



**COMPETITION COMMISSION OF PAKISTAN
GOVERNMENT OF PAKISTAN**

EXEMPTION CERTIFICATE

**IN THE MATTER OF EXEMPTION APPLICATION FILED BY M/S. A3 HOLDINGS
(PRIVATE) LIMITED FOR EXEMPTION OF NON-COMPETE AGREEMENT**

CASE: 2(701)/AGR/EXM/CCP/2024

Commission

**Mr. Saeed Ahmadi Nawaz
Member (Exemptions)**



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1. M/s. AJ Holdings (Private) Limited (hereinafter referred to as the **Undertaking**) have applied for the grant of exemption dated 19th December, 2023 for the restrictive clause 2.1 of the Non- Compete Agreement, (hereinafter referred to as the **Agreement**) on the Board Resolution dated 31st August, 2023 addressed to the Competition Commission of Pakistan (hereinafter the **Commission**).
2. The undertaking is a private limited company incorporated in Pakistan. The principal object of the company is to act as holding company of US Group Companies and to invest in real estate, immovable property, listed and unlisted securities. The annual turnover of the undertaking for the FY 2023 is PKR 8.1 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), read in conjunction with Competition (Exemption) Regulations, 2020, on the following grounds:
 - a. Enhancing local production and distribution efficiency through supply chain efficiencies;
 - b. Promoting technical and economic progress by enabling technology transfer, reducing import reliance, and boosting Pakistan's export potential; and
 - c. Reduction in cost by 10–12% cost reduction and increased exports.
4. The agreement is essentially an arrangement for not to deal with non-parties and may, therefore, violate Section 4 (2) (a) and (f) 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 :	(i) M/s. AJ Holdings (Private) Limited, having its registered office at 3KM, Defence Road, Raiwind Road, Lahore (ii) SAAS Enterprises (Private) Limited (Investors) having its registered office at Plot No. 369/3, Bahadurabad, Karachi.
Second Party: (Sponsors)	(i) Mr. Mujtaba Sail Ahmed Khan, (ii) Miss Amal Suleman Khan, (iii) Miss Aasia Saail Khan, (iv) Mr. Ahmed Qadeer (collectively referred as SPONSORS)
Third Party:	LAMA Retail (Private) Limited (The Company) having its registered office at 175, Street 04, Scotch Corner, Upper Mall, Lahore
Type of Agreement:	Non-Compete Agreement (the Agreement) – Annex A
Date of Agreement:	5th December, 2023
Validity period of the Agreement:	Pursuant to Clause 4, the Agreement shall be effective from the effective date and shall terminate on the occurrence of events stated in 'Expiry date' in Definition and Interpretation clause 1.1.1 of the Agreement.
Product(s)/Services/ Business covered under the Agreement:	"Business" as defined in Definition and Interpretation Clause 1.1.1 of the Agreement.



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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 Competition Act, 2010 (the 'Act'), hereby grants exemption, subject to the conditions specified in para 7 below, regarding following clauses of the Agreement.:

Exemption granted: On Clause 2.1- Non compete and Non solicitation

Exemption period: From 20th December, 2023 till 20th December, 2026.

6. In view of the above, the Exemption granted shall be subject to the conditions that the Undertaking 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. Notify the Commission of any amendment(s) to the Agreement within fifteen (15) days of such change, and also provide a copy of the executed agreement;
- iv. 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 Order.
- v. It recognizes that the Commission reserves the right to verify the following against the baseline benchmarks (to be provided by the undertaking within thirty (30) days of issuance of this Order):
 - a. Quantifiable efficiencies achieved in the supply chain resulting in timely product availability;
 - b. Details of innovations and technology transfers;
 - c. Particulars of increase in exports;
 - d. Particulars of cost efficiencies achieved; and
 - e. Details of tangible and verifiable benefits passed on to the consumers.
- vi. Submit a verifiable compliance report on 31st December each year against the commitments made for the grant of this exemption; and
- vii. No breach of terms of this exemption takes place as it shall have an immediate effect of cancellation of this exemption.



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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 Agreement, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
9. It is so ordered.

Saeed ~~.....~~ Nawaz
Member (Exemptions)

ISLAMABAD, the 9th October, 2025