

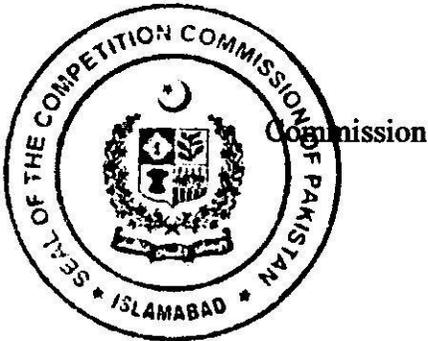


**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

**IN THE MATTER OF SUBSCRIPTION OF % SHAREHOLDING OF M/S. LAMA  
RETAIL (PRIVATE) LIMITED BY M/S. A.J. HOLDINGS (PRIVATE) LIMITED AND  
M/S. SAAS ENTERPRISES (PRIVATE) LIMITED.**

**CASE: 1427/Merger-CCP/2024**



**Dr. Kabir Ahmed Sidhu  
Chairman**

## ORDER

1. On 23<sup>rd</sup> January 2024, M/s. A.J. Holdings (Private) Limited (“AJ Holdings” or “Acquirer 1”) submitted a pre-merger application (the “Application”) to the Competition Commission of Pakistan (the “Commission”), notifying a proposed transaction involving the acquisition of a % shareholding in M/s. Lama Retail (Private) Limited (“Lama Retail” or “Target”) by AJ Holdings and M/s. Saas Enterprises (Private) Limited (“Saas Enterprises” or “Acquirer 2”) pursuant to the terms of an Equity Investment Agreement ( the “Agreement”) dated 5<sup>th</sup> December 2023.
2. The Application was filed under Section 11 of the Competition Act, 2010 (the “Act”) read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “Merger Regulations”).

### Merger Parties

#### **Acquirer 1**

3. AJ Holdings is a private limited company incorporated in Pakistan on 27<sup>th</sup> December 2013. It acts as a holding company for a group of entities operating primarily from the United States of America. It invests in real estate, listed and unlisted securities and manages surplus funds.
4. AJ Holdings, through its subsidiaries, is engaged in the textile sector across Pakistan, Bangladesh, Turkey, and the United Kingdom. The subsidiaries specialize in the manufacturing and marketing of apparel, fabric, footwear, and also provide dyeing and finishing services, exclusively for export purposes.

#### **Acquirer 2**

5. Saas Enterprises is a private limited company incorporated in Pakistan on 2<sup>nd</sup> July 2013. It is primarily engaged, directly or indirectly, in investments such as real estate and quoted securities.

#### **Target**

6. Lama Retail is a private limited company incorporated in Pakistan on 21<sup>st</sup> May 2020. It is engaged in the business of apparel, footwear, bags, jewellery, and allied accessories for men, women and children.



### Transaction

7. As per the terms of the Agreement, the proposed transaction involves the subscription of newly issued ordinary shares of the Target, representing a % shareholding. These shares will be subscribed by Acquirer 1 and Acquirer 2. Acquirer 1 will subscribe to shares, representing a % shareholding, for a consideration of approximately PKR , while Acquirer 2 will subscribe to shares, representing a % shareholding, for a consideration of approximately PKR (the "Transaction"). The total value of the Transaction is estimated at approximately PKR

### Phase-I Competition Assessment

#### **Procedural Review**

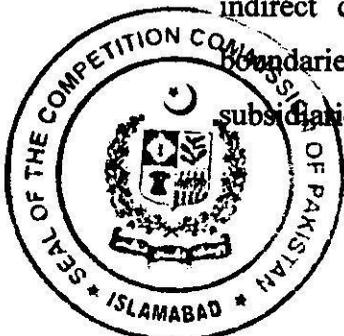
8. Based on the Application, the Commission conducted a Phase-I competition assessment of the Application, including a review of the supporting documentation, to evaluate compliance with the Act and Merger Regulations, with particular focus on potential competitive concerns, including market dominance following consummation of the Transaction.

#### **Relevant Market**

9. For the purposes of this assessment, the relevant product markets are defined as: (a) **Apparel**; (b) **Footwear**; (c) **Fragrances**; and (d) related **Accessories**. The relevant geographic market is defined as "**Pakistan**," as the Target operates, sells, and competes within the country under domestic market conditions.

#### **Market Share**

10. As stated in the Application, Lama Retail presently holds less than % market share in each of the identified relevant product markets within Pakistan. This indicates a very limited commercial footprint, and the Target does not hold any significant market power in any of these segments.
11. Furthermore, neither AJ Holdings nor Saas Enterprises has any significant direct or indirect commercial presence in relevant product markets within the geographic boundaries of Pakistan. AJ Holdings, although involved in the textile sector through its subsidiaries, is exclusively engaged in export-oriented manufacturing and finishing



activities, and reportedly does not operate in any downstream activities linked to the Target's business.

### **Competition Analysis**

12. Currently, there is no existing horizontal overlap or vertical integration between the Acquirers and the Target in the retail market of Pakistan. Based on the Target's insignificant market share, and the absence of direct or indirect business operations by either Acquirers in the identified market, the Transaction is not likely to raise any competition concerns. Moreover, the retail sector in Pakistan remains dynamic and highly fragmented with a large number of local and international players offering competing products across multiple platforms, both online and offline.
13. In addition, entry barriers in the relevant markets are relatively low, allowing new players to enter and compete without significant regulatory, financial or technical obstacles, which further reinforces the competitive dynamics of the market. Factors such as brand differentiation, pricing, quality and customer experience remain the key drivers of competition. These features of the relevant market are expected to continue post-Transaction.
14. Although the proposed transaction may be interpreted as involving a degree of vertical integration, given the upstream textile sector activities of AJ Holdings, the lack of overlap in the relevant market and export oriented nature of AJ Holdings' operations reduces the likelihood of anticompetitive effects, or input/output foreclosure.

### **Ancillary Restrictions**

15. Ancillary restrictions have been reported with this transaction, which may require exemption under Section 5 of the Act, read with Regulation 4 of the Competition Commission (Exemption) Regulations 2020. This order is without prejudice to any such requirements.

### **Determination**

16. Based on the information provided, the Commission concludes that the proposed Transaction does not create or strengthen a dominant position in the relevant market, as defined under Section 2(1)(e) read with Section 11 of the Act and the Merger Regulations. Accordingly, the proposed Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.



17. Notwithstanding the above, matters which may fall outside the scope of the Commission's jurisdiction, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.

18. It is so ordered.



Dr. Kabir Ahmed Sidhu  
(Chairman)

ISLAMABAD, JULY 4<sup>th</sup>, 2025.

