



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF INTERNAL RESTRUCTURING BETWEEN M/S. NISHAT
CHUNIAN LIMITED, M/S. NISHAT CHUNIAN POWER LIMITED, M/S. NISHAT
MILLS LIMITED AND MR. SHAHZAD SALEEM.**

CASE: 1458/Merger-CCP/2024

Commission



**Kabir Ahmed Sidhu
Chairman**

ORDER

1. On 3rd July, 2024 the Competition Commission of Pakistan (hereafter the “**Commission**”) received a pre-merger application (hereafter the “**Application**”) from M/s. Nishat Chunian Limited (hereafter “**NCL**”).
2. The Application was made pursuant to Section 11 of the Competition Act, 2010 (hereafter the “**Act**”) read in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (hereafter the “**Merger Regulations**”).
3. The proposed transaction entails internal restructuring between NCL, M/s. Nishat Chunian Power Limited (hereafter “**NCPL**”), M/s. Nishat Mills Limited (hereafter “**NML**”) and Mr. Shahzad Saleem (hereafter “**Mr. Shahzad**”) (all undertakings collectively hereafter the “**Merger Parties**”) pursuant to Scheme of Arrangement (hereafter the “**Agreement**”).
4. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Commission carried out Phase I competition assessment of the intended transaction which has revealed business activities of the undertakings concerned as follows:

4.1. For NCL: M/s. Nishat Chunian Limited is a publicly listed company incorporated under the laws of Pakistan. It is engaged in the business of spinning, weaving, dyeing, printing, stitching, processing, doubling, sizing, buying, selling and otherwise dealing in yarn, fabric and made-ups made from raw cotton, synthetic fiber and cloth, and to generate, accumulate, distribute, supply and sell electricity.

4.2. For NCPL: M/s. Nishat Chunian Power Limited is a publicly listed company incorporated under the laws of Pakistan. The principal activity of the company is to build, own, operate and maintain a fuel fired power station. The company is an Independent Power Provider and has entered into a Power Purchase Agreement with its sole customer, Central Power Purchasing Agency (Guarantee) Ltd (hereafter “**CPPA-G**”).

4.3. For NML: M/s. Nishat Mills Limited is a publicly listed company incorporated under the laws of Pakistan. It is engaged in the business of textile manufacturing and of spinning, combing, weaving, bleaching, dyeing, printing, stitching, apparel, buying, selling and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from raw cotton, synthetic fibre and cloth, and to generate, accumulate, distribute, supply and sell electricity.

4.4. For Mr. Shahzad: Mr. Shahzad Saleem is an individual and is resident of Pakistan. He is CEO of NCL and holds % shareholding in NCL and % shareholding in NCPL.

5. As per the Agreement, NML will transfer shares (% shareholding) of NCL to Mr. Shahzad and, in return, Mr. Shahzad will transfer shares (% shareholding) of NCPL to NML. Value of the shares being transferred is estimated to be up to PKR



6. The relevant product markets, in this case, have been identified as “Spinning”, “Weaving”, “Home Textile” and “Thermal Power Generation- CPPA-G” and the relevant geographic market is “Pakistan”.
7. As per the Application, market share of NCL in spinning is estimated to be %, in weaving it is estimated to be % and in home textile it is estimated to be %. On the other hand NCPL has estimated market share of less than % in thermal power generation. Furthermore, NML has a subsidiary namely M/s. Nishat Power Limited which also has an estimated market share of less than %. However, post-transaction estimated market share of NCL and NCPL will remain unchanged, however, NML will have negligible increased footprint in power sector.
8. The proposed transaction will result in increased shareholding of Mr. Shahzad in NCL similarly NML will have increased shareholding in NCPL
9. The proposed transaction will not result in dominance of the Merger Parties in the relevant markets, post-transaction, as determined under Section 2(1)(e) read with Section 3 of the Act. Therefore, the said transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
10. Notwithstanding the above, matters which may fall outside the scope of the Commission’s purview, remain subject to applicable laws.
11. It is so ordered.



(Dr. Kabir Ahmed Sidhu)
Chairman



Islamabad the September 23, 2024.