BEFORE THE COMPETITION APPELLATE TRIBUNAL, ISLAMABAD.

Present: Mr. Justice Muhammad Junaid Ghaffar, Chairman
Dr. Faiz Illahi Memon, Member Technical-I
Mr. Asim Akram, Member Technical-II

M/S KINGDOM VALLEY (Pvt) LIMITED

.... Appellant

Versus

COMPETITION COMMISSION OF PAKISTAN .... Respondent

Appeal No: 40 of 2025

For Appellant: Syed Tassadaq Murtaza Naqvi and Muhammad Adnan Awan, Advocate.

For Respondent: Hafiz Naeem, Mr. Haider Afzal Khan, along with Mr. Hassan Raza, Legal Advisors, for the CCP.

Date of hearing: 03/03/2026

JUDGMENT

Dr. Faiz Illahi Memon, Member Technical-I ; Through the titled Appeal, M/S Kingdom Valley (Pvt) Limited, the Appellant, has assailed the order dated 27.05.2025 ("Impugned Order") passed by the Competition Commission of Pakistan ("Commission"). The instant Appeal has been filed under section 42 of the Competition Act, 2010 ("the Act").

2. The Impugned Order has imposed penalty of Rs. 75 (M) on the Appellant for violation of section 10(2)(b) of the Act and a further penalty of Rs. 75 (M) has been levied against the Appellant for transgression of section 10(2)(a) of the Act. The Impugned Order also contain directions to the Appellant for the issuance of clarification in newspapers and, lastly, in the event of non-payment of penalty, a further penalty of Rs. 1 lac per day has also been imposed by the Commission.

CERTIFIED TO BE A TRUE COPY
REGISTRAR
Competition Appellate Tribunal
Islamabad
Dated: 16.04.2026

As per the Impugned Order, the Commission took suo moto notice of advertisements rolled out by the Appellant through billboards, website, face book pages and television commercials, making the following claims:

i. Kingdom Valley project is associated with "Naya Pakistan Housing Program" ("NPHP") and "Naya Pakistan Housing & Development Authority" ("NAPHDA");

ii. The NOC for the housing project has been approved by Punjab Housing and Town Planning Agency ("PHATA"); and

iii. The Project is located within the territorial limits of Capital Territory, Islamabad.

3. The enquiry was initiated by the Commission under section 37(1) of the Act, the report of which was received on 30.05.2023, whereafter a Show Cause Notice ("SCN") was issued seeking clarification and associating the Appellant with the proceedings so instituted. In response, the Appellant furnished explanation, yet it could not plausibly address the aberrations conveyed by the Commission, hence the Impugned Order dated 27.05.2025.

As per the record placed before this Tribunal, the Appellant is a corporate entity registered with SECP and FBR by the name of "M/S Kingdom Valley (Pvt) Limited". The SCN issued to the Appellant enclosed the enquiry report, which reveals that the Appellant has been explicitly engaged in deceptive marketing practices violating section 10(2)(b) of the Act by dissemination of false and misleading information to consumers via use of the caption "M/S Kingdom Valley Islamabad", the association of the project with NPHP and with the tag of NOC approved, which deceptive mode of business contains the characteristics signified in section 10(2)(b) of the Act. Further, it has been indulging in claims which prima facie violate section 10(2)(a) of the Act by claiming that it is in possession of the required

CERTIFIED TO BE A TRUE COPY
REGISTRAR
Competition Appellate Tribunal
Islamabad
Dated: 16.04.2026

NOC's and its association with NPHP, thus such erroneous claims were considered capable of harming business interests of other undertakings.

The Appellant joined the proceedings and furnished reply to the SCN dated 03.06.2024 stating therein that it has not committed any violation of the Act and that the project of the Appellant is an approved housing scheme by PHATA dated 29.03.2021 and duly published in Punjab Gazette dated 26.04.2021. The rebuttal further conveyed that the project has also been approved by PHATA under Affordable Private Housing Scheme Rules ("APHS Rules") vide Punjab Gazette notification dated 20.10.2020. The Appellant further contended in its reply to the SCN that Phase-I of the project had been sanctioned by PHATA dated 05.07.2022. The reply to the SCN further dealt with legal recourse adopted by the Appellant; hence it has not committed any violation under section 10 of the Act at all.

4. During the currency of hearings conducted by this Tribunal, the counsel for the Appellant submitted that M/S Kingdom Valley (Pvt) Limited is a duly approved private housing scheme which, after securing various regulatory approvals, initiated the project and at no point in time indulged in any inappropriate practice which could violate any provision of the Act. The Commission has therefore gravely erred in understanding the matter; rather, it has attempted to associate the Appellant undertaking with Naya Pakistan Housing and Development Authority ("NPHDA"), whereas the Commission's correspondence with PHATA reveals that approval has indeed been granted to M/S Kingdom Valley and, since NPHDA does not grant any approval, therefore it is not associated at all with NPHDA. The counsel, in response to the allegation of publicising its project on social media in a manner not befitting, stated that social media is an unregulated sector and whatever has been advertised there, the Appellant exercises no control over it and, moreover, any such advertisement is not from the official website of M/S Kingdom Valley and, therefore, it cannot stop or block the alleged unfitting promotional activity. So far as the location of the project is concerned, it is located in Mouza Choora, Tehsil &

District Rawalpindi and not in Islamabad, but there are various other projects being undertaken in the immediate vicinity of the Appellant which publicize themselves in the same manner, yet the Commission in its own wisdom has chosen to pick and choose and subjected the Appellant to unnecessary drag and not taken any action against other housing schemes being executed showing the location as Islamabad and not Rawalpindi.

5. The counsel further submitted that according to Rule 44 of Punjab Housing and Town Planning Agency Rules, 2020, marketing and sale of the plots can be undertaken after the technical sanction of the scheme subject to compliance of Rule 32; hence it has committed no violation as purported by the Commission. The accusation of deception is thus vehemently denied and the mere finding of the Commission on page 87 para 05 that the deception pertains to location of the project does not by itself establish default on the part of the Appellant, since it is not a case of intended publicity and the only evidence of Facebook posts is not enough, carrying little probative value, as social media can be used by anyone and not necessarily by the Appellant. Furthermore, the authenticity of Facebook posts should have been determined considering section 164 of the Qanun-e-Shahadat Order, 1984. All the necessary approvals were received by the Appellant before advertising the scheme, which were distinctly divulged to the Commission. The PHATA also authorized rollout of advertisement, but with the condition that the advertisement would be published with the approval of PHATA. Since the application for project approval was submitted on 08.12.2020 before PHATA, approval whereof was granted vide meeting held on 29.03.2021, minutes of which were issued on 14.04.2021, and considering receipt of the approval, the Appellant did no wrong, yet the Commission never bothered to understand basic facts of the case.

6. The counsel of the Commission pleaded in unequivocal terms that M/S Kingdom Valley (Pvt) Limited has indulged in deceptive marketing practices beyond any shadow of doubt so far as its location is concerned, which is Mouza Choora, but the billboards, social

media posts, television commercials and site billboards would suggest it to be located in Islamabad, which in itself is ample proof of deception, glorified with a view to lure consumers, as is manifest from 76K likes and 82K followers on Facebook. The counsel submitted that during the course of hearing before the Commission, the Appellant exhibited its inability to take any measures to stop this trend on social media. The counsel also submitted that the project of the Appellant was approved on 05.07.2022 by Punjab Housing and Town Planning Agency ("PHTPA") without any Gazette notification, but the Appellant started advertising it much before that; hence showing the project as NOC approved and allied things were a case of deception for consumers. Additionally, the agreement with PHATA was signed on 11.03.2024; hence this approval was also much later when compared with the advertisement spree launched by the Appellant which appears to be a well-thought deception strategy.

7. The registration of the Appellant with SECP and FBR is in the name of M/S Kingdom Valley (Pvt) Limited and not M/S Kingdom Valley Islamabad as has been projected by the Appellant; therefore, deception is unabated, palpable and obvious. To be absolutely certain about the deception being carried out, the site office of M/S Kingdom Valley was visited on 23.11.2022 and the corporate office on 04.01.2023, where the billboards assembled reflected the project name as M/S Kingdom Valley Islamabad. What can be more unmistakably incriminating and patent on the part of the Appellant in terms of what has been observed by the CCP.

8. The Appellant was given approval for its Phase-I project by PHATA, Government of Punjab; however, it was not issued any NOC for any phase pertaining to M/S Kingdom Valley Islamabad as was publicized by it, thereby luring ordinary consumers in the garb of a project being undertaken at Islamabad and not Rawalpindi, for the reason that properties fetch much higher prices when compared to Rawalpindi. The difference is astronomical in

CERTIFIED TO BE A TRUE COPY
REGISTRAR
Competition Appellate Tribunal
Islamabad
Dated: 16.04.2026

most cases; hence land developers deceive consumers by showing land located in Rawalpindi as falling within ICT.

9. After going through the record, and after patiently hearing counsels for the Appellant and the Commission, and after perusing the additional documents submitted on behalf of the Appellant and the Commission, it is inferred that the Appellant did realise its grave mistake(s) when it was confronted with the SCN. It is obvious from the fact that when counsel for the Appellant attended the hearing before the Commission on 28.01.2025, he pleaded for leniency under section 39 of the Act, submitting that since the Appellant has rectified all the factually incorrect claims, has removed the misleading billboards / advertisements and has not derived any benefit out of it at all, therefore it deserves to be let off by withdrawing the SCN. To this, counsel for the Appellant was informed by the Commission that leniency can only be considered if there is any violation of section 4 of the Act and such leniency is not applicable in relation to contravention of section 10 of the Act. Furthermore, on the basis of valid documents it is also seen that the Appellant did publicize its project as located in Islamabad and not in Rawalpindi, the advertisements of which also started to appear even before formal approvals were received by it. The deception angle becomes insurmountable when violation occurs in broad daylight; yet taking cover under the fact that other projects located in the vicinity are also engaged in committing similar violations tantamount to adding insult to injury. Two wrongs never make one right and the Appellant ought to have known that its actions are violative of section 10 of the Act. Misstating the site of the project is a grave enough default whereby the appellant cannot be held innocent and its assertion that consumers should exercise abundant discretion, care and caution before buying any property does not hold any valid ground when viewed in the realm of reality, for section 10(2)(b) of the Act caters to such kind of situations, especially in the real estate / housing sector where on umpteen occasions prospective buyers have been misled with impunity and thus been deprived of their lifelong

CERTIFIED TO BE A TRUE COPY
REGISTRAR
Competition Appellate Tribunal
Islamabad
Dated: 16.04.2026

savings in the garb of various cosmetic and unrealistic layers of advertisements, thus causing mental distress and huge financial losses in the ultimate analysis. The argument of counsel for the Appellant that section 38(2) of the Act spells out a penalty of either up to Rs. 75 (M) or an amount not exceeding 10 percent of the annual turnover, yet the Commission has erred gravely in imposing penalty of Rs. 75 (M) individually and separately under sections 10(2)(a) and 10(2)(b) of the Act, which levy in itself is beyond the scope of law.

10. The argument of the counsel has been viewed in the backdrop of section 38(2)(a), which does not support the argument advanced by counsel for the Appellant, for it explicitly mentions that:-

Section 38 (2)(a)

> "for a contravention of any provision of Chapter II of the Act, an amount not exceeding seventy-five millions rupees or an amount not exceeding ten percent of the annual turnover of the undertaking, as may be decided in the circumstances of the case by the Commission."

11. From the above provision of law, it is crystal clear that the statute spells out contravention of any provision of Chapter II of the Act and it does not restrict the cumulative impact of contraventions falling within distinct provisions.

12. As regard the argument relating to proportionality of the quantum of penalty, when viewed with reference to the default committed, it is the considered view of this Tribunal, which has also been applied in various other cases and which vision has been upheld by the superior judicial fora, that the intent of levying penalty is to bring an element of sanity and deter the wrongs done but at the same time not to cause harm beyond what one can endure, nor it is the intention to shut down various business endeavours. Therefore, the

CERTIFIED TO BE A TRUE COPY
REGISTRAR
Competition Appellate Tribunal
Islamabad
Dated: 16.04.2026

order of the Commission so far as levy of penalty under section 10(2)(b) of the Act is concerned is upheld, yet the quantum of Rs. 75 (M) is hereby reduced to Rs. 35 (M). This reduction in penalty is also considering the fact that the Commission has not been able to quantify the money collected from various buyers as part of the project nor has it been able to dilate upon the number of buyers so deceived as a result of deceptive marketing practices deployed by the Appellant, revealing Rawalpindi as Islamabad.

13. So far as imposition of penalty under section 10(2)(a) of the Act is concerned, the particular section reads as under:-

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

(a) The distribution of false or misleading information that is capable of harming the business interests of another undertaking;

14. The statute reproduced above yields a situation where the actions of a concern must possess the ingredients of harming the business interests of another undertaking. There exist orders of the Appellate fora whereby it has been pronounced that the business harm should be tangible and the concern to whom harm is being caused, should at least draw attention to that effect. In this particular case, penalty under section 10 (2) (a) of the Act has been levied yet, it is clearly discernible that no undertaking or person engaged in the same line of business has drawn attention to deception being caused by the Appellant which is putting that concern to relative disadvantage. To review the imposition of penalty, it would be sufficient to observe that similar kind of deception as the Appellant is found to be engaged in, is being caused by other real estate builders and developers as some kind of carte blanche. This is highly undesirable as it is not only the job of Commission to curb such unlawful and reprehensible practices but the other authorities who are assigned mandatory duty of granting various approvals/NOCs, must act as a watchdog on behalf of

consumers and must prudently stop any such act which deceives, dodges or let general populace suffer. The NOC awarding authorities are seriously lacking in that respect and there shirking from responsibility is cause of extreme alarm : beating about the bush when the harm to common citizens is caused, necessitates proactive measures. Reverting to the issue at hand regarding the violation of section 10(2)(a) of the Act, the material on record demonstrates that the conduct of the Appellant was essentially self-promotional in nature, aimed at enhancing the perceived value of its own project, rather than directed towards causing injury to any identifiable competitor. Furthermore, the strict language of section 10 (2)(a) of the Act weighs in favour of the Appellant due to the absence of any evident harm being caused to any other concern. In this context, reference may also be made to the Supreme Court judgment reported as 2023 CLD 1001 titled as A. Rahim Foods (Pvt.) Limited and another vs K&N's Foods (Pvt.) Limited, wherein, albeit while examining the simultaneous applicability of sections 10(2)(a) and 10(2)(d), it was observed that section 10 (2) (a) embodies a language where the phrase "harming the business interests of another undertaking" denotes that the said phrase has been used in the context of causing express and direct harm to the business interests of another undertaking. Expounding that principle here only to the extent of observation made by the Supreme Court in respect of section 10 (2) (a) of the Act, the present conduct of the Appellant appears to have been intended to benefit its own project rather than to cause any direct injury to any competitor in the field upon a careful examination of the available record. The penalty in question for violation of section 10 (2) (a) of the Act, levied at Rs. 75 (M), is therefore directed to be set aside.

Last but not the least, the decisions of the Commission, as contained vide para 52[1] apart from the two adjudicated above (Para 50 and 51), if not implemented by the Appellant within 20 days of this Order, shall restore the order of the Commission in totality. This direction is in view of the fact that screenshots of the official website of the Appellant filed by the Commission, taken on 07.05.2025, still divulge and disclose Kingdom Valley

1. Furthermore, the Respondent is directed to inform the public-at-large through appropriate clarifications published in two (2) Urdu and two (2) English daily newspapers for a period of one (1) week, stating that:

i) Kingdom Valley Housing Project is located in Rawalpindi, not in Islamabad.

ii) Kingdom Valley Housing Project has no association with Naya Pakistan Housing Program (NPHP) or Naya Pakistan Housing and Development Authority (NAPHDA).

CERTIFIED TO BE A TRUE COPY
REGISTRAR
Competition Appellate Tribunal
Islamabad
Dated: 16.04.2026

Islamabad as site of project instead of its correct location. There is no order as to cost. parties be informed accordingly.

S.d
CHAIRMAN
15.4.2026

S.d
MEMBER TECHNICAL-I

S.d
MEMBER TECHNICAL-II

Announced in open court on: 15.04.2026.

CERTIFIED TO BE A TRUE COPY
REGISTRAR
Competition Appellate Tribunal
Islamabad
Dated: 16.04.2026

Application No. 32
Dated 15.04.2026
Applicant Imran Akhtar
No. of Pages 10
Copying Fee 400/-
Search Fee -
Urgent Fee -
Total Fee 400/-
Date of Preparation of Copy 16.4.2026
16.4.2026