



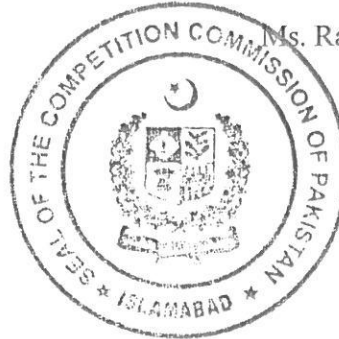
BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

ACQUISITION OF % SHAREHOLDING OF M/S. SPHERE VENTURES PRIVATE  
LIMITED BY M/S. HUM NETWORK LIMITED

CASE: 1365/Merger-CCP/23

Commission



*Ms. Rahat Kamrain Hassan*  
*Chairperson*

## ORDER

1. On April 11, 2023, Competition Commission of Pakistan (“**Commission**”) received a pre-merger application (“**Application**”) of a proposed acquisition under Section 11 of the Competition Act, 2010 (“**Act**”) read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (“**Merger Regulations**”) whereby M/s. Hum Network Limited (“**Acquirer**”) intends to acquire % shareholding of M/s. Sphere Ventures Private Limited (“**Target**”) from the selling shareholders, listed in 2(i)(c) below.
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 business activities of the undertakings concerned are:
    - a. The Acquirer: M/s. Hum Network Limited ('HNL') is a publicly listed company registered on the Pakistan Stock Exchange. HNL's principal business is launching transnational satellite channels and presenting a wide variety of cultural, heritage, and news programs. Its core areas of operation are production, advertising, entertainment, and media marketing. Its products/services include channels and magazines. HNL covers a diverse range of programs through its various broadcasting platforms like HUM TV, HUM Sitaray, HUM Masala, HUM News, and HUM World.
    - b. The Target: M/s. Sphere Ventures Private Limited (“SVPL”) is incorporated in Pakistan under the Companies Act 2017 on September 11, 2021. The company's primary objective is to engage in the production, acquisition, buying, selling, procuring, sponsoring, and marketing of TV programs and events for their exhibition, distribution, and dissemination on TV channels.
    - c. The following shareholders are desirous of collectively selling their 100% shareholding in Target to the Acquirer:
      - i. Aly Sohail Rana
      - ii. Inam ur Rehman
  - ii. The proposed transaction involves the acquisition of % shareholding of Target. The total consideration for the transaction is estimated to be Rs.
  - iii. The Relevant Product market, in this case, has been identified as “**Distribution of Animated Kids Content**” and the relevant geographic market is “**Pakistan**”.
  - iv. As per application Target has not yet commenced commercial operations and has applied to PEMRA for landing rights for the kids' channel, Toonz Kids. In order to obtain a landing rights license from PEMRA, a distribution agreement between Target and the respective foreign channel is required, which according to the applicant, provides non-exclusive distribution rights.

Neither of the merger parties is involved in any upstream or downstream markets related to the other party's business activities. Therefore, following the transaction, the market positions of the merger parties will remain unchanged.



3. 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.
4. In the subject transaction, matters which may fall outside the scope of the Commission's purview remain subject to the applicable laws.
5. It is so ordered.

  
(Ms. Rahat Kaunain Hassan)  
Chairperson



Islamabad the MAY 9<sup>th</sup>, 2023.