



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

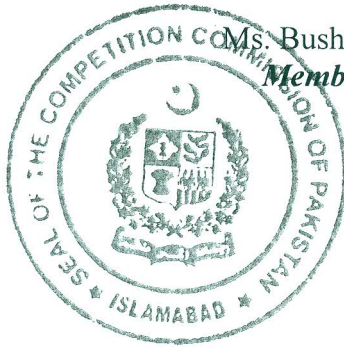
FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF ASSETS BY M/S. BECO STEEL LIMITED FROM CH. MUHAMMAD SHAFIQUE, SARWAR SULTANA, MUHAMMAD ZAFAR, NAJMA AZIZ, UMA E SALMA AZIZ, SHABANA SHAFIQUE, UZMA ZAFAR AND M/S. CHAUDHRY STEEL RE-ROLLING MILLS LIMITED.

CASE: 1214/Merger-CCP/21

Commission

Ms. Shaista Bano
Member



Ms. Bushra Naz
Member

ORDER

1. On August 12, 2021 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**") whereby M/s. BECO Steel Limited ("**Acquirer**") intends to acquire various assets, including immovable properties, building, and plant and machinery (collectively, the "**Assets**"), from Ch. Muhammad Shafique, Sarwar Sultana, Muhammad Zafar, Najma Aziz, Uma e Salma Aziz, Shabana Shafique, Uzma Zafar and M/s. Chaudhry Steel Re-Rolling Mills Limited ("**CSRRML**") (collectively, the "**Sellers**"), pursuant to their Agreement.
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 an 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 Acquirer: Manufacture of steel and allied products.
 - b. For the Sellers: Natural persons and CSRRML which is active in manufacture of steel and allied products.
 - ii. The proposed transaction pertains to the acquisition of the Assets by the Acquirer from the Sellers. In consideration for sale of Assets, the Acquirer intends to issue, by way of direct issuance, an aggregate of 1 ordinary shares of the company having a face value of PKR 100 to the Sellers constituting 100% of the issued share capital. The transaction value amounts to PKR 100/- being the value of the Assets being acquired
 - iii. The relevant product market identified in this case is that of "**Manufacturing of Steel and Allied products**" having a geographic market identified as that of "**Pakistan**". Presently, the Acquirer is not operational. As a consequence of the proposed reorganisation, CSRRML will not be active and the business will be shifted from CSRRML to the Acquirer. Presently, CSRRML has an estimated market share of 100%. Based on the information submitted, post-transaction it is expected the Acquirer to have an estimated market share of 100% subject to receiving orders.
 - iv. Post transaction, although the market conditions will have an insignificant change, the Acquirer will become operational in the market through this transaction.
3. In conclusion, the intended transaction, 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.



(Ms. Shaista Bano)
Member

Islamabad the September 7th, 2021.

(Ms. Bushra Naz)
Member