



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

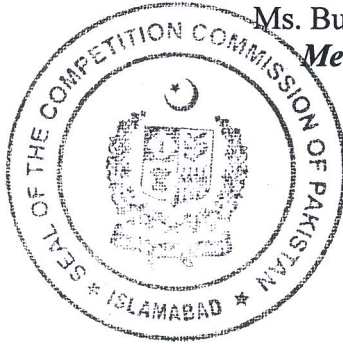
IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S. HAC  
AGRI LIMITED BY MR. HAROON SHAFIQ CHAUDHRY, MR. MOHAMMAD  
ZEESHAN CHAUDHRY, MR. TAIMUR CHOUDHRY AND MR. EHSAN  
CHOUDHRY.

CASE: 1147/Merger-CCP/21

Commission

*ML.*  
Mr. Mujtaba Ahmad Lodhi  
*Member*

*W*  
Ms. Bushra Naz  
*Member*



## ORDER

1. On 11<sup>th</sup> February, 2021, 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 Mr. Haroon Shafiq Chaudhry ("**Mr Haroon**" or "**Acquirer 1**"), Mr. Mohammed Zeeshan Chaudhry ("**Mr Zeeshan**" or "**Acquirer 2**"), Mr. Taimur Choudhry ("**Mr Taimur**" or "**Acquirer 3**") & Mr. Ehsan Choudhry ("**Mr Ehsan**" or "**Acquirer 4**") collectively as ("**Acquirers**" or "**Applicants**") whereby they intend to acquire 100% shareholding of M/s. HAC Agri Limited ("**HAC**" or "**Target**") from M/s. Karandaaz Pakistan ("**Karandaaz**" or "**Seller**") pursuant to Share Purchase Agreement ("**Agreement**"). All requisite information/documentation pertaining to the application was completed on March 17, 2021.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and made its observations on the basis of an 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 Acquirers: All four acquirers are individuals.
    - b. For the Target: It is engaged in the setting up of facilities for controlled atmospheric storage of fruits and vegetables, setting up facilities for processing, storage and sale of frozen fruits and vegetables and setting up dehydration facilities of fruits and vegetables.
  - ii. The proposed transaction involves the Acquirers proposing to buy 100% shareholding (41 million shares) of the Target. The transaction consideration is PKR 4,000,000,000 + M\*. (\* mark-up amount that will be calculated when the principle amount is fully paid)
  - iii. The relevant product market in this case has been identified as that of "**Sale of Fruits and Vegetables**" while the relevant geographic market identified is "**Pakistan**", as such products are used across the country where the conditions of competition are sufficiently homogenous.
  - iv. As per Statistics of Pakistan, vegetables and condiments, total size of the market for Fruits produced in Pakistan for the year 2018-19 in Kilo Gram ("**Kg**") is 1,200,000 Kgs and Target has sold a total of 1,200,000 Kgs of fruit. Total size of the market for Vegetable produced in Pakistan for the year 2018-19 in Kg is 1,200,000 Kgs and the Target has total sold 1,200,000 Kgs.
  - v. Hence, Target's market share can be estimated to be 100% for sale of fruits and 100% for Vegetables
  - vi. Post-transaction, market conditions will remain unchanged, as the Acquirers currently have 100% shareholding in the Target and are increasing its stake by virtue of acquiring additional 100% shareholding collectively.
3. The intended acquisition of shares does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Act. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.

It is so ordered.

(Mr. Muftaba Ahmad Lodhi)  
Member

Islamabad the 29<sup>th</sup> March, 2021

(Ms. Bushra Naz)  
Member

