



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



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:
 - 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.
 - 4.2. As submitted in the Application and set out in the Scheme of Arrangement, JKSM shall issue an aggregate of _____ its shares, credited as fully paid up shares of the face value of PKR _____ each, to the SCL Shareholders. The basis of swap ratio is _____ JKSM shares for every _____ share of SCL held by each of SCL shareholders. The total estimated value amounts to PKR _____ /-

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 _____ % in molasses in Punjab. Similarly in Sindh, it has a market share of _____ % in sugar and _____ % in molasses. Moreover, SCL has a market share of _____ % in non-alcoholic beverages in Pakistan which is expected to remain unchanged after the proposed transaction.
5. 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



Islamabad the

May 29, 2024.

