



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

**IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN M/S. HUSNAIN  
TEXTILE MILLS (PRIVATE) LIMITED AND M/S. H.A FIBRES (PRIVATE)  
LIMITED**

**CASE: 1546/Merger-CCP/2025**

**Dr. Kabir Ahmed Sidhu  
Chairman**



## ORDER

1. On 23<sup>rd</sup> June 2025, the Competition Commission of Pakistan (the "Commission") received a pre-merger application (the "Application") from Husnain Textile Mills (Private) Limited ("Merger Party 1") and H.A. Fibres (Private) Limited ("Merger Party 2"), seeking approval for the proposed merger of Merger Party 2 with and into Merger Party 1, pursuant to the terms of a Scheme of Arrangement dated 28<sup>th</sup> April 2025 (the "Scheme").
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

#### **Merger Party 1**

3. Husnain Textile Mills (Private) Limited is a private limited company, incorporated on 13<sup>th</sup> May 2004 under the laws of Pakistan. Its principal activity is manufacturing and sale of yarn.

#### **Merger Party 2**

4. H.A Fibres (Private) Limited is a private limited company, incorporated on 18<sup>th</sup> May 2006 under the laws of Pakistan. Its principal activity is manufacturing and sale of yarn.

### Transaction

5. As per the Scheme, Merger Party 1 shall issue \_\_\_\_\_ shares, value of PKR \_\_\_\_\_/- each to the shareholders of Merger Party 2. According to the valuation certificate of BDO Ebrahim & Co., Chartered Accountants, the break-up value of the Merger Party 1's share is PKR \_\_\_\_\_ per share. The total estimated value amounts to PKR \_\_\_\_\_ (the "Transaction").

6. In accordance with the swap ratio provided in the Scheme, \_\_\_\_\_ shares of PKR \_\_\_\_\_/- each of Merger Party 1 for each share held in Merger Party 2. As a result, Merger Party \_\_\_\_\_ will issue a total of \_\_\_\_\_ shares of PKR \_\_\_\_\_/- each, to the shareholders of Merger Party \_\_\_\_\_ following the sanction of the Scheme by the Honorable Lahore High Court.



7. Post-transaction, Merger Party 2 shall stand dissolved, and Merger Party 1 will be the surviving legal entity.

### **Phase-I Competition Assessment**

#### **Procedural Review**

8. Based on the Application, the Commission conducted a Phase-I competition assessment with Section 11 of the Act and the Merger Regulations to determine whether the proposed Transaction may result in a substantial lessening of competition or the creation or strengthening of a dominant position in the relevant market.

#### **Relevant Market**

9. The relevant market for the purposes of this assessment comprises “Yarn - Cotton Polyester”. The relevant geographic market is “Pakistan”, considering supply conditions and consumer preferences in the country.

#### **Market Share**

10. According to the Applicant, the total estimated size of the relevant market is spindles based on the production capacity as of January 2025. For the same period, the market share is estimated to be % and % for the Merger Party 1 and Merger Party 2 respectively. Post-transaction, market shares of surviving entity will be approximately %.

#### **Competition Analysis**

11. The Transaction constitutes a horizontal merger, as it involves the absorption of Merger Party 2 with and into Merger Party 1 that are operating at the same level within the relevant market.

The merger does not result in any material change to the competitive dynamics of the market, nor does it alter the current structure of control within the relevant industry.



12. In light of the foregoing, the transaction is not likely to substantially lessen competition, by creating or strengthening a dominant position. Moreover, it does not create entry barriers or enhance the market power post-transaction.

**Determination**

13. The Commission concludes that the Transaction does not result in the creation or strengthening of 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 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, August 13<sup>th</sup>, 2025.