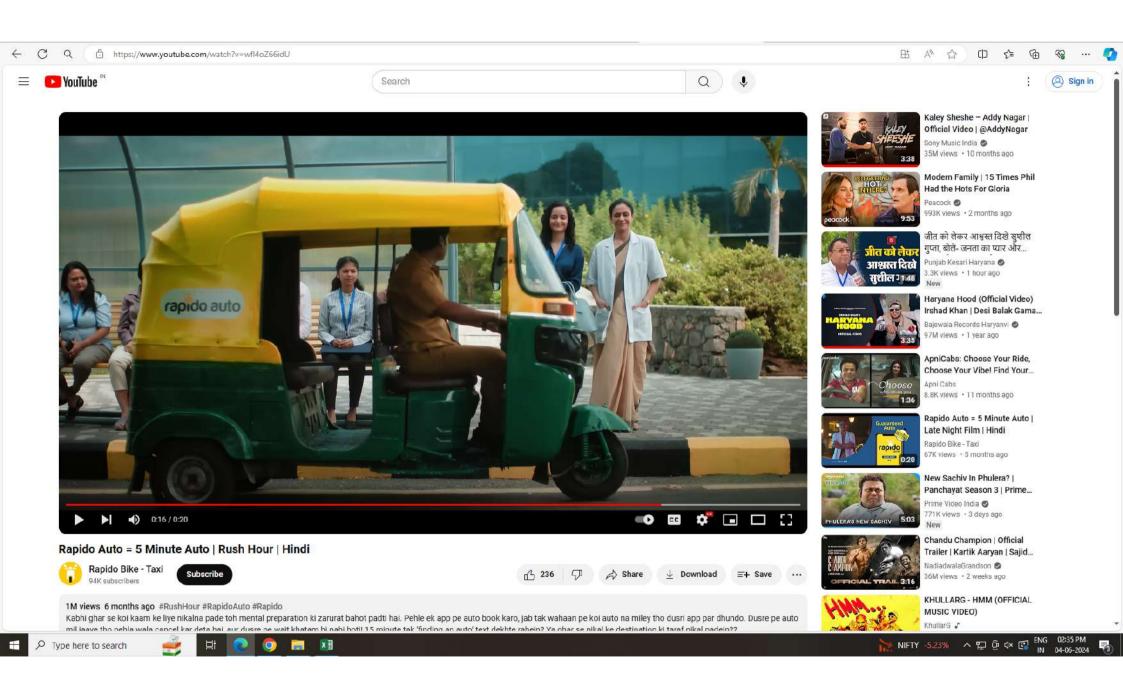
d) Submit a compliance report of the directions (a) to (c) above within 15 days of receipt of the Order.

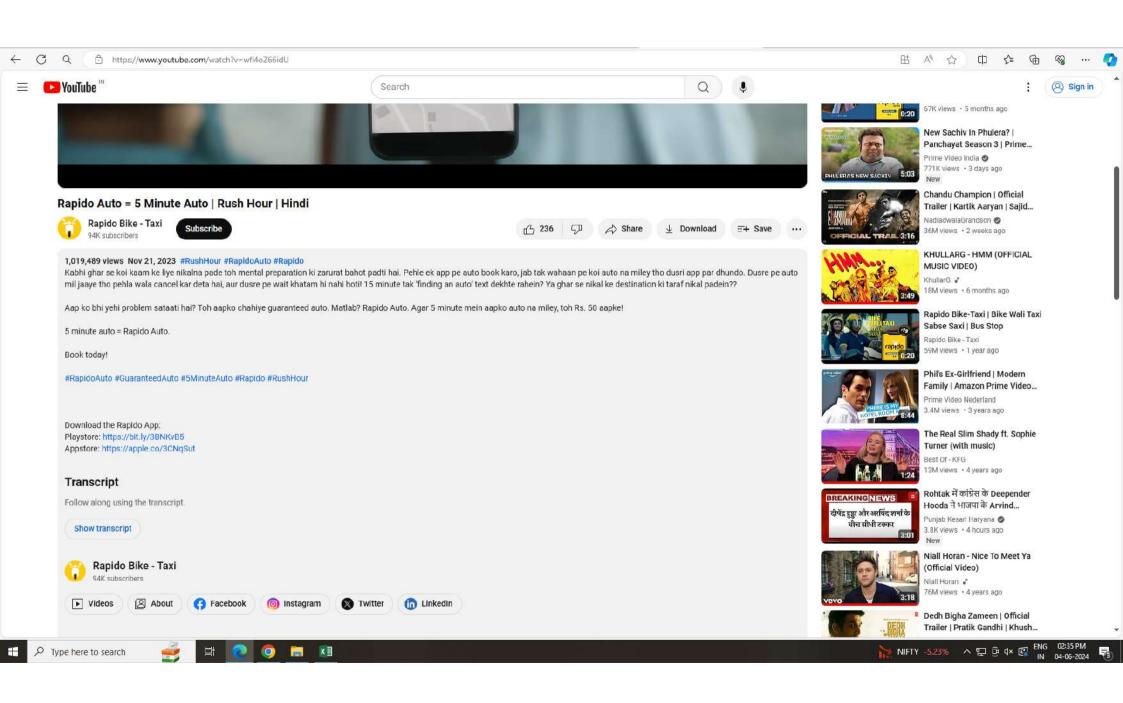
Nidhi Khare Chief Commissioner

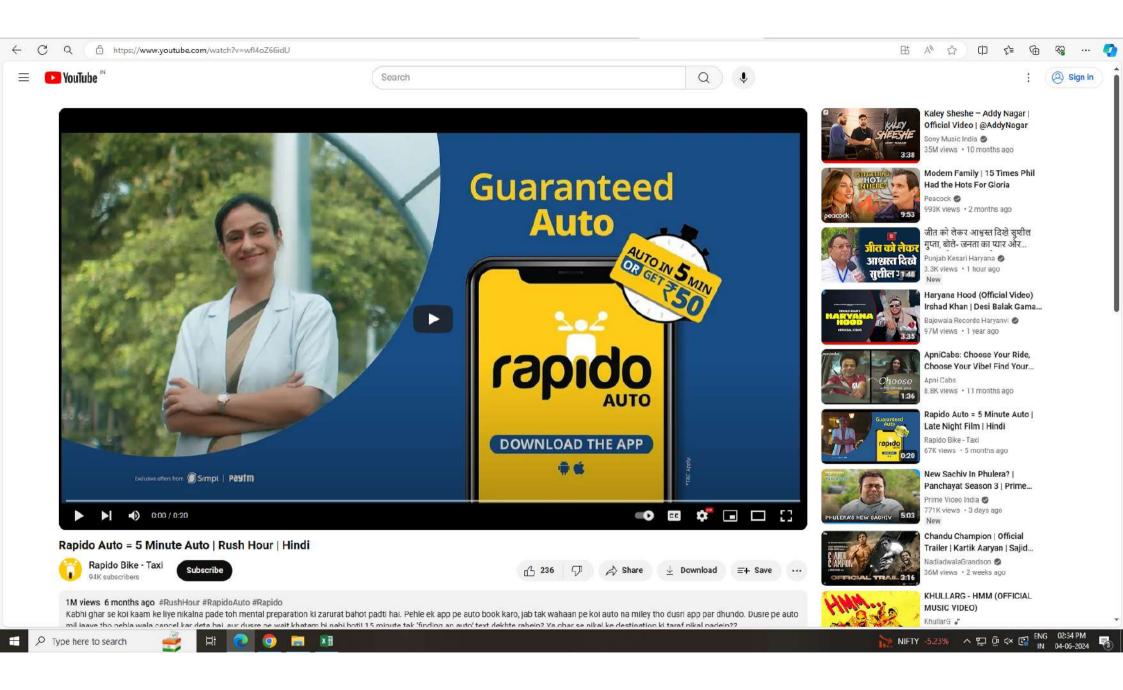
> Anupam Mishra Commissioner

Annexure- 1





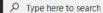






Create New Account Log in













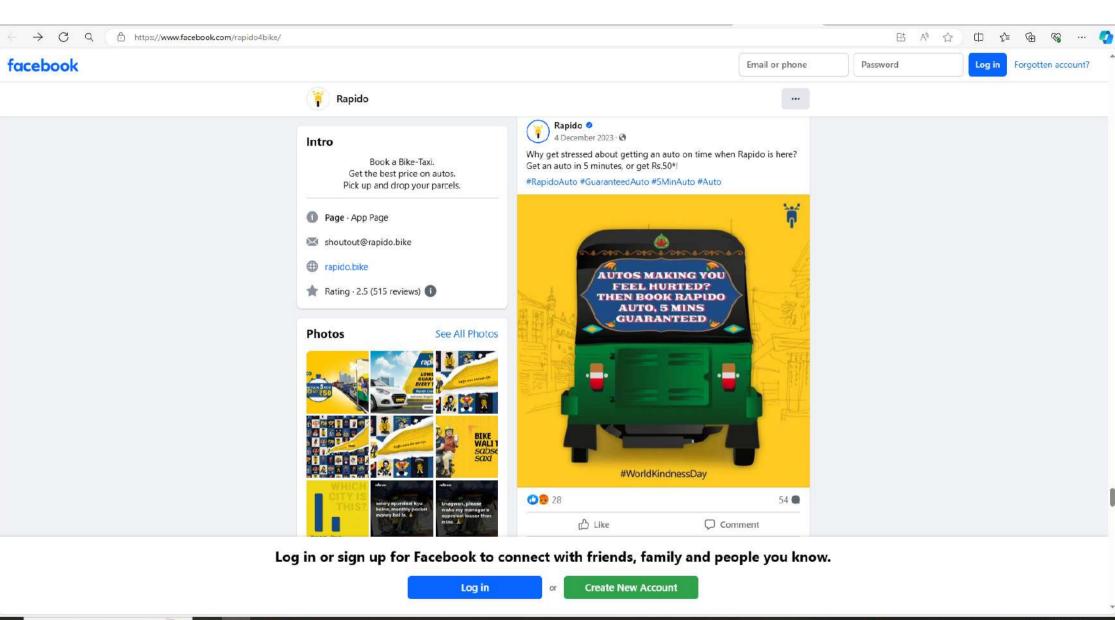














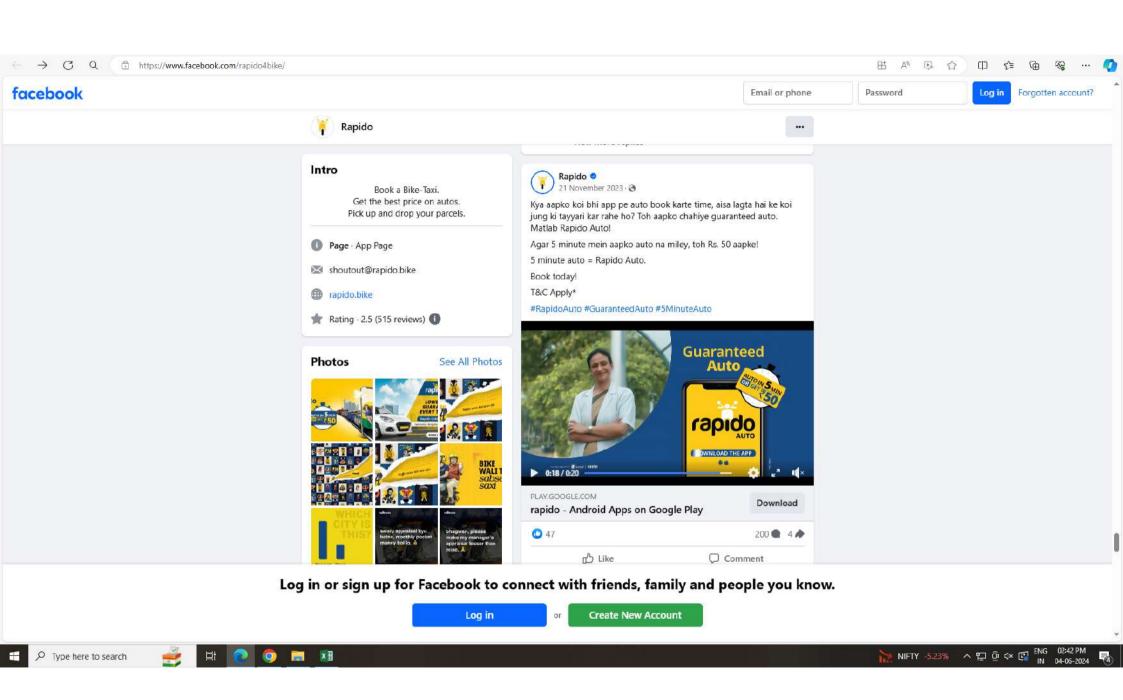


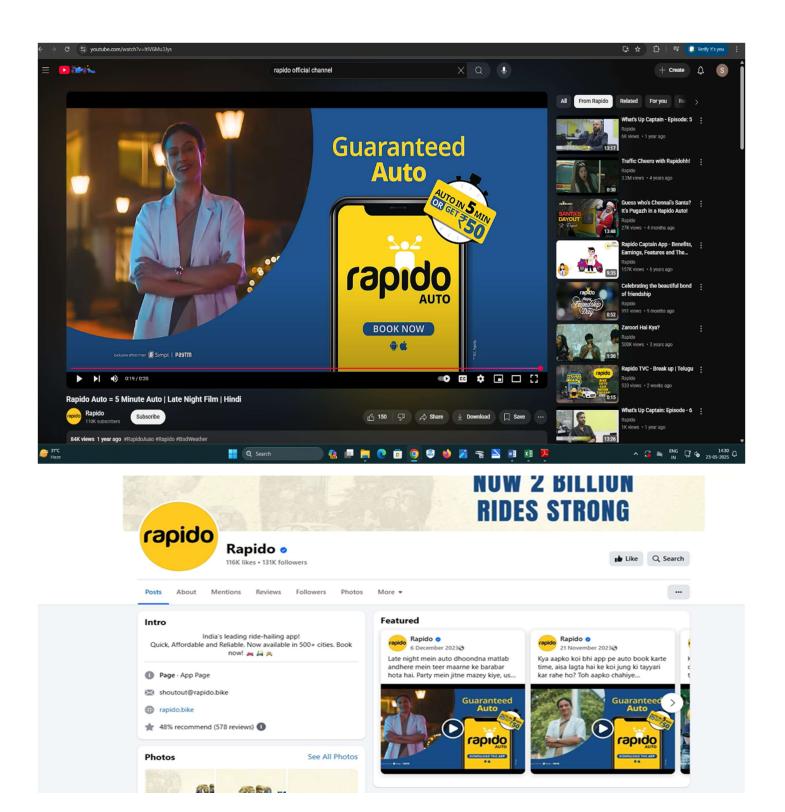


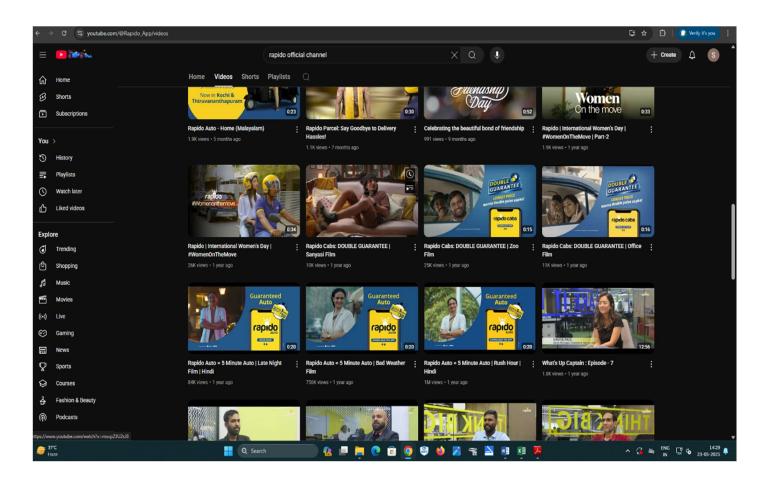


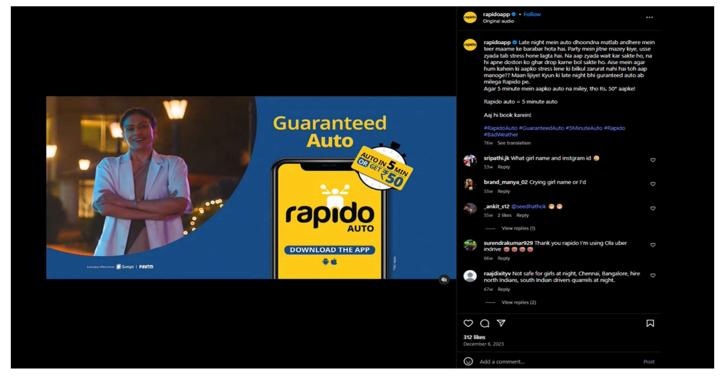














Book today!

#RapidoAuto #5MinuteAuto





Rapido @ @rapidobi... · 16 Nov 23 Ø No more juggling multiple apps to right price
With Rapido Cabs, get the lowest rates,

Annexure- 3



Grievance Details

Grievance Number: 5719873

Grievance Reg Date: 2024-04-23 21:30:05

Complainant Name :Sarfaraz RajComplainant8951720619

Contact No:

Mode: By Web Complaint Type: GAMA

State: KARNATAKA Purchase City: Bangalore

Sector: CCPA Category: CCPA

Grievance Company: Company Name: Rapido

Govt Dept / Regulator: CCPA

Company Details Pincode (Company):

Product Value(INR): 100-1000 Nature of Misleading

Grievances:

Grievance Details: The advertisement says "if you don't get a ride within 5 mins,

you will get 50Rs." But in reality they give only 5 points which is equal to 5Rs. This is misleading information given to lure customers. This ad comes during IPL match on jio cinema. Ad

link: https://youtu.be/wfl4oZ66idU?si=-hdU27wlDqBd1cmO

Grievance Updated Details

Updation Date :2024-04-27 18:34:46

NCH Agent Remark: Sector and category updated

Remark Date: 2024-04-27 18:34:46

Status: Not Processed Yet

Uploaded Files: NA | NA | NA

1 of 2 09/05/2024, 14:07



	▲ Complainant Details	♠ Print

2 of 2



Grievance Details

Grievance Number: 5790108

Grievance Reg Date: 2024-05-12 17:38:06

Complainant Name :Prashant MurtyComplainant9892569654

Contact No :

Mode: By Web Complaint Type: GAMA

State: MAHARASHTRA Purchase City: Mumbai

Sector: CCPA Category: CCPA

Grievance Company: Company Name: Roppen

Transportation

Services Pvt Ltd

Govt Dept / Regulator: CCPA

Company Details Pincode (Company):

Product Value(INR): 10 lac to 1 crore **Nature of** Misleading

Grievances:

1 of 3 28-05-2024, 11:37



the ads claim to give Rs.50 cashback in case an Auto is not booked within 5mins as is eveident from their jingle lyrics "5 Nahi Toh Pachaas". On the night of 10th May, at around 9:45pm i was desperately trying to search for an Auto at Anand Nagar Metro Station in Mumbai. Many autos rejected my request both on Road. Then, I remembered their ads and installed their app for the first time as I believed they must be confident in their claims. I shared my personal details with them hoping to find an auto after an extremely stressful day. But I couldn't book the Auto as even their app failed to book it. As a compensation, they sent me Rs.5 as Rapido Coins (screenshot attached as proof). This is totally different from what they claim blatantly in their ads. I spoke to their customer on the same night and they gave an explanation that it was "Upto 50rs Casback" but their video advertisements never mention the word "upto" anywhere. As an educated person, if I fell for their fraudulent claims then I am sure many other people will fall for it. Not to mention the amount of stress and disheartened I felt on an exhausting day to not find an Auto. I spent so much time watching their ads at so many places and fell for their misleading advertisments. The links to their advertisements are attached below in a PDF. These Ads have a combined view of Millions on Youtube. Infact, they have also played these Ads continuosly during the course of IPL as well which must have got them Crores of views and app installs (like myself). Their earnings from this kind of publicity must have been humungous and all this by making a fool out of all the viewers. A strict action is of superior importance and it should set up a benchmark against other Brands making similar ads in the future. I want an explanation and also a public apology from Rapido and want their ads to be taken down to ensure the sentiments of people are not played with. Infact, people should also be compensated for their data as they have accessed people's phone numbers by misleading advertisements and that itself is a serious fraud that is still ongoing everwhere.

Grievance Updated Details

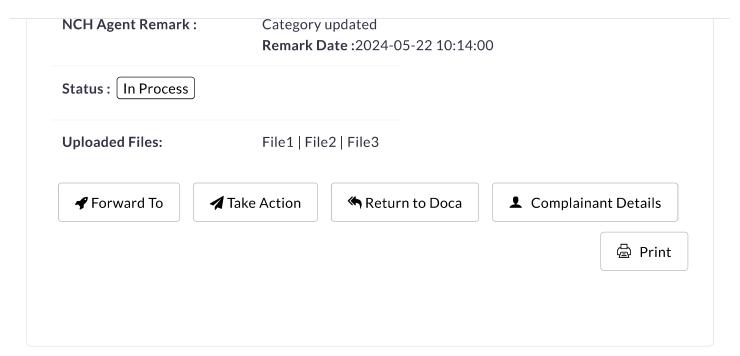
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NCH Agent Remark: Sector and category updated

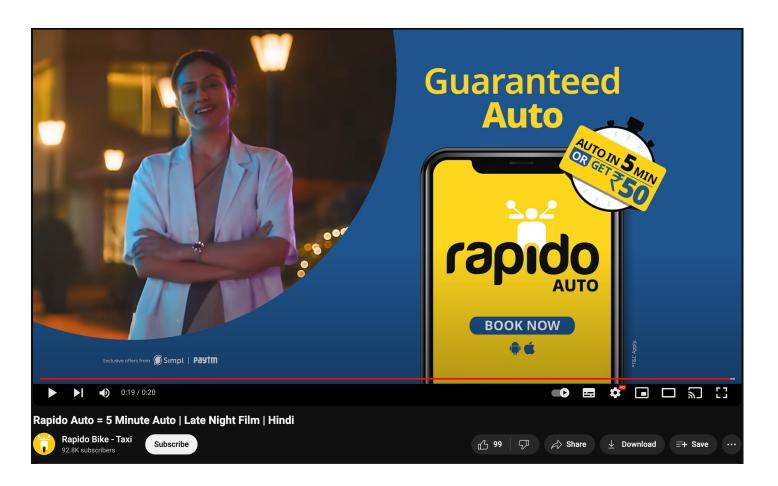
Remark Date: 2024-05-16 18:35:30

2 of 3 28-05-2024, 11:37

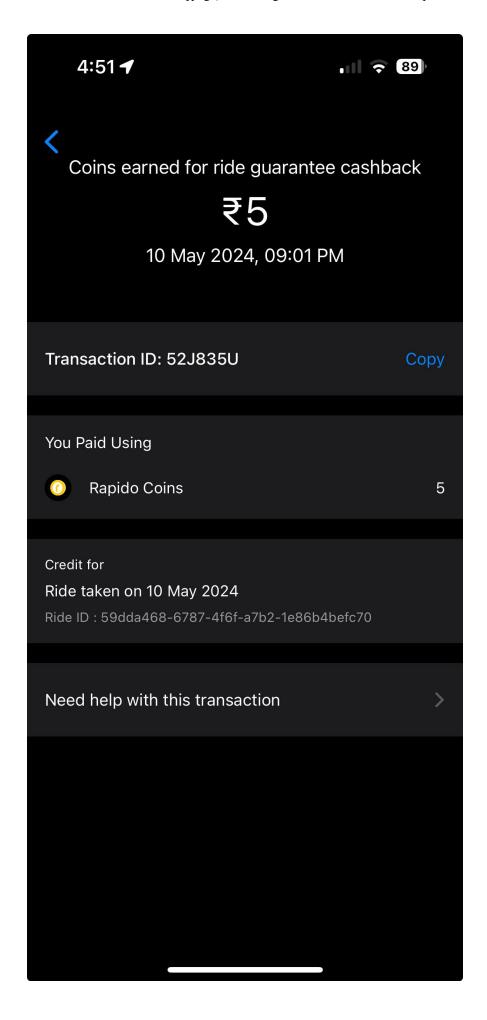




3 of 3 28-05-2024, 11:37



1 of 1 28-05-2024, 11:38



1 of 1 28-05-2024, 11:38

RAPIDO ADVERTISMENTS LINKS

https://www.youtube.com/watch?v=ltlV6Mu3Jys&ab_channel=RapidoBike-Taxi
https://www.youtube.com/watch?v=wfl4oZ66idU&ab_channel=RapidoBike-Taxi
https://www.youtube.com/watch?v=-F8-7BYPLrE&ab_channel=RapidoBike-Taxi