

BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

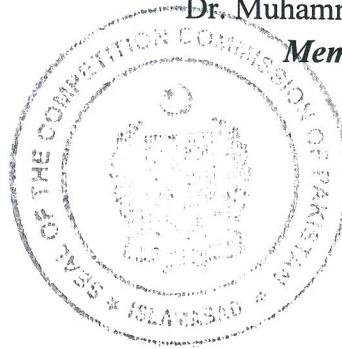
IN THE MATTER OF AMALGAMATION OF M/S. STYLES AND TRENDS (PVT) LTD
WITH M/S. HUSEIN MILLS LTD

CASE: 945/Merger-CCP/18

Commission

Ms. Vadiyya Khalil
Chairperson

Dr. Muhammad Saleem
Member



Attested To Be True Copy

Adnan Saeed Malik
Registrar
Competition Commission of Pakistan
Government of Pakistan
Islamabad

ORDER

1. On 30th of January, 2018, 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. Styles and Trends (Pvt) Ltd ("**S&T**" or the "**Target**") will amalgamate with M/s. Husein Mills Ltd ("**HSM**" or the "**Acquirer**"), pursuant to a Scheme Arrangement.
2. The complete information was submitted to the Commission on 19th March, 2018.
3. The Commission has examined the pre-merger application as well as all the documents attached therewith, the market scenario, and its observations on the basis of independent research/investigation in the relevant market. The Phase I competition assessment of the intended amalgamation has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For HSM, the Acquirer: Sugar manufacturing.
 - b. For S&T, the Target: Knitting, weaving, dyeing and bleaching of textiles.
 - ii. As per the Application, the Acquirers will acquire all assets and liabilities of the target. The Acquirers will pay a purchase price of PKR 25.45 million, for 254,500 shares at PKR 100 each, which is the transaction value in this case.
 - iii. Since this is a conglomerate merger the market of the Target is taken as the relevant market. Therefore, the relevant product market has been identified as that of knitting, weaving, bleaching and dyeing of textiles. The conditions of competition between the Target and its competitors are sufficiently homogenous across the country, hence, the relevant geographic market has been identified as Pakistan. This proposed transaction will not affect the relevant market, as the Acquirer has no presence in it.
 - iv. The transaction is not likely to result in the creation or strengthening of 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.
4. In conclusion, the proposed transaction is unlikely to substantially lessen competition through 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.
5. It is so ordered.

Vadiya Khalil

Ms. Vadiyya Khalil
Chairperson

Islamabad the 30th March 2018

M. Saleem

Dr. Muhammad Saleem
Member

Attested To Be True Copy

Adnan Saad Malik 30/3/2018

Adnan Saad Malik
Registrar
Competition Commission of Pakistan
Government of Pakistan
Islamabad