



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

IN THE MATTER OF

FIRST PHASE REVIEW

ACQUISITION OF SHARES OF COOL INDUSTRIES PVT  
LIMITED BY MR. HAROON AHMAD KHAN & MRS. NIGHAT  
HAROON KHAN

CASE: 863/MERGER-CCP/16

Commission

Ms. Vadiyya Khalil  
Chairperson

Mr. Ikram Ul Haque Qureshi  
Member



# ORDER

## I Background

- 1 Mr. Haroon Ahmad Khan & Mrs. Nighat Haroon Khan ("Acquirers") submitted a pre-merger application (the "Application") to the Competition Commission of Pakistan (the "Commission") received on 28 December 2016, notifying the acquisition of \_\_\_\_\_ shares of Cool Industries Pvt Limited ("CIPL" or "Target") by Acquirer, along with the necessary documents and a bank draft of \_\_\_\_\_ as processing fee applicable under Regulation 5 (6) of the Competition (Merger Control) Regulations, 2007 ("Merger Regulations").

The case is examined as under.

## II Merger Parties

### Acquirer

- 2 Acquirers are individuals Mr. Haroon Ahmad Khan & Mrs. Nighat Haroon Khan, who collectively intend to purchase the shares of CIPL. Both are also shareholders of Singer Pakistan Limited (SPL) and jointly hold \_\_\_\_\_ shareholding in SPL.

### Target

- 3 CIPL is a Private Limited Company and is mainly engaged in the business of manufacturing and sale of electronic appliances which includes deep freezers, air conditioners, microwave ovens and washing machines. The total turnover of CIPL for the financial year ended on 30 June 2016 was \_\_\_\_\_ and the value of its total assets remained \_\_\_\_\_ for the same period.

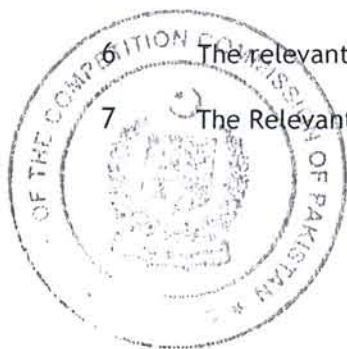
## III Transaction

- 4 The transaction involves the purchase of \_\_\_\_\_ of CIPL. No agreement has been executed between shareholders of CIPL. The expected purchase price of \_\_\_\_\_ shares of CIPL will range between \_\_\_\_\_.
- 5 The transaction meets the notification thresholds prescribed in Regulation 4(2)(a)(b)(c)&(d) of the Merger Regulations, as the combined assets of the merging entities are more than PKR 1.0 billion and the combined turnover is more than PKR 1.0 billion. The proposed transaction value also exceeds PKR 100 million and the percentage of the voting shares to be acquired exceeds 10% of the total shareholding of the Target.

## IV Relevant Market:

- 6 The relevant market in this case is Electronic Appliances in Pakistan.

- 7 The Relevant Geographic market is Pakistan.



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V Findings of the Phase I investigation on the competition assessment

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

- The Target is engaged primarily in the manufacturing, assembling and selling of Electronic Appliances including deep freezers, refrigerators, air conditioners, microwave ovens and washing machines. The Acquirers intend to purchase 100 shares of CIPL collectively.
- The relevant market in this case is Electronic Appliances. The Acquirers do not have any direct presence in the relevant market being individuals, however they jointly hold shareholding in SPL which is active in the relevant market.
- The common products of the merger parties is refrigerators and microwave ovens. For refrigerators, SPL holds 100 market share while the Target has 100 market share. For microwave ovens, SPL holds 100 market share while the Target holds 100 market share.
- In both the cases, the market share will remain below the threshold limit of 40% of the total market. Thus, post merger the transaction does not meet the presumption of dominance as determined under Section 2(1)(e) read with Section 3 of the Competition Act 2010 (the "Act").

VI Conditions

9 The issuance of this Order is based on the information provided in the Application and is conditional and subject to the submission of the share purchase agreement. A copy of the share purchase agreement shall be provided to the Commission within 14 days of the execution of the same.

VII Conclusion

10 In conclusion, there is no evidence that suggests a substantial lessening of competition by creating or strengthening of a dominant position in the relevant market. The proposed Transaction is hereby authorized with conditions under Section 31(1)(d)(i) of the Act.

11 It is so ordered.

  
(Vadiyya Khalil)  
Chairperson

  
(Ikram Ul Haque Qureshi)  
Member



19<sup>th</sup>, January 2017