

COMPETITION COMMISSION OF PAKISTAN

ENQUIRY REPORT

(Under the Provisions of Section 37(1) of the Competition Act, 2010)

**IN THE MATTER OF ENQUIRY INITIATED UNDER SECTION 37 (1)
OF THE COMPETITION ACT, 2010, AGAINST VARIOUS APPAREL
BRANDS**

BY

 
Riaz Hussain & Mehmoona Allauddin

December 24, 2025

1. BACKGROUND

- 1.1 This report has been prepared in pursuance of the enquiry authorized by the Competition Commission of Pakistan (the '**Commission**'), under Section 37(1) of the Competition Act, 2010 (the '**Act**') on January 03, 2025 against alleged deceptive marketing practices by various apparel brands, advertising flat discounts and promotional sales to attract customers, without adequately disclosing the applicable terms and conditions.
- 1.2 The Office of Fair Trade (OFT) conducted field visits across the twin cities to examine the nature of discount advertisements offered by apparel brands. The preliminary probe revealed that discount offers were prominently displayed using large, legible fonts and bright colours, while the accompanying terms and conditions, wherever provided, were presented in significantly smaller font sizes, rendering them effectively unreadable to an average consumer. The probing officer examined the marketing and promotional material of various apparel brands advertising sales discounts through multiple marketing channels, including websites, online stores, and offline (in-store) platforms. Based on the aforesaid examination, it was found that, while several apparel brands were offering flat discounts, the marketing material and promotional claims of the following apparel brands advertised such discount offers, along with the accompanying terms and conditions, in a manner which, *prima facie*, appears to be in contravention of the provisions of Section 10 of the Act.

Sr. No	Undertaking	Brand
1.	M/s. Alkaram Textile Mills (Pvt.) Ltd	Alkaram Studio
2	M/s. Eden Apparels (Pvt) Ltd	Edenrobe
3	M/s Al Baraka Apparel	Diners
4	M/s. Khas Holdings	Khas
5	M/s. MK Apparels	Engine
6	M/s OneLife Apparel (Pvt.) Ltd	One

- 1.3 Keeping in view, a working paper proposing initiation of proceedings was placed before the Commission. Upon due consideration and deliberation of the matter, the Commission appointed the following Enquiry Officer(s) (hereinafter referred to as the Enquiry Committee or EC) to conduct an enquiry into the matter:

- i. Mr. Riaz Hussain, Deputy Director (Cartels and Trade Abuse); and
- ii. Ms. Mehmoona Allauddin, Assistant Director (Office of Fair Trade)

- 1.4 The EC was directed to conduct the enquiry and submit its report by giving findings and recommendations, *inter alia*, on the following:

- a) *Whether each of the Respondent is disseminating false or misleading information to the consumers that lacks a reasonable basis, related to character, properties, suitability for use, or quality of goods in, prima facie violation of Section 10 (2) (b) of the Act?*
- b) *Whether there is a spillover effect of the conduct of the Respondents?*

- 1.5 Pursuant to the initiation of the enquiry, the EC conducted market visits on March 05, 2025, to collect promotional material relating to the most recent discount schemes and promotional offers. During these visits, the EC captured images of promotional standees displayed at the entrance and/or within the outlets. Thereafter, the official websites of the concerned brands were also examined, and relevant screenshots were captured and placed on record for evidentiary purposes.

2. CORRESPONDENCE WITH THE RESPONDENTS:

- 2.1 The EC wrote letters to the Respondents mentioned in Para 1.2 above. The Respondents were asked to substantiate the claims made in their advertisement/promotion and to provide reasonable basis. The correspondence has been summarized below:

M/s Khas Holdings: Respondent No. 1

- 2.2 The EC sent a letter dated May 05, 2025, to Respondent No. 1 requesting to provide certain clarifications and supporting documents/evidence regarding the in-store advertisement of "Flat 20%-30% off" on its brand 'Khas' without any accompanying disclaimer.
- 2.3 It was further asked to clarify that the terms and conditions available on the website *inter alia* stated that "discounted items are just exchangeable"; however, this exchange option was found to be practically unavailable at the physical store, where it was instead stated that discounted items are not exchangeable.
- 2.4 The Respondent No. 1 submitted its reply vide letter dated nil, received on May 20, 2025, wherein the following submissions were made:
- 2.5 The Respondent No. 1 stated that it conducted an in-store and online promotional campaign featuring the phrase "Flat 20-30% off," which was designed in good faith as a marketing strategy to draw customer interest. It has further been clarified that all signage and promotional materials explicitly noted that terms and conditions applied, with these conditions being accessible on the company's official website.
- 2.6 The Respondent No. 1 submitted that its website's Return and Exchange Policy section specifies that items purchased at a discount are eligible only for exchange, and this policy has been openly displayed without any concealment. It was further noted that this clause was printed and prominently displayed in-store at the counter, ensuring visibility to customers.
- 2.7 The Respondent No. 1 indicated that an internal review of the matter is underway, with plans to:
- (i) incorporate more explicit disclaimers on all in-store banners concerning the exchange limitation;
 - (ii) Organize retraining sessions for all staff members on promotional communication and the exchange policy; and
 - (iii) Position printed terms and conditions adjacent to all promotional displays to ensure clarity and eliminate ambiguity.

M/s OneLife Apparels (Pvt.) Ltd.: Respondent No. 2

- 2.8 On June 11, 2025, the EC issued a letter to Respondent No. 2, seeking clarification on promotional claims made for apparel products under the brand "ONE," advertised through its website and at its retail outlet in Centaurus Mall, Islamabad. Specifically, the Committee noted that on December 27, 2023, and March 7, 2025, in-store and online advertisements promoted a "Flat 50% off" discount, but not all items were discounted as claimed.

Respondent No. 2 was requested to explain the basis of these promotional claims, as they may contravene Section 10 of the Act.

- 2.9 In its reply dated June 24, 2025, Respondent No. 2, represented by legal counsel, contested the authority of the Enquiry Officers to issue the letter in question, asserting that Section 37(1) vests such powers exclusively in the Commission to initiate enquiries or request information from undertakings. In response, a letter dated July 8, 2025, informed Respondent No. 4 that the Commission had duly initiated the enquiry and appointed the undersigned as Enquiry Officers. Following the absence of any further submission from Respondent No. 2, a reminder was issued via letter dated July 28, 2025. Subsequently, in a letter dated July 30, 2025, Respondent No. 2 maintained that it had already provided its response through the aforementioned submission of June 24, 2025.
- 2.10 A final opportunity for response was extended to Respondent No. 2 through a letter dated August 6, 2025. Respondent No. 2 submitted its reply on August 11, 2025, arguing that Section 10(2)(b) pertains solely to instances where an undertaking disseminates false or misleading information to consumers, with the term "consumer" being a pivotal component of the provision. For applicability, it requires evidence that a consumer was deceived into a purchase based on the undertaking's representations. However, the Commission's correspondence omitted any reference to a specific consumer being misled by representations from M/s. OneLife Apparel (Pvt.) Limited.

M/s Al Baraka Apparel: Respondent No. 3

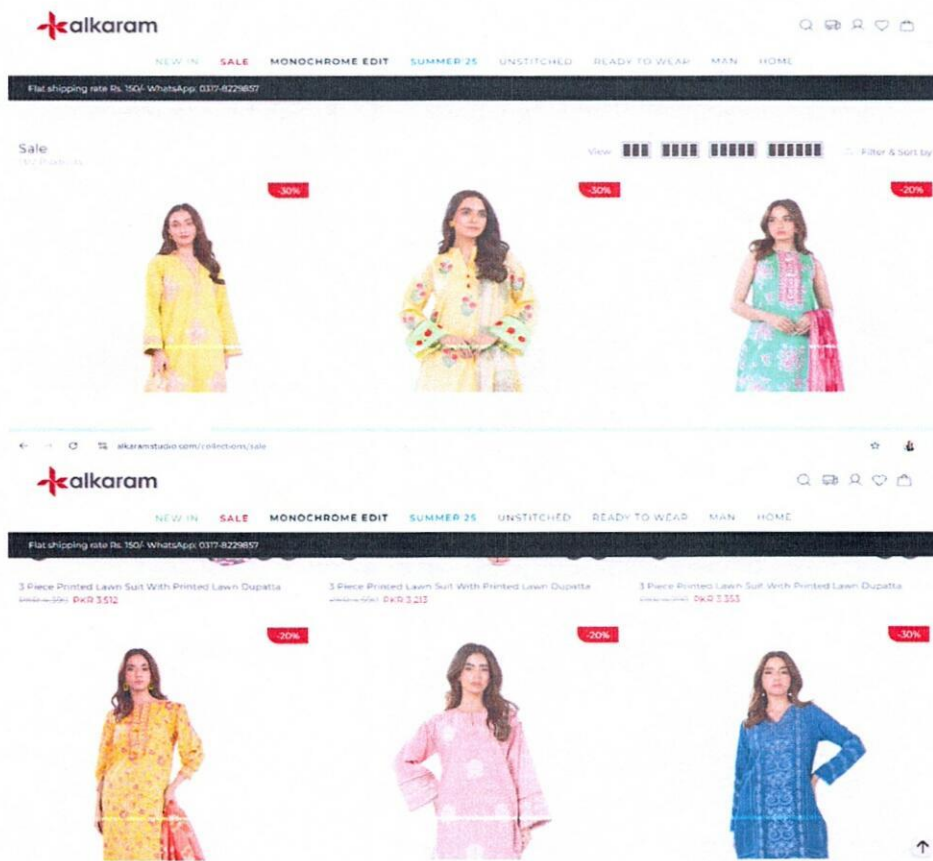
- 2.11 On May 16, 2025, the EC issued a letter to Respondent No. 3, requesting clarification regarding promotional claims observed in advertisements. Specifically, in-store and online promotions stating "Flat 20%, 50% off" and "Flat 25% & 20% off" included disclaimer ("t&c apply") that was not displayed in a legible font size, rendering them difficult to read. Additionally, an advertisement on March 6, 2025, claiming "Flat 25% off on all items" appears to be misleading, as the discount was not uniformly applied to all items. Respondent No. 3 was directed to submit its response by May 28, 2025, but no reply was received. Subsequently, two reminders were sent, and after no response, a final reminder was issued on July 10, 2025, extending the deadline to July 17, 2025, yet Respondent No. 3 failed to provide any comments.
- 3.1 Vide letter dated September 16, 2025, Respondent No. 3 was requested to provide clarification with respect to the Eid Celebration Promotion of "Flat 25% off" conducted in February 2025, as well as the "Flat 50% off on all items" discount campaign held on April 09, 2025. However, Respondent No. 3 again failed to provide any comments.

M/s Eden Apparels (Pvt) Ltd: Respondent No. 4

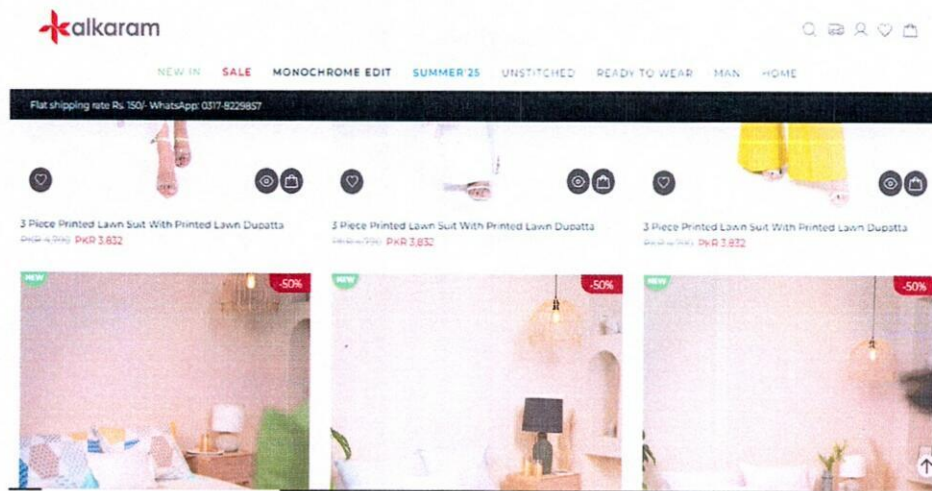
- 2.12 On May 16, 2025, the EC issued a letter to Respondent No. 4, requesting clarifications regarding the advertisement/promotion, displayed both in-store and online, featured promotional claims of "Flat 40% off" and "Up to 50% off." Further clarifications were sought regarding illegible font size of accompanying disclaimer, i.e. "T&C Apply" and placement of such T&C in deliveries & returns section instead of terms and conditions section on their website.
- 2.13 The Respondent No. 4, vide letter dated May 27, 2025, submitted that such T&C's are clearly mentioned on the sales invoice generated by the point of sale system. The Respondent No. 4 assured appropriate placement of such T&C's in the relevant section.
- 2.14 Additionally, the Respondent No. 4 requested the Commission to provide clear guidelines on required font size for any representation/claim so the necessary update be made accordingly.

M/s Alkaram Textile Mills (Private) Limited: Respondent No. 5

- 2.15 The Respondent No. 5, vide dated May 16, 2025, was asked to provide clarification regarding the advertisement claiming a “flat 40% off” without adequately disclosing the accompanying disclaimer, i.e., “on selected items”, which appears to be negligible. Furthermore, clarification was sought regarding varied discounts under the same promotion, i.e., “Flat 40% off”. Upon receiving no reply, reminder letters dated May 29, June 05 & June 11, 2025 were sent to the Respondent No. 5. Finally, it submitted its reply, vide letter dated June 13, 2025, which has been summarized below.
- 2.16 That the tagline “Flat 40% off” was part of a legitimate seasonal marketing campaign, intended to highlight the maximum discount available during the sale period. Moreover, the majority of items were indeed offered at a 40% discount, whereas some articles were on varied discounts based on pricing strategy and commercial considerations. The Respondent No. 5 emphasized that there was no intent to imply a uniform discount across all items, and the 40% figure was prominently featured as a genuine and central element of the promotion.
- 2.17 The Respondent No. 5 further submitted that all promotional materials, both online and in-store, clearly communicated the nature of the offer. The marketing content, including the “Flat 40% off” message, was prominently displayed and reinforced through clearly marked prices at the point of sale. Visual evidence was provided (depicted below) to demonstrate that the promotional content was transparent, understandable, and legible to the average consumer.



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- 2.18 Regarding website and in-store implementation, the Respondent No. 5 stated that its website (www.alkaramstudio.com) displayed individual prices and applicable discounts for each article, with a user interface that allowed consumers to easily identify the discounts. Similarly, at physical retail outlets, including the PWD store, promotional banners and sale tags were consistent with the overall campaign, with sale prices visibly marked on the products.
- 2.19 The Respondent No. 5 respectfully submitted that the campaign does not constitute deceptive marketing as outlined under Section 10 of the Act, and was conducted in good faith, following the industry norms. It also expressed its commitment to comply with all applicable laws and fair competition practices, its willingness to improve marketing communications if advised by the Commission, and its readiness to provide further clarifications or documentation as required.

M/s. MK Apparels (Private) Limited: Respondent No. 6

- 2.20 On May 16, 2025, the EC sent a letter to Respondent No. 6, seeking clarification on its promotional advertisements observed on December 12 and 28, 2023, which featured “50% off” in-store and “Flat 50% off” online store. The Committee noted that the disclaimer “Terms & Conditions apply” was not explicitly displayed on the in-store banner, potentially rendering the advertisement misleading. Despite requests for a response by May 28, 2025, Respondent No. 6 did not comply. Subsequently, a reminder was issued on May 29, 2025, followed by another reminder on June 11, 2025. As no response was received, a final opportunity to submit clarifications was provided through a letter dated July 10, 2025. However, no response was received.

3. ANALYSIS:

- 3.1 The EC was given the mandate to conduct an enquiry and to submit the enquiry report by giving its findings and recommendations, *inter alia*, on the following issues:
- I. *Whether the Respondent is disseminating false or misleading information to consumers, including the distribution of information lacking a reasonable basis, related to the place of production, properties, suitability for use, and quality of goods, prima facie, in violation of Section 10(2)(b) of the Act?*
 - II. *Whether there is a spillover effect of the conduct of the Respondents?*

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- 3.2 In order to analyze the facts of the case under Section 10(2)(b) of the Act, it is important to understand the meaning of false and misleading information.
- 3.2 The Commission has, in the matter of **M/s CMPak Limited¹**, defined “**False**” and “**Misleading**” information as deceptive marketing practices in the following manners:

False Information:

‘False information’ can be said to include: oral or written statements or representations that are; (a) contrary to truth or fact and not in accordance with the reality or actuality; (b) usually implies either conscious wrong or culpable negligence; (c) has a stricter and stronger connotation, and (d) is not readily open to interpretation.

Misleading Information:

“Whereas ‘misleading information’ may essentially include oral or written statements or representations that are; (a) capable of giving wrong impression or idea, (b) likely to lead into error of conduct, thought, or judgment, (c) tends to misinform or misguide owing to vagueness or any omission, (d) may or may not be deliberate or conscious and (e) in contrast to false information, it has less onerous connotation and is somewhat open to interpretation as the circumstances and conduct of a party may be treated as relevant to a certain extent.”

- 3.3 In light of the definitions above, any statement or representation, which is not accompanied by substantiation, may be deemed as false and/or misleading representation.
- 3.4 Before proceeding to the analysis in the instant matter, it is important to highlight internationally recognized best practices governing promotional and price-reduction/discount claims. Across jurisdictions, the central principle is that all significant conditions must be disclosed clearly and upfront wherever their omission is likely to mislead consumers. Such conditions typically include the duration of the offer, eligibility restrictions, category or product limitations, stock availability, minimum spend thresholds, and the precise nature of the discount being offered.
- 3.5 In the United Kingdom, the CAP Code and ASA require that promotional communications must present all significant conditions with sufficient prominence, while any reference prices used to indicate savings must reflect a genuine, established selling price.² Similarly, in the United States, the Federal Trade Commission’s guideline against deceptive pricing stipulate that “former price” claims are permissible only when the former price is *bona fide*, that is, a genuine price offered regularly for a reasonably substantial period, supported by proper records. In Australia, the Australian Competition and Consumer Commission (ACCC), under the Australian Consumer Law, obliges businesses to communicate accurate total prices, to substantiate all comparative pricing claims, and to ensure that any “was/now” savings reflect genuine reductions.³ Additionally, under the New Rules for Advertisements with Price Information and Advertisements for Discount Sales in Turkey, it is stated that, if the quantity of the goods or services offered at a discount is limited, this limitation must be clearly and intelligibly announced in the advertisement.⁴

¹ <http://cc.gov.pk/images/Downloads/ZONG%20-%20Order%20-%2029-09-09%20.pdf>

² <https://www.asa.org.uk/advice-online/promotional-marketing-terms-and-conditions-tcs.html>

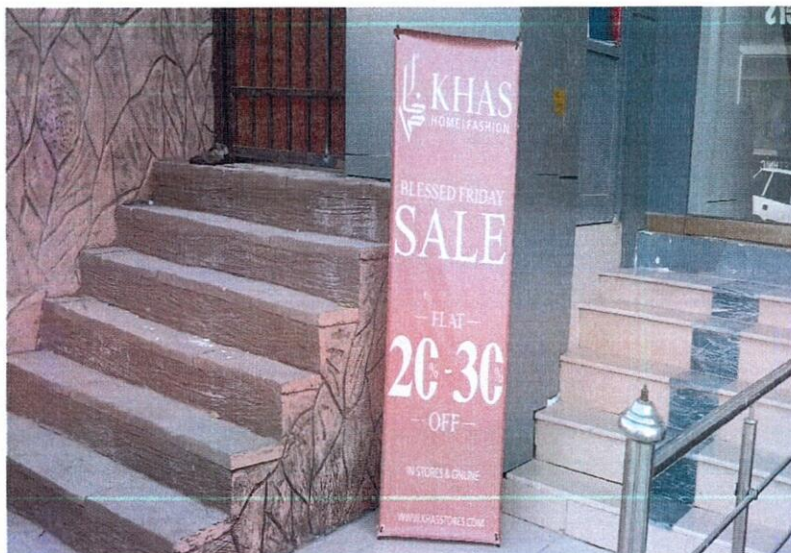
³ <https://www.consumerprotection.wa.gov.au/advertising-and-promotions>

⁴ <https://blog.galalaw.com/post/102hqrg/new-rules-for-advertisements-with-price-information-and-advertisements-for-discou>

- 3.6 Taken together, these principles establish that advertisements should clearly indicate the categories or items to which a reduction applies, disclose the original or reference price against which the reduction is calculated, and ensure that such reference prices are genuine and verifiable.
- 3.7 Furthermore, it is pertinent to mention here that the "Flat Discount" and "Up To X% Off" are generally perceived by an ordinary consumer as a straightforward and uniform reduction in price applied across all products or services included in a promotional offer, without exceptions or conditions unless explicitly stated. For instance, a "Flat 50% off" advertisement typically leads consumers to expect that every item will be discounted by exactly 50%, creating an impression of consistency and simplicity unless stated otherwise. However, if certain items (e.g., women's collections, bed sheets, accessories or decorative items) are excluded without clear disclaimers, consumers may be misled, as the absence of limitation create an expectation of universal applicability. In the context of Pakistan's retail environment, inadequate or illegible disclaimers and non-disclosure of material information further amplify the potential for misinterpretation, leading consumers to assume the discount applies to all items displayed in-store or online. Thus, the ordinary consumer perceives "flat discount" as a promise of equal savings on all products, unless exclusions are transparently communicated.
- 3.8 In the instant enquiry, it has been alleged that the Respondents have not disclosed material information while advertising/promoting their sales discounts on various occasions, therefore, it is essential to clarify the definition of "material information" as it pertains to determining the dissemination of false or misleading information under Section 10 of the Act. In this regard, reference is made to the Commission's General Guidelines on Section 10 of the Act, which define "material information" as information that has the potential or capability to influence consumer choices or affect competition within the relevant market. Accordingly, it may be inferred that any information possessing the capacity to impact consumer decision-making or choices constitutes material information.
- 3.9 The non-disclosure or omission of such material information may also give rise to practices commonly referred to as "bait and switch," wherein consumers are attracted through advertised offers or discounts, but are subsequently confronted with different, or undisclosed limitations. Such practices have the effect of misleading consumers and distorting their purchasing decisions, thereby falling within the scope of false or misleading representations under Section 10 of the Act.
- 3.10 For the purpose of determining whether a *prima facie* violation of Section 10 of the Act has occurred, it is essential to assess the marketing practices adopted by the Respondents, whether through promotional banners, online advertisements on their websites.
- (i) **Whether the Respondent is violating section 10(1) of the act, in terms of section 10 (2)(b) of the act, which prohibits dissemination of false or misleading information to consumers, including the distribution of information lacking a reasonable basis, related to the place of production, properties, suitability for use, and quality of goods.**

M/s Khas Holdings: Respondent No. 1

- 3.11 The EC reviewed the promotional campaign conducted by Respondent No. 1 for its brand 'KHAS' under the "Blessed Friday Sale." The standee placed at the store premises stated that the advertised discounts were applicable to both in-store and online purchases. It further promoted a "flat 20%-30%" discount but did not disclose any limitations or specify the product categories to which the discount applied. This presentation conveyed the impression of a uniform discount across all items, absent any clarifying information to the contrary.



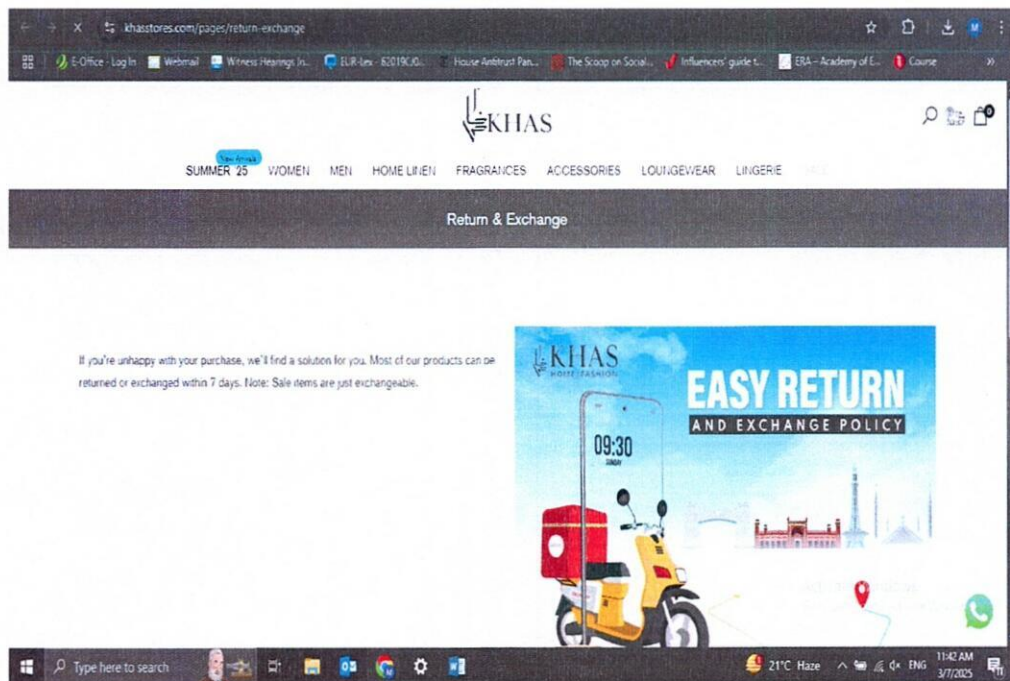
3.12 The images captured during the sales discount period, indicates that the advertised 20%-30% discount was limited primarily to women's apparel and bed sheets only. It was also noted that certain items (women collections) were available at 40% discount. In-store images are depicted below:



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- 3.13 The EC observed that certain products, specifically selected items from the women's collection, bed sheets, and decorative articles, were excluded from the advertised discount, even though no such exclusions were mentioned on the promotional banner or standee. The use of the term "flat" in the advertisement reasonably conveyed to consumers that the discount was uniformly applicable to all products. However, in the present case, several items were not included in the promotion, creating a material inconsistency between the advertised claim and the actual offer.
- 3.14 With respect to the second aspect of the issue, i.e., the alleged non-disclosure of terms and conditions, the EC has reviewed the T&Cs available both online and in-store. It has been observed that the key terms and conditions relating to discounts are clearly and prominently displayed across both platforms. The relevant images are provided below:



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3.15 In view of the above, it can safely be concluded that certain items were excluded from the discount, whereas Respondent No. 1 advertised a “Flat 20%-30% discount” without specifying any exclusions. The omission of such exclusions constitutes a *prima facie* violation under Section 10(2)(b) of the Act.

M/s OneLife Apparels (Pvt.) Ltd (Respondent No. 2)

3.16 Before proceeding to analyze the promotional material of Respondent No. 2 regarding discount advertisements, it is important to address the objection raised by the Respondent concerning the alleged absence of consumer harm.

3.17 The contention raised by the undertaking that the applicability of Section 10 of the Act requires evidence that a consumer was actually deceived into making a purchase is misconceived and contrary to the settled position of the Commission.

3.18 The Commission has consistently held that, for the purposes of establishing a deceptive marketing practice under Section 10, proof of actual deception or consummation of a transaction is not a mandatory requirement. What is required to be examined is whether the impugned representation or conduct has the potential or tendency to mislead or harm consumers or competitors. In this regard, reliance is placed on the Order of the Commission in the matter of show cause notice issued to M/s Reckitt Benckiser Pakistan Limited, wherein the Commission categorically held that:

“For the purpose of establishing a deceptive marketing practice, actual deception need not be necessary. It is sufficient that the same has the potential to harm or mislead consumers or competitors.”⁵

3.19 This principle has also been reaffirmed by the Commission in multiple matters concerning misleading price representations, discount claims, and comparative advertising, wherein the

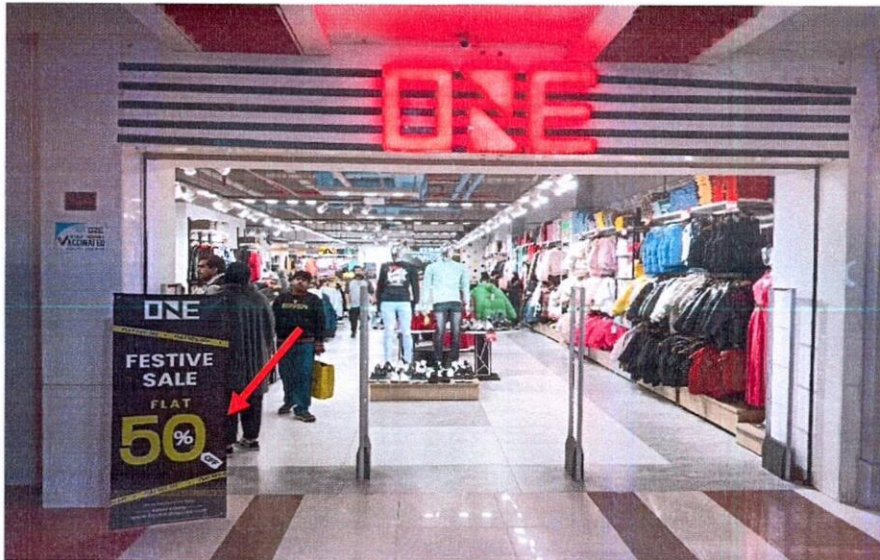
⁵ In the Matter of Show Cause Notice issued to M/S Reckitt Benckiser Pakistan Limited for Deceptive Marketing Practices Dated 11 August 2015

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Commission emphasized that the likelihood or tendency of deception, judged from the perspective of an ordinary consumer, is sufficient to attract the prohibition under Section 10 of the Act.

3.20 Accordingly, the Respondent's argument that the absence of evidence showing that a consumer was actually deceived into making a purchase negates the applicability of Section 10 of the Act is untenable and without legal basis.

3.21 The Respondent No. 2 displayed an advertisement banner at the entrance of its outlet announcing "Flat 50% off" under the heading *Festive Sale*. The promotional message was prominently showcased to attract customers visiting the outlet. The relevant image is depicted below:



3.22 In the present case, the promotional standee placed at the entrance of the store prominently advertises a "FLAT 50% OFF" on in-store articles. In the absence of limitation on the applicability of the discount, an ordinary consumer encountering this advertisement would expect that every article inside the store is available at a 50% discount.

3.23 However, as per the available evidence, it has been noted that not all items were discounted at 50%. A substantial number of articles were found to be discounted at varying rates, i.e. 30%. No accompanying disclaimer (such as "on selected items," "up to," or "terms and conditions apply") was displayed on the standee to qualify or limit the scope of the "flat 50%" representation. In the absence of such disclosures, the overall impression created by the advertisement is that the 50% discount applies on entire inventory. Relevant images captured during the visit are provided below for reference.



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3.24 The EC visited the Respondent No. 2's outlet located in Islamabad in March 2025 and observed that it has advertised another promotional campaign under the banner "end of season". The image of the relevant standee placed in front of the outlet is depicted below:



3.25 The standee advertised "Flat 50% off", without specifying any limitation on the applicability of the said discount and as stated in the para 4.34 above the ordinary consumer expect that the discount applied uniformly across all items unless disclaimer is given.

3.26 However the EC observed that not all items were offered at a 50% discount. A significant number of products were discounted at varying rates, such as 40%. The standee did not

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display any qualifying disclaimer (for example, “on selected items,”) to limit or clarify the scope of the “flat 50%” claim. In the absence of such disclosures, the advertisement conveys the overall impression that the 50% discount is applicable to all items. Relevant images captured during the inspection are provided below for reference.



- 3.27 The discrepancy between the absolute nature of the advertised claim and the actual discounting practices constitutes a material inconsistency capable of misleading an ordinary consumer regarding the effective price of the goods. The representation therefore, creates an overstatement of the discount and may influence consumer decision-making, including diverting foot traffic or inducing purchases based on an inaccurate perception of value.
- 3.28 Accordingly, the conduct appears to fall within the definition of misleading information under Section 10 of the Act. The use of the term “flat,” without qualification and contrary to the actual discount structure, results in an advertisement that is not only ambiguous but also likely to deceive consumers. This constitutes a *prima facie* violation of Section 10, as the claim does not fairly or accurately reflect the price-related information essential for informed consumer choice.
- 3.29 In light of the foregoing, it is concluded that the Respondent’s promotional claim of “FLAT 50% OFF” does not accurately reflect the actual discounting practices observed during the on-site inspection, where several articles were offered at reduced rates of 40% and 30%. The absence of any qualifying disclaimer further reinforces the impression that a uniform 50% discount applies to all in-store items. This discrepancy between the advertised representation and the actual pricing is likely to mislead an ordinary consumer and therefore constitutes a, *prima facie*, violation of Section 10 of the Act.

M/s Al Baraka Apparel: Respondent No. 3

- 3.30 The Respondent No. 3 advertised 12.12 sale in December 2023, and offered discounts “Flat 20% off” and “Flat 50% off” on in-store purchase. A disclaimer, i.e., T&C Apply, was also given on the right corner of the same banner. The relevant image is given below.

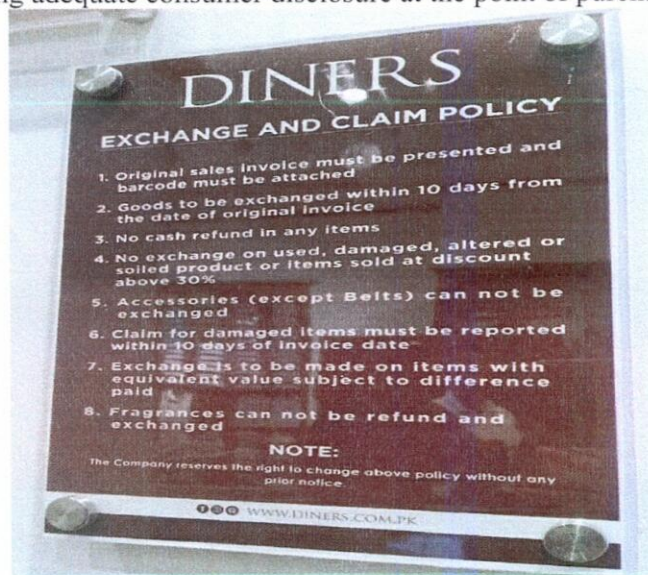
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3.31 In the instant matter, the Respondent advertised a promotional campaign offering “FLAT 20% OFF” and “FLAT 50% OFF” on in-store articles, as depicted on the large outdoor promotional banner. The use of the term “flat” carries a clear commercial meaning: the discount is uniform, unqualified, and applicable to all items within the scope of the sale.

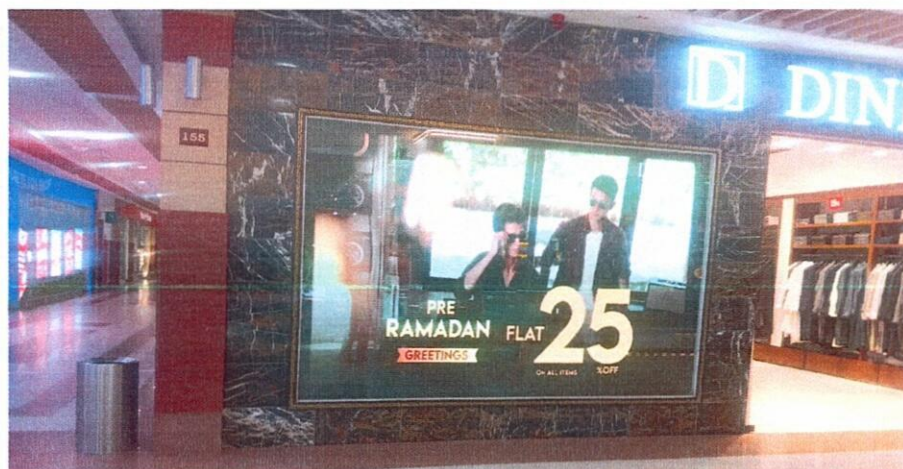
3.32 The promotional banner displayed by Respondent No. 3 contains a disclaimer in the bottom-right corner stating “Terms & Conditions Apply.” In assessing whether this disclaimer has any bearing on the misleading nature of the advertisement, it is necessary to examine (i) the visibility and clarity of the disclaimer, and (ii) whether the terms and conditions materially affect the scope or applicability of the advertised discount.

3.33 Upon review, the EC examined the terms and conditions available at the Respondent’s website and found that the T&Cs do not contain any limitation, exclusion, or qualifying condition that would alter, restrict, or otherwise narrow the applicability of the advertised “Flat 20% & 50% Off” claims. The only relevant clause in the T&Cs relates to the exchange policy, which governs post-purchase rights and does not affect the nature, extent, or eligibility of the discount itself. Further, the exchange policy was clearly displayed at the cash counter at each outlet, ensuring adequate consumer disclosure at the point of purchase.



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3.34 In addition to the aforementioned advertisement/promotion, another promotion was started in the holy month of Ramadan. The Respondent No. 3 advertised and offered "Flat 25% off" on all items during the holy month. The relevant image of promotional banner is depicted below:

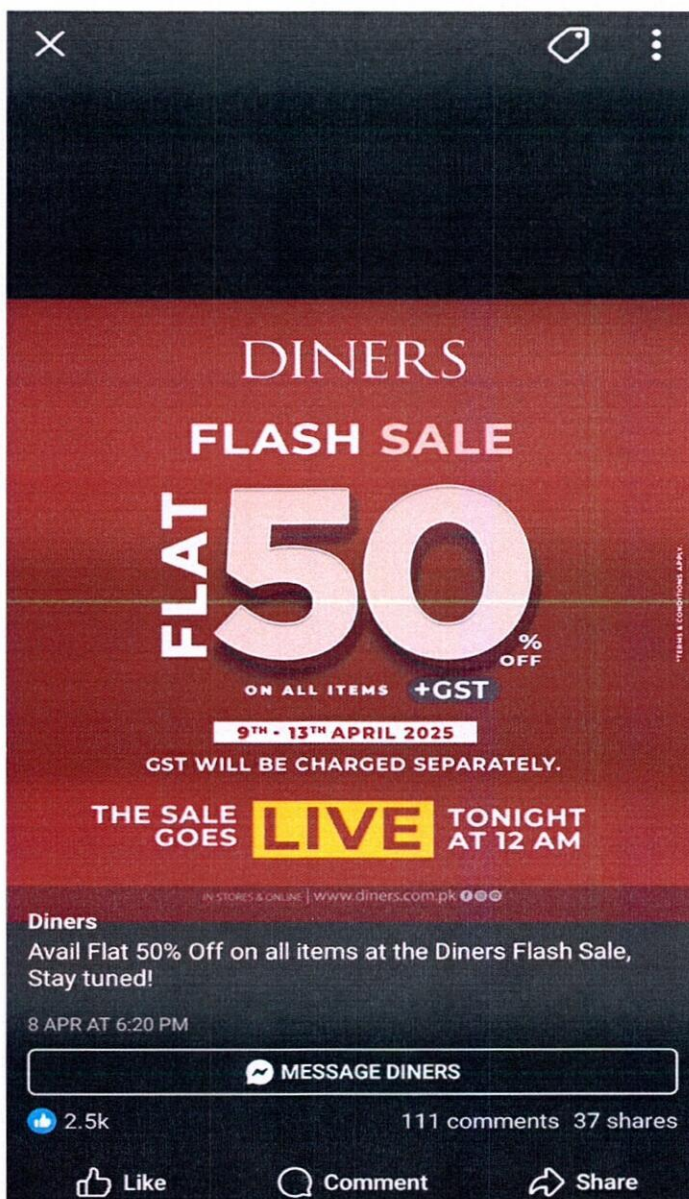


3.35 During the on-site inspection, the EC observed that the majority of articles were, in fact, available at the advertised discounted prices, indicating compliance with the promotional claims. Relevant images are depicted below:



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3.36 However, during the course of the enquiry, the Commission received additional concerns relating to the ongoing sales promotion campaign of Respondent No. 3. Accordingly, the EC issued a letter to Respondent No. 3 seeking its comments; however, no response has been submitted to date. The EC has independently reviewed the current promotional campaign and examined the evidence received through an informal complaint. A screenshot of the relevant promotional banner is reproduced below:



3.37 The above matter pertains to a promotional advertisement by Diners for a "Flash Sale" scheduled from 9th to 13th April 2025. The advertisement, disseminated via a Facebook post, dated 8th April 2025, prominently states: "Flat 50% Off on All Items + GST" with GST to be charged separately. The post further encourages consumers to "Avail Flat 50% Off on all items at the Diners Flash Sale" and indicates availability both in-stores and online via www.diners.com.pk.

3.38 The Evidence received by the Commission indicates that, in practice, Diners applied the 50% discount only to a single item per purchase and refused to extend it to additional items in the same transaction (Purchase receipt is attached as **Annex-A**). Notably, no terms and

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conditions disclosing any such limitation (e.g., "discount applicable to one item per customer" or similar restrictions) were provided in the advertisement itself or on the company's website. This discrepancy between the advertised representation and the actual pricing practice has the effect of misleading a reasonable consumer. A consumer acting on the representation of a "flat 50% off" would legitimately expect that all eligible items during the sale period would receive the same uniform discount. By offering the discount on one item but denying it on another without any pre-disclosed limitation the Respondent created a promotional environment that is likely to mislead consumers regarding pricing and discount eligibility.

- 3.39 Furthermore, the Respondent's failure to display any qualifying terms on the promotional banner or at the point of sale removes any ambiguity in interpretation; the representation of a "flat" discount stands as an unequivocal claim. The inconsistency between the advertised discount and the actual transaction evidenced through the receipt establishes a, *prima facie*, violation of Section 10, as the conduct involves disseminating misleading price-related information capable of affecting consumer decision-making and potentially providing the Respondent with an unfair competitive advantage.
- 3.40 The EC also reviewed the terms and conditions provided on the website of Respondent No. 3 (www.diners.com.pk), and noted that only general terms and conditions related to website usage are listed. The sole clause addressing "Returns and Exchange" is included within the terms and conditions section. However, a distinct "Returns and Exchange Policy" is prominently displayed on the top bar of the website for clear visibility. Furthermore, the Returns and Exchange Policy is conspicuously exhibited at the outlet for in-store customers, clearly delineating the general conditions applicable to returns and exchanges.
- 3.41 Forgoing in view, the phrase "on all items" inherently conveys that the 50% discount applies universally to multiple items in a single transaction. However, evidence shows that Diners limited the discount to only one item, refusing its application to subsequent items. This creates a material discrepancy between the advertised offer and the actual terms enforced at the point of sale. Such omission of restrictive conditions renders the advertisement misleading, as consumers could reasonably expect the discount to extend to their entire purchase based on the wording.
- 3.42 The misleading information directly pertains to the "price" of goods, as defined under Section 10(2)(b) of the Act. By advertising a flat 50% off without disclosing limitations, Respondent No. 5 potentially induced consumers to engage in purchases under false pretenses, leading to higher effective costs for multiple items than anticipated.
- 3.43 Based on the facts presented, Diners' advertisement and subsequent implementation appear to constitute deceptive marketing practices under Section 10(2)(b) of the Act, . The advertisement distributed misleading information related to the price of goods by failing to disclose limitations on the discount's applicability, thereby lacking a reasonable basis and potentially misleading consumers.

M/s. Eden Apparels (Pvt) Ltd (Respondent No. 4)

- 3.44 The Respondent No. 4 promoted its "Winter Savings" campaign by advertising a "FLAT 40% OFF" on the Women's Collection and "UP TO 50% OFF" on the Men's and Kids' Collections, accompanied by the disclaimer "T&C APPLY." An image of the promotional banner displayed at the store entrance is depicted below.



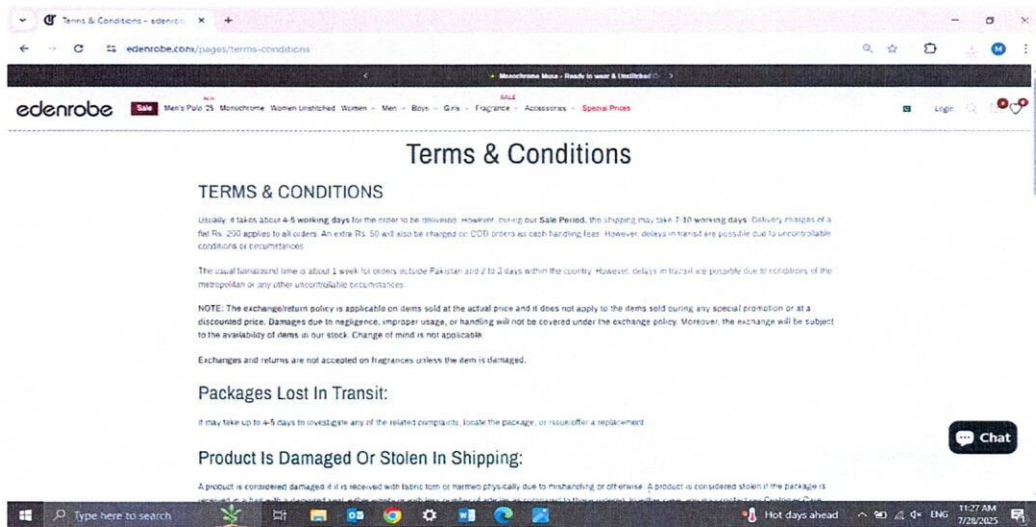
3.45 The primary allegation against Respondent No. 4 pertained to the alleged failure to clearly and conspicuously disclose the terms and conditions applicable to its “Winter Savings” campaign. In response, Respondent No. 4 asserted that all relevant terms and conditions were duly disclosed on its website as well as on customer invoices generated through the point-of-sale system. With respect to the discount structure, it has been observed that the discounts advertised by the undertaking were applied uniformly across the Women Collection as well as the Men & Kids Collection. The advertised representations, namely ‘Flat 40% OFF’ for the Women Collection and ‘Up to 50% OFF’ for the Men & Kids Collection, were implemented in a consistent manner at the point of sale. A few images of the displayed discount offerings are provided below for reference.



MA



3.46 The EC also reviewed the terms and conditions available on the Respondent's website (www.edenrobe.com) and observed that all key provisions including delivery timelines, delivery charges, and the exchange/return policy were clearly stated. A relevant excerpt from the website is reproduced below for reference.



3.47 The EC further observed that the exchange policy was clearly displayed at the cash counter for customer convenience. The Committee also obtained a sample sales invoice for review and noted that the same terms and conditions were duly printed on the invoice.



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3.48 In light of the foregoing assessment, the EC concludes that no case of misleading pricing or deceptive marketing is made out against Respondent No. 4. The evidence indicates that the Respondent's actual practices are consistent with its advertised claims, with the scope and applicability of discounts clearly communicated through the promotional materials and supported by a disclaimer on the banner. The restriction relating to exchanges pertains only to post-purchase rights and does not alter or misrepresent the discount itself. Furthermore, the terms and conditions available on the website and printed on customer invoices adequately set out the rights and obligations of consumers. Accordingly, *prima facie*, the allegations are not substantiated.

M/s Alkaram Textile Mills (Private) Limited: Respondent No. 5

3.49 The Respondent No. 5 promoted its "Big Friday" campaign by advertising a "FLAT 40% OFF" on the ready to wear articles, accompanied by the disclaimer "on selected items." An image of the promotional banner displayed at the store entrance is depicted below.



3.50 The primary allegation against Respondent No. 5 concerned the visibility of the accompanying disclaimer "on selected items," which allegedly was not clearly noticeable to an ordinary consumer. In response, Respondent No. 5 submitted that the majority of items were indeed offered at a 40% discount, while certain articles were subject to varied discount rates based on pricing strategy and commercial considerations. The Respondent further clarified that there was no intention to represent the discount as uniformly applicable across all products, and that the "40% off" claim constituted a genuine and central component of the promotional campaign. To verify these assertions, the EC inspected the Alkaram outlet located in the twin cities and observed that most items were available at the advertised discount, with some articles carrying different discount levels. Relevant images captured during the visit are provided below for reference.



- 3.51 In assessing whether the disclaimer “*on selected items*” satisfies the requirement of clear and conspicuous disclosure, the EC must consider whether an ordinary consumer, exercising reasonable care, would be able to understand the scope and limitations of the advertised discount. Under Section 10 of the Act, information is considered misleading if it is presented in a manner that materially deceives or is likely to deceive the average consumer regarding the nature, price, or availability of goods.
- 3.52 In the present matter, the phrase “*on selected items*” is a standard industry disclaimer commonly used to indicate that the advertised discount does not apply uniformly across all products. Such disclaimers are considered acceptable as long as they are sufficiently visible, placed in proximity to the main claim, and not contradicted by the overall presentation of the promotion. The EC noted that the disclaimer was included on the promotional material, and although printed in smaller font than the headline discount, it was nevertheless present and legible upon ordinary viewing. Moreover, the EC’s on-site inspection confirmed that the discount structure accurately reflected the disclaimer: the majority of items were discounted at 40%, while a reasonable number of products carried varied discounts.
- 3.53 Given these observations, the presence of the disclaimer does not appear to be vague or contradict the main discount offer, nor does it create a false impression that the discount applies to all items. The promotional materials, when viewed as a whole, adequately communicated that the discount extended primarily but not universally to the product range.

As such, the disclaimer “on selected items,” as used in this instance, does not amount to misleading information under Section 10 of the Act.

3.54 In view of the above, the EC finds that the allegation against Respondent No. 5 is not substantiated. The promotional material did contain the disclaimer “on selected items,” and the EC’s on-site inspection confirmed that the majority of articles were available at the advertised 40% discount, with only certain items placed on varied discounts in line with the Respondent’s pricing strategy. The overall presentation of the promotion did not mislead consumers into believing that the discount was uniformly applicable across all products. Accordingly, no violation of Section 10 of the Act is made out in this instance.

M/s M.K Apparel (Respondent No. 6)

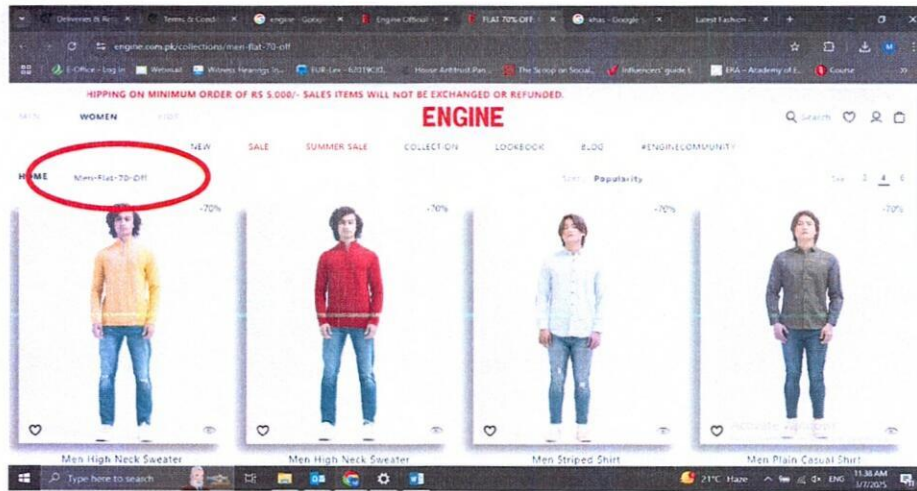
3.55 The Respondent No. 6 promoted its brand “ENGINE” by offering 50% discount during a campaign in December 2023. An image of the promotional banner displayed at the store entrance is depicted below.



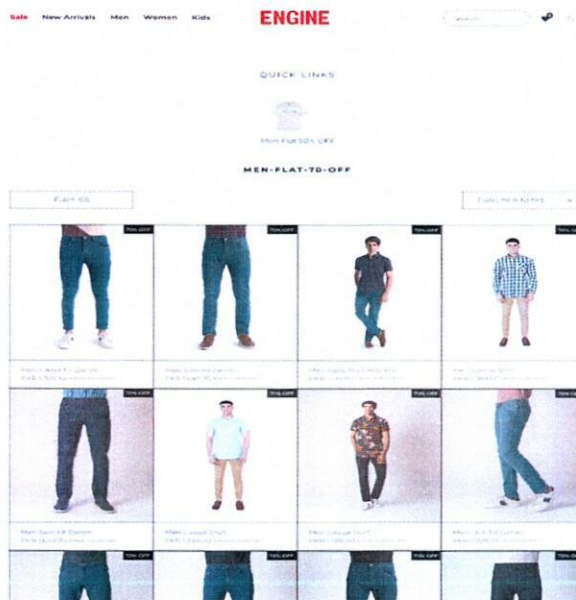
3.56 The above image depicts the storefront of Engine with prominent in-store signage advertising "50% off." Racks display various apparel items, including jackets, hoodies, and pants, with multiple "50%" tags visible.

3.57 As per the evidence available, it is observed by the EC that the 50% discount is in fact available, consistent with the advertised terms, thus providing a reasonable basis for the promotional claims. No evidence has been found to suggest any discrepancy, such as refusal to apply the discount to eligible items.

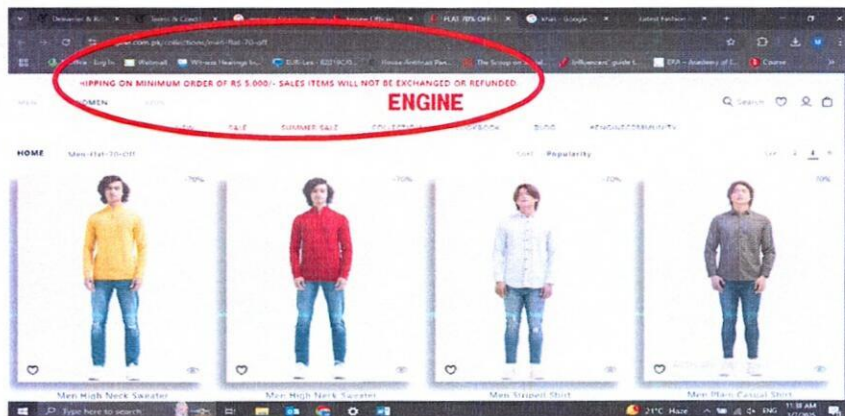
3.58 Furthermore, promotions on Engine's website (<https://engine.com.pk/>) (as of March 2025) include a "Men Flat 70% off", as shown in the image below:



3.59 It is observed by the EC that the discount is applied across all items, as depicted in the image below.



3.60 Furthermore, it has clearly been disclosed by the Respondent No. 6 on its website that "sale items will not be exchanged or refunded".



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3.61 In view of the foregoing assessment, and upon examination of the promotional materials, and the absence of any evidence indicating misrepresentation or consumer deception, it is observed that the promotional claims under review do not appear to contravene the provisions of Section 10 of the Act. The advertised discounts are clearly disclosed, consistently implemented, and supported by verifiable in-store and online practices. In light of the above, no conduct has been identified that would amount to the dissemination of false or misleading information to consumers. Hence, *prima facie* violation of Section 10(2)(b) of the Act has not been made out against Respondent No. 6.

(ii) **Whether there is a spillover effect of the Respondents' conduct?**

3.62 The discount and sale offers of the Respondents are advertised through their website and social media platforms, which are accessible globally. Accordingly, the actions of the Respondents are not confined within jurisdictional boundaries and have a spillover effect beyond a single province.

4. CONCLUSION AND RECOMMENDATION

4.1 As a key parameter of competition, pricing is one of the most important elements affecting consumers' purchasing decisions. In the context of trade and commerce within Pakistan, traders frequently employ promotional discounts and price reduction strategies to attract consumers and enhance sales. Such offers, while permissible, must adhere strictly to principles of fairness and transparency to ensure that consumers are not misled regarding the actual value of the discount or the terms under which it is offered. Misrepresentation of discounts, whether through exaggerated claims, selective applicability, or concealment of material information or conditions, has the potential to distort consumer choice and impede fair competition in the market.

4.2 Upon examination of the material available on record, and in light of the observations made hereinabove, it is established that Respondent No. 1, Respondent No. 2, and Respondent No. 3 have *prima facie* engaged in deceptive marketing practices by misrepresenting their price reduction and promotional offers. Such conduct falls within the ambit of Section 10(2)(b) of the Act, thereby warranting initiation of proceedings under Section 30 of the Act. However, Respondent No. 4, Respondent No. 5, and Respondent No. 6 appear not to be *prima facie* violating Section 10 (2)(b) of the Act.

4.3 Therefore, it is recommended that, in the interest of the public at large, proceedings may be initiated against M/s Khas Holding, M/s OneLife Apparel Pvt. Limited and M/s. Al Baraka Apparel, under provisions of Section 30 of the Act, in accordance with the law, for *prima facie* violation of Section 10 of the Act.



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