

Central Consumer Protection Authority
Krishi Bhawan, New Delhi -110011

Case No: CCPA-2/59/2023-CCPA

In the matter of: Khan Study Group (KSG) regarding Misleading Advertisement and Unfair Trade Practice.

CORAM:

Mrs. Nidhi Khare, Chief Commissioner

Mr. Anupam Mishra, Commissioner

APPEARANCES

For Khan Study Group (KSG):

Mr. Aslam Raza Khan (Founder Director) of Khan Study Group

Date: 02.11.2023

ORDER

1. This is a suo-moto case taken up by the Central Consumer Protection Authority (hereinafter referred as 'CCPA') against Khan Study Group (hereinafter referred as opposite party) wherein it was observed that the opposite party was allegedly publishing the misleading advertisements on their website (www.ksgindia.com) making the following claims-

- i. 682 out of 933 selected students are from KSG.
- ii. All TOP 5 Successful Candidates of UPSC Civil Services Exam 2022 are from KSG.
- iii. Ishita Kishore AIR 1 UPSC 2022 is from KSG
- iv. Best IAS Coaching Institute for General Studies and CSAT 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 showcased various types of courses but the information with respect to the course opted by the said successful candidates in UPSC exam 2022 was concealed in the said advertisement. Further, it was found out that neither any disclaimer to substantiate the above-noted claims was mentioned in the

advertisement nor any information or document was available on the website to substantiate the claim by opposite party. From the preliminary inquiry report, it was clear that prima face it was a fit case of Misleading Advertisement and Unfair Trade Practice that affected consumers as a class.

3. Therefore, the CCPA issued a notice dated 3rd August 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 Institute. An opportunity to furnish its 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 29th August, 2023 was received from the opposite party, wherein, following submissions were made:

- i. Opposite party stated that being a responsible citizen, it is aware of the rights and duties of an Indian citizen as well as the rights of consumer and other unfair trade practices.
- ii. Opposite party stated that its Director Dr Aslam Raza Khan is a teacher by profession and always tried to help the needy students with his full capacity. He is having an unblemished career of more than 25 years. Initially he taught General studies at the Rau's Study Circle, Delhi, which was far away from the North Campus of Delhi University and many students were facing difficulty in attending classes there and getting guidance for their UPSC exams. Therefore, he established a coaching institute in the vicinity of North campus of Delhi University and now there are 12 branches of the institute and one of them is at Rajendra Nagar.
- iii. Opposite party stated that since its inception it is imparting quality education and support to the aspirants of Civil Services (UPSC) at a reasonable price and tried to help the students in achieving their goals. It has worked very hard and with utmost sincerity and has received recognition and reward for " Best school in imparting training to IAS aspirants by a magazine by the name of " Business Sphere" India's no-1 magazine for corporate and SME's having its office at 2nd floor, C-34 B, Kalka Ji New Delhi -110019
- iv. Opposite party submitted details of selected candidates in UPSC exam 2022 i.e., type of course opted by selected candidates.

5. Thereafter, an opportunity of hearing as mandated under the Consumer Protection Act was provided to the opposite party on 11.10.2023 wherein opposite party was represented by Mr. Aslam Raza Khan, Founder Director of Khan Study Group (KSG). He made the following submissions: -

- i. He started teaching Civil Services aspirants in 1992.
- ii. He opened KSG in 2008.
- iii. The successful candidates mentioned in the said advertisement did one or another course from the opposite party's Institute.

- iv. The opposite party no intention to mislead the consumers, but they have understood CCPA's point, and they have assured that they won't publish this kind of advertisement again.
- v. They accept the allegations and will comply with further directions of CCPA.

6. 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 Director General (Investigation) in its investigation report dated 23.10.2023 submitted the following:

- i. That the opposite party has not replied to para 7 of the CCPA notice wherein the opposite party claimed that top 5 successful candidates of UPSC Civil Services Examination (CSE) 2022 were from opposite party's Institute.
- ii. That the opposite party has also not replied to para 11 of the notice, as per which, various claims in the firm's advertisements were not substantiated and the specific courses attended by the students had not been mentioned in the advertisements.
- iii. That the **Fee receipts of only 2 students** have been attached. The receipts were **issued in 2019** while the matter pertains to CSE 2022.
- iv. That the Image of a memento from M/s Business Sphere Magazine has also been attached, which is not relevant for this investigation. Moreover it is also found that the firm has not shared any picture/newspaper clippings receiving award from Ex Lok Sabha speaker in order to further strengthen its claim.
- v. That an analysis of the documents submitted in respect of 682 numbers of successful candidate's shows that all of them enrolled for interview/ personality test for CSE 2022. **Eight candidates took guidance for additional courses in previous years.** This implies that none of them studied any other course from the opposite party's institute. This fact is not disclosed in their advertisements.
- vi. That even a programme for interview guidance is of short duration of a few days (free of cost) while a classroom coaching programme continues for longer duration of as long as twelve months (available on payment of fee). None of the candidates took classroom coaching for other subjects; and this fact was never disclosed in the advertisements. It implies that contribution of firm in overall preparation of the candidates is meagre. By not disclosing complete information in the advertisements, credit is being taken for the whole examination. It is common knowledge that rank of a successful candidate is based on score in written test as well as interview. Thus, unsuspecting candidates may get lured by the misleading advertisements.

vii. Thus, claims in the impugned advertisement of the opposite party have not been found substantiated with evidence.

8. The Investigation Report submitted by DG (Investigation) was sent to the opposite party vide letter dated 26.10.2023 to furnish its comments, if any within 7 days.

9. However, CCPA did not receive any reply from the opposite party till 01.11.2023.

10. 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 the course opted by successful candidates in UPSC exam 2022, so advertised, is important for the consumers to know so that they can make informed choice while deciding which coaching institute to join & which course to opt for to prepare for UPSC Civil Service exams.

11. Therefore, opposite party’s advertisement violates the Section-2(28) of the Consumer Protection Act, 2019 as they have deliberately concealed important information with respect to the course attended in order to deceive & mislead consumers and make huge commercial gains for themselves. The impugned advertisement claimed that “Ishita Kishore AIR 1 UPSC 2022 is from opposite party’s Institute” and “All Top 5 successful candidates of UPSC Civil Services Exam 2022 are from KSG” whereas on detailed investigation it was found that the Top 5 successful candidates have taken the following courses at KSG :

S.NO	Candidates Name	Course Opted by candidate at KSG	Fee Paid
i.	Ishita Kishore AIR-1	Mock Interview	Free of cost
ii.	Garima Lohia AIR- 2	Mock Interview	Free of cost
iii.	Uma Harathi N AIR- 3	Mock Interview	Free of cost
iv.	Smriti Mishra AIR- 4	Mock Interview	Free of cost
v.	Mayur Hazarika AIR- 5	Mock Interview	Free of cost

From the above table, it is clear that the Opposite party did not truthfully disclose that all TOP 5 candidates AIR 1 to 5 had attended only Mock Interview Programme which was free of cost.

Additionally, opposite party did not even submit any consent form, registration form and fees receipts (if any) of the selected candidates. Therefore, the claims made in the advertisement are not completely substantiated.

12. Similarly, it is evident that out of 682 successful candidates showcased in the impugned advertisement, 674 took Mock Interview Program which is a free of cost program. It is understood that Mock interview is not a full-time program, and it comes into play only after an aspirant has cleared both the Prelims and Mains examination of CSE. Thus, it is clear that none of them have studied any other courses apart from the Mock Interview program that are advertised by the opposite party's Institute. This fact has not been disclosed in the impugned advertisement.

All 8 students attended the Mock Interview Program, also all the 8 students opted for courses like Test Series and General Studies from the Opposite party's Institute in previous years whereas fee receipts of only 2 candidates were submitted to CCPA as per the table below:

S.NO	Candidate's Name	Course opted by candidate at KSG (along with Year)	Fee receipt available
i.	Gunjita Agarwal AIR- 26	Bhopal GS 2016-17 Batch (95 months)	No fee receipt submitted
ii.	Ayasha Fatima AIR- 184	Indore GS 2017 Batch (95 months)	No fee receipt submitted
iii.	Namneet Singh AIR- 191	Mains Test series	No fee receipt submitted
iv.	Abhinav Prakash AIR- 279	Vijay Nagar 2019 Batch (95 months)	Fee receipt of Rs. 22,000 submitted
v.	Komal Aggarwal AIR- 303	Indore GS 2018 Batch (95 months)	No fee receipt submitted
vi.	Mannat Luthra AIR- 382	Vijay Nagar 2019 Batch (95 months)	Fee receipt of Rs. 25,000 submitted
vii.	Shiv Malviya AIR- 391	Bhopal Test Series (35 months)	No fee receipt submitted
viii.	Jay Barange AIR- 587	Bhopal GS 2018 Batch (95 months)	No fee receipt submitted

Such false and deceptive advertisement affects consumers as a class. Deliberately concealing important information in the impugned advertisement has been done with the sole purpose of misleading consumers into believing that the successful candidates must have taken the advertised courses by the Opposite party, like GS Foundation Course, Advance Foundation Course, Weekend Course, Integrated

Course and Optional Course. Thus the claim on selection of 682 candidates from its Institute by opposite party is found to be misleading in the impugned advertisement.

13. It is pertinent to mention that the 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 by making disclosures in such a manner that they are clear, prominent and extremely hard to miss for viewers to notice. In 2022, CCPA had issued Guidelines for prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, wherein conditions for non-misleading and valid advertisement have been mentioned.

14. As per a Press Release by the Union Public Service Commission (UPSC) dated 23 May, 2023 released by Press Information Bureau (PIB), a total of 11,35,697 candidates applied for UPSC Civil Services Examination, 2022, out of which a total of 13,090 candidates qualified for appearance in the Written (Main) Examination which was held in September, 2022. Further, a total of 2,529 candidates qualified for the Personality Test of the examination. At the end, a total of 933 candidates were recommended by the Commission for appointment to various Services. Therefore, there exist a strong probability that out of 2,529 candidates selected for Personality Test of CSE 2022, 1 out of every 3 such selected candidates will make it to the final selection in CSE.

15. 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 and claiming that 682 out of 933 selected students are from KSG whereas the opposite party provided only a brief mock interview, free of cost, to the respective candidates, which is completely misleading. It is a well known fact that successful candidates of Civil Services Examination have to clear all the 3 stages of Exams. Viz., Prelims, Main Exams and Personality Test (PT). While Prelims is a screening test, the marks obtained in both Mains Exams and Personality Test are counted for getting finally selected. The total marks for Main Exams and PT are 1750 and 275 respectively. Thus contribution of Personality Test is merely 13.5% in the total marks. 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 those 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 has violated the consumer's right to be informed so as to protect himself against unfair trade practice.

16. 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.

17. Opposite party assert their status as the “Best IAS Coaching Institute for General Studies and CSAT 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.

18. Thus, claims like Best IAS coaching Institute in India constitute misleading advertisement. In the present matter, neither any comparative study was done by a third party before making the above claim that the misleading claim made by the opposite party can be considered to be a valid advertisement.

19. 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 their Institute, 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.

20. The CCPA is empowered under Section- 21 of the Consumer Protection Act, 2019 to issue directions to the present 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.

21. The opposite party has 12 centers across India namely 2 in Delhi and 1 in Bangalore, Bhopal, Patna, Jaipur, Mumbai, Hyderabad, Indore, Kolkata, Imphal West, and Srinagar. 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. Opposite party is claiming 682 selections out of 933 in UPSC exam 2022 i.e., 73% of total selection from their Institute which is outrageous and highly exaggerated and has been found to be false and without substantiation.

22. 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 Khan Study Group (KSG) shall pay a penalty of ₹ 5,00,000 for publishing following false and misleading advertisement claims which affected the consumers as a class.
 - i. 682 out of 933 selected students are from KSG.
 - ii. All TOP 5 Successful Candidates of UPSC Civil Services Exam 2022 are from KSG.
 - iii. Ishita Kishore AIR 1 UPSC 2022 is from KSG
 - iv. Best IAS Coaching Institute for General Studies and CSAT in India.
- c) The opposite party shall submit the amount of penalty and a compliance report to CCPA on the above directions within 15 days from the date of this Order.


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Nidhi Khare
Chief Commissioner


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Anupam Mishra
Commissioner