



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**ACQUISITION OF UP TO ...% SHAREHOLDING OF M/S. KARAM CERAMICS
LIMITED BY MRS. SURAIYA NASIR, SYED MAZHAR ALI NASIR, SYED AZHAR
ALI NASIR AND SYED AZFAR ALI NASIR FROM SELLERS.**

CASE: 1275/Merger-CCP/2022

Commission

Ms. Rahat Kaunain Hassan
Chairperson



Mujtaba Ahmad Lodhi
Member

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ORDER

1. On 28 March, 2022 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition of shares under Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") whereby, Mrs. Suraiya Nasir ("**Mrs. Surraiya**" or "**Acquirer 1**"), Syed Mazhar Ali Nasir ("**Mr. Mazhar**" or "**Acquirer 2**"), Syed Azhar Ali Nasir ("**Mr. Azhar**" or "**Acquirer 3**"), Syed Azfar Ali Nasir ("**Mr. Azfar**" or "**Acquirer 4**") (collectively referred to as the "**Acquirers**", being a part of the same family, i.e., related to Syed Manazir Ali Nasir) are acquiring up to ___% shareholding of M/s. Karam Ceramics Limited ("**KCL**" or "**Target**") from Mr. Munawar Shaban Ali Kassim, Mr. Irshad Shaban Ali Kassim, Ms. Mariam Shabanali, Ms. Shaheen Rehman, Ms. Sakin Noorallah, Ms. Maneeza Kassim, Ms. Manesha Kassim, Ms. Myra Kassim, Ms. Natalia Kassim, and Ms. Hina Bashir (collectively hereinafter referred to as the "**Sellers**"), in accordance with the Share Purchase Agreement dated 4 March 2022 ("**Agreement**"). All requisite information/documentation pertaining to the application was completed on 25th April, 2022.
2. The Commission has examined the Application as well as all the documents attached therewith, the information provided by the parties concerned and the market scenario. 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 Acquirers: Individuals.
 - b. For the Target: Manufacturing and sale of tiles.
 - c. For the Sellers: Individuals.
 - ii. As per the Application, the concerned transaction is the acquisition of up to ___% shareholding in the Target; ___% shareholding (approx. _____ 7 shares) is being acquired directly from the Sellers at PKR _____/- and the remaining ___% shareholding (_____,_____) shares) will be acquired through a Mandatory Tender Offer as per the applicable laws for approx. PKR _____/- (at approx. PKR ____ per share). Therefore, the total value of the transaction can be estimated to be PKR 4 _____/-.
 - iii. The reportable product market in this case has been identified as the "**Manufacturing and Sale of Tiles**" and the relevant geographic market is "**Pakistan**" (hereinafter referred to as the "**Relevant Market**").
 - iv. The Acquirers currently own shareholding in M/s. Swat Ceramics (Private) Limited ("**SCL**"), which is also active in the Relevant Market as it is mainly involved in the manufacturing and sale of double fired wall tiles.

As per the submitted data, the Target and SCL have an estimated market share of ___% and ___% respectively.

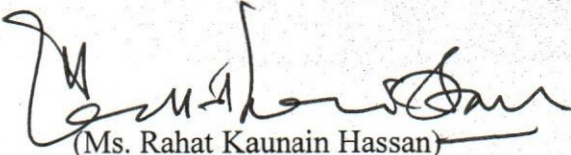
Post-transaction, the market share of the Target and SCL is estimated to remain unchanged. However, by virtue of this transaction the presence of the Acquirers in

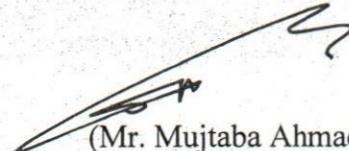


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the Relevant Market will increase from 19% to 21% (including the market shares of the Target).

3. 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.
4. It is so ordered.


(Ms. Rahat Kaunain Hassan)
Chairperson


(Mr. Mujtaba Ahmad Lodhi)
Member



Islamabad the 12th May, 2022.