



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF MERGER OF M/S. AMER COTTON MILLS (PRIVATE)
LIMITED WITH AND INTO M/S. RELIANCE COTTON SPINNING MILLS
LIMITED.**

CASE: 1481/Merger-CCP/2024

Commission



**Dr. Kabir Ahmed Sidhu
Chairman**

ORDER

1. On 16th September, 2024 the Competition Commission of Pakistan (hereafter the “**Commission**”) received a pre-merger application (hereafter the “**Application**”) concerning the following parties:

- 1.1. M/s. Reliance Cotton Spinning Mills Limited (hereafter “**RCML**”); and
- 1.2. M/s. Amer Cotton Mills (Private) Limited (hereafter “**ACML**”), collectively referred to as “**Merger Parties**”

2. The Application was made pursuant to Section 11 of the Competition Act, 2010 (hereafter the “**Act**”) read in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (hereafter the “**Merger Regulations**”).

3. The proposed transaction entails merger of ACML with and into RCML pursuant to the Scheme of Compromises, Arrangement and Reconstruction dated 28th August, 2024 (hereafter the “**Agreement**”).

4. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Commission carried out Phase I competition assessment of the intended transaction which has revealed business activities of the undertakings concerned as follows:

4.1. RCML: M/s. Reliance Cotton Spinning Mills Limited is a publicly listed company incorporated under the laws of Pakistan and is engaged in the manufacturing and sale of yarn.

4.2. ACML: M/s. Amer Cotton Mills (Private) Limited is a private limited company, incorporated under the laws of Pakistan and is engaged in the manufacturing and sale of yarn.

5. As per the Agreement, the transaction relates to the merger of ACML with and into RCML through the allotment of _____ shares of RCML to the shareholders of ACML. The agreed swap ratio for the transaction is _____ whereby, for every _____ shares of ACML, RCML will issue _____ shares to the shareholders of ACML.

6. Post-transaction, ACML will be dissolved without winding up and RCML will be the surviving entity.

7. The relevant product market, in this case has been identified as “**Yarn**” while the relevant geographic market is “**Pakistan**”.

8. RCML and ACML are both active in the same relevant market making it a horizontal merger.

As per the Applicant, prior to the transaction RCML had an estimated market share of _____% while ACML had an estimated market share of _____%. Post-transaction, as ACML will merge and cease to exist, therefore, the total estimated market share of RCML will increase from _____% to _____%.



10. The proposed transaction will not result in dominance of RCML in the relevant market, post-transaction, as determined under Section 2(1)(e) read with Section 3 of the Act. Therefore, the said transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
11. Notwithstanding the above, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
12. It is so ordered.



(Dr. Kabir Ahmed Sidhu)

Chairman

Islamabad the November 21, 2024.

