



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

IN THE MATTER OF

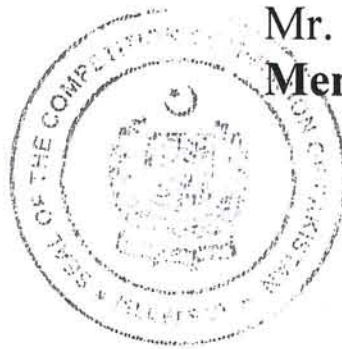
FIRST PHASE REVIEW

**MERGER OF DEMERGED ASSETS OF
INTERNATIONAL COMPLEX PROJECT LIMITED
VALUING PKR WITH AND INTO ARIF
HABIB EQUITY (PRIVATE) LIMITED
CASE: 910/Merger-CCP/17**

Commission

Ms. Vadiyya Khalil
Chairperson

Mr. Ikram Ul Haque Qureshi
Member



ORDER

I Background

- 1 On 18th August, 2017, International Complex Projects Limited (“ICPL”) and Arif Habib Equity Private Limited (“AEHPL”) (or the “Applicants”) submitted a pre-merger application (the “Application”) to the Competition Commission of Pakistan (the “Commission”), for the intended merger of Demerged Assets comprising of balance receivable from Arif Habib Group and loan to associated companies valuing PKR of ICPL with and into AEHPL(the “Acquirer”) , along with the necessary information and processing fee applicable under Regulation 5(6) of the Competition (Merger Control) Regulations, 2016 (the “Regulations”).
The case is examined as under:

II Merger Parties

Acquirer

- 2 AHEPL was incorporated in Pakistan as a private limited company in 2004. The principal activity of the Acquirer is to act as a holding company by way of acquiring interest in group and non-group companies and to acquire and hold shares, modarba certificates, musharka certificates, term finance certificates, bonds, obligations and securities of its subsidiaries, companies or corporate bodies whether in Pakistan or elsewhere and to invest in industrial and commercial ventures. The Acquirer is part of Arif Habib Group.
- 3 The value of total assets of the Acquirer as on 30th June 2016 were PKR its turnover for the above mentioned period remained nil.

International Complex Projects Limited (ICPL)

- 4 ICPL is incorporated in Pakistan as an unquoted public limited company. The principal activity of the company is to undertake business of builders, developers and renting out of properties developed by the company.
- 5 Pursuant to the Scheme of Arrangement approved by the Sindh High Court dated 29th August, 2016 the company is being divided into two separate segments, i.e. Continuing Undertaking and the Demerged Assets.
- 6 The value of the total assets of ICPL as on 30th June 2016 were PKR while its turnover for 2016 remained at PKR

Target

Demerged Assets of ICPL

Balance receivable from Arif Habib Group and loan to associated companies held by ICPL valuing PKR constitute the Demerged Assets.



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III Transaction

- 8 In the proposed transaction the Demerged Assets of ICPL are the Target that are being merged with and into AHEPL by transferring to and vesting in AHEPL the whole of Demerged Assets, including all Assets, Liabilities and Obligations of the Demerged Assets. The value of transaction is estimated to be PKR
- 9 The transaction meets the notification thresholds prescribed in Regulation 4(2) (a) & (c) of the Merger Regulations, by having undertakings assets valuing more than PKR 300 million and combined assets being more than PKR 1 billion and the transaction value also exceeds PKR 100 million.

IV Relevant Market:

- 10 The Relevant Product Market in the proposed transaction is left open as it pertains to acquisition of Demerged Assets of the Target and not a product. The Acquirer is primarily involved in acquiring, trading and investing in securities for its own account while the Target is Demerged Assets of ICPL that undertake business of builders, developers and renting out of properties developed by the company.

V Findings of the Phase I investigation on the competition assessment

The competition assessment in Phase I have resulted in the following findings:

- i. The proposed transaction is an acquisition of Demerged Assets of ICPL by the Acquirer (AHEPL). The proposed transaction is a business arrangement between the Merger Parties and does not have any effect on competitive dynamics of market of the Target or the Acquirer.
- ii. 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").

VI Condition

- 11 The proposed transaction may be approved with the condition that the Applicants will file three separate pre-merger applications for the acquisition of shares of the following undertakings within a month of the date of issuance of this Order:
- i. Fatima Fertilizer Company Limited
 - ii. Javedan Corporation Limited
 - iii. Power Cement Limited



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VI Conclusion

- 12 In conclusion, there is no evidence suggesting that the proposed transaction is likely to substantially lessen competition through the creation or strengthening of a 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.

Vadiyya Khalil

Vadiyya Khalil
(Chairperson)

Ikram Ul Haque Qureshi

Ikram Ul Haque Qureshi
(Member)



Islamabad 17th October, 2017