



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

**IN THE MATTER OF ACQUISITION OF CERTAIN ASSETS OF M/S. HOTEL  
MARGALA (PRIVATE) LIMITED BY M/S. NISHAT HOTELS & PROPERTIES  
LIMITED.**

**CASE: 1518/Merger-CCP/2025**



**Dr. Kabir Ahmed Sidhu  
Chairman**

## ORDER

1. On 29<sup>th</sup> January 2025, the Competition Commission of Pakistan (the “**Commission**”) received a pre-merger application (the “**Application**”) from Nishat Hotels and Properties Limited (the “**Acquirer**”), seeking approval for the acquisition of certain assets of Hotel Margalla (Private) Limited (the “**Target**”).
2. The Application was filed under Section 11 of the Competition Act, 2010 (the “**Act**”) read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “**Merger Regulations**”).

### Merger Parties

#### **Acquirer**

3. Nishat Hotels and Properties Limited (NHPL) is a public unlisted company incorporated under the laws of Pakistan. It is involved in owning, managing, establishing and operating a shopping mall, hotel and banquet halls in Lahore. Additionally, it has developed a residential real estate project known as Nishat Residences.

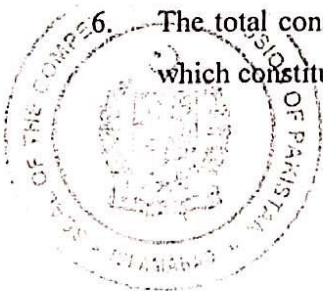
#### **Target**

4. Hotel Margala (Private) Limited (HMPL) is a private limited company incorporated under the laws of Pakistan. It owns, manages and operates a motel located on Srinagar Highway, Islamabad.

### Transaction

5. Pursuant to the Application and the Agreement to Sell dated 06<sup>th</sup> January 2025 (the “**Agreement**”), the Acquirer proposes to acquire the Assets of the Target. These Assets include leasehold rights to Plot No.1, measuring                    square yards, located on Srinagar Highway, Islamabad (formerly Kashmir Highway) along with the entire built-up structure of the motel, fittings and fixtures, utility connections, associated deposits, and all movable property on the premises.

6. The total consideration for the proposed acquisition of the Assets is PKR                    which constitutes the transaction value (the “**Transaction**”).



## **Phase-I Competition Assessment**

### **Procedural Review**

7. The Commission performed a Phase-I competition assessment of the Application, along with its supporting documentation, to determine adherence to the Act and Merger Regulations. This evaluation particularly emphasized potential competitive issues, such as market dominance and competition following the merger.

### **Relevant Market**

8. The relevant product market, for the purposes of this assessment, is defined as **Hospitality Services** market. The relevant geographic market is determined to be "Islamabad," considering supply conditions and consumer preferences and location specific demand factors.

### **Market Share**

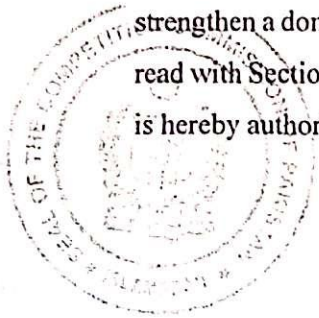
9. According to the information provided in the Application, the Target is operating a room's motel and holding a market share of approximately % in Islamabad's hospitality services sector, based on room capacity.

### **Competition Analysis**

10. While the Transaction is of a horizontal nature, as both the Acquirer and Target operate in the hospitality sector, their operations are geographically distinct. The Acquirer's activities are concentrated in Lahore, whereas the Target operates exclusively in Islamabad. Given the absence of direct geographic market overlap, the Transaction is unlikely to alter competitive dynamics or create significant market concentration concerns. Additionally, barriers to entry in the hospitality sector remain moderate, further mitigating potential anti-competitive effects.

### **Determination**

11. The Commission concludes that the proposed Transaction does not create or strengthen a dominant position in the relevant market, as defined under Section 2(1)(e) read with Section 11 of the Act and the Merger Regulations. The proposed Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.



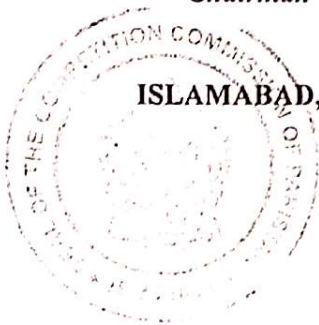
12. Notwithstanding the above, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.

13. It is so ordered.



Dr. Kabir Ahmed Sidhu

*Chairman*



ISLAMABAD,

February 19, 2025.