



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF CERTAIN ASSETS OF M/S. PEBBLES
(PRIVATE) LIMITED BY M/S. DAWOOD CORPORATION (PRIVATE) LIMITED.

CASE: 1335/Merger-CCP/22

Commission

Ms. Rahat Kaunain Hassan
Chairperson



Ms. Mujtaba Ahmad Lodhi
Member

ORDER

1. On November 2, 2022 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") whereby M/s. Dawood Corporation (Private) Limited ("**DCPL**" or the "**Acquirer**") intends to purchase certain assets from M/s. Pebbles (Private) Limited ("**Pebbles**" or "**Target**") pursuant to a Demerger Agreement.
2. 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:
 - i. The concerned undertakings are:
 - a. Acquirer: DCPL was incorporated on February 14, 1948 as a private limited company in Pakistan. It is engaged in business of making and holding equity investments in group and non-group companies. Mr. Hussain Dawood owns shareholding in the company.
 - b. Target: Pebbles was incorporated on January 11, 1977 as a private limited company under the laws of Pakistan. It is mainly engaged in providing agency services in relation to developing commercial, industrial and residential real estate within Pakistan. It also holds investments in immovable properties, investment in equities and money market. Mr. Hussain Dawood owns shareholding in the company.
 - ii. As per the submitted application, the Target and the Acquirer entered into a Demerger Agreement dated August 1, 2022 (the "**Demerger Agreement**") in terms whereof reconstruction of the Target will be done by way of division of certain investments held by the Target, inclusive of certain assets and liabilities pertaining thereto as specified in the Scheme of Arrangement (the "**Scheme**") under Sections 279 to 283 and 285 of the Companies Act, 2017 (the "**Demerged Undertaking**"). These assets and liabilities will simultaneously be transferred to the Acquirer. All other assets and liabilities other than the Demerged Undertaking as specified in the Scheme will be retained in the Target. Furthermore, ordinary shares held by the Acquirer and the sponsor shareholders in the Target will be cancelled.
 - iii. The Transaction relates to the issuance of ordinary shares of DCL to the sponsor shareholders pro rata to their existing shareholding in the Target. The total value of assets being transferred to the Acquirer amounts to PKR
 - iv. Both the Acquirer and Target overlap in the investment in equities and money markets and investment in immovable properties within Pakistan. In view of this, the reportable product markets in this case are identified as "**Investment in equities and money market**" and "**Investment in Immovable Properties**" while the relevant geographic market is "**Pakistan**" for the former and "**Punjab and Sindh**" for the latter.

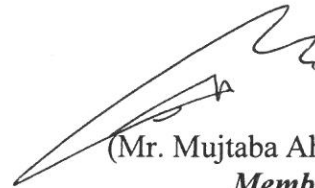


- v. Based on the data provided for the Investments in the capital market, the Target and Acquirer account for and of the total market respectively before the merger. However, after the notified merger, the merged entity will account for approximately of the total market.
- vi. Furthermore, as per the submitted information, the real estate held by the Merger Parties is under PKR which translates to under market share when compared with PKR industry in Pakistan.
3. The proposed transaction does not meet the presumption of dominance as determined under Section 2(1)(e) read with Section 3 of the Act. Hence, it is hereby authorized under Section 31(1)(d)(i) of the Act.
4. In the subject transaction, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
5. It is so ordered.



(Ms. Rahat Kaunain Hassan)

Chairperson



(Mr. Mujtaba Ahmad Lodhi)

Member



Islamabad the November 28th, 2022.