




BEFORE THE
COMPETITION COMMISSION OF PAKISTAN


FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF _____ % SHAREHOLDING IN M/S. BABA FARID SUGAR MILLS LIMITED BY M/S. NAUBAHAR BOTTLING COMPANY (PRIVATE) LIMITED, MR. MUHAMMAD SHAMIM KHAN, MRS. QAISER SHAMIM KHAN, MR. ADNAN AHMED KHAN, MR. NAUMAN AHMED KHAN.

CASE: 1022/Merger-CCP/19

Commission

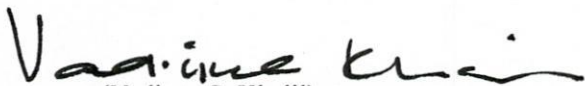

Ms. Vadiyya S. Khalil
Chairperson



Dr. Shahzad Ansar
Member



ORDER

1. On 21st February 2019 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") through which M/s. Naubahar Bottling Company (Private) Limited, Mr. Muhammad Shamim Khan, Mrs. Qaiser Shamim Khan, Mr. Adnan Ahmed Khan and Mr. Nauman Ahmed Khan (collectively "**the Acquirers**") intend to acquire 51% shareholding in M/s. Baba Farid Sugar Mills Limited ("**Target**") from Mrs. Naheed Rohi, Mr. Muhammad Ashraf, Mr. Muhammad Sarwar, Mr. Muhammad Shah Anjum, Mrs. Rafia Aslam, Mr. Shahid Mehmood Qureshi, Mr. Syed Qaisar Abbas Naqvi, Mr. Maqsood Ul Hassan, Mr. Muhammad Aslam and M/s. Pattoki Sugar Mills Limited (collectively "**the Sellers**").
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and its observations on the basis of independent research/investigation in the relevant market. The Phase I competition assessment of the intended acquisition has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For the Acquirers: The Acquirers, except for M/s. Naubahar Bottling Company (Private) Limited ("**NBCPL**"), are all natural persons. NBCPL is engaged in the beverage business.
 - b. For the Sellers: The Sellers, except for M/s. Pattoki Sugar Mills Limited ("**PSML**"), are all natural persons. PSML manufactures and markets sugar.
 - c. For the Target: Principally engaged in the manufacturing and sale of sugar including its by-products.
 - ii. In the proposed transaction, the Acquirers intend to acquire 51% shareholding in the Target from the Sellers. Currently, the Target is engaged in the relevant product market of "**Manufacture & Sale of Sugar and by-products**" having a geographic market identified as of "**Pakistan**".
 - iii. At present, the Target has a market share of 13% in the Sugar segment and in the Molasses segment, a market share of 7%. Post-transaction, the Acquirers will have their market share increased to 23% in the sugar sector and to 17% in the molasses segment.
 - iv. The transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. The intended merger does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("**Act**").
3. In conclusion, the proposed transaction is not likely to substantially lessen competition through the creation or strengthening of a dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.


(Vadiyya S. Khalil)
Chairperson


(Dr. Shahzad Ansar)
Member

Islamabad the 14th March, 2019.

