



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

GROUP RESTRUCTURING OF M/S. NIMIR MANAGEMENT (PRIVATE) LIMITED,
M/S. NIMIR INDUSTRIAL CHEMICALS LIMITED, NIMIR RESINS LIMITED AND
THEIR SHAREHOLDERS

CASE: 1416/Merger-CCP/2023

(Dr. Kabir Ahmed Sidhu)
Chairman

Commission



(Mr. Saeed Ahmad Nawaz)
Member

ORDER

1. On 5th December, 2023 the Competition Commission of Pakistan (hereafter "**Commission**") received a pre-merger application (hereafter "**Application**") jointly submitted by M/s. Nimir Management (Private) Limited (hereafter "**NMPL**"), M/s. Nimir Industrial Chemicals Limited (hereafter "**NICL**") and M/s. Nimir Resins Limited (hereafter "**NRL**") (hereafter collectively as "**Nimir Group**").
2. The Application was made pursuant to Section 11 of the Competition Act, 2010 (hereafter "**Act**") read in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (hereafter "**Merger Regulations**").
3. The proposed transaction entails intended restructuring of the Nimir Group along with Mr. Khalid Mumtaz, Mr. Aamir Jamil, Mr. Imran Afzal, Umar Iqbal and Mr. Zafar Mahmood (hereafter collectively as "**G5 Shareholders**") and M/s. Terranova (Private) Limited ("**TPL**"), Mr. Muhammad Yahya Khan, Mr. Muhammad Saeed-uz-zaman and Ms. Nusrat Jamil (hereafter collectively as "**Associate Shareholders**") pursuant to the Scheme of Arrangement ("**Agreement**"). All requisite information/documentation pertaining to the Application was completed on 4th April, 2024.
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 Phase I competition assessment of the intended transaction has revealed the following facts:

4.1. The business activities of the undertakings concerned are:

- 4.1.1. NMPL: A private limited company duly incorporated under the laws of Pakistan. Its primary purpose is to manage investment in Nimir Group.
- 4.1.2. NICL: A public listed company duly incorporated under the laws of Pakistan. Its principal line of business is manufacturing and sales of chemical products along with toll manufacturing of aerosol, soap products, home, and personal care.
- 4.1.3. NRL: A public listed company duly incorporated under the laws of Pakistan. Its principal line of business is to manufacture coating resins, composite resins, optical brighteners, textile auxiliaries, and paper surface sizing agents.
- 4.1.4. G5 Shareholders: Individuals are the main sponsors and current majority shareholders of NICL.
- 4.1.5. Associate Shareholders: 4 individuals and a private company (TPL) that collectively own % shareholding in NICL, % shareholding in NMPL and % shareholding in NRL.
- 4.1.6. TPL: A private limited company duly incorporated under the laws of Pakistan. Its primary activity is of an investment company.

4.2. As per the Agreement, the transaction will take place in the following three stages:

- 4.2.1. NMPL will dissolve without winding up and Transfer of all assets of NMPL (including shares of NRL) to its shareholders (including NICL) in proportion to their current shareholding, after discharging all its liabilities.



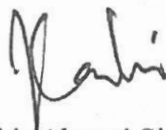

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- 4.2.2. Transfer of shares of NRL held by NICL including shares received in preceding para (_____ shares) to the shareholders of NICL in proportion to their existing shareholding.
- 4.2.3. Transfer of specified shares of NICL held by G5 shareholders to the Associate shareholders in consideration of specified shares of NRL held by the Associate shareholder to G5 shareholders in accordance with the swap ratio (for _____ share of NICL, _____ shares of NRL and vice-versa).
- 4.3. The transaction relates to swap of _____ shares of NRL with _____ shares of NICL whose value amounts to approx. PKR _____) which is deemed to be the value of the transaction.
- 4.4. The relevant product markets, in this case, have been identified as “**Oleo Chemicals**”, “**Chlor Alkalis**”, “**Chlorinated Paraffin Wax**”, “**Textile Auxiliaries**”, “**Pulp and Paper Chemicals**”, “**Coating Resins**” and “**Emulsions**”, the relevant geographic market is “**Pakistan**”.
- 4.5. As per the Application, the estimated market share of the Nimir Group in the relevant markets is as follows:

Product	Market share
Oleo Chemicals	1%
Chlor Alkalis	1%
Chlorinated Paraffin Wax	1%
Textile Auxiliaries	1%
Pulp and Paper Chemicals	1%
Coating Resins	1%
Emulsions	1%

Source: Application

5. The intended transaction relates to group restructuring and there is no evidence that suggests any substantial lessening of competition by creating or strengthening of a dominant position in the relevant market. Therefore, it is authorized under Section 31(d)(i) of the Act.. Therefore, it is hereby authorized under Section 31(1)(d)(i) of the Act.
6. In the subject transaction, matters which may fall outside the scope of the Commission’s purview, remain subject to applicable laws.
7. It is so ordered.



(Dr. Kabir Ahmed Sidhu)
Chairman


Member



Islamabad the April 23, 2024.

