



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF MERGER OF M/S. BABRI COTTON MILLS LIMITED
WITH AND INTO M/S. JANANA DE MALUCHO TEXTILE MILLS LIMITED.

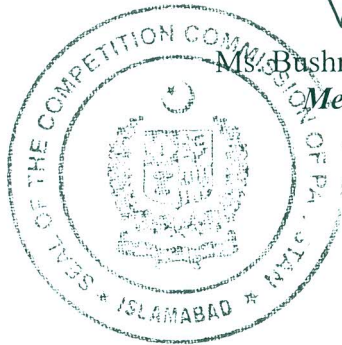
CASE: 1130/Merger-CCP/20

Commission

ML.

Mr. Mujtaba Ahmad Lodhi
Member

Ms. Bushra Naz Malik
Member



ORDER

1. On 2nd December, 2020, 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**") from M/s. Janana De Malucho Textile Mills Limited ("**JDM**" or "**Merger Party 1**" or "**Applicant**") whereby it intends to merge M/s. Babri Cotton Mills Limited ("**BCM**" or "**Merger Party 2**") with and into JDM pursuant to the Scheme of Arrangement ("**Agreement**"). All requisite information/documentation pertaining to the application was completed on January 07, 2021.
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 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 the Merger Party 1: Manufacturing and sale of yarn.
 - b. For the Merger Party 2: Manufacturing and sale of yarn.
 - ii. The proposed transaction involves the Merger of Merger Party 2 with and into Merger Party 1. As per the Agreement, transaction value for the merger is PKR _____.
 - iii. The relevant product market in this case has been identified as that of "**Manufacturing and Sale of Yarn**" while the relevant geographic market identified is "**Pakistan**".
 - iv. As per the data supplied by the Applicant, estimated market share of the Merger Party 1 is _____ % and estimated market share of Merger Party 2 is _____%. Hence, post-transaction, estimated market share of Merger Party 1 will increase from C.1503% to C.2147%.
3. The intended Merger 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.
4. It is so ordered.

(Mr. Mujtaba Ahmad Lodhi)
Member

(Ms. Bushra Naz Malik)
Member

Islamabad the 21st JANUARY, 2021.

