



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

EX POST FACTO FIRST PHASE REVIEW

**IN THE MATTER OF JOINT VENTURE OF M/S. ARIF HABIB EQUITY (PRIVATE)
LIMITED, M/S. LIBERTY MILLS LIMITED, M/S. Y.B. PAKISTAN LIMITED &
M/S. RELIANCE COMMODITIES (PRIVATE) LIMITED
CASE: 1154/Merger-CCP/21**

Date of Hearing

February 19, 2021

Commission


Mr. Mujtaba Ahmad Lodhi
Member


Ms. Shaista Bano
Member

On behalf of

M/s. Arif Habib Equity (Private) Limited

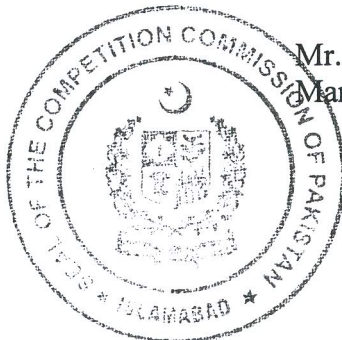
M/s. Liberty Mills Limited

M/s. Y.B. Pakistan Limited

M/s. Reliance Commodities (Private) Limited

Mr. Mohsin Madni (Chief Financial Officer
and Company Secretary), National Resources
(Private) Limited

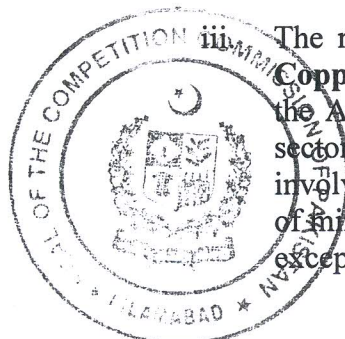
Mr. Faisal Nasrallah, (Business Development
Manager)



ORDER

1. Upon investigation, it was revealed that (“**Arif Habib**” or “**JV Partner 1**”), M/s. Liberty Mills Limited (“**Liberty**” or “**JV Partner 2**”), M/s. Y.B. Pakistan Limited (“**YB**” or “**JV Partner 3**”) and M/s. Reliance Commodities (Private) Limited (“**Reliance**” or “**JV Partner 4**”) hereinafter referred as (“**JV Partners**”) have collectively created a joint venture with the name of M/s. National Resources (Private) Limited (“**NRL**”) pursuant to a joint venture agreement dated May 21, 2019 (“**Agreement**”). The JV Partners consummated the merger without seeking clearance from the Competition Commission of Pakistan (“**Commission**”) whereby action was taken against the JV Partners under Section 11 (12) of the Competition Act 2010 (“**Act**”). Subsequently, a Hearing Notice was issued on February 17, 2021 having Show Cause Notice Number 01/2021 to the JV Partners, for the, *prima facie*, violation of sub-section (1) to (4) of Section 11 of the Act read with Regulation 4 of the Competition (Merger Control) Regulations, 2016 (“**Merger Regulations**”). Two Member bench was formulated to conduct the hearing on February 19, 2021. The bench Members directed JV Partners to file ex post facto pre-merger application under Section 11 of the Act.
2. On 22nd February, 2021, the Commission received a pre-merger application (“**Application**”) submitted jointly by the JV Partners regarding the joint venture collectively creating NRL pursuant to Section 11 of the Act read with Regulation 6 of the Merger Regulations.
3. 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 transaction has resulted in the following findings:
 - i. The business activities of the JV Partners concerned are:
 - a. For JV Partner 1: It is engaged in the business of, *inter alia*, acquiring, holding and trading in shares, certificates, bonds and securities, as well as investing in industrial and commercial ventures
 - b. For JV Partner 2: It is involved in the business of dyeing and printing various kinds of fabric and manufacturing of home textile, apparel textile and institutional textile.
 - c. For JV Partner 3: It is engaged in investment in equity securities of group entities / others, and rental of properties.
 - d. For JV Partner 4: It is engaged in the trading of molasses, raw and refined sugar, fertilizer and other food products.
 - ii. As per the Application, the transaction is an investment in 1000000 ordinary shares of PKR 100/- of NRL. Each JV partner has subscribed to shares on an equal basis i.e. 25% of the issued and paid up share capital of NRL. The total transaction value can be estimated to be PKR 100000000/-.

iii. The relevant market in this case has been identified as “**Mining and Selling - Copper and Allied Minerals**” and the geographic market is “**Balochistan**”. As per the Application, NRL’s primary purpose is potential development of the mineral sector in the province of Balochistan, including potentially carrying on projects involving, *inter alia*, exploration, survey, extraction, excavation, mining and boring of minerals, along with the sale thereof. It is currently not involved in any business except for determining potential projects of mining in Balochistan.

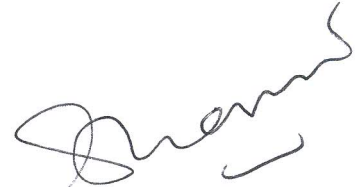


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- iv. NRL is anticipated to provide copper cathode along with ancillary minerals which may include but are not limited to copper concentrate, gold and silver for the export market. NRL has no market share in the relevant market as it has not commenced or undertaken any project.
4. In conclusion, the transaction does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Act. The transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
5. It is so ordered.



(Mr. Mujtaba Ahmad Lodhi)
Member



(Ms. Shaista Bano)
Member.



Islamabad the February 25th, 2021.