

**Central Consumer Protection Authority  
Krishi Bhawan, New Delhi --110001**

**File No: CCPA-2/42/2023-CCPA**

In the matter of: The suo-moto case against Sorting Hat Technologies Private Limited (Unacademy) herein referred as "Opposite Party" in the matter of an alleged misleading advertisement for claiming inter alia on their website "Top three achievers (viz. Ranks AIR 3, AIR 4 and AIR 6) in the UPSC CSE 2021 exam are the Unacademy Learners".

**CORAM:**

**NIDHI KHARE, CHIEF COMMISSIONER  
ANUPAM MISHRA, COMMISSIONER**

**APPEARANCES**

For Sorting Hat Technologies Private Limited: - Ms. Kavya Mammen (Legal Manager)  
Mr. Siddharth Manchanda (General Counsel)

Date: **23.10.2023**

**ORDER**

1. This is a suo-moto case taken up by the Central Consumer Protection Authority (hereinafter referred as CCPA) against Sorting Hat Technologies Private Limited which owns Unacademy (hereinafter referred as opposite party) wherein it was observed that the academy was allegedly publishing the following misleading advertisements on their website ([www.Unacademy.com](http://www.Unacademy.com)).
  - i. "26% of all UPSC rankers are Unacademy learners"
  - ii. "3 achievers in Top 5".
  - iii. "35 achievers in Top 100".
  - iv. "178+achievers out of 685"
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 all the claims made above by the opposite party including the 3 achievers in Top 5 were not substantiated with any data or information regarding courses opted by the said successful candidates in UPSC exam 2021 and that such information was deliberately concealed in the said advertisement. Thus, it was found to be prima facie a case of misleading advertisement under the Consumer Protection Act, 2019.
3. Therefore, the CCPA issued a notice dated 24th August 2022 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 unsubstantiated tall claims about results from the opposite party's academy.
4. In response to the notice, a reply dated 07.09.2022 was received from the opposite party in which Physical Consent Forms, Digital Consent Forms, Video Links

and List of Paid/Scholarship Subscribers were submitted to substantiate their claims to the said advertisement.

5. On examination of the response of the opposite party, The Central Authority observed that:-

- i. The fees paid by the 178+ successful candidates of impugned advertisement and invoice hasn't been provided by the Unacademy. Most of them are only of an inquiry nature, no actual admissions had been done in the above said year.
- ii. The Details of video links of Last Mile Program shared by the opposite party in their reply does not substantiate the claim that 26% of all UPSC rankers are from Unacademy. It is just a mock interview program and nowhere the achievers are acknowledging the efforts of Unacademy in achieving the top ranks in UPSC 2021.
- iii. The testimonials of the top three achievers such as Gamini Singla (AIR 3), Aishwarya Verma (AIR 4) and Yaksh Chaudhary (AIR 6) shared by the opposite party in Google drive are not accessible and therefore the query raised related to consent in registration forms of rank holders remains unresolved.
- iv. The physical consent forms were vaguely prepared and no authentication of signatures of top three achievers were provided.

6. Thereafter, an opportunity of hearing as mandated under the Consumer Protection Act was provided to the opposite party on 19.07.2023 wherein opposite party was represented by Ms. Kavya Mammen (Legal Manager), Mr. Siddharth Manchanda (General Counsel) of Sorting Hat Technologies Private Limited (Unacademy). They made the following submissions:-

- i. There are total 177 students who have opted to get registered in various courses that have been offered by the Unacademy.
- ii. There are three categories of programs namely Plus Subscription, Mock Interviews and Test Series.
- iii. Apart from Plus Subscriptions, there are interviews programs, videos/tests in which students can participate.
- iv. The top three achievers opted for Plus Subscription as they have paid for the Mock Interview program which is also known as Last Mile Program.
- v. 177 out of 685 are UPSC rankers and that is the 26% of all UPSC Rankers which are Unacademy Learners
- vi. The only IDs kept by the Unacademy are Unique IDs of the students that are generated by Unacademy itself, apart from these UIDs, no valid identity cards are being taken from the students at the time of admission.

7. In view of the above, Central Consumer Protection Authority vide interim order dated 26.07.2023 directed the opposite party:

- i. To provide the course wise break up of 178 students on the basis of courses opted by them, fees paid by them, scholarship selected by them, duration of the course, amount paid or not, along with their invoices.
- ii. To identify each one of the courses offered by the institute and provide a tabular sheet by highlighting categories like students who opted for one or two courses, students who opted for only 6 months course, students who opted for only Mock Interview Course, students who opted for Test Series, students who have opted for

one year subscription, the details of 3 achievers have to be identified in this tabular sheet.

- iii. To provide the criteria of selecting the students via scholarship and further to provide the documents pertaining to scholarship won in particular year like when was the contest organized, how did he make it to the scholarship, what was the amount paid for scholarship as there is no uniformity seen in the exhibit B (List of Scholarship paid- Learners Details) shared by the company in their reply dated 07.09.2022.
8. Thereafter, another opportunity of hearing was provided on 31.07.2023 to the opposite party to substantiate their claims as per Para 7 above and vide interim order dated 01.08.2023 opposite party was directed to inter alia also provide the hard copies of physical and digital consent forms of all learners.
9. The opposite party submitted its reply dated 03.08.2023 & appeared for hearing on 04.08.2023, submitting that:
  - i. The opposite party submitted the List of documents in excel sheets which are:
    - List of only Plus subscribers
    - List of Only Last Mile Program subscribers
    - List of Last Mile + Plus subscribers
    - List of Last Mile + Test subscribers
    - List of Plus+ Test + Last Mile subscriber
    - 3 sample consent forms of random students.
    - Google sheet
  - ii. The 5 separate Excel Sheets depicts the status of 178 learners i.e. Learner UID, Nature of subscription (Plus, Last Mile/Test), Subscription Duration, Corresponding Fee Structure, Discount Quantum, program of Discount, Amount paid by the Learners and Invoice Link.
  - iii. The top two achievers out of top three successful achievers subscribed to Plus Subscription for which they have paid the amount worth Rs. 11,043 and Rs. 11,250 whereas the third achiever did not opt for Plus Subscription. All 178+ successful candidates belong to Last Mile Program. However, only top 2 achievers AIR 3 & AIR 4 opted for Plus Subscription program whose duration of subscription was 3 months whereas achiever AIR 6 whose duration of subscription was 6 months got subscribed to only free subscription for Last Mile program.
  - iv. The nature of Subscription comprises the varieties of subscriptions availed by learners through Unacademy. They consist of : (i) Plus Subscription (ii) Last Mile Program (iii) Test Series
    - a. **Plus Subscription** inter alia provides access to learners to the live and recorded classes on the Unacademy app and website for such duration and at such price, as a learner may choose from the various options available on the Platform.
    - b. **Last Mile Program** is an in-person mock interview free program designed for a learner who may have cleared its mains exams of UPSC.
    - c. **Test Series** comprises of free tests across subjects (in MCQ format), of varying duration.
  - v. Similarly, Corresponding Fee Structure refers to the consideration in lieu of the respective subscription availed by a learner. It comprises of three types:

- a. **Paid Subscription** refers to any subscription for which a fee/amount is paid by the learner whether with or without discount.
- b. **Free Subscription** refers to any subscription which is offered **free of cost** to any learner who may be interested and registers with Unacademy to avail of such subscription.
- c. **Complimentary Subscription** refers to any subscription which may be provided on a complimentary basis at Unacademy's discretion taking into account the merit/rank of a learner.

10. Despite providing several opportunities for seeking clarification about the misleading advertisement, on examination of response, it was found that 178+ successful candidates from Unacademy who had allegedly qualified UPSC CSE 2021, were mostly subscribers to Mock Interview or Last Mile Programme which can be opted only by those candidates who had cleared Prelims & Main Exams of UPSC. Therefore, the matter was referred to the Director General (Investigation) for detailed investigation. The Investigation Report dated 14.09.2023 highlights the following:

- i. M/s Sorting Hat Technologies Pvt Ltd (Unacademy) informed vide their email dated 03 Aug 2023 that top three rankers subscribed for Plus Subscription program in addition to last Mile program however on perusal of excel sheet enclosed with their reply , it was found that NA is marked against the Last Mile and Test program subscribed by the top rankers. The Unacademy also failed to provide the payment receipt of three top rankers including other rankers who subscribed for the Plus Subscription program.
- ii. M/s Sorting Hat Technologies Pvt Ltd (Unacademy) have also failed to provide the registration form, valid IDs proof of the top rankers including the learners registered for the Last mile program. It may be noted that last mile program comes into play only after the aspirant has cleared the Prelims and Mains examination of UPSC CSE. The last mile program is primarily open program for personal interview preparation only for those learners who have qualified the main exam in UPSC.
- iii. Unacademy failed to provide the Physical and digital consent form, screen shot of digital form signed and filled by the top three rankers and other remaining rankers at the time of admission.
- iv. M/s Sorting Hat Technologies Pvt. Ltd. (Unacademy) claims to have testimonials of top three rankers of the said UPSC CSE Exam 2021 and all the top rankers were the part of Last mile program and paid plus subscription. On further investigation it was found that video testimonial of topper shared is just a mock interview and nowhere in the interview the toppers have acknowledged the efforts of Unacademy in achieving the top ranks in UPSC Exam 2021.
- v. On examination of testimonials of top three rankers submitted by the Unacademy vide response dated 03.08.2023 in Google drive is found to be inaccessible.
- vi. The Unacademy also failed to provide evidence relating to the test series taken up by the three top rankers.
- vii. CCPA conducted three hearings on 19/07/2023, 31/07/2023 and 04/08/2023 seeking the clarification regarding the misleading advertisement regarding the top three rankers of UPSC CSE 2021 wherein Unacademy claimed that these top three achievers as their Unacademy learners without disclosing necessary programmes in which the successful candidates were enrolled.
- viii. Based on the above observations, it is clear that Unacademy is making false and deceptive claim regarding the achievements and quality of service offered by the Institute thereby indulging in unfair trade practices and misleading



advertisement. Hence, actions as per Section 21 of the Consumer Protection Act, 2019 may be considered.

11. It may be noted that as per Section 2 (28) of the Consumer Protection Act, 2019, 'misleading advertisement' in relation to any product or service, inter alia means an advertisement, which deliberately conceals important information.

12. Every year, hundreds of aspirants from across the India move to the different states to pursue their dream of becoming an IAS officer. But only a few clear the exams and most aspirants are caught in the web for years barely managing to keep the dream alive. For the pride of clearing the Union Public Service Commission (UPSC), the price many aspirants pay is not just limited to finances, but also mental and physical health, and losing productive years on preparations among others. One of the most deceptive marketing tactics adopted by various institutes is to exclusively and unilaterally take full credit of successful candidates who have cleared the UPSC with their own hard work & preparation and without the help of these coaching institutes in the initial stages of clearing Prelims & Mains Exams. After clearing Prelims and Mains, several coaching institutes offer these gullible candidates to get enrolled into their mock interview programs, free of cost, and consequently ask for candidates photos and registration number which can then be used by these institutes in their advertisement for their commercial gains, if the candidate clears the last stage of interview at UPSC CSE.

13. Thereafter, all these institutes deceptively claim that the successful candidates of UPSC CSE are their learners. Such institutes deliberately conceal important information from the consumers with respect to the specific course that was opted by the said successful candidates. Without truthful & honest disclosures, such advertisements fall in the category of misleading advertisements. The reason for concealing this important information is to dupe the consumers into believing that the said successful candidates must have taken various paid, long term courses that are often displayed on the advertisement or on their website.

14. In the instant case, the opposite party claimed 26% of all UPSC Rankers are Unacademy learners without truthfully & honestly disclosing the courses opted by each of the so called achievers in the advertisement on their website. When such claims are published along with fresh advertisement for new batches, it creates confusion in the minds of aspiring UPSC candidates, who are lured by factually incorrect and misleading advertisements. These innocent consumers fall in a trap believing that 26% of all UPSC Rankers are from Unacademy, and must have achieved their success after joining the long term paid advertised courses, while the truth is that UPSC CSE has 3 stages---Prelims, Mains and Interview and most of 178 successful candidates had opted for free of charge Mock Interview Course, after clearing Prelims/Mains on their own.

15. Similarly, it was observed that 3 achievers in Top 5 (i.e. AIR 3, AIR 4 and AIR 6) were enrolled in Last Mile Programme which is also known as Mock Interview Program. 2 candidates had also taken Plus Subscription program along with the Last Mile Program for 3 months each. The opposite party has failed to truthfully disclose that AIR 6 had opted Last Mile Program, Plus Subscription & Test Series all complimentary & free of cost which is neither mentioned in their claimed advertisement nor displayed on their website. The opposite party has also deliberately hidden this important information from their advertisement pertaining to the 3 achievers in Top 5 who have never taken any long term or paid advertised courses for clearing Prelims & Mains from the opposite party.

16. 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 data relating to the number of total 178 achievers out of which following achievers have enrolled in each subscription and combination of subscriptions offered by Unacademy are as below:

- i. 114 achievers subscribed for Only Last Mile Program
- ii. 19 achievers subscribed for both Plus and Last Mile Program
- iii. 19 achievers subscribed to Last Mile, Test Series and Plus Program.
- iv. 18 achievers subscribed to both Last Mile and Test Series.
- v. 8 achievers subscribed for Only Plus program.

It is evident that Last Mile Program category which is also known as Interview Guidance Program is free of cost and is not a full-time program, and it comes into play only after an aspirant has cleared both the Prelims and Mains examination. Also the top two achievers (AIR 3 & 4) opted for both Plus Subscription (also known as paid subscription), Test Series and Last Mile program whereas the third achiever (AIR 6) opted for Plus Subscription, Test Series and Last Mile Program but did not pay for any subscription. The Opposite Party failed to provide truthful & honest disclosure pertaining to the courses subscribed by the 178+ successful candidates which amounts to false & misleading advertisement. Deliberate concealment of important information with respect to the course opted by the said successful candidates from Unacademy violates consumer's right to know and make informed choice. Additionally, opposite party has failed to provide any evidence regarding their claim of "Top 35 achievers in Top 100" and 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.

17. 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:-

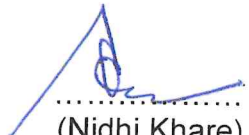
- i. the population and the area impacted or affected by such offence;
- ii. the frequency and duration of such offence;
- iii. the vulnerability of the class of persons likely to be adversely affected by such offence.

18. The Opposite party have total 38 Unacademy offline centres which are available around 32 cities in India for IIT-JEE, NEET & UPSC. It may be mentioned that every year approximately 10,00,000 students appear for the UPSC exam. Out of which approximately 3,000 candidates are selected for final stage of Interview. Therefore, lack of proper & truthful disclosure takes undue advantage of the vulnerability of consumers as a class and the likelihood of adverse impact of advertisement is huge.

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

- i. The party is directed to discontinue the present advertisement from all newspapers/electronic, digital platforms and submit compliance report to CCPA.
- ii. The opposite party shall pay a penalty of Rs.1,00,000/- for publishing following false and misleading advertisement claims which affected the consumers as a class.
  - a. "26% of all UPSC rankers are Unacademy learners"
  - b. "3 achievers in Top 5".
  - c. "35 achievers in Top 100".
  - d. "178+ achievers out of 685"

20. 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.

  
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(Nidhi Khare)

Chief Commissioner

  
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(Anupam Mishra)  
Commissioner

