



**COMPETITION COMMISSION OF PAKISTAN
GOVERNMENT OF PAKISTAN**

EXEMPTION ORDER

**IN THE MATTER OF EXEMPTION APPLICATION FILED BY MR. KHALID NAWAZ AWAN
(KNA) FOR SHAREHOLDERS' AGREEMENT**

CASE: 2(740)/AGR/EXM/CCP/2025

Commission

Mr. Saeed Ahmad Nawaz
Member (Exemptions)



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1. Mr. Khalid Nawaz Awan (KNA) (hereinafter referred to as the **Applicant**) applied for the grant of exemption on June 26th 2025 for the restrictive clause, 19 (B) of its Shareholders' Agreement dated May 26th 2025 (hereinafter referred to as the **Agreement**) executed by and between M/s. Nippon Express (South Asia & Oceania) Pte Ltd. (NX) (**Shareholder – A**), Mr. Khalid Nawaz Awan (KNA) (**Shareholder – B**) and Ms. Saadia, Ms. Saira & Mr. Qasim hereinafter collectively **Shareholder – C** (hereinafter referred to as **Parties to the Agreement**), authorizing Mr. Bilal Ashfaq Memon through authority letter dated 25th June 2025 addressed to the Competition Commission of Pakistan (hereinafter the **Commission**).
2. The Applicant is engaged in the business of logistics services and holds 99.99% shares in TCS logistics (Private) Limited (TCS). NX turnover in Pakistan for the FY-2024 was PKR 27 million, whereas, the turnover of TCS owned and controlled by KNA for the financial year 2024 was amounted to PKR 4 billion.
3. The Application was made pursuant to Section 5 read with Section 9 (1) (a), (b) & (c) of the Competition Act, 2010 (the Act) in conjunction with Competition (Exemption) Regulations, 2020 on the following grounds:
 - i. Enhance Operational efficiencies and distribution network;
 - ii. Collaboration and integration of best global practices;
 - iii. Introduction of NX automated technology and development of logistics infrastructure;
 - iv. To anticipate 37% increase in revenue by FY-2026.
4. The agreement is essentially an arrangement for not to deal with non-parties and may, therefore, violate Section 4 (2) (a) of the Act and institutionalize charging of economic rent, reducing consumer surplus and social welfare. Relevant particulars of the Agreement are as follows:

First Party: M/s. Nippon Express (South Asia & Oceania) Pte. Ltd. having its registered office at 5c Toh Guan Road, East, Singapore 608828.

Second Party: MR. Khalid Nawaz Awan resident of House No. 81, Street No. 15, Kh-e-Sehar, DHA Phase VI, Karachi

Third Party (i) Ms. Saadia Awan, (ii) Ms. Saira Awan & (iii) Mr. Qasim Awan

Type of Agreement: Shareholders' Agreement (Annex-A)

Date of Agreement: May 26th 2025

Validity period of the Agreement: The Agreement shall continue in force without limit in point of time and shall stand terminated subject to events mentioned under Clause 22.1 of the Agreement

Product(s)/Services covered under the Agreement: As specified in clause – 1.1 of the Agreement:
Business



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5. Based on the information provided by the Undertaking, the Commission, in exercise of the powers conferred under Section 5 read with Section 9(1)(a), (b) & (c) of the Act is pleased to grant exemption subject to the conditions specified in para 6 below, regarding the following clauses of the Agreement:

Exemption granted: On Clause 19 (B) - Not to compete with the Business of the Company (TCS Logistics Pvt. Limited)

Exemption period: From May 26th 2025 to June 30th, 2027

6. In view of the above, the Exemption granted shall be subject to the conditions that the Applicant shall ensure the following:

- i. It does not engage in any anticompetitive behavior and/or practices as outlined in Chapter II of the Act, including but not limited to:
 - a. Abuse of dominant position u/s 3;
 - b. Prohibited agreements u/s 4;
 - c. Deceptive marketing practices u/s 10;
 - d. Any mergers or acquisition in violation of Section 11; and
 - e. Charging of economic rent to the detriment of consumer surplus and social welfare.
- ii. The exemption shall not be used as a permission for transfer pricing or to evade regulatory restrictions, if any against transfer pricing;
- iii. Immediately notify the Commission upon the commencement of one of the competitive businesses of TCS, namely Express Logistic Services, by Shareholder A, as stipulated under Clause 19(B) of the Agreement;
- iv. Notify the Commission about the completion date of the transaction as specified in clause 19 (B) of the Agreement, once materialized;
- v. Notify the Commission of any amendment(s) to the Agreement within fifteen (15) days of such change;
- vi. Submit copy(s) of other agreement(s) in relation to downstream distribution network, if executed;
- vii. In case of having an ongoing Agreement, submit an application for grant of extension in exemption at least three (3) months prior to expiry of this Exemption Order;



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- viii. It recognizes that the Commission reserves the right to verify the following against the baseline benchmarks (to be provided by the Applicant within thirty (30) days of issuance of this Order, where applicable:
- a. Details of expansion of distribution network;
 - b. Particulars of global practices/standards adopted;
 - c. Data on new technologies adopted;
 - d. Details w.r.t development of logistics infrastructure;
 - e. Evidence of actual revenue growth for the FY 2026 against the projected growth rate of 37% increase in operating revenue; and
 - f. Details of tangible and verifiable benefits passed on to the consumers.
- ix. Submit a verifiable compliance report on December 31st each year against the commitments made for the grant of this exemption; and
- x. No breach of terms of this exemption takes place as it shall have an immediate effect of cancellation of this exemption.
7. The Commission may review and revise the terms and conditions of this Exemption, as deemed necessary. Furthermore, without prejudice to the generality of Section 6 of the Act, the grantee of the exemption shall inform the Commission forthwith and seek clearance for continuation of the exemption if there is any material change, inter alia, in:
- (i) The terms of the Agreement;
 - (ii) The market share of products and/or services covered under the Agreement; or
 - (iii) The regulatory or policy framework in the relevant market in which the parties are operating.
8. In the subject Agreement, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
9. It is so ordered.

Syed Ahmad Nawaz
Member (Exemptions)

ISLAMABAD the 19th October, 2025.