

BEFORE THE COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

MERGER OF M/S. SHAMIM & COMPANY (PRIVATE) LIMITED WITH IN M/S. JK SUGAR MILLS (PRIVATE) LIMITED.

CASE: 1445/Merger-CCP/2024

Commission

ON OF TITION COMMISSION OF ISLAMABAD * NAME OF THE PROPERTY OF

Dr. Kabir Ahmed Sidhu *Chairman*

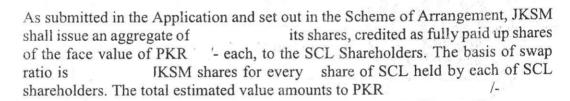
ORDER

- 1. On 15th April, 2024, the Competition Commission of Pakistan (hereafter the "Commission") received a pre-merger application (hereafter the "Application") submitted jointly by the following parties:
 - i. M/s. JK Sugar Mills (Private) Limited (hereafter "JKSM"); and
 - ii. M/s. Shamim & Company (Private) Limited (hereafter "SCL").
- 2. The Application was made pursuant to Section 11 of the Competition Act, 2010 (hereafter the "Act") read in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (hereafter the "Merger Regulations".
- 3. The proposed transaction entails merger of SCL with in JKSM as per the Scheme of Arrangement. All requisite information/documentation pertaining to the Application was completed on 22nd May, 2024.
- 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:

4.2.

THE COMMISSION COMMISSION

- a) JKSM: A private limited company incorporated in Pakistan, engaged in manufacturing and sale of sugar and its allied products.
- b) SCL: A private limited company incorporated in Pakistan, engaged in manufacturing and distribution of PepsiCo products.



In this case, two relevant markets have been identified. The first being "Sugar and by-products" for which the relevant geographic markets are "Punjab" and "Sindh". The second relevant market is "Non-alcoholic beverages" with the relevant geographic market as "Pakistan".

As per the data provided by the Applicant, JKSM's market share by virtue of common directorship in M/s. Deharki Sugar Mills (Pvt,) Limited and M/s. JDW Sugar Mills Ltd is approximately % in sugar and 1% in molasses in Punjab. Similarly in Sindh, it has a market share of 1% in sugar and 1% in molasses. Moreover, SCL has a market share of 1% in non-alcoholic beverages in Pakistan which is expected to remain unchanged after the proposed transaction.

The proposed transaction will not result in dominance of JKSM in the relevant markets, post-transaction, as determined under Section 2(1)(e) read with Section 3 of the Act.

Therefore, the said transaction is hereby authorized under Section 31(1)(d)(i) of the Act.

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

(Dr. Kabir Ahmed Sidhu)

Chairman

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May 29, 2024.

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