



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

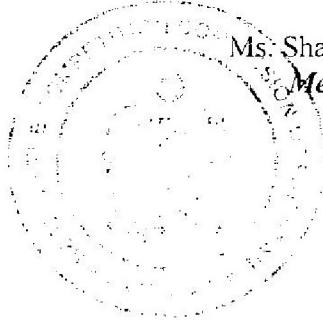
FIRST PHASE REVIEW

DE-MERGER/RESTRUCTURING OF M/S. SEFAM (PRIVATE) LIMITED AND  
M/S. EAST GATE INDUSTRIES (PRIVATE) LIMITED.

CASE: 1241/Merger-CCP/2021

Commission

*ML.*  
Mr. Mujtaba Ahmad Lodhi  
*Member*

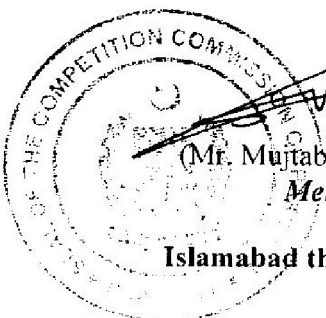


Ms. Shaista Bano  
*Member*

*CCP*

## ORDER

1. On 19<sup>th</sup> November, 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. Sefam (Private) Limited ("**Sefam**" or "**Party 1**") and M/s. East Gate Industries (Private) Limited ("**EGI**" or "**Party 2**") (collectively as "**Merger Parties**"), intends to go through internal restructuring in accordance with Scheme of Arrangement ("**Agreement**"). All requisite information/documentation pertaining to the application was completed on 17<sup>th</sup> December, 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 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 Party 1: Manufacturing and retailing of embroidered cloth and plain cloth through its outlets.
    - b. For Party 2: Buying, manufacturing, selling, importing, exporting, and wholesale of all types of textile related products in any part of the world.
  - ii. As per the Agreement, certain brands namely Rang Ja, Bareez'e, The Entertainer, Bareez'e Man, Chinyere, Super Squad, Urban Culture, Minnie Minors and Home Expressions along with certain assets will be transferred to Party 2. Where, Party 2 will issue \_\_\_\_\_ shares to the Party 1 with a ratio of \_\_\_\_\_ . Amount for the shares can be estimated to be PKR \_\_\_\_\_.
  - iii. The relevant product market in this case have been identified as "**Apparel-Manufacturing, Marketing and Selling**" and the relevant geographic market is "**Pakistan**".
  - iv. As per the Application, market share of the Party 1 can be estimated to \_\_\_\_\_ % and nil for Party 2 as presently it is non-operational.
  - v. The transaction relates to restructuring whereas, shareholders for the merger parties are the same. Therefore, market position will remain unchanged after the transaction.
3. In conclusion, the proposed 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.

  
(Mr. Muftaba Ahmad Lodhi)  
*Member*

  
(Ms. Shaista Bano)  
*Member*

Islamabad the December 21<sup>st</sup>, 2021.