



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

EX-POST FACTO FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF % SHAREHOLDING IN M/S.
SHALIMAR POLYMER INDUSTRIES (PVT) LIMITED BY M/S. MASTER PAINTS
INDUSTRIES (PVT) LIMITED FROM MR. SUFI MUHAMMAD AMIN, MR.
MUHAMMAD HARIS ASLAM BUTT, MR. SUFI MUHAMMAD AMIR, MR. SUFI M.
FARRUKH AMIN AND MR. FAROOQ AMIN

CASE: 1222/Merger-CCP/2021

Date of Hearing

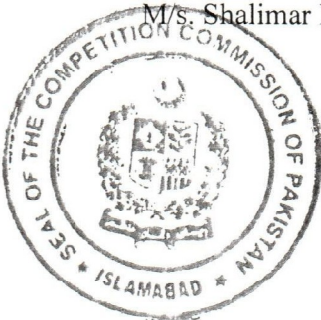
August 23, 2021

Commission

Ms. Shaista Bano
Member

Mr. Mujtaba Ahmad Lodhi
Member

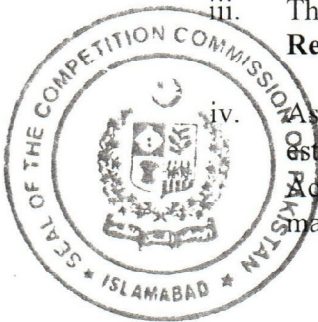
On behalf of
M/s. Master Paint Industries
M/s. Shalimar Polymer Industries Limited



Mr. Javed Iqbal Qazi - Advocate Supreme
Court
Mr. Syed Ahmed Ashraf - Advocate High
Court
(Qazi & Company)

ORDER

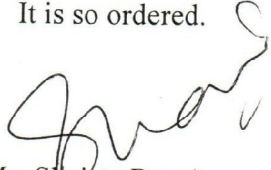
1. On 6th September, 2021 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") from M/s. Master Paints Industries (Pvt) Limited ("**Master**" or "**Acquirer**") and M/s. Shalimar Polymer Industries (Pvt) Limited ("**Shalimar**" or "**Target**") collectively as ("**Applicants**"). Whereby, Master had acquired % shareholding in Shalimar from Mr. Sufi Muhammad Amin, Mr. Muhammad Haris Aslam Butt, Mr. Sufi Muhammad Amir, Mr. Sufi M. Farrukh Amin and Mr. Farooq Amin collectively as ("**Sellers**") in accordance with Board Resolution ("**Agreement**").
2. On 6th August, 2021, the Commission received an Application regarding the Merger of Shalimar with and into Master ("**Second Transaction**"). During the investigation it was found that, the transaction was exempted under Merger Regulation 5 sub-regulation (ii). Whereas, the Acquirer had already acquired % shareholding ("**First Transaction**") of the Target without applying for clearance in 2021. Whereby, action was taken against the Applicant under Section 11 (12) of the Act. Subsequently, a Hearing Notice was issued on 17th August, 2021 having F. No: 1173/MERGER-CCP/2021 to the Applicant, for the, *prima facie*, violation of sub-section (1) to (4) of Section 11 of the Act read with Regulation 4 of the Merger Regulations. Two Member bench was formulated to conduct the hearing on 23rd August, 2021.
3. During hearing the bench ordered the Applicants to submit an application for the first transaction along with an undertaking (reason for not seeking clearance at the time of intention, apology and future compliance).
4. 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 the Acquirer: Manufacturing and selling of paints.
 - b. For the Target: Manufacturing and selling of resins.
 - c. For the Sellers: Individuals.
 - ii. Pursuant to the Application, the proposed transaction involves the Acquirer proposing to acquire () shares ({ % shareholding) of the Target by the Acquirer from the Sellers. The Acquirer by way of acquisition will gain control over Target. Amount to be paid for aforementioned shares can be estimated to be PKR 22,500,000/-.
 - iii. The relevant product market in this case has been identified as "**Petrochemical - Resins**" and the geographic market is "**Pakistan**".
 - iv. As per the Application, the Target is operating in the relevant market and has an estimated market share of less than % . The Target supplies raw material to the Acquirer. However, the Acquirer does not sell the similar product as of relevant market.



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5. As per the application, there are no ancillary restrictions.
6. 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.
7. It is so ordered.



(Ms. Shaista Bano)
Member



(Mr. Mujtaba Ahmad Lodhi)
Member



Islamabad the September 23rd, 2021.