

BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

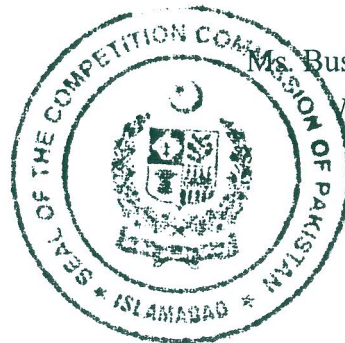
FIRST PHASE REVIEW

IN THE MATTER OF SUBSCRIPTION OF POST-ISSUED SHARE CAPITAL
AND POST-ISSUED SHARE CAPITAL IN M/S. NATIONAL RURAL SUPPORT
PROGRAMME AGRICULTURE PROCESSING COMPANY BY M/S. KARANDA AZ
PAKISTAN AND M/S. NATIONAL RURAL SUPPORT PROGRAMME,
RESPECTIVELY

CASE: 1054/Merger-CCP/19

Commission

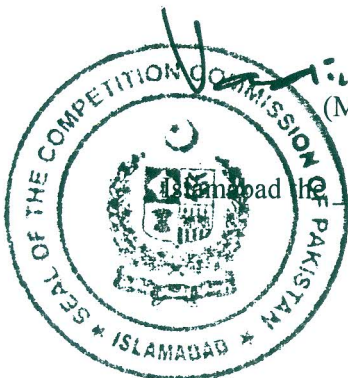
Ms. Vadiyya Khalil
Chairperson



Ms. Bushra Naz Malik
Member

ORDER

1. The Competition Commission of Pakistan ("**Commission**") is in receipt of a pre-merger application ("**Application**") sent by M/s. National Rural Support Programme Agriculture Processing Company ("**NRSP APC**" or "**Target**") notifying the Commission of the subscription of post-issued share capital in NRSP APC by M/s. Karandaaz Pakistan ("**Karandaaz**" or "**Acquirer 1**") and the subscription of post-issued share capital in NRSP APC by M/s. National Rural Support Programme ("**NRSP**" or "**Acquirer 2**"), pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**").
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 concerned parties are:
 - a. For Acquirer 1: Not for profit company promoting scalable businesses and projects by making investments in the form of equity injections and financings.
 - b. For Acquirer 2: Alleviation of poverty and the enabling of rural uplift through social mobilization, implementation of infrastructure schemes and the extension of micro credit to create self employment.
 - c. For the Target: Agricultural produce processing facility.
 - ii. As per the Application, Karandaaz and NRSP intend to subscribe to post-issued share capital and post-issued share capital in NRSP APC respectively. The total equity being invested in NRSP APC by Karandaaz and NRSP amounts to PKR which is the transaction value in this case.
 - iii. The relevant product market is the business of storing, processing and/or selling of agriculture produce in both local and export markets, while the geographic market is Pakistan. As NRSP APC has not yet commenced operations, its market share is currently Nil. If NRSP APC manages to achieve its projected targets, its market share will be
 - iv. The transaction is not likely to result in the creation or strengthening of dominant position in the relevant market. The intended acquisition does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Act.
3. In conclusion, the proposed transaction is unlikely 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.



(Ms. Vadiyya Khalil)
Chairperson

September 19, 2019

(Ms. Bushra Naz Malik)
Member