THE COMPETITION APPELLATE TRIBUNAL, ISLAMABAD

Present: Mr. Justice (R) Muhammad Junaid Ghaffar, Chairman
Dr. Faiz Illahi Memon, &
Mr. Asim Akram, Member Technical – I & II, respectively.

1.	Appeal No. 04/2025	M/s Friesland Campina Engro Pakistan Limited V/S Competition Commission of Pakistan
2.	Appeal No. 05/2025	Unilever Pakistan Limited V/S Competition Commission of Pakistan

For the Appellant No.1: Mr. Muhammad Hussain Tahir Zaidi, (in Appeal No. 04/2025).

For the Appellant No.2: Mr. Khawaja Aizaz Ahsan (in Appeal No. 05/2025).

For Respondent(s) No. 1: Mr. Muhammad Hafiz Naeem, Senior Legal along with Hassan Raza, Legal Advisor for CCP (in all Appeals).

For Respondent(s) No. 2: Mr. Dawood Iqbal along with Mr. Momin Ali for M/s. Pakistan Fruit Juice Company (Pvt.) Limited (in all Appeals).

JUDGMENT

Dr. Faiz Illahi Memon, Member Technical – I; Through the titled Appeals, M/s. Friesland Campina Engro Pakistan Limited ("Appellant No1") and M/s. Unilever Pakistan Limited ("Appellant No.2"), the Appellants, have assailed the order dated 18.12.2024 of Competition Commission of Pakistan, (the "Respondent No.1"). The Instant Appeals have been filed under Section 42 of the Competition Act of 2010 ("The Act") whereby penalty of Rs. 75 (M) was levied against both the Appellants under Section 10 (1) read with Section 10 (2)(b)1 of the Act in addition to Rs. 20 (M) against Appellant No.02 levied under Section 10 (1) read with Section 10 (2)(c)2 of the Act. The Appellants have been aggrieved with the treatment so meted out and thus, the Appeals. The Appellants have preferred separate Appeals against combined order passed by the Commission; hence the Appeals are adjudicated through this single order.

1) The proceedings against the Appellants emanated from a Complaint filed by M/s. Pakistan Fruit Juice Company (Pvt.) Limited ("Respondent No.2") on 21.02.2022, alleging trespassing of Section 10 of the Act thereby indulging in deceptive marketing practices by publicizing its product as "Ice Cream" instead of "Frozen Dessert" through various means of advertisement. The case was fixed for hearing, arguments heard and the record perused.

2) The counsels for the Appellants argued at length with regard to the inappropriateness of the Impugned Order passed by the Commission which submissions can be summarized as under separately:

Arguments of the Counsel representing Appellant No. 01

3) The learned counsel submitted that the Appellant No.1 is engaged in the manufacture and sale of both ice-cream and frozen dessert under the brand name "Omore", after obtaining all requisite approvals from the relevant regulatory authorities. It was argued that the description "Frozen Dessert" was clearly and prominently printed on the

(2) The deceptive marketing practices shall be deemed to have been resorted to or continued if an undertaking resorts to:

(b) the distribution of false or misleading information to consumers, including the distribution of information lacking a reasonable basis, related to the price, character, method or place of production, properties, suitability for use, or quality of goods;

(c) *false or misleading comparison of goods in the process of advertising;*

CERTIFIED TO BE A TRUE COPY
REGISTRAR
Competition Appellate Tribunal
Islamabad
Dated: 19.02.2026

packaging, and that there was no intention at any stage to deceive or mislead consumers.

4) It was contended that the Appellant No.1 strictly adheres to the labelling and quality standards prescribed under the Pakistan Standards and Quality Control Authority Act, 1996, and that the applicable standard for its product is Pakistan Standard PS: 969-2010. Reliance was placed upon paragraph 6.50 of the Enquiry Report, wherein it was expressly acknowledged that the nature of the product was adequately disclosed on the front of the packaging in a visible and legible manner.

5) The learned counsel fairly conceded that three Facebook posts uploaded in the year 2015 inaccurately described frozen dessert as ice-cream; however, it was submitted that the same were inadvertent, isolated, and never repeated thereafter. It was argued that the depiction of the product as ice-cream on certain E-market platforms was attributable to independent third-party sellers, over whom the Appellant No.1 exercised no control, and that the Appellant No.1 could not be held vicariously liable for such representations.

6) It was further submitted that the Appellant No.1 had comprehensively responded to the show cause notice in August 2022 and that the proceedings remained pending for nearly two years prior to the passing of the impugned order, causing undue hardship and delay. Lastly, it was contended that the Commission failed to prescribe any clear guideline regarding the size or prominence of disclaimers on packaging, and that the imposition of a penalty of Rs. 75 (M), in the absence of willful or repeated misconduct, was excessive and disproportionate.

CERTIFIED TO BE A TRUE COPY
REGISTRAR
Competition Appellate Tribunal
Islamabad
Dated: 19.02.2026

Arguments of the Counsel representing Appellant No. 02

7) The learned counsel for Appellant No.02 submitted that the impugned order dated 18.12.2024 suffers from legal infirmities and constitutes an instance of regulatory overreach. It was argued that the Appellant No.02 is engaged in the manufacture and sale of internationally recognised dairy ice-cream and frozen dessert products marketed under the brands Wall's, Cornetto and Magnum, and that at all material times the nature of its product as "Frozen Dessert" was adequately, visibly, and legibly disclosed on the packaging in compliance with applicable legal and regulatory standards.

8) It was contended that although a complaint was filed by M/s Pakistan Fruit Juice Company (Pvt.) Ltd. in February 2022 alleging deceptive marketing, the Enquiry Report itself recorded findings in favour of the Appellant No.02, particularly in paragraphs 6.29, 6.40 and 6.50, wherein it was acknowledged that the disclosure on the packaging was neither false nor misleading. Despite these findings, show cause notice was issued by selectively relying upon certain portions of the Enquiry Report while ignoring exculpatory findings, thereby reflecting a pick-and-choose approach on the part of Commission.

9) The learned counsel further argued that the isolated Facebook post relied upon by the Commission pertained to the year 2017 and was removed once it was brought to the Appellant's notice. It was submitted that the Appellant No.02 does not exercise control over independent E-market platforms, though reasonable efforts were made to have the product categorization corrected. It was contended that no intent to mislead

CERTIFIED TO BE A TRUE COPY
REGISTRAR
Competition Appellate Tribunal
Islamabad
19.02.2026

consumers was established, nor was there any finding of persistent or continuing violation.

10) It was further argued that the Commission failed to consider the applicable Pakistan Standard PS: 969-2010 issued by the Pakistan Standards and Quality Control Authority, under which frozen dessert falls within the broader category of ice-cream, and that the Appellant's conduct was in conformity with food safety laws and regulations enforced by the Punjab Food Authority. The learned counsel also contended that reliance upon an unreported judgment of the Hon'ble Supreme Court, without affording the Appellant No.02 an opportunity to address the same, amounted to a violation of Article 10-A of the Constitution.

11) Lastly, it was submitted that even if a technical violation were assumed, the imposition of a cumulative penalty of Rs. 75 (M) under section 10(1) read with 10(2)(b) and Rs. 20 (M) under 10 (2)(c) of the Act was wholly disproportionate, particularly in view of the fact that this was the first instance where the Appellant's marketing practices were questioned and corrective measures were promptly undertaken.

Findings/Decision

I. The Tribunal notes that sufficient opportunity of hearing was afforded to both the Appellants, and the learned counsel for the Complainant as well as the learned counsel representing the Commission were duly heard. The Tribunal also requisitioned and examined the original packaging which formed the basis of the enquiry report submitted on 29.06.2022, the Show Cause Notices (issued separately on 20.07.2022), and ultimately the impugned order dated 18.12.2024. It cannot be disputed that both the Appellants are established corporate entities enjoying considerable repute in the local as well as international market. Appellant No.01 is a listed company, whereas Appellant No.02 is an unlisted public company, both engaged in the manufacture and sale of fast-moving consumer goods, including Ice-cream and Frozen Dessert. However, commercial stature or market standing cannot dilute the obligation of strict adherence to statutory requirements, as compliance with law must prevail over commercial or marketing considerations. The record reflects that upon receipt of the complaint; the Commission engaged the Appellants during the enquiry stage in a manner intended to reach a reasoned conclusion. It is also evident that the Enquiry Report contains a detailed and objective analysis of the complaint, recording findings both in favor of and against the Appellants. While certain disclosures on the packaging were found to be adequate, the Enquiry Report and the material on record clearly establish that the impugned Facebook posts admittedly issued by the Appellants, revealing Frozen Dessert as Ice Cream, were capable of creating confusion in the minds of consumers and amounted to a misleading representation within the meaning of Section 10 of the Act. These Facebook posts, which were not denied by the Appellants, squarely attracted the mischief of Section 10(1) read with Section 10(2)(b). Additionally, invoking of section 10 (2) (c) of the Act against Appellant No.2 becomes objectively amplified in view of para 6.13, 6.19-6.21 and 6.23 of the Enquiry Report where the comparison between Ice-cream and Frozen Dessert lacked empirical evidence or research, thereby causing distortion in the minds of ordinary consumers. The removal of such Facebook posts and the discontinuation of similar advertisements occurred only after the Appellants were apprised by the Commission, and not prior thereto. The contention regarding Ice-cream and Frozen Dessert falling within the same category under PSQCA standard assumes relevance only to a limited extent,

CERTIFIED TO BE A TRUE COPY
REGISTRAR
Competition Appellate Tribunal
Islamabad
Dated: 19.02.2026

particularly where a disclaimer existed but was not sufficiently prominent to neutralize the misleading impression created by the impugned representations. Furthermore, although E-market platforms are operated by independent third parties, the continued depiction of Frozen Dessert as Ice-cream on such platforms, generating substantial consumer views, remained unaddressed for a considerable period. While the Appellants asserted limited control over such platforms, the Tribunal finds that reasonable diligence and timely corrective steps were expected, especially given the resources and legal capacity available to corporate entities of such scale. The record shows that corrective engagement with E-market platforms occurred only after the issue was formally highlighted, whereas proactive measures at an earlier stage could reasonably have mitigated the impact of such misleading representations.

II) It is observed that the Appellants have not categorically denied the factual basis of the allegations levelled against them; rather, they have acknowledged that the impugned representations (or misrepresentations) did occur. The existence of mitigating circumstances does not efface or negate the commission of a violation under the Act, which stands independently established on the basis of admitted material and record. At the same time, the Appellants have consistently maintained that this was the first instance of such default, that the conduct was not shown to be willful or persistent, and that corrective measures were undertaken once the issue was brought to their notice. The Appellants have contended that these mitigating circumstances were not accorded due weight while imposing penalties of Rs. 75 (M) on Appellant No.01 and Rs. 75 (M) and Rs.20 (M) on Appellant No.02. It is a settled principle of law that the object of imposing penalties under regulatory statutes is to ensure deterrence and future compliance with the law, and not

CERTIFIED TO BE A TRUE COPY
REGISTRAR
Competition Appellate Tribunal
Islamabad
Dated: 19.02.2026

to impose punishment disproportionate to the gravity of the offence. While the violation of Section 10 (1), 10 (2) (b) and 10 (2) (c) of the Act having been established warrants regulatory sanction, the determination of quantum of penalty must still be informed by proportionality, taking into account the nature and extent of the violation, the intent and conduct of the undertaking, prior history of compliance, and remedial actions undertaken. In the present case, the record does not disclose a pattern of continuous or willful non-compliance, nor does it reflect persistence of the impugned conduct after regulatory intervention. The Tribunal is therefore of the considered view that although the finding of contravention calls for affirmation, the quantum of penalty imposed by the Commission is on the higher side in the facts and circumstances of the case. Balancing the need for effective deterrence with the mitigating factors noted above, and without in any manner diluting the finding of violation, the Tribunal finds it just and appropriate to scale down the penalties. Accordingly, the penalty of Rs. 75 (M) imposed on Appellant No. 01 under Section 10(1) read with Section 10(2)(b) of the Act, and the penalty of Rs. 75 (M) imposed on Appellant No. 02 under the same provision, are each reduced to Rs. 15 (M). The additional penalty of Rs. 20 (M) imposed on Appellant No. 02 under Section 10(1) read with Section 10(2)(c) of the Act is further reduced to Rs. 5 (M).

III) For the foregoing reasons, the titled Appeals are partly accepted. The impugned order dated 18.12.2024 is modified to the extent of reduction in the quantum of penalties as stated above, while the findings of contravention, regulatory directions, and observations contained therein are otherwise maintained. The Tribunal reiterates that the reduction of penalty should not be construed as condonation of the violation, but as a calibrated exercise of appellate discretion guided by the principles of proportionality and mitigating circumstances. The Tribunal further observes that greater regulatory clarity could have been achieved had specific guidance been prescribed regarding the prominence and size of disclaimers on packaging, enabling uniform compliance and reducing the likelihood of recurrence of such issues. Subject to the modification in penalty, the impugned order stands upheld in all other respects.

There is no order as to cost. Parties be informed accordingly.

s.d
CHAIRMAN

s.d
MEMBER TECHNICAL - I
14/01/2026

s.d
MEMBER TECHNICAL - II

Announced in open court on:

Application No.	07
Dated	12.02.2026
Applicant	Imran Akhtar
No. of Pages	09
Copying Fee	500/-
Search Fee	-
Urgent Fee	-
Total Fee	500/-
Date of Preparation of Copy	19.02.2026
Date of Delivery	19.02.2026
Prepared By	

CERTIFIED TO BE A TRUE COPY
Competition ... Tribunal
Islamabad
Dated: 19.02.2026