



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF MERGER OF M/S. GHANI AUTOMOBILE INDUSTRIES
LIMITED WITH AND INTO M/S. GHANI VALUE GLASS LIMITED**

CASE: 1120/Merger-CCP/20

Commission

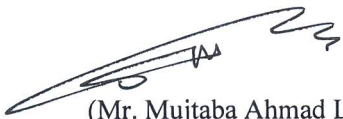
Mr. Mujtaba Ahmad Lodhi
Member

Ms. Shaista Bano
Member

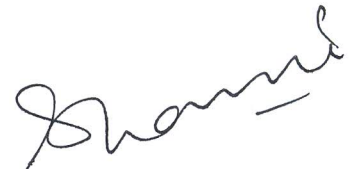


ORDER

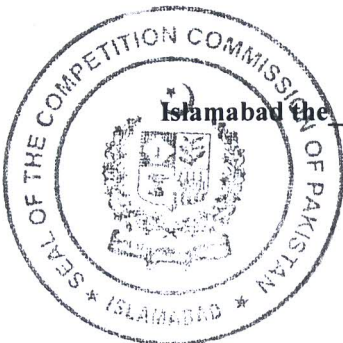
1. On 26th October, 2020 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") jointly submitted by M/s. Ghani Value Glass Limited ("**GVGL**" or "**Merger Party 1**") and M/s. Ghani Automobile Industries Limited ("**GAIL**" or "**Merger Party 2**") of a proposed merger pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") whereby GAIL will be merged with and into GVGL pursuant to Scheme of Merger ("**Agreement**"). Upon preliminary investigation, it was found that some required information was missing and the last correspondence in relation to missing information was received on November 05, 2020.
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 transaction has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For Merger Party 1: manufacturing and sale of mirror, tempered glass and laminated glass
 - b. For Merger Party 2: manufacture, assemble and trade of Automotive Vehicles
 - ii. The proposed transaction involves the merger of GAIL with and into GVGL. Pursuant to the Agreement, the swap ratio of GAIL and GVGL is _____ to 1 respectively. According to the Swap ratio, the 50,000,000 shares of GAIL, will be exchanged for total number for _____ shares of GVGL. Therefore, the consideration amount can be estimated to be PKR _____/- as the face value of each ordinary share is PKR _____/-
 - iii. The relevant market in this case has been identified as "**Manufacturing of two wheeler automobiles**" and the geographic market is "**Pakistan**". Based on the data provided in the Application, the estimated market share of GAIL is _____%. The merger parties have no overlaps therefore, post-transaction, market shares will remain unchanged.
3. In conclusion, the proposed transaction does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("**Act**"). The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.



(Mr. Mujtaba Ahmad Lodhi)
Member



(Ms. Shaista Bano)
Member



Islamabad the November 17th, 2020.