

**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

**IN THE MATTER OF
FIRST PHASE REVIEW**

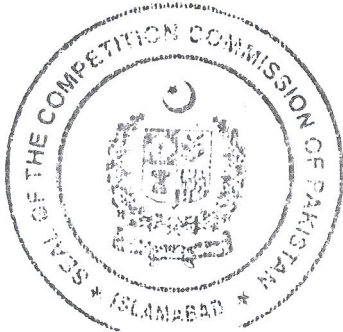
**ACQUISITION OF SHARES OF ASSOCIATED SERVICES
LIMITED BY MACTER INTERNATIONAL LIMITED.**

CASE: 790-Mergers/CCP/16

Commission

Mr. Shahzad Ansar 
Member

Mr. Ikram Ul Haque Qureshi 
Member



ORDER

I. Background

1. On the 2nd of February, 2016, the Competition Commission of Pakistan (hereinafter "Commission") received a pre-merger application (hereinafter "Application") sent by M/s. Macter International Limited (hereinafter "Macter" or "Acquirer") along with all necessary information and processing fee under Regulation 5(6) of the Competition (Merger Control) Regulations, 2007 (hereinafter the "Merger Regulations") notifying the Commission of the merger of Associated Services Limited (hereinafter "ASRL" or "Target") with and into Macter, with Macter being the surviving entity, pursuant to a Share Purchase Agreement (hereinafter the "Agreement") and a Scheme of Arrangement.

II. Merger Parties

Acquirer:

2. The Acquirer is a public unlisted company limited by shares incorporated under the laws of Pakistan, having its registered office in Sindh, Pakistan. It is engaged in the business of, inter alia, manufacturing and marketing of pharmaceutical products. The Acquirers turnover for the financial year ended June 30th, 2015, was approximately PKR . while its assets remained at PKR for the same period.

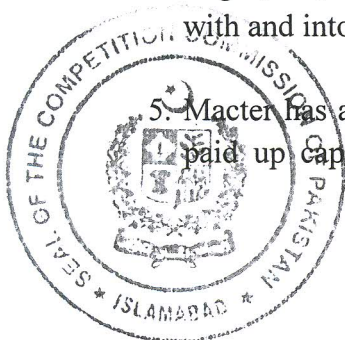
Target:

3. The Target is a public company limited by shares and is listed on the Pakistan Stock Exchange. It is incorporated under the laws of Pakistan and has its registered office in Sindh, Pakistan. It was engaged in the business of manufacturing and sale of jute products up till August, 2003. The Targets turnover (comprised of rental income) for the financial year ending June 30th, 2015, was PKR whereas its assets remained at approximately PKR for the same period.

III. Transaction

4. Given that the merging parties are engaged in unrelated business activities, this merger is conglomerate in nature. As per the Application, the notified merger is comprised of two stages, i.e., the acquisition of shares of ASRL by Macter, followed by the merger of ASRL with and into Macter.

5. Macter has acquired ordinary shares of ASRL (being of the issued and paid up Capital of ASRL) against a consideration of PKR and it is now



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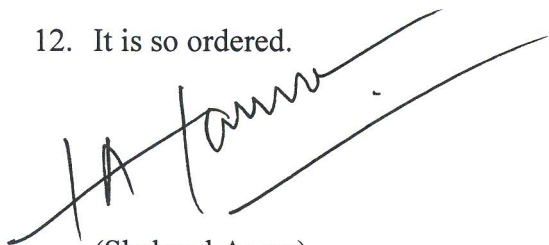
intended that ASRL shall be merged with and into Macter, with Macter being the surviving entity and ASRL being dissolved without winding up.

IV. The Relevant Market

6. There is no reportable market in this case, as the Target has not been operational since August, 2003. The Acquirer, however, is active in the business of manufacturing and marketing of pharmaceutical products.
7. The relevant geographic market has been identified as Pakistan.

V. Findings of the Phase I investigation on competition assessment

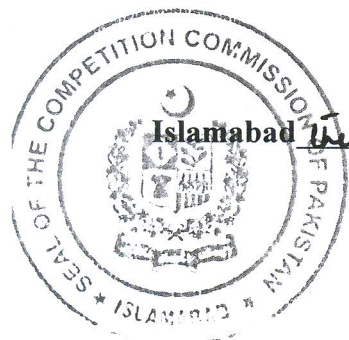
8. The Acquirer is engaged in the business of, inter alia, manufacturing and marketing of pharmaceutical products, whereas the Target was engaged in the business of manufacturing and sale of jute products up until August, 2003.
9. Due to the fact that this is a conglomerate merger, with both parties having unrelated businesses activities, post-transaction the market share will remain the same.
10. Post merger the transaction does not meet the presumption of dominance as determined under Section 2 (1) (e) read with Section 3 of the Competition Act, 2010.
11. In conclusion, there is no evidence that suggests a substantial lessening of competition by creating or strengthening of dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
12. It is so ordered.



(Shahzad Ansar)
Member



(Ikram Ul Haque Qureshi)
Member



Islamabad 14 20th April 2016