



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF       % SHAREHOLDING OF M/S.  
CALCOPR LIMITED BY MR. ASIF ALI SHAIKH, MR. MUHAMMAD HANIF  
SHAIKH AND MR. KASHIF MUMTAZ FROM M/S. OPTIMUS LIMITED

CASE: 1502/Merger-CCP/2024



Commission:

Dr. Kabir Ahmed Sidhu  
Chairman

## ORDER

1. On 09 December 2024, the Competition Commission of Pakistan (the “**Commission**”) received a pre-merger application (the “**Application**”) seeking approval of the proposed transaction involving the acquisition of % shareholding in Calcorp Limited (the “**Target**”) by three individual acquirers (the “**Acquirers**”).
2. The Application was submitted pursuant to Section 11 of the Competition Act, 2010 (the “**Act**”), read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “**Merger Regulations**”).

### Merger Parties

#### *Acquirers:*

3. As per the Application, the Acquirers, comprising Mr. Asif Ali Shaikh (**Acquirer 1**), Mr. Muhammad Hanif Shaikh (**Acquirer 2**), and Mr. Kashif Mumtaz (**Acquirer 3**), are individuals with no current operational engagement in the auto finance sector. The Acquirers are primarily involved in the business of rice processing and export with the name of Asif Rice Mills (ARM). The proposed acquisition aims to consolidate ownership of the Target, enabling the Acquirers to gain control and corporatize their business activities.

#### *Target:*

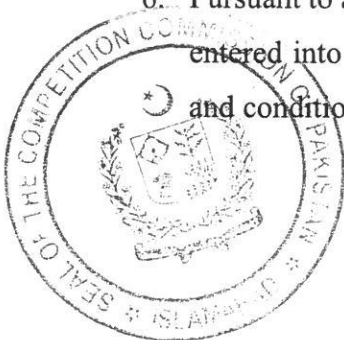
4. Calcorp Limited (**CCL**) is a public listed company incorporated under Pakistani law. It operates as a general-purpose holding company, primarily focused on investments in the auto leasing sector.

#### *Seller:*

5. Optimus Limited (**OPL**) is a diversified public listed holding company. Its portfolio includes investments in securities, intellectual property, and leasing activities. The divestment aligns with its strategic decision to restructure its investment priorities.

### Transaction

6. Pursuant to a Sale and Purchase Agreement (the “**Agreement**”) dated 15 October 2024, entered into between the Acquirers and the Seller, the Agreement stipulates the terms and conditions governing the transfer of ownership of shares in the Target.



7. Under the terms of the Agreement, the Acquirers will acquire \_\_\_\_\_ % of the total issued share capital of the Target, representing a total of \_\_\_\_\_ ordinary shares of PKR \_\_\_\_\_ each. The total consideration for the acquisition is agreed at PKR \_\_\_\_\_ payable by the Acquirers in accordance with the terms outlined in the Agreement (the “Transaction”). Post-Transaction, a public offer is intended to be made for \_\_\_\_\_ of the remaining shares *i.e.*, \_\_\_\_\_ % of the issued and paid-up share capital of the Target.

### **Phase-I Competition Assessment**

#### ***Procedural Review:***

8. Based on the Application, the Commission conducted a Phase-I competition assessment of the Application, including supporting documentation, to evaluate compliance with the Act and Merger Regulations, particularly focusing on potential competitive concerns, including market dominance and reduction in competition, post-merger.

#### ***Relevant Markets:***

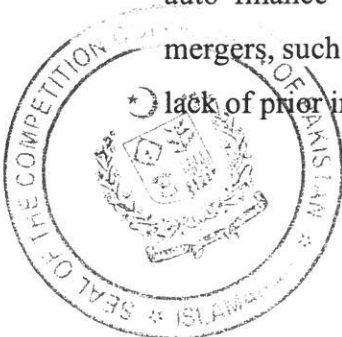
9. The relevant product market for this Transaction is “Auto Finance Services,” encompassing the financing and leasing of automobiles. The geographic market is defined as “Pakistan,” where the Target predominantly operates and caters to domestic consumers.

#### ***Market Shares:***

10. The Target holds an estimated market share of around \_\_\_\_\_ % in the auto finance sector, indicating its relatively small market presence. According to the Application, the Target leases or rents approximately \_\_\_\_\_ vehicles to companies and private individuals on commercial terms.

#### ***Type of Merger:***

11. The Transaction does not present any horizontal overlaps or vertical integration, as the Acquirers are not currently active in the auto finance market. Consequently, there is no anticipated change in market concentration or competitive dynamics. While the Transaction involves the acquisition of a controlling interest in the Target within the auto finance sector, it does not exhibit typical concerns associated with horizontal mergers, such as reduced competition or increase in concentration, due to the Acquirers’ lack of prior involvement in this market.



12. The Target's % market share indicates that the proposed Transaction is unlikely to have a material impact on market conditions or create entry barriers for existing or potential competitors. Furthermore, there is no evidence to suggest that the Transaction will reduce consumer choices, distort pricing structures, or stifle innovation within the auto finance sector.

13. Moreover, the presence of numerous leasing companies and scheduled banks providing auto finance leasing in the relevant market further suggests a competitive landscape. Taken together, these factors indicate that the proposed Transaction is unlikely to result in any substantial harm to competition or consumer welfare.

**Determination**

14. Based on the Phase-I competition assessment, the Commission concludes that the proposed Transaction does not create or strengthen a dominant position in the relevant market, as defined under Section 2(1)(e) read with Section 11 of the Act and the Merger Regulations. The proposed Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.

15. Notwithstanding the above, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.

16. It is so ordered.



Dr. Kabir Ahmed Sidhu  
(Chairman)

ISLAMABAD, the February 3, 2025.

