



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF RESTRUCTURING OF M/S. DAWOOD HERCULES
CORPORATION LIMITED, M/S. ENGRO CORPORATION LIMITED
AND M/S. DH PARTNERS LIMITED.**

CASE: 1452/Merger-CCP/2024

Commission



Kah
Mr. Kabir Ahmed Sidhu
Chairman

ORDER

1. On 27th May, 2024 the Competition Commission of Pakistan (hereafter the “**Commission**”) received a pre-merger application (hereafter the “**Application**”) from the following:
 - (i) M/s Dawood Hercules Corporation Limited (hereafter the “**Merger Party 1**”),
 - (ii) M/s. Engro Corporation Limited (hereafter the “**Merger Party 2**”) and
 - (iii) M/s. DH Partners Limited (hereafter the “**Merger Party 3**”), hereinafter collectively referred to as “**Merger Parties**”).
2. The Application was made pursuant to Section 11 of the Competition Act, 2010 (hereafter the “**Act**”) read in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (hereafter the “**Merger Regulations**”).
3. The proposed transaction entails an internal group restructuring through a court sanctioned scheme of arrangement under Sections 279 to 282 and 285(8) of the Companies Act, 2017 (hereafter the “**Scheme**”).
4. 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:

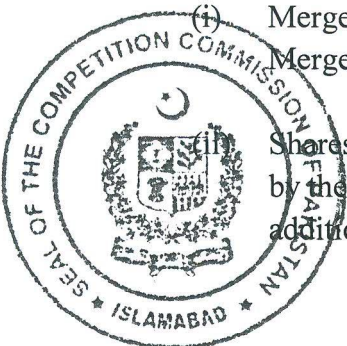
4.1. The business activities of the undertakings concerned are:

- (i) Merger Party 1: A public listed company incorporated under the laws of Pakistan, engaged in the business of making and holding equity investments in group and non-group companies.
- (ii) Merger Party 2: A public listed company incorporated under the laws of Pakistan, engaged in managing investments in subsidiary companies, associated companies and joint ventures engaged in fertilizers, PVC resin, manufacturing and marketing, food, energy, LNG terminals, telecommunication infrastructure, and chemical terminal and storage businesses.
- (iii) Merger Party 3: An unlisted limited company incorporated under the laws of Pakistan. It was incorporated as an investment company on 8th May 2024.

4.2. As a result of the Proposed Restructuring:

- (i) Merger Party 2 will become wholly owned subsidiary of Merger Party 1.
- (ii) Merger Party 3 will remain a wholly owned subsidiary of Merger Party 1.

Shares of Merger Party 2 will be swapped with the shares of Merger Party 1 by the proportion of _____. The end result will be the Merger Party 1 will own additional _____ % shareholding in Merger Party 2.



- 4.3. The transaction value is nil as the transaction is being undertaken through the Scheme which is essentially a restructuring of Merger Parties.
- 4.4. The reportable product market in this case has been identified as “**Investment Services**” and the relevant geographic market is “**Pakistan**”.
- 4.5. As per the Application, the market position of the Merger Parties shall remain the same post-transaction.
5. The proposed transaction will not result in dominance of the Merger Parties in the reportable market, post-transaction, as determined under Section 2(1)(e) read with Section 3 of the Act. Therefore, the said transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
6. Notwithstanding the above, matters which may fall outside the scope of the Commission’s purview, remain subject to applicable laws.
7. It is so ordered.

Kabir,

Dr. Kabir Ahmed Sidhu
Chairman

Islamabad the

July 10, _____, 2024.

