



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

IN THE MATTER OF

FIRST PHASE REVIEW

**DE-MERGER/MERGER PATEK (PRIVATE) LIMITED AND
TOWER SHARE (PRIVATE) LIMITED**

CASE: 801/Merger-CCP/16

Commission

Mr. Shahzad Ansar
Member

Mr. Ikram Ul Haque Qureshi
Member



ORDER

I Background

- 1 On 15th April, 2016, The Commission received a pre-merger application, (the "application") from the merger parties, Patek (Private) Limited and Towershare (Private) Limited; along with the applicable processing fee and necessary information in accordance with the Competition (Merger Control) Regulations 2007 (the "Merger Regulations"). The case is examined as under:

II Merger Parties

MERGER PARTY 1

- 2 Towershare is a private limited company incorporated under the laws of Pakistan with its registered office in Karachi, Sindh. The company is engaged in the business of, inter alia, buying, building, maintaining and operating telecommunication tower infrastructure.
- 3 Total assets of Towershare on 31st December 2014 were PKR [REDACTED], and its turnover was PKR [REDACTED] for the above mentioned period.

MERGER PARTY 2

- 4 Patek is a private limited company incorporated under the laws of Pakistan with its registered office in Karachi, Sindh. The entity is engaged in the business of, inter alia, making investments in shares/securities of public and private limited companies.
- 5 Total assets of Patek on 30th June 2015 were PKR [REDACTED], and its turnover for the above mentioned period was PKR [REDACTED].

III Transaction

- 6 In the proposed transaction Patek will demerge its undertaking, comprising investments, facilities and advances provided to Towershare, and merge the same with and into Towershare. The carved out undertaking comprises net assets of PKR [REDACTED]. No shares will be issued by the companies as a result of the merger.
- 7 The transaction meets the notification thresholds prescribed in Regulation 4(2) (a), (b) & (c) of the Merger Regulations, by having combined assets being more than one billion rupees, the annual turnover of the undertaking in the preceding year more than one billion rupees, and the value of transaction of asset is more than one hundred million rupees.

IV Relevant Market:

The relevant product market in this case is defined as "Telecommunication tower infrastructure". However, the carved out undertaking is not a separate entity, nor an operational undertaking; details of the entity comprise the advance/facility provided by Patek to Towershare.



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9 In light of the above, there is no overlap between the business of the carved out undertaking and Tower Share.

V 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 carving out a facility from Patek and handing it over to Tower Share. No shares are to be issued as a result of this transaction, nor does it entail any management change, as the carved out undertaking is just a facility. The transaction is not likely to result in creation or strengthening of 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").

VI Conclusion

12 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.

13 It is so ordered.


(Shahzad Ansar)
Member


(Ikram Ul Haque Qureshi)
Member



Islamabad the 14th June 2016