



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**In the Matter of Acquisition by TPL Trakker Limited of
shares in TPL Direct Insurance Limited from Greenoaks Global
Holdings Limited**

CASE: 894/Mergers/CCP/17

Commission

Ms. Vadiyya S. Khalil

Chairperson



Mr. Ikram Ul Haque Qureshi

Member

ORDER

I. BACKGROUND

1. On 5 June 2017, TPL Trakker Limited ("**TPL Trakker**" or the "**Acquirer**") submitted a pre-merger application (the "**Application**") to the Competition Commission of Pakistan (the "**Commission**") notifying and seeking clearance of the acquisition of at least 69.12% shares of TPL Direct Insurance Limited ("**TPL Insurance**" or the "**Target**") from Greenoaks Global Holdings Limited ("**GGHL**" or the "**Seller**"), along with the necessary documents/information pursuant to Section 11 of the Competition Act 2010 (the "**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations 2016 (the "**Merger Regulations**").

II. PARTIES

Acquirer

2. TPL Trakker was incorporated in 2008 under the Companies Ordinance, 1984, as a private limited company. The company was subsequently converted into a public company in 2009, and was listed on the Pakistan Stock Exchange in 2012. It is engaged in the business of providing personnel, vehicle tracking and fleet management solutions.
3. The total turnover of TPL Trakker for the year ended 30 June 2016 was PKR and the value of its total assets amounted to PKR.

Target

4. TPL Insurance was incorporated in 1992 under the Companies Ordinance, 1984, as a public limited company. The company is listed on the Pakistan Stock Exchange and is involved in the business of non-life insurance services.
5. The total turnover of TPL Insurance for the year ended 31 December 2016 was PKR and the value of its total assets amounted to PKR.

Seller

6. GGHL, a company incorporated in the United Kingdom, is involved in the business of providing risk underwriting, claims settlement, investment and related financial services to its customers.
7. The total turnover of GGHL for the year ended 31 December 2016 was PKR and the value of its total assets amounted to PKR.

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III. TRANSACTION

8. The intended transaction pertains to the acquisition of _____ (approximately _____ shares of the total paid up ordinary shares comprising of _____ of the Target by the Acquirer through the execution of the Share Purchase Agreement dated 23 March 2017 (the "SPA") between the Acquirer and the Seller. The transaction is to be executed in two stages: (i) purchase of shares from the Seller pursuant to the SPA, and (ii) acquisition from public through tender offer. The consideration for the intended acquisition from the Seller is PKR _____
9. The transaction meets the merger notification thresholds as prescribed in Regulation 4(2)(a), (b), (c) and (d) of the Merger Regulations as the value of combined assets of the undertakings exceeds PKR 1 billion, while the combined annual turnover of the undertakings also exceed PKR 1 billion. The transaction value is more than PKR 100 million and the percentage of shares to be acquired is more than 10% of the total shareholding of the Target.

IV. RELEVANT MARKET

10. The Target is involved in the business of providing non-life insurance services and products, in particular, motor insurance, travel insurance, home insurance and health insurance (including micro insurance products) and specifically excluding life insurance services and related products. The Target is also licensed to underwrite Takaful policies through its Window Takaful Operations. For the purposes of the intended merger, the relevant product market is determined as non-life insurance services and products in general. Since these services are provided across the country, where the conditions of competition are sufficiently homogenous, the relevant geographic market has been identified as Pakistan.

V. FINDINGS OF THE PHASE I COMPETITION ASSESSMENT

11. The Acquirer is engaged in the business of providing personnel, vehicle tracking and fleet management solutions, while the Target is involved in the business of non-life insurance services and products. TPL Trakker currently owns _____ shares in TPL Insurance, and is desirous of acquiring a further of _____ shares.
12. According to the Application, the Target's market share in the relevant market is _____ of the market of non-life insurance segment based on total revenue. Other major undertakings engaged in the provisions of non-life insurance services are (i) EFU General Insurance Limited with approximately _____ market share; (ii) Adamjee Insurance Limited with approximately _____ market share and Jubilee General Insurance Limited with approximately _____ market share.
13. The Acquirer, though active in the life insurance sector through a subsidiary, is not active in the non-life insurance market, except indirectly through its existing ownership of _____ shareholding in the Target. Post-transaction, the Acquirer's share in the Target will increment to at least _____. Based on the market share of the Target, the intended merger



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does not meet the presumption of a dominant position as is provided under Section 2(1)(e) read with Section 3 of the Act.

VI. CONCLUSION

14. In conclusion, the intended acquisition is not likely to substantially lessen competition by creating 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.
15. It is so ordered.

Vadiya S. Khalil

Vadiyya S. Khalil
Chairperson

Ikram Ul Haque Qureshi

Ikram Ul Haque Qureshi
Member



Islamabad August 7, 2017