



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF % OF THE ISSUED AND PAID UP
CAPITAL OF M/S. NATIONAL RESOURCES (PRIVATE) LIMITED BY M/S. Y.B.
PAKISTAN LIMITED, M/S. LIBERTY MILLS LIMITED AND M/S. RELIANCE
COMMODITIES (PRIVATE) LIMITED.

CASE: 1326/Merger-CCP/22

Commission

Ms. Rahat Kaunain Hassan
Chairperson



Ms. Muntaba Ahmad Lodhi
Member

ML.

ORDER

1. On September 16, 2022 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**") whereby M/s. Y.B. Pakistan Limited ("**YB**" or "**Acquirer 1**"), M/s. Liberty Mills Limited ("**Liberty**" or "**Acquirer 2**") and M/s. Reliance Commodities (Private) Limited ("**Reliance**" or "**Acquirer 3**") (collectively referred to as "**Acquirers**") intend to collectively purchase % shareholding of M/s. National Resources (Private) Limited ("**NRPL**" or "**Target**") from Mr. Muhammad Arif Habib ("**MAH**"), M/s. Arif Habib Equity (Private) Limited ("**AHEPL**"), M/s. Arif Habib Corporation Limited ("**AHCL**") and M/s. Mari Petroleum Company Limited ("**MPCL**") (collectively as "**Sellers**") pursuant to a Share Purchase Agreement (the "**SPA**").

2. 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:

i. The concerned undertakings are:

a. Acquirer 1: YB is an un-listed public limited company incorporated under the laws of Pakistan. YB is engaged in investment in equity securities of group entities / others, and rental of properties.

b. Acquirer 2: Liberty is an un-listed public limited company incorporated under the laws of Pakistan. Liberty is in the business of dyeing and printing various kinds of fabric and manufacturing of home textile, apparel textile and institutional textile.

c. Acquirer 3: Reliance is a private limited company incorporated under the laws of Pakistan. Reliance is engaged in the trading of molasses, raw and refined sugar, fertilizer and other food products.

d. Sellers: A brief description of the Sellers is as below:

I. MAH is an individual and a private citizen of Pakistan.

II. AHEPL is a private limited company incorporated under the laws of Pakistan. AHEPL is 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.

III. AHCL is a public limited company incorporated under the laws of Pakistan, listed on PSX. AHCL is engaged in the business of inter alia making strategic investments in subsidiary companies and associates engaged in diversified sectors and investments in other securities.



IV. MPCL is a public limited company listed on PSX and incorporated under the laws of Pakistan. MPCL's business activities include oil and gas exploration, drilling, field development, production and distribution of hydrocarbons as well as provision of exploration and production related services on a commercial basis.

- a. Target: The Target is a private limited company incorporated under the laws of Pakistan. The principal line of business of NRPL is to carry on the business of exploring, operating and working on mines, quarries and other related activities. However, it may be noted that NRPL is currently in its pre-feasibility stage and has not yet commenced its operations
- ii. As per the submitted Application, the Proposed Transaction involves an acquisition by the Acquirers, of an aggregate of _____ ordinary shares of the Target, constituting approximately _____ of the issued and paid-up share capital of the company, from the Sellers. Prior to the Proposed Transaction, and at present, the Acquirers are the current shareholders of the Target, holding an aggregate of _____ % of the issued and paid up share capital of the company, in equal proportions. As such, the Proposed Transaction shall not cause the Acquirers to gain control of the Target, but will only cause each of their individual shareholding in the Target to increase from _____ % to approximately _____ %.
- iii. Out of the total _____ shares, MAH will be selling _____ shares (_____ %), AHEPL will sell _____ shares (_____ %), AHCL will sell _____ shares (_____ %) while the remaining _____ shares (_____ %) will be sold by MPCL.
- iv. The value of the Proposed Transaction is an aggregate amount of PKR _____ /- being the aggregate purchase price for the Sale Shares, i.e. at a price of approximately PKR _____ /- per Sale Share.
- v. The Relevant Product market in this case has been identified as “**Exploration, Mining and Selling - Copper and Associated Minerals**”, while the relevant geographic market is “**Balochistan**”, to the extent of exploration and mining activities.
- vi. The Target’s primary purpose is the 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. The Target has no market share in the relevant market as it has not commenced or undertaken any project. The Target intends to mainly mine copper cathodes.

Based on the information published on Balochistan’s Mines and Minerals Development Department, many companies have been granted licenses to explore and/or mine for copper and associated minerals. Furthermore there are also numerous applications in process.

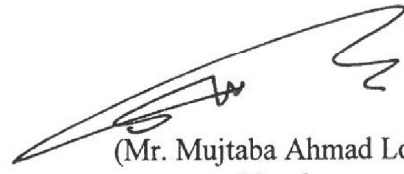


3. We note that pursuant to Case No 1128/Merger-CCP/20, ancillary restrictions were notified to the Commission and the Commission granted an exemption certificate on March 1, 2021 for the same. This Order is without prejudice to compliance of the conditions stipulated in the said exemption certificate.
4. The proposed transaction does not meet the presumption of dominance as determined under Section 2(1)(e) read with Section 3 of the Act. Hence, it is hereby authorized under Section 31(1)(d)(i) of the Act.
5. In the subject transaction, matters which may fall outside the scope of the Commission's purview shall be handled in accordance with the relevant laws and regulations.
6. It is so ordered.



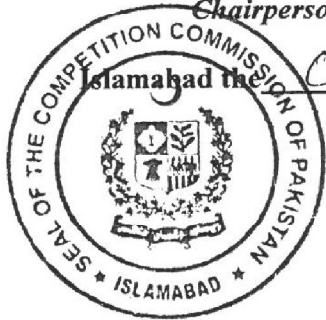
(Ms. Rahat Kaunain Hassan)

Chairperson



(Mr. Mujtaba Ahmad Lodhi)

Member



Islamabad the October 12th, 2022.