



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF % SHAREHOLDING BY M/S.  
SUNRIDGE FOODS (PRIVATE) LIMITED OF M/S. UNI-FOODS INDUSTRIES  
LIMITED.

CASE: 1307/Merger-CCP/2022

Commission

Ms. Rahat Kaunain Hassan  
*Chairperson*



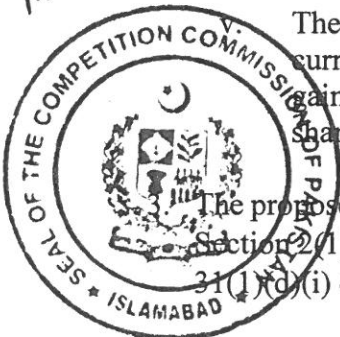
Mr. Mujtaba Ahmad Lodhi  
*Member*

## ORDER

1. On 20<sup>th</sup> July, 2022 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") 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. Sunridge Foods (Private) Limited ("**Sunridge**" or "**Acquirer**") concerning the proposed acquisition of % shareholding in M/s. Uni-Foods Industries Limited ("**Uni-Foods**" or "**Target Company**"). All requisite information/documentation pertaining to the Application was completed on 19<sup>th</sup> August, 2022.
2. 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:
  - i. The business activities of the undertakings concerned are:
    - a. Acquirer: Engaged in the manufacturing of flour and packaging of lentils, pulses, sugar, salt etc. It is a wholly owned subsidiary of M/s. Unity Foods Limited which is primarily engaged in the processing and distribution of edible oil, oil seed meals, allied meal and industrial fats.
    - b. Target: Engaged in the manufacturing, sale and distribution of bakery food items.
  - ii. As per the Application, the Acquirer will purchase shares of the Target, constituting 100% shareholding in the Target. The total estimated amount under consideration to be paid for 1 shares is expected to be PKR /-
  - iii. The relevant product markets in this case have been identified as "**Manufacturing of Bakery and Confectionary items**" and the relevant geographic market is "**Pakistan**".
  - iv. Based on several studies/reports, there is a general consensus that bakery items are different from confectionary items. Confectionary products are classified into two categories: bakers' and sugar confections, which basically are products with sugar in them such as sweet pastries, cakes, candies/sweets, candied nuts, chocolates, chewing gum etc. Whereas, baked goods include other products that do not have sugar in them and are mostly wheat or flour based such as bread, croissants, bagels, etc.

The Acquirer, although may deal in raw materials of the relevant products, is not currently present in the relevant market. However post transaction the Acquirer will gain presence in the relevant market through the Target company where market share will remain unchanged at %.

The proposed transaction does not meet the presumption of dominance as determined under Section 2(1)(e) read with Section 3 of the Act. Hence, it is hereby authorized under Section 31(1)(d)(i) of the Act.



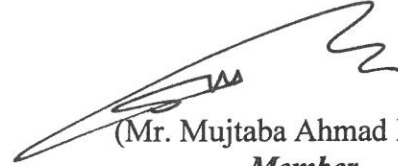
4. In the subject transaction, matters which may fall outside the scope of the Commission's purview shall be handled in accordance with the applicable laws.

5. It is so ordered.



(Ms. Rahat Kaunain Hassan)

*Chairperson*



(Mr. Mujtaba Ahmad Lodhi)

*Member*



Islamabad the August 24<sup>th</sup>, 2022.