



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

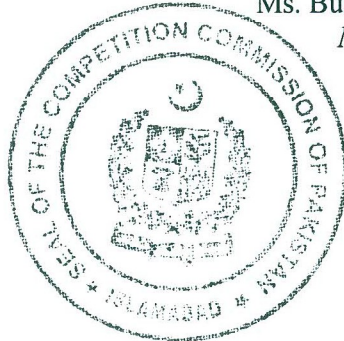
**IN THE MATTER OF ACQUISITION OF \_\_\_ % SHARES OF M/S. SECURITY  
GENERAL INSURANCE COMPANY LIMITED BY M/S. ROOMI  
ENTERPRISES (PVT.) LIMITED.**

**CASE: 1114/Merger-CCP/20**

Commission

Mr. Mujtaba Ahmad Lodhi  
*Member*

Ms. Bushra Naz Malik  
*Member*



## ORDER

1. On 23<sup>rd</sup> September, 2020 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**") from M/s. Roomi Enterprises (PVT.) Limited ("**REL**" or "**Acquirer**") whereby it intends to acquire  $\quad\%$  shareholding in M/s. Security General Insurance Company Limited ("**SGICL**" or "**Target**") from M/s. Allied Bank Limited ("**ABL**" or "**Seller**") pursuant to Share Purchase Agreement ("**Agreement**"). All the requisite information/documentation pertaining to the application was completed by the applicant on 23<sup>rd</sup> October, 2020.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and its observations on the basis of independent research/investigation in the relevant market. The Phase I competition assessment of the intended transaction has resulted in the following findings:
  - i. The business activities of the undertakings concerned are:
    - a. For the Acquirer: engaged in various commercial activities including sale of compressed natural gas (CNG), oil products, letting out of investment property and trading activities.
    - b. For the Target: engaged in general insurance services including but not restricted to fire, explosion, lightening, earth-quake, atmospheric damages.
    - c. For the Seller: is a listed banking company engaged in a range of financial services with a nationwide coverage and customer outreach.
  - ii. The proposed transaction involves the Acquirer proposing to buy  $\quad\%$  of the issued share capital of the Target Company. The transaction consideration is estimated to be PKR  $\quad\quad\quad$  /- pursuant to the Agreement.
  - iii. The Target companies belongs to the relevant product market of "**Non-life Insurance Market (General Insurance)**" having a geographic market identified as of "**Pakistan**". Based on the data from The Insurance Association of Pakistan, for the period ended June 30, 2020, the estimated market share of the Target is  $\quad\%$ .
  - iv. Post-transaction, market shares of the Target will remain unchanged since there are no overlaps between the Acquirer and the Target.
3. In conclusion, the proposed transaction does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("**Act**"). The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.

  
(Mr. Mujtaba Ahmad Lodhi)  
*Member*

  
(Ms. Bushra Naz Malik)  
*Member*



Islamabad the October 23, 2020.