



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S. FAUJI
INFRAAVEST FOODS LIMITED BY M/S. FAUJI FOODS LIMITED FROM M/S.
FAUJI FOUNDATION.

CASE: 1415/Merger-CCP/2023




Mr. Saeed Ahmad Nawaz
Member

ORDER

1. On 29th November, 2023 the Competition Commission of Pakistan (hereafter "**Commission**") received a pre-merger application (hereafter "**Application**") from M/s. Fauji Foundation (hereafter "**FF**" or "**Seller**").
2. The Application was made pursuant to Section 11 of the Competition Act, 2010 (hereafter "**Act**") read in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (hereafter "**Merger Regulations**").
3. The proposed transaction entails acquisition of % shareholding of M/s. Fauji Infraavest Foods Limited (hereafter "**Fauji Infraavest**" or "**Target**") by M/s. Fauji Foods Limited (hereafter "**Fauji Foods**" or "**Acquirer**") pursuant to Share Purchase Agreement (hereafter "**SPA**").
4. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Phase I competition assessment of the intended transaction has revealed the following facts:

4.1. The business activities of the undertakings concerned are:

- a) Acquirer: A public listed company incorporated in Pakistan and is engaged in the production and sale of dairy and allied products.
- b) Target: A public unlisted company incorporated in Pakistan and is engaged in the manufacturing, sale and distribution of pasta and allied products.
- c) Seller: A charitable trust set up in order to provide employment opportunities to Pakistani ex-military personnel and to generate for welfare of ex-servicemen and their families.

4.2. As submitted in the Application and set out in the SPA, the transaction under consideration is the acquisition of shares (% shareholding) of the Target by the Acquirer, from the Seller. The total estimated amount under consideration to be paid for shares is PKR /-

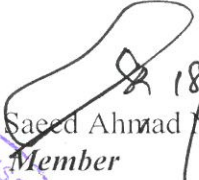
4.3. The relevant market in this case has been identified as "**Manufacturing and Distribution of Pasta and Allied Products**" and the relevant geographic market is "**Pakistan**".

4.4. As per the Application, the Target's market share is nil in the relevant market since it has been inactive from the past five years. With the proposed acquisition by the Acquirer, the operations may be improved, bumping its market share.

5. The proposed transaction will not result in dominance of the Acquirer in the relevant market, post-transaction, as determined under Section 2(1)(e) read with Section 3 of the Act. Therefore, it is hereby authorized under Section 31(1)(d)(i) of the Act.



6. In the subject transaction, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
7. It is so ordered.


(Mr. Saeed Ahmad Nawaz)
Member

Islamabad the 18th December, 2023.

