

BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

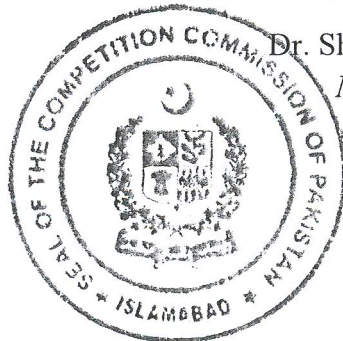
IN THE MATTER OF ACQUISITION OF PREFERENCE SHARES IN M/S.
HAC AGRI LIMITED BY M/S. KARANDAAZ PAKISTAN

CASE: 977/Merger-CCP/18

Commission

Ms. Vadiyya Khalil
Chairperson

Dr. Shahzad Ansar
Member



ORDER

1. The Competition Commission of Pakistan ("**Commission**") is in receipt of a pre-merger application ("**Application**") dated 30th June 2018 (*received by the Commission on 2nd July 2018*) sent by M/s. HAC Agri Limited ("**HAC**" or "**Target**") notifying the Commission of the acquisition of (thirty million) preference shares in HAC by M/s. Karandaaz Pakistan ("**Karandaaz**" or "**Acquirer**"), 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 acquisition has resulted in the following findings:
 - i. The business activities of the concerned parties are:
 - a. For the Acquirer: Promotion of scalable businesses and projects by making investments in the form of equity injections and financings.
 - b. For the Target: Production, storage, processing and/or selling fruits and vegetables both for local consumption and export.
 - ii. As per the Application, Karandaaz intends to acquire preference shares in HAC. This represents of the post-issued share capital of HAC. The consideration for this purchase is PKR which is the transaction value in this case.
 - iii. The relevant product market is that of the production, storage, processing and/or selling fruits and vegetables, while the relevant geographic market is Pakistan. The market share of the Target is currently nil, as it has not commenced operations, however once operational, HAC's share of the market will be approximately .
 - iv. The transaction is not likely to result in the creation or strengthening of 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 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.



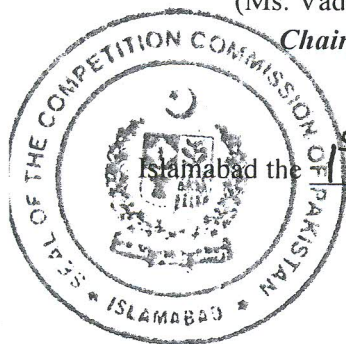
(Ms. Vadiyya Khalil)

Chairperson



(Dr. Shahzad Ansar)

Member



Islamabad the 1st August 2018