

Central Consumer Protection Authority

Krishi Bhawan, New Delhi -110001

Case No: CCPA-2/41/2023-CCPA

In the matter of: Shankar IAS Academy regarding misleading advertisement.

CORAM:

Mrs. Nidhi Khare, Chief Commissioner

Mr. Anupam Mishra, Commissioner

APPEARANCES

For Shankar IAS Academy: Mr. K.R. Ramesh Kumar, Advocate

Date: 14.08.2024

ORDER

1. This is a suo-moto case taken up by the Central Consumer Protection Authority (hereinafter referred as 'CCPA') against Shankar IAS Academy (hereinafter referred as 'opposite party') wherein it was observed that the opposite party was allegedly publishing the following misleading advertisements on its official website (www.shankariasacademy.com):-

- i. *"336 selections out of 933 at All India Level"*
- ii. *"40 candidates in Top 100"*
- iii. *"42 candidates have cleared from Tamil Nadu, of which 37 studied at Shankar IAS Academy"*
- iv. *"Best IAS Academy in India"*

2. Accordingly, CCPA took cognizance of the matter and conducted a preliminary inquiry to examine veracity of the claims in the impugned advertisement made by the opposite party. As per preliminary inquiry report, it was found that the opposite party prominently displayed successful candidates' names & pictures and simultaneously advertised various types of courses provided by them on its official website but the information with respect to the course opted by the said successful candidates in UPSC exam 2022 was concealed in the abovementioned advertisements. It is important to mention that no information or document was available on the website to

substantiate claims made in the advertisement by the opposite party. Therefore, the CCPA was satisfied that there exists a prima facie case of misleading advertisement under the Consumer Protection Act, 2019.

3. Thereafter, the CCPA issued a notice dated 16th June 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 and making tall but unsubstantiated claims about results from the opposite party. An opportunity to furnish response within 15 days of the issue of the Notice was given to the opposite party.

4. In response to the notice, a reply dated 16th August 2023 was received wherein the opposite party made the following submissions:-

- i. Civil Services Examination consist of 3 stages i.e. Preliminary, Mains & Interview and the institute provide coaching for all 3 stages.
- ii. Annexures containing table of 334 candidates, Detail Assessment Form (DAF) and students in reserve list and students receipts.
- iii. The Institute conduct mock interviews and the students can apply online by submitting the resume or by DAF and walk-in interviews would also be entertained.
- iv. Successful candidates had undergone coaching at its institute in any one of the verticals i.e., either in the preliminary coaching, mains coaching, or the mock interview.
- v. It is a common practice of the students to simultaneously undergo courses in different coaching centre or at various coaching centres for different verticals that is Preliminary, Main and Interview. In the view of this practice the same student will appear in the merit list of the more than one coaching centre for the same recruitment year of UPSC.
- vi. In the year 2004, the Institute was started with very few students and over a period, the strength had improved manifolds and due to the increase of the strength and from their feedback, the institute coined the phrase "The best IAS Academy in South India" and the phrase was part of all its advertisements. After opening its branch in New Delhi in the year 2019, the above said tagline was rephrased as "*The best IAS Academy in India.*"

5. Thereafter, an opportunity of hearing was provided to the opposite party on 03.10.2023 wherein opposite party was represented by Mr. K.R. Ramesh Kumar, Advocate appearing on behalf of opposite party submitted the following:-

- i. Civil Services Examination consist of 3 stages i.e. Preliminary, Mains & Interview and the institute provide coaching for all 3 stages.
- ii. The Institute has different terminology for different stages of examination which are in the following manner:-
 - a. Preliminary exam preparation- Prestorming
 - b. Main exam preparation- Mainstorming
 - c. Interview preparation- Civilisation
- iii. The Institute charges fee for preliminary and main examination modules. However, it does not charges any free for interview preparation.
- iv. Numerous coaching use successful candidates' pictures and names in their advertisements.
- v. After receiving CCPA's Notice dated 16th June 2023, the Institute removed the claim of "Best IAS Academy in India"
- vi. There are 10 coaching centers of the Institute across the India.
- vii. The Institute will abide by any direction given by the CCPA.

6. Considering the written submission and submission made during the hearing, the CCPA vide letter dated 10.10.2023 requested Director General (Investigation) to conduct a detailed investigation into the matter.

7. The Director General (Investigation) in its investigation report dated 27.06.2024 submitted the following:

- i. Out of 336 claimed selections in alleged misleading advertisements, data of 333 students was provided by the Institute. Out of these 333 candidates, the course-wise details of the claimed candidates are hereunder:

S. No.	Courses Enrolled	No. of Candidates	Description of the course
1.	GSPCM	12	General Studies Prelims cum Mains
2.	Mainstorming	71	Mains Test Series

3.	Prestorming	35	Prelims Test Series
4.	Prestorming with mains course	4	Prelims Test Series with Some other mains course (optional and/or GS)
5.	Civiliasation	221	Interview Guidance Program.

- ii. The advertisement does not mention the courses taken by successful candidates which can be seen as an attempt to mislead potential aspirants. It was found that fee receipts of only 89 candidates were provided and out of which, only 21 match with the data provided in the excel sheet, the remaining 68 receipts do not match with data provided in excel sheet.
- iii. In the excel sheet where the course fees of 'Mainstorming' is mentioned as Rs. 12,000/- or 7,500/- or no detail is given, fee receipts provided is of Rs. 6,000/- In 15 instances the course fees of 'Prestorming' is mentioned as Rs.8,000/-, fee receipt provided is of Rs. 10,000/-. In 15 instances where course taken by the candidate in excel sheet is mentioned Civiliasation and course fees as NIL, there, fee receipt is provided of course 'Prefit' of Rs. 4,500/-.
- iv. It was also found that in 18 cases where candidates bought Prestorming course, the commencement date of the course on the receipt is mentioned as 09.10.2022 but the prelims of UPSC CSE, 2022 exam had already been conducted on 05.06.2022 and result declared on 22.06.2022 which could only mean that these candidates bought Prestorming course for next UPSC CSE prelims exam i.e., 2023. Such discrepancies raises question on genuineness of the documents provided by the opposite party.
- v. In the present case, out of 336 claimed students, 221 cleared the Pre and Mains stage of UPSC CSE, 2022 without any assistance of opposite party. They have taken only "Civiliasation" which is an Interview Guidance Programme from opposite party's institute. And this information is important for consumers. Opposite party in the impugned advertisement has deliberately concealed this important information from consumers.
- vi. Several coaching institutes prominently use the same successful candidates' names, pictures and videos in their advertisements while deliberately concealing important information from consumers as a class with respect to course opted by such successful candidates which consequently misled

consumers believing that respective successful candidates has taken paid classroom course from the coaching institutes.

- vii. The advertisements by the Institute which display selected candidates must also mention the type/name and duration of the course opted by the selected candidate so that potential aspirants can make well informed choice as its consumer right under Section-2(9) of the Consumer Protection Act, 2019. As this was not done by the Shankar IAS in its advertisement, hence it appears to be in potential violation of Section- 2(9) and Section 2 (28) (ii) & (iv) of the Consumer Protection Act, 2019.

8. The Investigation Report submitted by DG (Investigation) was shared with the opposite party vide letter dated 23.07.2024 to furnish its comments, if any within 7 days.

9. In response to the investigation report, the CCPA received a reply from the opposite party on 01.08.2024, wherein, following submissions were made:-

- i. Institute offer discounts/concessions/waiver in the coaching fees depending upon the supporting background of the aspirant.
- ii. Fee structure is normally in most cases is treated only as guideline value and the quantum varies depending upon the need and requirement of the applicant. That's why receipts issued will be less than the prescribed fees chargeable for the course.
- iii. Institute has started informing the general public in all our advertisement regarding courses opted by the successful candidates.
- iv. Ignorance of law is not a defense the non-mentioning of the course opted by the successful candidates in its advertisement is a bonafide mistake on its part and the same was rectified after bringing to its notice. Institute also undertake that in future advertisement we will clearly mention the courses taken by the successful candidates who underwent coaching with the Institute.

10. Thereafter, an opportunity of hearing as mandated under the Consumer Protection Act was provided to the opposite party on 02.08.2024 wherein opposite party was represented by Mr. K.R. Ramesh Kumar, Advocate appearing on behalf of opposite party submitted the following:-

- i. Institute should have mentioned the courses opted by the successful candidates in the advertisement.
- ii. Successful candidates had undergone coaching at its institute in any one of the verticals i.e., either in the preliminary coaching, mains coaching, or the mock interview.
- iii. First page of the official website (www.shankariasacademy.com) displayed the pictures and names of successful candidates without disclosing course opted by them. However, after the receipt of DG (Investigation) report, the Institute began mentioning courses opted by the successful candidates on front page of website as well.
- iv. Institute has removed the claim of “Best IAS Academy in India”.

11. During the hearing dated 02.08.2024, CCPA sought total numbers of students enrolled in opposite party's centers across India (including offline and online courses).

12. The CCPA received a mail from the opposite party on 05.08.2024 in which they submitted the total number of students enrolled in their institutes from June 2023 to May 2024 is 9,211 (including offline and online courses).

13. 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;

14. From the above provisions, it is clear that any advertisement should contain truthful & honest representation of facts, and disclose important information in such a manner that they are clear, prominent and extremely hard to miss for viewers/consumers.

15. The Union Public Service Commission (UPSC) in its Press Release dated 23 May 2023 announced that a total of 11,35,697 candidates applied for UPSC Civil Services Examination, 2022. Opposite party's advertisement was targeted towards a class of consumers i.e. UPSC aspirants. A total of 933 candidates were recommended by the UPSC for appointment to various Services. The Appellant in its advertisement claimed 336 selections out of 933 total selections and concealed important information regarding specific courses opted by the successful candidates.

16. It is important to mention that information regarding the course opted by successful candidates is important for the consumers to know so that they can make informed choice while deciding which course and coaching institute to join. The CCPA has observed that several coaching institutes used the same successful candidate's names and pictures in their advertisement while deliberately concealing important information such as course opted by them to create deception as if the successful candidates were full-time classroom students of coaching institute.

17. The opposite party in its advertisements prominently used names & pictures of the successful candidates. This has the effect of consumers falsely believing that all the successful candidates so claimed by the opposite party had opted for the paid courses advertised by them on its website.

18. The CCPA examined the details submitted by the opposite party and found that 221 out of 336 such candidates, took Interview Guidance Course which is free of cost, 106 joined test series either for preliminary or mains examination and only 12 purchased General Studies Prelims cum Mains course. It is understood that Interview Guidance Course comes into play only after an aspirant has cleared both the Prelims and Mains examination of UPSC Civil Service Examination. Thus, it is evident that majority of students, i.e. 221 had not taken any paid courses from the opposite party's institute, as advertised by the opposite party on its official website. However, this important information was deliberately concealed in the advertisement by the opposite party to create deception in favour of the Institute.

19. Such misleading and deceptive advertisements affect consumers adversely as a class. The opposite party has concealed vital information in the advertisement. Therefore, opposite party's claim- *"336 selections out of 933 at All India Level"*, *"40*

candidates in Top 100” and “42 candidates have cleared from Tamil Nadu, of which 37 studied at Shankar IAS Academy” while prominently using successful candidates’ names and pictures is found to be misleading under Consumer Protection Act, 2019.

20. The CCPA has carefully considered the written submissions as well as submissions made by the opposite party during hearing and investigation report submitted by Director General (Investigation) and found that the advertisement is false & misleading as it deliberately conceals important information with respect to the course opted by the said successful candidates from its Institute and exaggerated the claim of successful candidates to mislead aspirants/consumers. This deceptive practice consequently attracts consumers into buying paid courses advertised by the opposite party on its official platforms. Thus, this is a fit case of misleading advertisement under Consumer Protection Act, 2019.

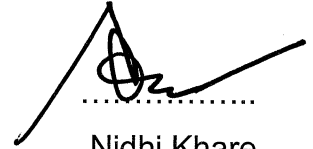
21. The CCPA is empowered under Section- 21 of the Consumer Protection Act, 2019 to issue directions to the advertiser of false or misleading advertisement to discontinue or modify the advertisement and if necessary, it may, by order, impose a penalty which may extend to ten lakh rupees and for every 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 opposite party has 10 centers across India namely in Delhi, Chennai, Bengaluru, Thiruvananthapuram, Hyderabad, Madurai, Salem, Trichy, Coimbatore, and Namakkal. It may be mentioned that every year approximately 11,00,000 students apply for the UPSC Civil Service exam. 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) Discontinue the impugned advertisement from all electronic and print media whatsoever with immediate effect.
- b) Pay a penalty of ₹ 5,00,000 for publishing the following false and misleading advertisement claims which affected the consumers as a class:-
 - i. "336 selections out of 933 at All India Level"
 - ii. "40 candidates in Top 100"
 - iii. "42 candidates have cleared from Tamil Nadu, of which 37 studied at Shankar IAS Academy"
- c) 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

