

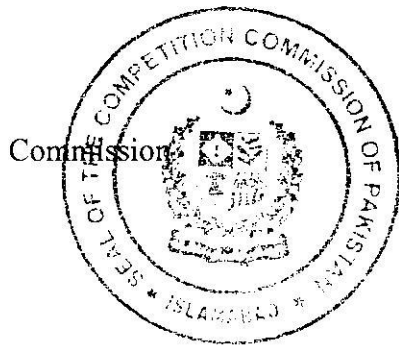


**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF MERGER BETWEEN M/S. FIRST UDL MODARABA AND
M/S. UDL INTERNATIONAL LIMITED.**


CASE: 1403/Merger-CCP/2023



**Dr. Kabir Ahmed Sidhu
Chairman**

ORDER

1. On 10th October, 2023 the Competition Commission of Pakistan (hereafter "**Commission**") received a pre-merger application (hereafter "**Application**") from M/s. First UDL Modaraba (hereafter "**FUDLM**" or "**Merger Party 1**") and M/s. UDL International Limited (hereafter "**UDLIL**" or "**Merger Party 2**").
2. The Application was made pursuant to Section 11 of the Competition Act, 2010 (hereafter "**Act**") read in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (hereafter "**Merger Regulations**").
3. The proposed transaction entails Merger of FUDLM with and into UDLIL. All requisite information/documentation pertaining to the Application was completed on 25th October, 2023.
4. 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:
 - 4.1. The business activities of the undertakings concerned are:
 - a) Merger Party 1: FUDLM was formed in 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, having its registered office in Karachi. It is listed on Pakistan Stock Exchange (PSX).
 - b) Merger Party 2: UDLIL is a public unlisted company, incorporated under the laws of Pakistan having its registered office situated in Karachi. The principal activity of the company is to carry on sale, purchase, import and export, general trading and supply of general orders and commodity products.
 - 4.2. As submitted in the Application and set out in the Scheme of Arrangement (hereafter "**Arrangement**"), the transaction involves merger of FUDLM with and into UDLIL. Simultaneously, UDLIL shall hive down the Musharika portfolio of the FUDLM, with and into its wholly owned subsidiary M/s. UDL Financial Services Limited ("**UDLFSL**"). The value of transaction shall be PKR /-, being the value of certificates being transferred.
 - 4.3. The relevant product market in this case has been identified as "**Modaraba**" and the relevant geographic market is "**Pakistan**". Based on the information submitted, market share of FUDLM is %.
5. The proposed transaction will not result in dominance of Merger Party 2 in the relevant market, post-transaction, as determined under Section 2(1)(e) read with Section 3 of the Act. Therefore, it is hereby authorized under Section 31(1)(d)(i) of the Act.
6. In the subject transaction, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
7. It is so ordered.


(Dr. Kabir Ahmed Sidhu)
Chairman

Islamabad the December 01, 2023.

