



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

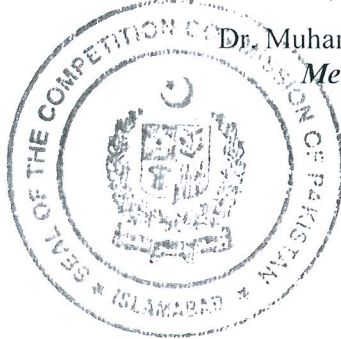
IN THE MATTER OF ACQUISITION OF SHAREHOLDING OF MANNAN
SHAHID FORGINGS LIMITED BY VALLEY FORGE (PRIVATE) LIMITED

CASE: 962/Merger-CCP/18

Commission

Ms. Vadiyya S. Khalil
Chairperson

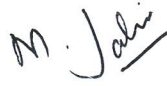
Dr. Muhammad Saleem
Member



ORDER

1. On 18th April 2018 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") through which M/s. Valley Forge (Private) Limited ("**Acquirer**" or "**Applicant**") intends to acquire shareholding in M/s. Mannan Shahid Forgings Limited ("**Target**") by way of share purchase. All the requisite information/documents pertaining to the application was completed by the applicant on May 07, 2018.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and its observations on the basis of independent research/investigation in the relevant market. The Phase I competition assessment of the intended acquisition has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For the Acquirer: manufacturer of machinery
 - b. For the Target: manufacturing as well as selling of agricultural and auto-parts
 - ii. The proposed transaction is an acquisition of shareholding in the Target by the Acquirer. Currently, only the Target is engaged in the relevant product markets of "**Manufacturer & Sale of Agricultural and Auto-parts**" having a geographic market identified as of "**Pakistan**".
 - iii. The relevant market is fairly competitive with a number of market players, however, auto parts industry belongs to the informal sector, which is largely undocumented. Post-transaction, the market share of the Target will remain unchanged.
 - iv. The transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. 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 ("**Act**").
3. In conclusion, the proposed transaction is not likely to substantially lessen competition through the creation 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.
4. It is so ordered.


(Vadiyya S. Khalil)
Chairperson


(Dr. Muhammad Saleem)
Member

Islamabad the 23rd May, 2018.

