




**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**IN THE MATTER OF  
FIRST PHASE REVIEW**

**ACQUISITION OF \_\_\_\_\_ SHARES OF PACKAGES  
CONSTRUCTION LIMITED BY IGI INSURANCE  
LIMITED**

**CASE: 803/Merger-CCP/16**

Commission

Mr. Shahzad Ansar   
Member

Mr. Ikram Ul Haque Qureshi  
Member 



## ORDER

### I Background

1 On 25<sup>th</sup> April 2016, IGI Insurance Limited ("IGIL") (the "Acquirer"), submitted a pre-merger application (the "Application") to the Commission, for the intended acquisition of \_\_\_\_\_ shares of Packages Construction Limited ("PCL") (the "Target") by IGIL, along with the applicable processing fee and necessary information in accordance with the Competition (Merger Control) Regulations 2007 (the "Merger Regulations").

### II Merger Parties

#### 2 Acquirer

IGIL is a Packages Group Company and was incorporated as a public limited company in 1953. It is engaged in providing general insurance services in spheres of fire, marine, motor, health and miscellaneous.

3 Total assets of IGIL as on 31<sup>st</sup> December 2015 were: ..... Its turnover remained at ..... for the above mentioned period.

### III Target

4 PCL is a wholly owned subsidiary of Packages Limited. Its main objective is to carry out the business of all types of construction activities and development of real estate. PCL has undertaken a real estate project titled "Packages Mall". The company has not started operations as yet.

5 Total assets of PCL as on 31<sup>st</sup> December 2015 were: ..... Its turnover for the above mentioned period remained nil.

### IV Transaction

6 In the proposed transaction IGIL intends to acquire \_\_\_\_\_ shares out of the total issued share capital of PCL. IGIL currently holds \_\_\_\_\_ shares of PCL, and after the proposed transaction the shareholding of IGIL will increase to \_\_\_\_\_. The consideration of the transaction is estimated to be: \_\_\_\_\_

7 The transaction meets the notification thresholds prescribed in Regulation 4(2) (a) (b) (c) & (d) of the Merger Regulations, by having acquirer's assets valuing more than PKR 300 million and combined assets being more than PKR 1 billion and turnover of acquirer more than PKR 500 million and combined turnover being more than PKR 1 billion. The transaction value also exceeds PKR 100 million and percentage of share to be acquired exceeds 10% of the total shareholding of the target.

### V Relevant Market

The relevant product market in this case is "construction and real estate".

The relevant geographic market is Pakistan.



**VI Findings of the Phase I investigation on the competition assessment**

10 The competition assessment in Phase I has resulted in the following findings:

The proposed transaction involves acquisition of 2,000,000 shares of the Target, by the Acquirer. The Acquirer currently holds 1,000,000 shares in the Target and after the proposed transaction the shareholding of the Acquirer will increase to 3,000,000. The Target i.e PCL is a construction and real estate company that has not started its operations as yet, while the Acquirer is not a participant of the relevant product market. Post-merger, the Target's market share in the relevant product market will remain the same. The proposed transaction involves a conglomerate and is an investment by a group company into the Target.

11 The transaction is not likely to result in creation or strengthening of 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 ("the Act").

**VII 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 Ansari)  
Member



(Ikram Ul Haque Qureshi)  
Member



Islamabad, 20th May, 2016