



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

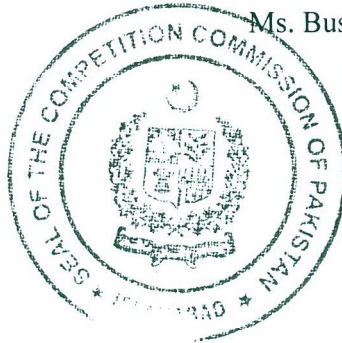
**IN THE MATTER OF ACQUISITION OF    % SHARE CAPITAL OF M/S. INFRA  
ZAMIN PAKISTAN LIMITED BY M/S. INDUS GUARANTEES PTE. LTD  
AND M/S. KARANDAAZ PAKISTAN**

**CASE: 1123/Merger-CCP/20**

Commission

Mr. Mujtaba Ahmad Lodhi  
*Member*

Ms. Bushra Naz Malik  
*Member*

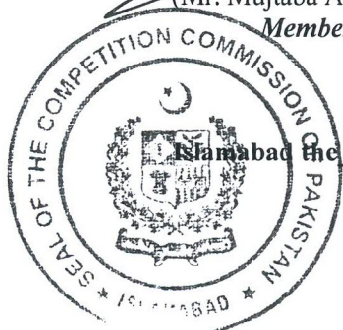


## ORDER

1. On 12<sup>th</sup> November, 2020 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") submitted by M/s. Infra Zamin Pakistan Limited ("**IZPL**" or "**Target**") notifying the Commission of a proposed acquisition of % share capital by M/s. Indus Guarantees Pte. Ltd ("**Indus**" or "**Acquirer 1**") and M/s. Karandaaz Pakistan ("**Karandaaz**" or "**Acquirer 2**") pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**").
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 Acquirer 1: Investment holding company.
    - b. For Acquirer 2: Section 42 not-for-profit company promoting, creating and investing in organizations that spur enterprise development.
    - c. For Target: Issuance of Rupee denominated guarantees to provide credit enhancement for long term local currency debt instruments issued to finance the development of infrastructure projects.
  - ii. As per the Application, this transaction is an equity investment in the Target of PKR \_\_\_\_\_ by Acquirer 1 and PKR \_\_\_\_\_ by Acquirer 2. The transaction value in this case is PKR \_\_\_\_\_.
  - iii. The relevant product market in this case has been identified as "**Issuance of Rupee denominated guarantees to provide credit enhancement for long term local currency debt instruments issued to finance the development of infrastructure projects**", while the relevant geographic market is "**Pakistan**".
  - iv. As IZPL is not yet operational, its market share is **nil**.
  - v. 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. The Applicant has notified the Commission of Ancillary Restrictions in the Subscription Agreement. They are hereby directed to file an application for Exemption with the concerned department of the Commission.
4. 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.
5. It is so ordered.

(Mr. Mujtaba Ahmad Lodhi)  
*Member*

(Ms. Bushra Naz Malik)  
*Member*



Islamabad the December 2<sup>nd</sup>, 2020.