



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**IN THE MATTER OF**

**FIRST PHASE REVIEW**

**ACQUISITION OF \_\_\_\_\_ SHAREHOLDING OF M/S SINGER PAKISTAN  
LIMITED BY M/S POSEIDON SYNERGIES PRIVATE LIMITED, MR.  
HAROON AHMAD KHAN AND MRS. NIGHAT HAROON KHAN**

**CASE: 804/Merger-CCP/16**

Commission

Mr. Shahzad Ansar  
Member

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Mr. Ikram Ul Haque Qureshi  
Member

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# ORDER

## I Background

- 1 On 27<sup>th</sup> April 2016, Poseidon Synergies Private Limited ("PSPL"), Mr. Haroon Ahmad Khan ("HAK"), and Mrs. Nighat Haroon Khan ("NHK") (the "Acquirers") through their authorized representative submitted a pre-merger application (the "Application"), notifying and seeking the approval of the Competition Commission of Pakistan (the "Commission") for the acquisition of \_\_\_\_\_ of paid up and issued share capital of Singer Pakistan Limited ("SPL") (the "Target"). The Application was submitted along with the necessary information and applicable processing fee in accordance with the provisions of the Competition Act, 2010 (the "Act") and the Competition (Merger Control) Regulations, 2007 (the "Merger Regulations"). The Commission's review of the proposed transaction is as under:

## II Merger Parties

### Acquirers

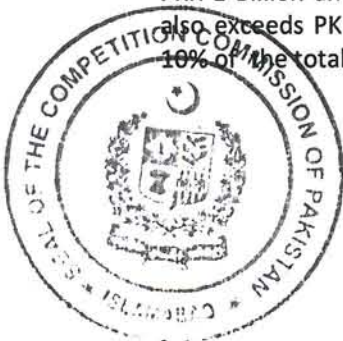
- 2 PSPL was incorporated as a private limited company in Pakistan in 2007. The principal activity of the company is providing consultancy, investment, marketing and management services. HAK and NHK are individuals and hold \_\_\_\_\_ of PSPL. The Acquirers currently hold \_\_\_\_\_ of the paid-up and issued share capital of SPL. Total assets of PSPL as on 30<sup>th</sup> June 2015 amounted to \_\_\_\_\_ while it reported a loss of \_\_\_\_\_ for the above mentioned period. HAK and NHK are individuals and hence have no turnover.

### Target

- 3 SPL was incorporated under the Companies Ordinance, 1984 as a public limited company and has been listed since 1985. The shares of the company are listed on the Pakistan Stock Exchange under the symbol "SING". The company is engaged in the business of retail and trade of domestic consumer appliances and other light engineering products as well as the manufacturing and assembling of these products. Total assets of SPL as on 31st December 2015 stand at \_\_\_\_\_ its turnover for the above mentioned period is reported as PKR 1.689 billion.

## III Transaction

- 4 The proposed transaction entails the acquisition by the Acquirers \_\_\_\_\_ shareholding in SPL from its existing shareholders (the "Sellers") in order to increase collective shareholding to at least \_\_\_\_\_. The value of the transaction is deemed to be approximately \_\_\_\_\_.
- 5 The transaction meets the notification thresholds as prescribed in Regulation 4(2)(a), (b), (c) & (d) of the Merger Regulations, with the combined assets of the parties being more than PKR 1 Billion and combined turnover being more than PKR 1 Billion. The transaction value also exceeds PKR 100 million and the percentage of voting shares to be acquired exceeds 10% of the total shareholding of the Target.



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**IV Relevant Market:**

- 6 The relevant Product market in this case is the market for domestic consumer goods and household appliances with the relevant market players being manufacturers and assemblers operating in Pakistan.
- 7 The Relevant Geographic market is Pakistan.

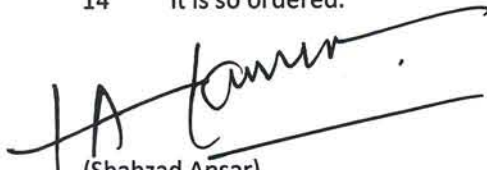
**V Findings of the Phase I investigation on the competition assessment**

*The competition assessment in Phase I have resulted in the following finding:*

- 8 The proposed transaction would result in acquisition of shareholding of SPL by PSPL, HAK and NHK. Post-transaction, the Acquirers will achieve at least of the issued and paid-up share capital of SPL (and hence controlling interest).
- 9 The proposed transaction is for the purpose of obtaining capital gains and dividends.
- 10 The relevant market has a number of participants with varying market shares in different product segments. SPL's market share in the relevant market ranges from in (Microwave Ovens) to (Gas Appliances).
- 11 Post-transaction, there will be no change in the market dynamics of the relevant market in Pakistan as no competitor will be affected by the intended acquisition.
- 12 The proposed transaction relates to a conglomerate and 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 Act.

**VI Conclusion**

- 13 In conclusion, there is no evidence that suggests a substantial lessening of competition by 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.
- 14 It is so ordered.

  
(Shahzad Ansar)  
Member

  
(Ikram Ul Haque Qureshi)  
Member



Islamabad, 10<sup>th</sup> June 2016