



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

**IN THE MATTER OF
FIRST PHASE REVIEW**

**ACQUISITION OF SHARES OF PAKISTAN ALUMINUM
BEVERAGES CANS LIMITED BY JOINT ACQUIRERS
COMPRISING OF MR. MUHAMMAD SALIM MUKATY, MS.
HAMIDA SALIM MUKATY AND MS. MARZIA OBAID BAWANY.**

CASE: 775/Merger-CCP/15

Commission

Ms. Vadiyya Khalil
Chairperson

Mr. Shahzad Ansar
Member

Mr. Ikram Ul Haque Qureshi
Member



ORDER

I Background

1 On 11th December 2015, joint acquirers, i) Mr. Muhammad Salim Mukaty ii) Mrs. Hamida Salim Mukaty, ; and (iii) Mrs. Marzia Obaid Bawany("The Joint Acquirers"), submitted a pre-merger application (the "application") to the Commission, for the intended acquisition of _____ of Pakistan Aluminum Beverages Cans Limited ("The Target"), along with the necessary information.

II Merger Parties

2 Joint Acquirers

- i. Mr. Muhammad Salim Mukaty, is an investor, having shareholding and Director ship of Liberty Mills Limited, Liberty Power Tech Limited, Emerald Energy Limited, WND Energy Limited, ZTA (Pvt) Limited, Zulaikha Energy (Pvt) Limited, Noor Solar Energy (Pvt) Limited and Liberty Solar Energy Limited. Mr. Muhammad Salim Mukaty is acquiring _____ shares of the Target. The acquirer is making a cumulative profit of PKR _____ from Liberty Mills Limited and Liberty Power Tech Limited while all other undertakings in which he enjoys Directorship are in their initial phase newly incorporated and non-operational.
- ii. Ms. Hamida Salim Mukaty is an investor, having shareholding and Directorship of Liberty Power Tech Limited, Emerald Energy Limited, Wind Energy Limited, ZTA (Pvt) Limited, Zulaikha Energy (Pvt) Limited, Noor Solar Energy (Pvt) Limited and Liberty Solar Energy Limited. Ms. Hamida Salim Mukaty is acquiring _____ shares of the Target. The acquirer is making a cumulative profit of PKR _____ from Liberty Mills Limited and Liberty Power Tech Limited while all other undertakings in which she enjoys Directorship are in their initial phase newly incorporated and non operational.
- iii. Ms. Marzia Obaid Bawany is an investor, having shareholding and Directorship of Liberty Power Tech Limited. Ms. Marzia Obaid Bawany is acquiring _____ shares of the Target. Ms Marzia Obaid Bawany is making a cumulative profit of PKR _____ from Liberty Mills Limited and Liberty Power Tech Limited.

3 The cumulative total assets of the companies in which joint acquirers have shareholding and directorship (M/s Liberty Mills Limited and M/s Liberty Power Tech Limited) is PKR _____. The profit for the joint acquirers is PKR _____ for the year 2015.

III Target

4 Pakistan Aluminum Beverages Cans Limited ("PABCL") is an unlisted public limited company ("The Target"). It has been incorporated in December 2014. The company is _____ owned by Ashmore Mauritius which in turn is _____ owned by Ashmore Group Plc. Ashmore Group Plc, is investing in Pakistan through its subsidiary in the first aluminum beverages cans plant in Pakistan to cater for the local and Afghanistan market.



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5 Since the company has been incorporated recently audited accounts have not been prepared for the preceding year. However, according to the un-audited financial accounts for 2015, the total assets are PKR The company has not commenced operations thus the total turnover is Nil.

IV Transaction

6 The proposed transaction involves acquisition of . . . shares of the Target (PABCL) by the Joint Acquirers over a period of . . . years. The Target is in the process of establishing a manufacturing plant for aluminum beverage cans. Currently . . . of the Target's shares are held by Ashmore Mauritius PABCL ("existing shareholder"). Post-merger the existing shareholder will be holding . . . shares of the Target. . . Directors will be nominated by the existing shareholder, while . . . Directors will be nominated by the Joint Acquirers. The proposed transaction is estimated at PKR The acquirers include the following:

- i. Mr. Muhammad Salim Mukaty acquiring . . . shares.
- ii. Ms. Hammida Salim acquiring . . . shares.
- iii. Ms. Marzia Obaid Bawany acquiring . . . shares.

7 The transaction meets the notification thresholds prescribed in Regulation 4(2) (a) (b) (c) & (d) of the Competition (Merger Control) Regulations 2007, by having combined assets being more than PKR 1 Billion and combined turnover being more than PKR 1 Billion. The value of transaction is more than PKR 100 Million and the percentage of share to be acquired exceeds 10% of the total shareholding of the Target.

V Relevant Market:

8 The relevant market in this case is the "Beverages Cans" market. Currently the market demand is mostly met through imports. The relevant market is unregulated and fragmented in nature.

9 The Relevant Geographic market is Pakistan.

10 -Market position in the relevant market is as under:

Total Estimated Market	
Total Cans per Year (estimated)	
Major Market Players ¹	
Companies	Market Share
Crown Holding Inc.-UAE	
Can Pack-UAE	
Rexam-UAE	



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¹The market share figures are estimated and based on Market Research of the Target. No published data is available for Beverage Cans market in Pakistan.

VI Findings of the Phase I investigation on the competition assessment


11 The competition assessment in Phase I has resulted in the following finding:


- The proposed transaction involves acquisition of _____ shares of PABCL by the Joint Acquirers. The Target has still not commenced business activity thus has nil market share, while the Joint Acquirers are individuals and thus have nil market share in the relevant market. The Joint Acquirers have no shareholding in similar businesses as the Target. The relevant market is complex in nature due to its informal nature and independent market data is not available. Therefore, the Acquirers and the Target do not operate in the relevant market thus; there will be no change in the market power of either party. The merger is an investment injection in the Target to earn profit for the Acquirers. The transaction is not likely to result in creation or strengthening of a dominant position. The intended merger does not meet the presumption of dominance as determined under Section 2 (1) (e) read with Section 3 of the Competition Act 2010 (the "Act").

VII Conclusion

12 In conclusion, there is no evidence that suggests a substantial lessening of competition by creating or strengthening of a dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31(1) (d) (i) of the Act.

13 It is so ordered.


(Shahzad Ansar)
Member


(Ikram Ul Haque Qureshi)
Member


(Vadiyya Khalil)
Chairperson



Islamabad 10th February, 2016