



CCPA Imposes ₹15 Lakh Penalty on Coaching Institute for Misleading Advertisement

Concealment of material information as Violation of Consumer Rights

Repeat Offence Attracts Higher Penalty

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The Central Consumer Protection Authority (CCPA) has passed a final order imposing a penalty of ₹15 lakh on Vajirao and Reddy Institute for issuing misleading advertisements in relation to the Civil Services Examination (CSE), 2023. The Authority observed that the Institute **deliberately concealed important information** in its advertisements, namely, the specific course(s) opted for by the successful candidates.

The Institute published the following claims on its official website, along with the names and photographs of successful candidates of UPSC CSE 2023, soon after the declaration of the results on 16.04.2024:

- “Over 645 Selections Out of 1016 Vacancies in UPSC CSE 2023 From Vajirao & Reddy Institute”
- “6 in Top 10 AIR”
- “35 in Top 50 AIR”
- “64 in Top 100 AIR”

The CCPA noted that the Institute published the above claims while simultaneously advertising various courses offered by it on its official website, namely: GS/Complete Course/Foundation Course, Pre-Foundation Course, Weekend Course, Optional Subject Course, and GS Pre-cum-Mains Course.

These representations created a misleading impression among consumers that all the successful candidates had enrolled in these regular courses advertised by the Institute.

Concealment of Material Information Violates Consumer Rights

What constitutes “important information” in an advertisement varies on a case-to-case basis and must be assessed from the perspective of a consumer. In the present case, the specific course opted for by a successful candidate is **material information** for a consumer, i.e., a UPSC aspirant. This is because such information directly influences the perception of prospective aspirants regarding the efficacy, scope, and quality of the services offered by the Institute. Non-disclosure of such information creates a misleading impression that the successful candidates were trained by the Institute across all stages of the examination, including Preliminary, Mains, and Interview stages, which may not be factually correct.

Such deliberate concealment adversely affects the ability of consumers **to make an informed choice** about which course to enrol in and at what stage of their Civil Services Examination preparation. True and honest disclosure regarding the specific course(s) undertaken by successful candidates would enable

aspirants to make informed academic decisions. The omission of such material information amounts to concealment and violates consumer rights under Section 2(9) of the Consumer Protection Act, 2019.

Discrepancies in Enrolment Records

During the proceedings, the CCPA examined the enrolment forms of the successful candidates submitted by the Institute. It was found that 431 **enrolment forms did not specify or mention the course(s)** for which the students had enrolled. Further, these enrolment forms **did not indicate the date** on which they were filled. The CCPA raised these discrepancies with the Institute. However, no satisfactory explanation was provided. The Institute also **failed to produce corroborative documentary evidence**, such as fee receipts or other relevant records, to substantiate its claims. Such lack of disclosure and absence of supporting documentation raised serious concerns regarding the genuineness and veracity of the claims made in the advertisements vis-à-vis the documents submitted before the Authority.

With respect to the remaining enrolment forms where course names were mentioned, it was observed that many of them reflected only “Interview Guidance Programme” or “Mock Interview”. Therefore, as per the data submitted by the Institute itself, these candidates had enrolled only for the Interview Guidance Programme, which is conducted after the Preliminary and Mains stages of the UPSC Civil Services Examination. This indicates that such candidates had already cleared the Preliminary and Mains stages independently and had approached the Institute solely for mock interviews or interview guidance at the final stage. Therefore, such advertisement creates a misleading impression regarding the extent of services actually provided.

Repeat Contravention

The CCPA further noted that Vajirao & Reddy Institute had earlier been proceeded against for publishing misleading advertisements in relation to UPSC CSE 2022 results and a penalty of ₹7 lakh was imposed on them. **Despite prior regulatory intervention and caution**, the Institute continued to make similar claims in its subsequent advertisements, demonstrating **a lack of due diligence and regulatory compliance**. In view of the recurring nature of the violation, the present case was **treated as a subsequent contravention**, warranting the imposition of a higher penalty in the interest of consumer protection.

The Authority also noted that approximately 11,00,000 candidates apply for the UPSC Civil Services Examination every year, highlighting the vast target audience potentially influenced by such advertisements. Consumers invest substantial time, effort, and financial resources in preparing for competitive examinations. Such deliberate concealment in advertisements misleads students and parents by creating false expectations regarding outcomes and the effectiveness of coaching services.

So far, the CCPA has issued 57 notices to various coaching institutes for misleading advertisements and unfair trade practices. Penalties amounting to ₹1,24,60,000 have been imposed on 29 coaching institutes, along with directions to discontinue such misleading claims. The Authority has emphasized that all coaching institutes must ensure truthful, transparent, and complete disclosure of material information in their advertisements, thereby enabling students to make fair and informed academic decisions.

(Final Order is available on the Central Consumer Protection Authority website: https://dca.gov.in/ccpa/orders-advisories.php?page_no=1)

RT/ARC

