

Central Consumer Protection Authority
Krishi Bhawan, New Delhi -110011

Case No: CCPA/24/2023-CCPA

In the matter of: Chahal Academy regarding misleading advertisement and unfair trade practice.

CORAM:

Mrs. Nidhi Khare, Chief Commissioner

Mr. Anupam Mishra, Commissioner

APPEARANCES

For Chahal Academy:

Mr. Sumesh Chahal (Founding Director) of Chahal Academy

Date: 18.10.2023

ORDER

1. This is a suo-moto case taken up by the Central Consumer Protection Authority (hereinafter referred as CCPA) against Chahal Academy (hereinafter referred as opposite party) wherein it was observed that the academy was allegedly publishing the following misleading advertisements on their website (www.chahalacademy.com).

- i. Advertised "our successful candidates in UPSC 2022-23, 300 plus Selection" from their academy.
- ii. 4 out of top 5 AIR rank holders in the UPSC exam 2022-23 belong to their academy.
- iii. Best IAS coaching Institute in India.
- iv. India's Premier IAS Institute, Top UPSC Institute, Best Civil Services Exam Coaching Centre for Civil Services Exam preparation at affordable course fee.

2. Accordingly, CCPA took cognizance of the matter and conducted a preliminary inquiry to examine veracity of the claim/advertisement made by the opposite party. As per preliminary inquiry report, it was found that the opposite party showcased various types of courses but the information with respect to course opted by the said successful candidates in UPSC exam 2022 was deliberately concealed in the said advertisement. Further, it was found out that neither any disclaimer to

substantiate the above-noted claim was mentioned in the advertisement nor any information or document was available on the website to substantiate the claim by opposite party.

3. Therefore, 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 claims about results from the opposite party's academy. An opportunity to furnish its response was given to the opposite party within 15 days of the issue of the Notice.

4. In response to the notice, a reply dated 30th June, 2023 was received from the opposite party, wherein, following submissions were made:

- i. The response contained following annexures-
 - a. Annexure 1- List of 300+ candidates whom Chahal Academy are claiming as results.
 - b. Annexure 2- Registration cum Consent Form of the students securing Ranks between AIR-1 to AIR-16.
 - c. Annexure 3- List of all the institutes naming themselves as The Best IAS Coaching Institute: Source- GOOGLE.
 - d. Annexure 4- List of other websites claiming themselves as The Best IAS Coaching Institute as per their websites.
 - e. Annexure 5- List of awards received by Institute for the Best IAS Coaching Institute.
- ii. Opposite party stated that "in our industry, most of the institutes who claim higher number of selections, such results are generally the outcome of their Interview Guidance Programme (IGP) only and same applies to us as most of our results are also from our IGP programme or Mentorship programme.
- iii. Opposite party stated that prior to this notice, they were not aware that they were required to clarify about the details of the course undertaken by each of the successful candidate in the advertisement.
- iv. Opposite party claimed itself as the Best IAS Coaching Institute in India because they received various awards for the Best IAS Coaching Institute.
- v. Opposite party attached a list of awards and certificates given to them by various NGOs namely Education Council of India, Abhigyane Foundation, The Pride of Gujarat and certificate by VTV News.

5. Thereafter, an opportunity of hearing as mandated under the Consumer Protection Act was provided to the opposite party on 07.08.2023 wherein opposite party was represented by Mr. Sumesh Chahal (Founding Director) and Mr. Sharvam Dave (Director) of Chahal Academy Pvt Ltd. They made the following submissions:-

- i. That they have 31 classroom results in UPSC 2022.
- ii. That they have 17 classrooms result from Delhi centre in UPSC exam 2022.
- iii. That AIR-15 Swati Sharma is their classroom programme student.

- iv. That essentially, most of the students are from their mock interview programme.
 - v. That the Institute provide Interview Guidance Program free of cost.
 - vi. That they are following the common format which is being followed by leading coaching institutes. Now, they have got to know about Consumer Protection Act, 2019 and guidelines laid under it. Opposite party assured that they will amend their advertisements as soon as possible.
6. In view of the above, Central Consumer Protection Authority vide interim order dated 11.08.2023 stated that: -
- i. In view of the written submissions and submissions made during hearing, it is clear that all 300 successful candidates showcased in the advertisement only belong to the Interview Guidance Program category which is not a full-time program, and it comes into play only after an aspirant has cleared both the Prelims and Mains examination. Opposite party provided Interview Guidance program free of cost as it is in their interest and subsequently use successful candidate's pictures in their advertisement.
 - ii. It was also pointed out that while the opposite party stated that AIR- 15 Swati Sharma is their classroom programme student but as per annexure-1 provided by opposite party on 30.06.23, she only took Interview Guidance Programme and Mentorship Programme. Additionally, opposite party specifically claimed the following rank holders to be their students by prominently using their pictures on their website. However, it was found that these students only took Mock Interview from opposite party's academy.
 - a) AIR 1 - Ishita Kishore
 - b) AIR 2 - Garima Lohia
 - c) AIR 3 - Uma Harathi N
 - d) AIR 5 - Mayur Hazarika
 - e) AIR 8 – Aniruddh Yadav
 - f) AIR 9 – Kanika Goyal
 - g) AIR 12 - Abhinav Siwach
 - h) AIR 13 – Vidushi Singh
 - i) AIR 16 – Shishir Kumar Singh
 - iii. Opposite party was not able to clarify on what basis/criteria various awards were given to them.
 - iv. The opposite party shall submit additional information which they have mentioned during the hearing by 16.08.2023.
 - v. Recognizing the significance of ensuring adherence to the provisions of the Consumer Protection Act, 2019 and the fundamental principle of equitable and transparent resolution, it was deemed necessary to initiate a detailed

investigation simultaneously into the matter and DG (Investigation) was requested to submit a report within 15 days.

7. The opposite party vide mail dated 18.08.2023 submitted that:
 - i. As we have already assured the authority to adhere to the guidelines and norms of the CCPA and have acted in accordance with our positive approach towards the same by making the suggested changes on our platforms and website.
 - ii. We would like to specify that the successful students are not the outcome of just last year but from enrolments of various courses from past 5 to 6 years.
 - iii. However, we accept the allegations and shall comply with the further process.

8. The Director General (Investigation) in its investigation report dated 22.09.2023 submitted the following:
 - i. M/s Chahal Academy provided the list of 300+ candidates who had cleared UPSC 2022 Civil exams but as per the list provided, these students joined the institute for **Interview Guidance and Mentorship Programme only** and no other separate list was provided by the Institute. It may be noted that interview preparation comes into play only after candidate has cleared the Preliminary and Mains examination. M/s Chahal academy provided the Registration cum consent form of the students securing Rank AIR-1 to AIR-16. On examination it was found that all the registration cum consent forms are signed in month of Jan 2023 to April 2023 whereas the UPSC 2022 Mains Exams was conducted in Dec 2022. UPSC starts conducting the interview for the candidates qualifying civil services written exam from Jan month and it continues till April. It is clear that the successful candidates have enrolled M/s Chahal Academy for Interview guidance programme and not for class room session. Hence the claim made by the Institute is not tenable.
 - ii. The Institute also informed vide their reply dated 30 June 2023 that due to lack of awareness the course details undertaken by each of the candidate were not provided. The Institute still continues to make claim on their website "300+ selection from different courses" which creates an impression of remarkable achievements made by the Institute from different courses and thus trying to attract more aspirants to join their coaching institute. The photos of all top rankers posted on M/s Chahal Academy website belonged to Interview Guidance programme only.
 - iii. The Institute has not provided the receipt of fees paid towards the classroom classes by the successful candidates who joined the coaching institute. The Institute informed that as most of the successful candidates were from

Interview Guidance Programme courses for which the institute does not charge anything hence no receipt were issued.

- iv. The Institute claims to be “Best Coaching Institute in India” and has received many awards and certificates. On further examination of these certificates and awards it was found that these awards and certificate have been issued by various NGOs like Abhigyan foundation, Education Council of India etc. However M/s Chahal Academy failed to provide evidence related to the claim regarding awards received by them and the criteria based on which these awards were given to the Institute.
- v. Therefore, based on the above, it was observed that the claim made by M/s Chahal Academy about being Best IAS coaching Institute & such other claim in their advertisement was not substantiated and not legally tenable.

9. The Investigation Report submitted by DG (Investigation) was sent to the opposite party vide letter dated 11.10.2023 to furnish its comments within 7 days before listing the matter for final hearing on 17.10.2023.

10. In the hearing held on 17.10.2023, Mr. Sumesh Chahal (Founding Director) of Chahal Academy Pvt Ltd. submitted on behalf of Chahal Academy that:

- i. In 2018, they established their IAS coaching center in New Delhi. Additionally, they have 20 plus centers all over India where they send their trained faculty for teaching so that students do not have to spend money on their stay at Delhi. In this way, they have brought down the cost to students desirous of coaching for UPSC Exams. Consequently, they followed the format of advertisement of other IAS coaching institutes in New Delhi.
- ii. They stated that as per their belief they are providing best coaching in all their centers across India. That's why they were claiming Best IAS coaching in India.
- iii. However, in light of the Notice served by CCPA, they have modified the advertisements with the following changes:
 - a. Best IAS coaching Institute in India to IAS coaching Institute in India.
 - b. 300 plus selections to 300 selections from different courses.
 - c. Removed the claim of 4 in Top 5.
 - d. Changed “India's Premier IAS Institute, Top UPSC Institute, Best Civil Services Exam Coaching Centre for Civil Services Exam preparation at affordable course fee” to IAS Coaching, UPSC Coaching, Civil Services Coaching Centre for Civil Services Exam preparation at affordable course fee.

11. It may be mentioned that Section- 2(28) of the Act defines “misleading advertisement” in relation to any product or service i.e., an advertisement which falsely describes such service or falsely guarantees to or likely to mislead consumers as quality of such service or deliberately conceals important information. In the

present matter, information regarding course opted by successful candidates in UPSC exam 2022, so advertised, is important for the consumers to know so that they can make informed decision while deciding which coaching institute to join & which course to opt for to prepare for UPSC exams.

12. Therefore, opposite party's advertisement violates the Section-2(28) of the Consumer Protection Act, 2019 as they have deliberately concealed this important information with respect to the course attended & cost incurred by such successful candidates in order to make commercial gains for themselves. The impugned advertisement while claiming 4 of Top 5 AIR Rank holders in UPSC exam 2022-23 belong to their academy, did not disclose that they all had attended only Interview Guidance Programme (free of cost).

13. Similarly, it is evident that all 300 successful candidates showcased in the advertisement belong to only Interview Guidance Program category (free of cost) which is not a full-time program, and it comes into play only after an aspirant has cleared both the Prelims and Mains examination.

14. It is pertinent to mention that essence of misleading advertisement in Consumer Protection Act, 2019 is that an advertisement shall be considered valid & not misleading when it contains truthful & honest representation of facts.

In the instant case, opposite party has been found taking full credit of successful candidate's efforts and success by prominently putting their pictures in the advertisement whereas the opposite party provided only a brief mock interview or Interview Guidance Program (free of cost) to the respective candidates, which is completely misleading. Such candidates had already cleared Preliminary and Mains examination by himself/herself, with no contribution of the opposite party. By concealing this important fact, such false & misleading advertisement creates huge impact on consumers who are UPSC aspirants without letting them know that the opposite party had offered guidance to only such successful candidates who had already cleared Preliminary and Mains examination of UPSC examination. Thus, the impugned advertisement had violated the consumer's right to be informed so as to protect himself against unfair trade practice.

15. Section- 2(47) of the Consumer Act, 2019 defines "unfair trade practice" i.e., 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 falsely represents that the services are of a particular standard, quality or grade.

16. Opposite party assert their status as the "Best IAS coaching Institute in India" without providing substantial evidence to support these claims. Opposite party have been utilizing deceptive practices to create a perception of exceptional quality and success. Such deceptive practices mislead aspiring candidates.

Claiming themselves as Best, should have been substantiated and based on any neutral market survey carried out between similarly placed all coaching institutes of

India or any third party assessment which was based on transparent & known parameters/indicators for making an assessment of being Best.

17. Thus, claims like Best IAS coaching Institute in India, India's Premier IAS Institute, Top UPSC Institute, Best Civil Services Exam Coaching Centre for Civil Services Exam preparation constitute misleading advertisement. In the present matter, neither any comparative study was done by a third party before making the above claim nor any State Agency has given any certificate to the effect that the misleading claim made by the opposite party can be considered to be a valid advertisement.

18. The CCPA has carefully considered the written submissions as well as submissions made 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 their Academy, which consequently affects consumers, as a class. Additionally, opposite party has deliberately misled consumers by falsely describing its service with the intent that such deceptive trade practice will cloud the judgment of large number of UPSC aspirants/consumers in deciding to avail the services offered by them. Thus, it makes a fit case of misleading advertisement and unfair trade practice.

19. 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.

20. The opposite party have 20 plus centers across India and more than 2000 plus students have reportedly passed from their centers. It may be mentioned that every year approximately 10,00,000 students appear for the UPSC exam. Therefore, the vulnerability of the class of persons likely to be adversely affected by such misleading advertisement is huge.

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

- a) To discontinue the impugned advertisement from all electronic and print media whatsoever with immediate effect.
- b) M/s Chahal Academy shall pay a penalty of ₹ 1,00,000 for publishing following false and misleading advertisement claims which affected the consumers as a class.

- i. Our successful candidates in UPSC exam 2022-23, 300 plus selections from their academy.
 - ii. 4 out of top 5 AIR rank holders in the said exam belong to their academy.
 - iii. Best IAS coaching Institute in India.
 - iv. India's Premier IAS Institute, Top UPSC Institute, Best Civil Services Exam Coaching Centre for Civil Services Exam preparation at affordable course fee
- c) The opposite party shall submit the amount of penalty and a compliance report to CCPA on the above directions within 30 days from the date of this Order.



Nidhi Khare
Chief Commissioner



Anupam Mishra
Commissioner