# IN THE COMPETITION APPELLATE TRIBUNAL, ISLAMABAD

## (Appeal No. 41 of 2025)

**British Lyceum (Pvt.) Limited.......................................................Appellant**

Versus

**Competition Commission of Pakistan & another...................................................Respondent**

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| **Present:** | Justice (R) Muhammad Junaid Ghaffar, Chairperson.<br>Dr. Faiz Illahi Memon, Member Technical-I<br>Mr. Asim Akram Member Technical-II. |
| **For the Appellant**: | Mr. Tariq Mahmood Khan, Mr. Rashid Khan & Waheed Wattoo Advocates. |
| **For the Respondent**: | Mr. Hasan Raza Advocate with Mr. Hafiz Naeem Senior Legal Advisor, Competition Commission of Pakistan. |
| **Date of hearing**: | **10.06.2026** |
| **Date of Judgment:** | **06.07.2026** |

## JUDGMENT

***Justice (R) Muhammad Junaid Ghaffar, (Chairperson)***: Through this Appeal, the Appellant has impugned order dated 19.05.2025, passed by two Members of the Competition Commission of Pakistan ("**Commission**"), through which a cumulative penalty of Rs. 5 million (5 million) has been imposed upon the Appellant for violation of Section 10 (2)(a) & (b) of the Competition Act, 2010 ("**Act**"). In addition, upon failure to deposit the adjudged penalty, a further penalty of Rs. 50,000/- (Fifty Thousand Only) per day has also been imposed including initiation of criminal proceedings.

2. Record reflects that pursuant to publication of an advertisement dated 24.08.2020 by the Appellant, a *suo moto* action was initiated by the Commission and after ordering an enquiry in terms of Section 37(1) of the Act, a report dated 16.03.2022 was finalized based on which a show cause notice was issued to the Appellant on 05.03.2024 under section 30 of the Act, alleging as follows;

> "... 2. WHEREAS, the Undertaking, is engaged in deceptive marketing practices by making false claims related to its educational program that "Teachers can earn Rs. 80,000/- to Rs. 250,000/- per month, Education program worthy of Rs. 3.75 Billion is in collaboration with/endorsed by the Cambridge Global, and Eminent educationists and technologists on their Board of Directors", which has potential to mislead the consumers; and
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> 3. WHEREAS, pursuant to Section 37(1) of the Act, a suo moto enquiry was initiated by the Commission to determine whether the claims made by the Undertaking violated Section 10 of the Act which, prohibits deceptive marketing practices; and
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> 4. WHEREAS, the enquiry has been concluded vide enquiry report dated 16-03-2022 (the 'Enquiry Report'), a copy of which is appended herewith as Annex-I' and may be read as an integral part of this Show Cause Notice: and
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> 5. WHEREAS, in terms of the Enquiry Report in general and paragraph 4.1 in particular, it appears that the conduct of the Undertaking amounts to the violation of Section 10 (1) in terms of Section 10 (2) (b) of the Act, which prohibits undertakings from dissemination of false and misleading information to consumers, including the distribution of information lacking a reasonable basis, related to the character, properties, suitability for use, or quality of goods; and
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> 6. WHEREAS, in terms of the Enquiry Report in general and paragraph 4.2 in particular, it appears that the conduct of the Undertaking, prima facie, has the potential to cause confusion among consumers through dissemination of false and misleading information related to character, properties and quality of its services via claims "The teachers can earn Rs.80,000/- to Rs.250,000/- per month, Educational Program worthy of Rs. 3.75 Billion in collaborations with/endorsed by the Cambridge Global, and Eminent educationists and technologist on their Board of Directors. ", in violation of Section 10(1) of the Act, in terms of Section 10 (2) (b) of the Act; and
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> 7. WHEREAS, in terms of the Enquiry Report in general and paragraph 4.3 in particular, it has been found that the conduct of the Undertaking, prima facie, through dissemination of false and misleading information, has the potential to inflict harm on the business interest of other undertakings, in violation of Section 10 (1) in terms of Section 10 (2) (a) of the Act; and
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> 8. WHEREAS, in terms of the Enquiry Report in general and paragraphs 3.63 to 3.64 in particular, it has been found that the effect of anti-competitive behaviour of Undertaking is spilling over the territorial limits of other provinces hence it has a spillover effect

3. The Appellant contested the show cause notice with a detailed reply, which was found unsatisfactory. The Commission settled two issues and through impugned order the Commission has imposed penalties as above. The issues framed by the Commission are as under:

I. Whether the Respondent has engaged in deceptive marketing practices by distributing false and misleading information in violation of Section 10(1) read with Section 10(2)(b) of the 2010 Act?

II. Whether the false and misleading information distributed by the Respondent was capable of harming the business interests of any other undertaking(s)in terms of Section 10(2)(a) of the 2010 Act?

4. Learned counsel for the Appellant has contended that the impugned order is contrary to law and facts; that the Commission has failed to appreciate the actual facts and the stance taken by the Appellant and has passed the impugned order which is based on surmises and conjectures; that the Appellant had duly complied with all its disclosure obligations with respect to the enquiry initiated by the Commission and has strived to provide the Enquiry Committee with all the information/documents that were required from the Respondent during enquiry proceedings; that the advertisement in question was published by the Appellant in good faith without any willful intent to deceive the public and upon receiving the Commission's notices dated 02.09.2020 and 16.09.2020, indicating potential breach of Section 10 of the 2010 Act, the Respondent promptly ceased running the advertisement, which has never been published again; that no benefit was derived from the advertisement as it was promptly removed from its website and discontinued upon receipt of the Commission's notice, that Respondent, is a loss-making entity; that Section 10(2)(b) of the Act is not applicable as the teachers are not consumers within the meaning of the Act; that the Appellant has been applied the same yardstick as is applicable to a seller of “off the shelf products” which is an incorrect approach; that the advertisement cannot contain the entire information due to space constraints and therefore, the applicant

/ teachers were required to go to the website link and obtain all relevant information thereof; that payment of salaries as mentioned in the advertisement was subject to actual qualification and assessment of the teachers; that no false promise was ever made through the advertisement which was never misleading; that the enquiry report admits that information for the criteria for selection of teachers is mentioned on the website; that all claims in the advertisement were based on good faith calculations of hourly rates of teachers according to their experience; that the relationship with Cambridge Global UK was based on a Memorandum of Understanding duly executed by the parties; that it was never claimed by the Appellant that as an entity it is valued at PKR 3.75 Billion; rather it was a mere projection of potential scale of available market and opportunities; that the Respondent has misinterpreted the credentials of the staff engaged by the Appellant as they are fully qualified. Based on these submissions learned Counsel has prayed for setting aside of the impugned order or in the alternative for remand of the same to the Commission for de-novo considerations.

5. On the other hand, the Commission's counsel has supported the impugned order and has contended that the advertisement and the claim in question were misleading and, therefore, the impugned order in question is unexceptionable and the Appeal is liable to be dismissed; that four false claims were made in the advertisement, including but not limited to salary package, affiliation with Cambridge Global UK, value of the project amounting to PKR 3.75 Billion and availability of eminent educationist as members of Board of Directors; that all such claims were false and found to be misleading; hence, no case is made out and the Appeal does not merit any consideration.

6. Heard learned counsel for the Appellant as well as the Commission and perused the record. Before we dilate upon the two issues and findings so recorded by the Commission in the impugned order, at the outset, it has been noted that as soon as Commission's notice dated 02.09.2020 was received, the Appellant immediately ceased running of its advertisement dated 24.08.2020 any further. This

appears to be an admitted fact and there is no denial to this assertion on record. If that was the case, then the Commission instead of going further, ought to have guided and advised the Appellant to act and remain within the remits of the Act in question. The intent and purpose of the Act is not to merely impose penalties; rather, it is to ensure free competition and to enhance economic efficiency. And this cannot be achieved solely by imposition of penalties, but by guidance and creating an environment, whereby all economic activities remain within the ambit of the law in general and the Act in particular. This observation is founded upon our detailed findings on Issue No. (i) in this judgment, particularly regarding the allegation that the advertisement in question was misleading on four distinct counts. After all advertisements are an essential feature of business and effective marketing, therefore, without permitting any misuse thereof, a prudent approach must be adopted by the Commission as against the action taken in this matter. It is also pertinent to mention that the impugned advertisement was issued during the Covid-19 era and was an attempt to utilize the online / virtual system of learning as an alternate to impart education in person, and this aspect ought to have been examined while treating the advertisement as misleading. Lastly, the Commission must also be careful in dealing issues when the concerned party has come at the outset with a submissive attitude like the case in hand, whereby the impugned advertisement was immediately suspended as soon as the first notice / letter was issued by the Commission.

7. Adverting to the two issues settled by the Commission, we would first like to deal with Issue No. 2[1] as the same has already been dealt with and decided by this Tribunal in the case of ***Reckitt Benckiser Pakistan Limited***[2], whereby it has been held that the Commission's view for invoking the provision of section 10(2) (a) of the Act along with Section 10(2)(b) ibid simultaneously, without their being any

[1] Whether the false and misleading information distributed by the Respondent was capable of harming the business interests of any other undertaking(s)in terms of Section 10(2)(a) of the 2010 Act?

[2] Judgment dated 20.05.2026 in Appeal No. 47 of 2023

complainant or even where there is a complainant, without any determination of a potential loss to the complainant, is incorrect and is not in line with the findings of the Honorable Supreme Court in the case of ***Al Rahim Foods***[3]. It is very surprising to note that despite the order of the Commission being passed after the Hon'ble Supreme Court's judgment in *Al Rahim Foods (Supra)*, the Commission speaking through its (2) two members has made an attempt, either to interpret the Supreme Court's Judgment; or distinguish it, which apparently is not the domain of the Commission at all. The Commission ought to have shown restraint and circumspection while dilating upon the views expressed by the Hon'ble Supreme Court as laid down in the referred case as the Supreme Court is the final arbiter and authority to interpret the law in proceedings arising out of the Act in question. The Commission has no business to say that perhaps this aspect was not dealt with or the intention was not what is being understood. It must simply follow the law as declared and interpreted by the Supreme Court until it is reviewed by the Supreme Court itself. For the present purposes while showing restraint with these brief observations, we are not passing any adverse remarks against the members of the Commission in question and hope that they will not repeat such an act in future failing which we may be compelled to recommend an appropriate action accordingly. In ***Reckitt Benckiser Pakistan Limited*** **(Supra)** we have dealt with this question wherein the issue before us was that *"whether the alleged claims are capable of harming business interest of the Complainant or other businesses within the meanings of Section 10(2)(a) of the Act?* and was decided by us in the following terms:

> 10. Before proceeding further on this issue, it would be advantageous to refer to Section 10 of the Act which reads as under:
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> **Section 10 of the Competition Act, 2010.**
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> (1) Deceptive Marketing Practices. (1) No. undertaking shall enter into deceptive Marketing Practices.
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> (2) The Deceptive Marketing Practices shall be deemed to have been resorted to or continued if an undertaking resorts to
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> (a) the distribution of false or misleading information that is capable of harming the business interests of another undertaking;

[3] A Rahim Foods (Pvt) Limited v K&N's Foods (Pvt) Limited (2023 CLD 1001)

(b) the distribution of false or misleading information to consumers, including the distribution of information lacking are 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; or
(d) fraudulent use of another's trademark, firm name, or product labeling or packaging.

As could be gleaned from the above provision, it has two components. The first one i.e. Section 10(2)(b) which relates to distribution of false and misleading information to "consumers" and its consequences have already been dealt with while deciding Issue No.(ii) as above. The second category relates to alleged violation of Section 10(2)(a) of the Act, which provides that deceptive marketing practices shall be deemed to have been resorted to if the distribution of false or misleading information "is capable of harming the business interests of another undertaking". We have already decided the issue that insofar as the alleged misleading information is concerned, it was violative of section 10(2)(b) of the Act as such information had misled the general consumers. However, as against the opinion of the Commission that if an undertaking has committed any violation of section 10(2)(b) of the Act, such act is mandatorily also violative of Section 10(2)(a) of the Act, we are of the considered view that it is not so in each case. To establish violation of Section 10(2)(a) of the Act, the Commission must establish or at least conduct an assessment as to the harm caused to the other undertaking / complainant. In the case of ***Unilever (Supra)***[4] we have dealt with this issue and learned Counsel for the Appellant has rightly placed reliance on such observations. The relevant para is as under;

> "...Here one more thing is to be noted and that is, the proceedings were initiated based on a complaint by Respondent No.2; however, there is no determination of any injury caused to the complainant by the alleged misleading advertisements. Impliedly, its claim has been rejected. Since neither any assistance has been provided to us on behalf of Respondent No.2; nor we are adjudicating the entire merits of the case owing to Appellants own submissions as noted at para 5 above, we leave this aspect of the matter as it is, and will decide it in an appropriate case as to whether while alleging violation of Section 10(2)(a) of the Act, is it mandatory upon the Commission to carry out a subjective analysis of the harm caused to the business interests of the complainant or not."

11. The facts are identical in this case as well. Respondent No.2/ complainant despite being served has not come forward to assist this Tribunal on this aspect of the matter, whereas again, the Commission has failed to follow our guidelines as above and there has been no exercise by the Commission to determine the actual loss caused to

[4] Judgement of this Tribunal dated 14.01.2026 in Appeal No.02 of 2025

Respondent No.2 / Complainant. In fact, the claim of the said Respondent stands rejected to the extent of Section 10(2)(a) of the Act. In the case of *Unilever (Supra)* we had left this aspect of the matter for it to be decided in an appropriate case as to whether while alleging violation of Section 10(2)(a) of the Act, is it mandatory upon the Commission to carry out a subjective analysis of the harm caused to the business interests of the complainant or not. And the answer to this question is in the affirmative for the simple reason that if this wasn't the intention of the legislature then there was no need to add section 10(2)(a) independently, in addition to Section 10(2)(b) ibid. This sub-section would be redundant if in each case it is held that violation of Section 10(2)(b) also amounts to violation of Section 10(2)(a) as well. Both sub-sections are independent of each other and are to be construed accordingly. Per settled law redundancy cannot be attributed to the legislature. In the case of ***Rahim Foods***[5] the Hon'ble Supreme Court had the occasion to deal with issue, though somewhat differently in the context of simultaneous violation of Sections 10(2)(a) and 10(2)(d) of the Act. The finding / observations of the Hon'ble Supreme Court in this context are very apt and instructive. Brief facts of that case are that K&N's Foods (Pvt) Limited filed a complaint against A. Rahim Foods (Pvt.) Limited with the Commission asserting involvement of Rahim Foods in deceptive marketing practices in contravention of the provisions of section 10 of the Act. Based on an enquiry report, the Commission initiated proceedings against Rahim Foods and issued a show cause notice for violation of Section 10(2)(a) and 10(2)(d) of the Act. The Commission found Rahim Foods as guilty and penalized it in respect of both these sections and imposed separate penalties of Rs. 10 million for each offence. In Appeal, this Tribunal, affirmed the findings of the Commission that Rahim Foods had used K&N's Foods product labelling and packaging in a deceptive marketing manner, and held that section 10(2)(d) of the Act had been violated. The Tribunal, however, held that as Rahim Foods had not distributed any false or misleading information regarding the K&N's Foods products, the penalty imposed by the Commission upon Rahim Foods for the contravention of section 10(2)(a) of the Act was not warranted. With these reasons, the Tribunal allowed the appeal of Rahim Foods partially and set aside the order of the Commission with regard to imposing a penalty for contravention of section 10(2)(a) of the Act, while maintaining the order of the Commission to the extent of imposition of penalty for contravention of section 10(2)(d) ibid. Rahim Foods further appealed before the Hon'ble Supreme Court and the Hon'ble Supreme Court maintained the order of the this Tribunal whereby the allegation in respect of Section 10(2)(a) was set-aside. The finding of the Hon'ble Supreme Court is as under;

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[5] A. RAHIM FOODS (PVT.) LIMITED v K&N'S FOODS (PVT.) LIMITED (2023 CLD 1001)

21. There is nothing in the language of section 10(2)(a) of the Act that suggests that the legislature has changed therein the meaning of 'misrepresentation' as understood in common law action for injurious falsehood. On the contrary, the use of the words 'false or misleading information' in section 10(2)(a) shows that the legislature has intended to retain the same meaning; for in common law both the terms 'false'[22] and 'misleading'[23] are used in injurious falsehood actions for a representation to be taken as 'misrepresentation'.. *Further, the use of the phrase 'harming the business interests of another undertaking' in section 10(2)(a) of the Act, and not in section 10(2)(d), denotes that the said phrase has been used in the sense of causing express and direct harm to the business interests of the complainant undertaking as it is understood in an injurious falsehood action. And the non-mentioning of this phrase in section 10(2)(d) of the Act shows that the damage caused to the business interests of the complainant undertaking is taken to be an implied and indirect effect of the fraudulent use of its trademark, etc., as it is understood in a passing-off action, which the legislature has considered unnecessary to be expressly mentioned.* **(Emphasis supplied by us)**

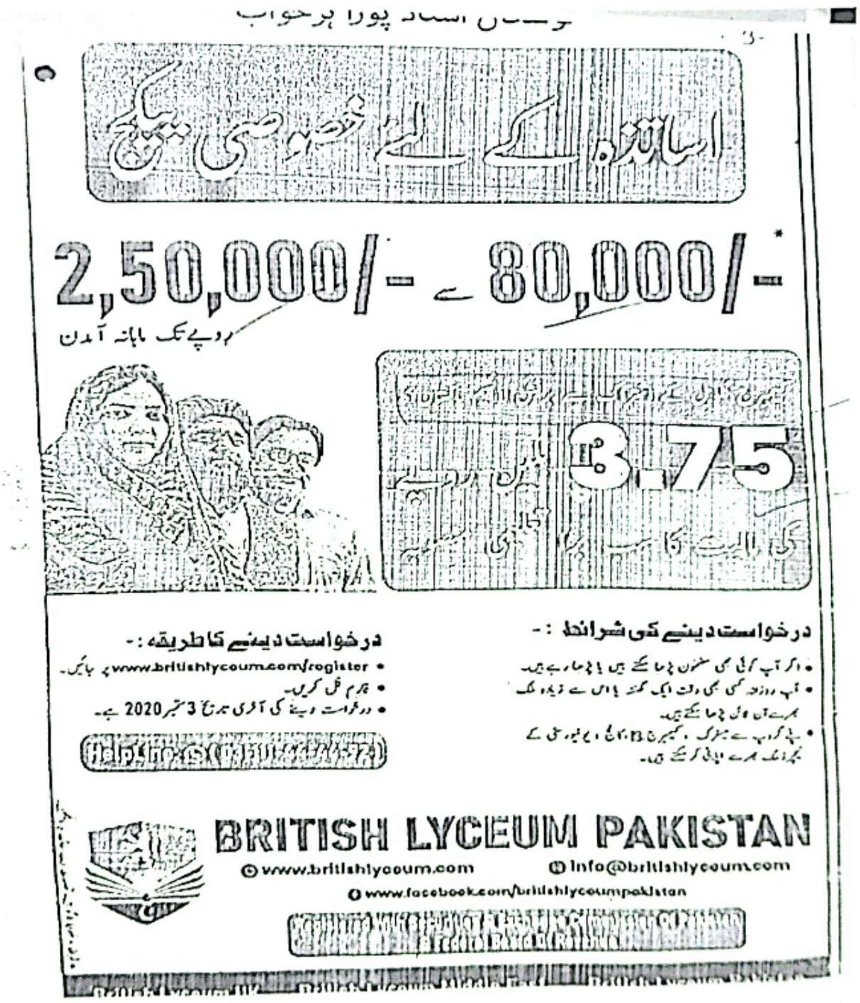
22. In the present case, Rahim Foods made 'misrepresentation' concerning its own products by fraudulent use of the K&N's Foods products labelling and packaging primarily to take advantage of the reputation (goodwill) of the products of K&N's Foods, not concerning the products of K&N's Foods to cause the express and direct harm to the business interests of K&N's Foods. Therefore, we find that the view of the Tribunal is legally correct on the non-applicability of the provisions of section 10(2)(a) of the Act to the facts of the present case.

From perusal of the above observations of the Hon'ble Supreme Court, it clearly reflects that for establishing violation of section 10(2)(a) of the Act, it is mandatory that the Commission must come to a definite conclusion that an injury or harm has been caused to the business interest of the complainant. The focus of the Hon'ble Supreme Court has been on the use of the words ***'harming the business interests of another undertaking'*** and therefore, if no exercise is carried out to establish that in fact the business interest of the complainant was caused any harm, no allegation for violation of this sub-section can be proved, notwithstanding violation of Section 10(2)(d) of the Act or for that matter Section 10(2)(b) of the Act. Moreover, this Tribunal in the case of ***Kingdom Valley***[6] has also come to the same conclusion by following the dicta laid down by the Hon'ble Supreme Court in the case of *A. Rahim Foods (Supra)*. Therefore, the penalty imposed by the Commission in this case for violation of Section 10(2)(a) of the Act cannot be sustained as the Commission has failed to establish any such direct violation by the Appellant; hence, the penalty of Rs 75 million imposed upon the Appellant for violation of Section 10(2)(a) of the Act is hereby ***set-aside***. This issue is answered accordingly.

[6] Kingdom Valley (Pvt) Limited v CCP (judgment dated 15.04.2026 in Appeal No 40 of 2025)

8. The facts of the case in hand are more favorable for the Appellant as in this case there is not even a complainant before the Commission as it is a *suo moto* case initiated by the Commission itself. Since an identical question that to establish violation of Section 10(2)(a) of the Act, the Commission must establish or at least conduct an assessment as to the harm caused to the other undertaking / complainant has already decided in favor of the undertaking in the above matter. we while following our above judgment hereby ***set-aside*** the penalty of Rs. 3 million (Three Million) imposed by the Commission and other actions taken for violation of Section 10(2)(a) of the Act. Issue No.(ii) is answered accordingly in favor of the Appellant.

9. Coming to issue No. (i) it would be advantageous to refer to the impugned advertisement in question which is as follows;



From a bare perusal of the advertisement in question, it reflects that the Appellant has initiated a project for teachers at College and Universities by way of a special package, whereby they can earn a monthly sum of Rs. 80,000/- to Rs. 2,50,000/- by teaching any subject from play group to Metric and Cambridge. It further states that it is a project with the collaboration of Cambridge Global UK worth Rs. 3.75 billion, whereas the interested teachers can apply by filling in the forms at its website www.britishlyceum.com/register. The advertisement also provides a Helpline number for the teachers. Before we discuss the impugned advertisement, we would first like to address the objection raised by the Appellant's Counsel that the relevant provisions of the Act are not attracted as the teachers do not qualify as 'consumers' under Section 10(2)(a) of the Act. This is asserted on the ground that the teachers are not recipient of services; rather they are providers of services. However, we are not in agreement with such contention as for the purposes of Section 10 ibid, in the given facts and circumstances teachers are consumers, whereas the Appellant is an undertaking within the meaning of Section 2(1)(q) of the Act. Through the impugned advertisement the teachers in question were the direct target for the Appellant, and if anybody who could be misled, it was the teachers as consumers, and therefore, the stance taken on behalf of the Appellant is not correct or justified. While so observing we partly endorse the view of the Commission as contained in Para 41 and 42 of the impugned order to the extent of treating the teachers as 'consumers' for the purposes of Section 10 of the Act.

10. As to the very merits of the advertisement being a misleading advertisement within the meaning of Section 10(2)(b) of the Act, we are of the view that the entire advertisement on the face of it cannot be held to be completely misleading as held by the Commission. As already observed, despite the requirement of law to remain vigilant and cautious while advertising any product or services, an undertaking cannot be stopped or compelled not to advertise at all under the fear of it being misleading. As to the claim of earning a salary in the range of Rs. 80,000/- to Rs. 2,50,000/- per month, we do not see any

misleading aspect in this. It has been clearly provided that, it is a range of income, whereas it also depends on the capacity of the teacher, the nature of subject he or she can teach and then the hours spent on teaching. Therefore, providing merely a range of income for potential consumers in and of itself is not a misleading advertisement in the given facts and circumstances of this case. As to the claim that it is a project worth Rs. 3.75 billion, again it is an estimate and notwithstanding its attractive nature, it is not a misleading advertisement as held by the Commission. When such claims are made, they are to be established and proved at a later stage which stage has never come in this matter as immediately notice was issued by the Commission and the advertisement was stopped. In that case it should not be expected that such a claim must be established even without acting any further. We agree with the response of the Appellant that it was a mere projection and an estimate based on good faith and the available potential in the market at the relevant time i.e. immediately post Covid-19 era. As for the alleged flaws and shortcomings in the procedure for teachers to sign in through the Appellant's website, it is admitted that the impugned advertisement itself does not mention this process and is silent on the point. The advertisement merely provides a link for submitting applications. The Commission's case is that, once the link is opened, various shortcomings become apparent and taken together, they mislead consumers. We are unable to agree with this finding of the Commission as the same is too far-fetched. In this case the consumers are learned teachers and cannot be misled as unwary consumers as held by the Commission. Moreover, no advertisement can provide all minute details in accurate form or as required by the Commission. At times they are incomplete for want of space, therefore, such strict view must not always be a prudent and advisable approach. It must be kept in mind that advertising is an essential part of a competitive business. Unless a business can effectively reach its customers through advertising, consumers may not become aware of the goods or services offered by that business. The consumer's decision to select and purchase such goods or services is closely connected with effective marketing and advertising. Competition is about attracting business, and a vital part of the process is to advertise one's products. Therefore, competition policy should ensure that advertising is not restricted[7]. At the same time, it may also be appropriate to impose certain obligations upon an advertiser as a business duty to make the advertisement transparent with relevant terms and conditions or details relevant to its product or services which information may be sufficient for a consumer to make his or her choice in a rationale manner. These guidelines are to be applied on a case-to-case basis and not across the board. Here, in this matter it is not a product which has been advertised, but a service and that too for literate persons i.e. teachers. As already observed, it is not a case of attracting innocent or an unwary purchaser. In the advertisement in question, the Appellant had provided a disclaimer and a asterisk *"terms and conditions apply"* and we do not see any rationale or reasoning in the observations of the Commission to treat the same as being unclear and not conspicuous. The advertisement cannot contain the entire details in such kind of an offer. Neither it is cost effective, nor such minute details can be made part of the advertisement itself. They were to be investigated by the teachers if they were interested any further. Therefore, on this allegation as well, we do not agree with the finding of the Commission. Lastly, is the claim of the Appellant that it has a collaboration with Cambridge Global UK. In this context, despite several chances the Appellants Counsel was unable to assist us with any reliable piece of documents except the Memorandum of Understanding entered with the said company in UK. The said MOU is dated 19.08.2020 and provides various arrangements including an arrangement in respect of a binding agreement;

> "The MOU has been finalized between the Cambridge Global Limited, a UK based Company, the American Lyceum Private School LLC, a company incorporated in Sultanate of Oman & the British Lyceum (Pvt.) Ltd & American Lyceum Private Limited, both

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[7] Restriction in advertising in the US are regarded as an indirect form of price fixing and accordingly per se illegal. [See California Dental Association v Federal Trade Commission-526 US 756 (1999)]

companies incorporated in Pakistan as a result of series of online meetings, and its communication through email by Cambridge Global to other parties would make it concluded MOU, ***and detailed agreement(s) shall be executed between the parties minimum thirty days prior to the conclusion of first year of this MOU...***"

11. From perusal of the above clause regarding entering into an agreement formally after conclusion of 11 months of the MOU, it reflects that the MOU, even if accepted as it is, required signing of a binding formal agreement by the parties to the MOU. We have not been assisted in any manner as to when such a formal agreement was signed by the Appellant with its foreign counterpart. When confronted, learned Counsel for the Appellant submitted that since a notice was issued by the Commission, no further progress took place in this regard. We are least impressed with this submission. The Commission's action was only in respect of an alleged misleading advertisement being in violation of Section 10 of the Act. It never stopped or restrained the Appellant from pursuing its business opportunities otherwise. Once the period of 11 months as mentioned in the MOU lapsed, it was incumbent upon the Appellant to enter into a formal agreement with its counterpart. In fact, it would have supported the case of the Appellant regarding its claim in respect of foreign collaboration in absence whereof a presumption of a wrong or misleading claim is strengthened. Secondly, the Commission has brought on record certain correspondence obtained online about the status and ownership of Cambridge Global Limited from the Companies House, which is the official UK Government's executive agency responsible for registering and dissolving limited companies, storing corporate information, and making this data publicly available to citizens, investors, and other businesses. It says, and which has not been denied on behalf of the Appellant that the said company is dormant since 31.10.2020, whereas it also reveals that some of the owners, managers and or employees of the Appellant are or were also the Directors of Cambridge Global Limited. This does not support the case and stance of the Appellant in any manner. We do

not have denial of this disclosure in the entire Appeal, nor any material has been placed to contradict the same except the argument that these Directors had later retired. That may be so, but it creates doubt about the affiliation so claimed and establishes that to this extent the claim of the Appellant was not bonafide, rather was misleading within the contemplation of Section 10(2)(b) of the Act.

12. As to the allegation that the Appellants claim for its registration with Securities and Exchange Commission of Pakistan ("**SECP**") was also doubtful as the Appellant was included in SECP's publicly available List of Companies suspected to be engaged in unauthorized activities, it would suffice to observe that the Commission has not applied its mind at all while arriving at this conclusion. It may be true that the Appellant was on such a list and some proceedings were also initiated against it; however, at the time of passing of the impugned order, such proceedings had already been decided by SECP in favor of the Appellant vide its order dated 03.02.2022 which is prior to the date of the impugned order. We cannot understand as to how such a finding can be recorded by the Commission by completely ignoring this factual position. Lastly, as to the finding that the claim regarding eminent professionals on board of the Appellant also being false and incorrect, we may observe that firstly this is not the domain of the Commission to verify the credentials of any such person. It is only, if at all, the Higher Education Commission ("**HEC**") which has such authority in law to verify the credentials of any professional. There is no such determination by HEC in this regard, and therefore, the Commission's finding in this regard cannot be relied upon to impose and sustain penalty under the Act.

13. Per settled law, the quantum of penalty imposed must be commensurate with the gravity of offence which in the instant case requires reduction. Amongst all allegations emanating from publishing of the advertisement except one regarding its affiliation with Cambridge Global UK have been decided in favor of the Appellant by us. Accordingly, to the extent of misleading advertisement in respect of its

foreign collaboration the Appellant has contravened the provision of Section 10(2)(b) of the Act; hence, penalty is reduced to Rs. 0.5 million, instead of Rs. 2 (two) million imposed by the Commission. The issue is answered in the above terms by modifying the finding of the Commission in respect of Issue No.(i) and the penalty amount stands reduced accordingly.

14. In view of hereinabove facts and circumstances of the case, the penalty of Rs. 2,000,000/- (Two million) as adjudged in the impugned order in respect of alleged violation of the provisions of Section 10 (2)(a) of the Act in Para 65 of the impugned order is hereby ***set-aside***, whereas the penalty in respect of alleged violation of Section 10(2)(b) of the Act as per Para 64 of the impugned order is reduced to Rs 500,000/= (Rs.0.5 million) with further modification of the findings of the Commission in respect of issue No.(i) as above. The Appellant shall deposit the adjudged penalty within 30 days from the date of this order, failing which the Appellant may be subjected to additional penalty in terms of Section 38(3) of the Act. The Appeal is ***partly allowed*** to this extent, and the order of the Commission stands modified accordingly.

**C person**

**Memb**

**Member al-II**

Announced in open court

**Dated: 06.07.2026**

**Approved for Reporting**