



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

ACQUISITION OF % SHAREHOLDING OF M/S. SAMIN TEXTILE LIMITED  
BY M/S. WAVES SINGER PAKISTAN LIMITED.

CASE: 1260/Merger-CCP/2022

Commission

ML.

Mr. Mujtaba Ahmad Lodhi  
*Member*

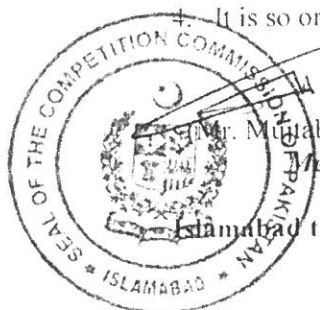


Ms. Shaista Bano  
*Member*

## ORDER

1. On 26<sup>th</sup> January, 2021 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed corporate restructuring pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") whereby, Waves Singer Pakistan Limited ("**WSPL**" or "**Party 1**") and M/s. Samin Textile Limited ("**STL**" or "**Party 2**") (collectively as "**Merger Parties**"), intends to go through internal restructuring in accordance with Scheme of Arrangement ("**Agreement**"). All requisite information/documentation pertaining to the application was completed on February 22<sup>nd</sup>, 2022.
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 Party 1: Manufacturing and assembly of domestic consumer appliances along with retail of the same and other light engineering products.
    - b. For Party 2: trading, import, export of textile products and appliances.
  - ii. As per the Agreement, the transaction is acquisition of % shareholding of Party 2 in lieu of certain assets and products of Party 1. Although, there is no cash consideration, estimated value for the assets amounts to PKR which is deemed to be transaction value for this case. Assets and products that are being transferred to Party 2 comprises, 13 factories in Kasur, 15 financing facilities in various banks and 7 products.
  - iii. The relevant product markets in this case have been identified as "**Water Heaters**", "**Refrigerators**", "**Deep Freezer**", "**Air-Conditioner**", "**Washing Machine**", "**Microwaves**" and "**Water Dispensers**" and the relevant geographic market is "**Pakistan**".
  - iv. Party 1 is active in the relevant market with an estimated market share of 28% in Water Heaters, 7% in Refrigerators, % Deep Freezer, % in Air-Conditioner, 1% in Washing Machine, % in Microwaves and % in Water Dispensers whereas, Party 2 is non-operational and will commence operation after the consummation of the transaction.
  - v. There are no overlaps between the merger parties, therefore, market share will remain unchanged at post-transaction.
3. 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.

It is so ordered



Mr. Mujtaba Ahmad Lodhi  
Member

Islamabad the 16<sup>th</sup> March, 2022.

(Ms. Shaista Bano)  
Member