



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

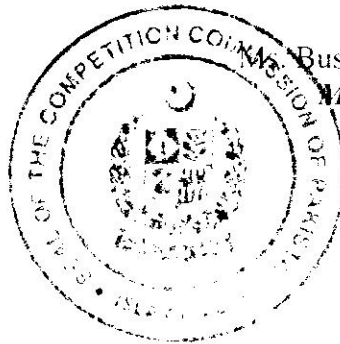
FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF ...% SHAREHOLDING OF M/S. SW
SUGAR MILLS LIMITED BY M/S. HAIDRI BEVERAGES (PRIVATE) LIMITED
FROM M/S. RYK MILLS LIMITED

CASE: 1227/Merger-CCP/2021

Commission

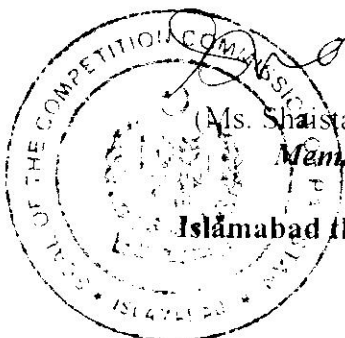
Ms. Shaista Bano
Member



Bushra Naz Malik
Member

ORDER

1. On 29th September, 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 M/s. Haidri Beverages (Private) Limited ("**HB**" or "**Acquirer**"), whereby, it intends to acquire, 100% shareholding of M/s. SW Sugar Mills Limited ("**SWSML**" or "**Target**") from M/s. RYK Mills Limited ("**RYK**" or "**Seller**") in accordance with Share Purchase Agreement ("**Agreement**"). All requisite information/documentation pertaining to the application was completed on 30th September, 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 Acquirer: Beverage business such as manufacturing, brewing, processing, distillery, bottling and refining of water, carbonated, non-carbonated and energy drinks.
 - b. For the Target: Manufacturing, sale and ancillary functions related to Sugar and its allied products.
 - c. For the Seller: Manufacturing, sale and ancillary functions related to Sugar and its allied products.
 - ii. As per the Agreement, the transaction under consideration is acquisition of shares comprising ordinary shares (.....)% shareholding) at PKR per share of the Target by the Acquirer from the Seller. Post-transaction the Target will become a wholly owned subsidiary of the acquirer. The amount to be paid for% shareholding is estimated to be PKR)/-.
 - iii. The relevant product market in this case have been identified as "**Manufacturing, Sale and Distribution of sugar and its allied products**" and the relevant geographic market is "**Pakistan**".
 - iv. The current market share of the Target can be estimated to be 5% in the relevant market, which is expected to remain unchanged post-transaction.
 - v. Currently, there are no overlaps between the Merging Parties as the Target operates in sugar market, whereas, the Acquirer operates in the production of beverages and its ancillary activities.
3. As per the application, there are no ancillary restrictions.
4. In conclusion, the proposed transaction 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.
5. It is so ordered.



(Ms. Shaista Bano)
Member

Islamabad the 1st October, 2021.

(Ms. Bushra Naz Malik)
Member