



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF ADDITIONAL % SHAREHOLDING  
IN M/S. UNITY FOOD LIMITED BY M/S. UNITY WILMAR AGRO PRIVATE  
LIMITED FROM MR. MUHAMMAD FARRUKH, MR. SAFDAR SAJJAD AND  
MS. FEHMIDA AMIN

CASE: 1106/Merger-CCP/20

Commission


Ms. Shaista Bano Gilani  
*Member*

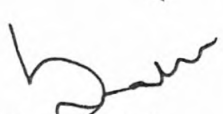
Ms. Bushra Naz  
*Member*



## ORDER

1. On 18<sup>th</sup> June 2020 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**") from M/s. Unity Wilmar Agro (Private) Limited ("**Acquirer**" or "**Applicant**") for the additional acquisition of 17.5% shareholding in M/s. Unity Foods Limited ("**Target**"). All the requisite information/documentation pertaining to the application was completed by the applicant on 13<sup>th</sup> July 2020.
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 transaction has resulted in the following findings:
  - i. The business activities of the undertakings concerned are:
    - a. For the Acquirer: Multi-crop seed crushing and processing plants and deals in products related to semi-refined oil, refined edible oil and other ancillary business in agriculture and food related product.
    - b. For the Target: edible oil extraction, refining and related businesses.
  - ii. The proposed transaction involves the Acquirer proposing to buy additional 17.5% shareholding in the Target from three individual sellers Mr. Muhammad Farrukh, Mr. Safdar Sajjad and Ms. Fehmida Amin (collectively as "**Sellers**"). The transaction consideration is PKR 1,000,000,000. Presently, the Acquirer has 17.5% stake in the Target which will rise to 35% after the intended transaction.
  - iii. The Target belongs to the relevant product market of "**Extraction, Refining and Selling of Edible Oil**" having a geographic market identified as of "**Pakistan**". Based on the data provided by the Applicant, the Target has a market share of 1.5% in the relevant product market and this position is unlikely to change after the transaction.
  - iv. Post-transaction, the acquisition of shares will result in more stake of the Acquirer in the market via its investment in the Target.
  - v. 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.

  
(Shaista Bano Gilani)  
*Member*

  
(Bushra Naz)  
*Member*



Islamabad the July 15<sup>th</sup>, 2020.