



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

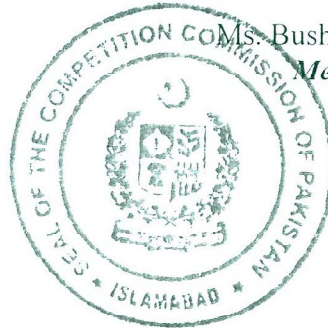
IN THE MATTER OF MERGER OF M/S. TUFAIL CHEMICAL & SURFACTANTS
(PRIVATE) LIMITED WITH AND INTO M/S. TUFAIL CHEMICAL INDUSTRIES
LIMITED

CASE: 1225/Merger-CCP/2021

Commission

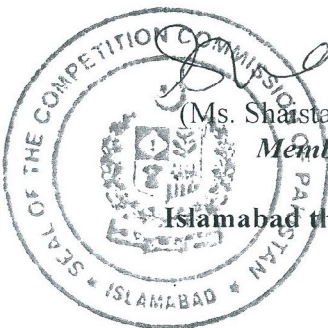
Ms. Shaista Bano
Member

Ms. Bushra Naz Malik
Member



ORDER

1. On 24th September, 2021 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed merger pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") jointly from M/s. Tufail Chemical Industries Limited ("**TCIL**" or "**Merger Party 1**") and M/s. Tufail Chemical & Surfactants (Private) Limited ("**TCSL**" or "**Merger Party 2**"). Whereby, they intend to merge, Merger Party 2 with and into Merger Party 1 in accordance with Scheme of Arrangement ("**Agreement**").
2. 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 Merger Party 1: manufacturing and sale of Sulphonic Acid, Formic Acid and its by-products.
 - b. For Merger Party 2: manufacturing and sale of Sulphonic Acid and Surface Active Agents.
 - ii. Pursuant to the Agreement, Merger Party 1 intends to swap Merger Party 2's share with swap ratio of () to 1. Merger Party 1 will issue ordinary shares of PKR /- each to all the existing shareholders of the Merger Party 2. After the transaction the Merger Party 2 will dissolve and the Merger Party 1 will be the surviving entity. The total amount estimated for the aforementioned shares is PKR (Transaction Value).
 - iii. The relevant product market in this case have been identified as "**Chemicals**" and the relevant geographic market is "**Pakistan**".
 - iv. As per the application, pre-transaction market share of Merger Party 1 and Merger Party 2 can be estimated to be 0.62% and 0.24% respectively in the relevant market.
 - v. Post-transaction, as Merger Party 1 will be the surviving entity, its market share will rise from % to %.
3. As per the application, there are no ancillary restrictions.
4. 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.
5. It is so ordered.



(Ms. Sharista Bano)
Member

Islamabad the 5th October, 2021.

(Ms. Bushra Naz Malik)
Member