



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S. GH2
INDUSTRIES (PRIVATE) LIMITED BY M/S. DESCON HOLDING (PRIVATE)
LIMITED AND M/S. AURELIUS (PRIVATE) LIMITED FROM MR. RANA
UZAIR NASIM.**

CASE: 1492/Merger-CCP/2024

Commissioner:



[Signature]
Dr. Kabir Ahmed Sidhu
Chairman

ORDER

1. On 24th October 2024, the Competition Commission of Pakistan (the “**Commission**”) received a pre-merger application (the “**Application**”) from Descon Holdings (Private) Limited (the “**Acquirer 1**”), M/s. Aurelius (Private) Limited (the “**Acquirer 2**”), and Mr. Rana Uzair Nasim (the “**Seller**”) seeking approval of % of the issued share capital of GH2 Industries (Private) Limited (the “**Target**”).
2. The Application was filed under Section 11 of the Competition Act, 2010 (the “**Act**”) read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “**Merger Regulations**”).

Merger Parties

Acquirer 1

3. Descon Holdings (Private) Limited (**DHPL**) is a private limited company incorporated under the laws of Pakistan. It is involved in share investments and provides advisory and consultancy services related to management, production, marketing, and engineering, both in Pakistan and abroad.

Acquirer 2

4. Aurelius (Private) Limited (**APL**) is a private limited company incorporated under the laws of Pakistan. It is a newly established entity intending to engage in the milling and trading of grains, including rice, wheat, sugar, food grains, cereals, pulses, and spices.

Target

5. GH2 Industries (Private) Limited (**GIPL**) is a private limited company incorporated under the laws of Pakistan. It is in the process of establishing an agri-based manufacturing facility for producing rice, rice-based derivatives, and related byproducts.

Seller

6. Mr. Rana Uzair Nasim is an individual residing in Pakistan and currently serves as the Chief Executive Officer of the Target.



Transaction

7. Pursuant to the Application and the Share Sale and Purchase Agreement dated 5 September 2024 (the “**Agreement**”), Acquirer 1 and Acquirer 2 propose to acquire, in equal proportions, % of the total issued and paid-up share capital of the Target from the Seller. The total consideration for the transaction, as reported by the Merger Parties, amounts to PKR with each Acquirer obligated to pay its respective share in accordance with the terms and conditions outlined in the Agreement (the “**Transaction**”).

Phase-I Competition Assessment

Procedural Review

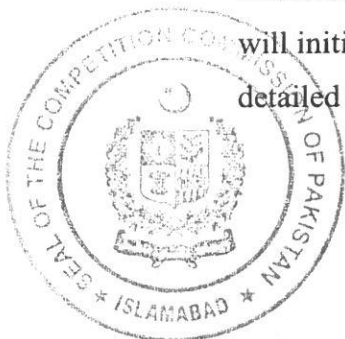
8. Based on the Application, the Commission conducted a Phase-I competition assessment of the Application, including supporting documentation, to evaluate compliance with the Act and Merger Regulations, particularly focusing on potential competitive concerns, including market dominance and competition, post-merger.

Relevant Market

9. The relevant product market, for the purposes of this assessment, comprises **rice and its derivatives** (Basmati, Non-Basmati, Broken Rice, Rice Bran, Stabilized Rice Bran, and Rice Husk) as well as **rice-based starches** (Sorbitol, Dextrose Monohydrate, Dextrose Anhydrous, and Rice Protein). The relevant geographic market is **Pakistan**, considering supply conditions and consumer preferences in the country.

Market Share

10. As reported by the Applicant, the Target has not yet commenced its commercial operations. Due to the informal and undocumented nature of economic activities within the relevant market, precise market data necessary for a more comprehensive assessment is unavailable at this time. Nevertheless, it is anticipated that the Target will initiate its commercial operations in the foreseeable future, at which point a more detailed evaluation of its market presence and impact may be conducted.

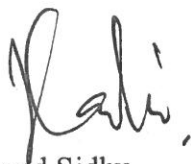


Competition Analysis

11. Given that this is solely an acquisition of shareholding in the Target for the stated purpose of investment, the Transaction does not appear to unduly diminish competition or foster market dominance. Moreover, since the Target has yet to begin its operations, any potential impact on the relevant market remains largely undetermined.
12. The Transaction does not seem to negatively affect consumer welfare in the rice and derivative products market, as there is no immediate impact on market competition or consumer choice, given the Target's early stage of operations.

Determination

13. The Commission concludes that the proposed Transaction does not create or strengthen a dominant position in the relevant market, as defined under Section 2(1)(e) read with Section 11 of the Act and the Merger Regulations. The proposed Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
14. Notwithstanding the above, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.
15. It is so ordered.



Dr. Kabir Ahmed Sidhu
Chairman

ISLAMABAD the January 31, 2025.

