



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN
FIRST PHASE REVIEW

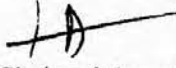
IN THE MATTER OF ACQUISITION OF SHAREHOLDING OF
KHURSHID SPINNING MILLS LIMITED BY BEACON IMPEX (PRIVATE)
LIMITED.

CASE: 1004/Merger-CCP/18

Commission

Ms. Vadiyya S. Khalil
Chairperson




Shahzad Ansar
Member

ORDER

1. On 22nd November 2018 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**") through which M/s. Beacon Impex (Private) Limited ("**Acquirer**" or "**Applicant**") intends to acquire shareholding in M/s. Khurshid Spinning Mills Limited ("**Target**") by way of share purchase from two shareholders of the Target, Mr. Khawaja Amer Khurshid and Mr. Khawaja Asem Khurshid ("**Sellers**"). All the requisite information/documentation pertaining to the application was completed by the applicant on 17th December 2018.
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 undertakings concerned are:
 - a. For the Acquirer: Manufacturing, conversion, sale of yarn and trading of textile products and rendering of information technology and packing services.
 - b. For the Target: Manufacturing, sale and trading of yarn.
 - c. For the Sellers: Individuals.
 - ii. The proposed transaction is an acquisition of shareholding in the Target by the Acquirer from the Sellers. Currently, only the parties were engaged in the relevant product market of "**Textile Spinning**" having a geographic market identified as of "**Pakistan**".
 - iii. With regards to the market for Textile Spinning in Pakistan, the Target has zero market share as it has not made any sales in the last few years and its spinning unit has been given on operating lease arrangement to the Acquirer who has market share. Therefore, no overlaps exists between the merger parties in the relevant product market in Pakistan. Post-transaction, the market share of the Acquirer will remain unchanged
 - iv. The transaction is not likely to result in the creation or strengthening of a 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 Competition Act 2010 ("**Act**").
3. In conclusion, the proposed transaction is not likely 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.

Vadiyya S. Khalil
(Vadiyya S. Khalil)
Chairperson

Dr. Shahzad Ansar
(Dr. Shahzad Ansar)
Member



Islamabad, the 21st January, 2019.