



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

ACQUISITION OF ADDITIONAL % SHAREHOLDING (ORDINARY
SHARES) OF M/S. MCB BANK LIMITED BY M/S. NISHAT MILLS LIMITED, M/S.
ADAMJEE INSURANCE COMPANY LIMITED, M/S. NISHAT PAPER PRODUCTS
COMPANY LIMITED, MRS. AMMIL RAZA MANSHA, MR. RAZA MANSHA, MRS.
NAZ MANSHA AND MR. UMER MANSHA FROM M/S. BUGIS INVESTMENTS
(MAURITIUS) PTE. LIMITED

CASE: 1340/Merger-CCP/2022

Commission

Ms. Rahat Kaunain Hassan
Chairperson



Ms. Mujtaba Ahmad Lodhi
Member

ML.

ORDER

1. On 14th November, 2022, the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") 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. Nishat Mills Limited ("**NML**"), M/s. Adamjee Insurance Company Limited ("**AICL**"), M/s. Nishat Paper Products Company Limited ("**NPPCL**"), Mrs. Ammil Raza Mansha ("**Mrs. Ammil**"), Mr. Raza Mansha ("**Mr. Raza**"), Mrs. Naz Mansha ("**Mrs. Naz**") And Mr. Umer Mansha ("**Mr. Umer**") (collectively referred to as "**Acquirers**" or "**Applicants**") intend to acquire additional % shareholding of M/s. MCB Bank Limited ("**MCB**" or "**Target**") from M/s. Bugis Investment (Mauritius) Pte. Limited ("**Bugis**" or "**Seller**") pursuant to the Share Purchase Agreement ("**Agreement**"). All requisite information/documentation pertaining to the Application was completed on 24th November, 2022.

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. For Acquirers: There are six acquirers, out of which three are companies incorporated in Pakistan.

NML is a public listed company engaged in the business of textile manufacturing and of spinning, combing, weaving, bleaching, dyeing, printing, stitching, apparel, buying, selling, and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from raw cotton, synthetic fiber and cloth and to generate, accumulate, distribute, supply and sell electricity. NML currently has shares (% shareholding) of MCB.

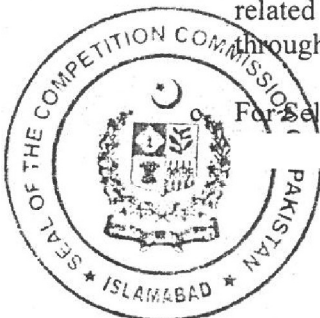
AICL is a public listed company, engaged in general insurance business and currently has shares (% shareholding) of MCB.

NPPCL is a public unlisted company, engaged in the manufacturing and sale of paper products (packaging material) and has shares (% shareholding) of MCB.

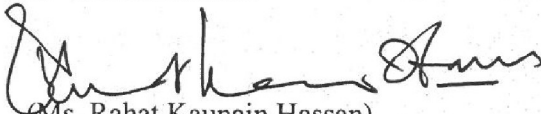
The remaining four acquirers are natural persons namely Mrs. Ammil, Mr. Raza, Mrs Naz and Mr. Umer, who are currently holding (% shareholding), shares (% shareholding), shares (% shareholding), shares (% shareholding) of MCB respectively.

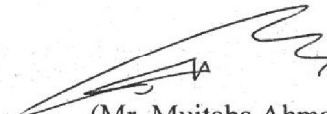
b. For Target: MCB is a listed company and engaged in commercial banking and related services and is also active in Islamic banking and asset management through its subsidiaries.

For Seller: Bugis is incorporated in Mauritius as an investment company and has shares (% shareholding) of MCB.



- ii. As per the Agreement, the transaction relates to acquisition of additional () shares (% shareholding) of MCB by the Acquirers (existing shareholders of MCB) from Bugis. The maximum amount to be paid for the () shares is estimated to be PKR (). Post transaction, the collective shareholding of the Acquirers in MCB shall increase to () %
- iii. The relevant product market in this case has been identified as “**Banking and allied services**”, and the relevant geographic market is “**Pakistan**”. MCB is also indirectly active in “**Islamic Banking**” and “**Asset Management**” markets through its subsidiaries, MCB Islamic Bank and MCB-Arif Habib Savings and Investments Limited respectively.
- iv. Market share of MCB in **Banking and allied services** is estimated to be () %, whereas indirect market share through its subsidiaries in Islamic Banking and Asset Management Services is estimated to be () % and () % respectively. These respective market shares will remain unchanged post-transaction.
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 shall be handled in accordance with the applicable laws.
5. It is so ordered.


(Ms. Rahat Kaunain Hassan)
Chairperson


(Mr. Mujtaba Ahmad Lodhi)
Member



Islamabad the November 29th, 2022.