



File No: 2(719)/AGR/EXM/CCP/2024  
**COMPETITION COMMISSION OF PAKISTAN**  
**GOVERNMENT OF PAKISTAN**

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**EXEMPTION CERTIFICATE**

In pursuance of the powers conferred under Section 5 read with Section 9 of the Competition Act, 2010 (the "Act") and based on the information provided by the Applicant, the Competition Commission of Pakistan (the "Commission") hereby grants exemption on the relevant clause(s) of the Agreement mentioned below from the application of Section 4 of the Act as per the conditions mentioned hereunder:

**PARTICULARS OF THE AGREEMENT**

<b>First Party:</b> ("Applicant 1")	M/s. Naubahar Bottling Company (Pvt) Ltd (Buyer) having its registered office at 38-40/A, S.I. Estate, Gujranwala, Pakistan.
<b>Second Party:</b> ("Applicant 2")	M/s. JK Sugar Mills (Pvt) Ltd (Seller) having its registered office at 61-A, Main Boulevard, Gulberg, Lahore, Pakistan.
<b>Type of Agreement:</b>	Asset Purchase Agreement; Initialed copy of the executed "Agreement" as submitted to the Commission is attached herewith.
<b>Date of Agreement:</b>	1 <sup>st</sup> November, 2024.
<b>Validity Period of the Agreement:</b>	Pursuant to Clause 2.3 of the "Agreement", no later than 31 <sup>st</sup> December, 2024, subject to any extension(s) with the mutual written consent of the Buyer and Seller.
<b>Product(s) covered under Agreement:</b>	Pepsi, Pepsi Zero, Mirinda, 7Up, 7Up Zero, 7Up Strawberry, M. Dew, Slice Mango, Sting-Red, Sting-Gold, Sting-Blue, Aquafina, Gatorade Blue Bolt, Gatorade Lemon Lime, and Gatorade Tropical Fruit. (As communicated vide email dated 18 <sup>th</sup> December, 2024 – Copy enclosed).



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PARTICULARS OF THE EXEMPTION GRANTED	
Exemption granted against:	<p>▪ Clause 7.4 as reproduced hereunder:</p> <p><i>"Subject to the successful closing of the Transaction, the Seller shall not, and shall ensure that it affiliates, employees, directors or representatives, including the individual Sellers, shall not directly or indirectly, at any time, compete with the bottling business being carried out by the Buyer from the Assets in any manner whatsoever, for a period of ten (10) years from the Closing Date".</i></p>
Period of grant:	From 20 <sup>th</sup> November, 2024 till 19 <sup>th</sup> November, 2027.
Conditions:	<ol style="list-style-type: none"><li>1. This Exemption is effective only for the territory of Pakistan;</li><li>2. The exemption is granted against a specific clause of the "Agreement" as mentioned above.</li><li>3. The Applicants shall ensure that they do not indulge in any anticompetitive conduct as outlined in Chapter II of the Act including but not limited to:<ol style="list-style-type: none"><li>i. Fixing the selling or purchase price.</li><li>ii. Limiting technical development or investment.</li><li>iii. Quota/Market allocation.</li><li>iv. Bid rigging.</li></ol></li><li>4. The exemption is being granted only to the extent of 'Products' as mentioned in this certificate;</li><li>5. The Applicant shall notify the Commission of any amendment(s) made, particularly to the clause exempted under this certificate or to the "Agreement" submitted for exemption under Section 5 of the Act;</li><li>6. The exemption granted is subject to the condition that it aligns with the regulatory requirements for transfer pricing and that the undertaking will not engage in any practice that could distort competition in the market;</li><li>7. The Applicant shall inform the Commission within fifteen (15) days of any decision regarding extending the 'Closing Date' with mutual consent, pursuant to Clause 2.3 of the "Agreement";</li><li>8. The Commission reserves the right to verify actual progress against the financial and non-financial commitments submitted in support of this exemption, including demonstrable evidence of customer benefits as outlined below:<ol style="list-style-type: none"><li>i. Improving Production &amp; Distribution by:<ol style="list-style-type: none"><li>a. Installation of one high-speed CSD line and capacity enhancement of two juice lines.</li><li>b. Establishment of 200 new sales routes and addition of 150 delivery trucks.</li></ol></li></ol></li></ol>



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PARTICULARS OF THE EXEMPTION GRANTED	
Conditions:	<ul style="list-style-type: none"><li>ii. Promoting Technical &amp; Economic Progress:<ul style="list-style-type: none"><li>a. Achieving 2-3% operational efficiency gains through automation.</li><li>b. Increasing renewable energy usage by 10%, reducing water usage by 20%, and utilizing recycled plastic in 20% of PET bottles.</li></ul></li><li>9. The Commission reserves the right to review and revise the conditions of this Exemption, as deemed necessary;</li><li>10. Breach of terms of this exemption, shall have an immediate effect of cancellation of this exemption.</li><li>11. The Applicant shall seek extension in exemption, at least three (3) months prior to the expiry of exemption being granted;</li></ul>

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 the products covered under the "Agreement"; or (iii) the regulatory or policy framework in the relevant market in which the parties are operating.

Granted on the 24<sup>th</sup> day of December, 2024 at Islamabad.

Seal of the Commission

**Shanzad Hussain**  
Registrar  
Competition Commission of Pakistan  
Government of Pakistan  
Islamabad