



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

**RESTRUCTURING OF M/S. LARAIB ENERGY LIMITED BY  
MR. KHALID FAIZI, MR. NAVEED KHALID FAIZI MR. MUNEEB KHALID FAIZI,  
MS. SUNDAS MUNEEB FAIZI, MR. UMAR KHALID FAIZI, MR. ABDUL WAHAB  
ABBASI, MR ABDUL QADIR ABBASI, MS. MARYAM ABBASI LODHI, MS. AZRA  
MEHTAB, MS. NAZIA ABBASI, MS. SOPHIA ABBASI, MS. ZUBAIDA AZIZ AND  
MS. REEM ABBASI.**

**CASE: 1487/Merger-CCP/2024**

**Commission:**



**Dr. Kabir Ahmed Sidhu  
Chairman**

## ORDER

1. On 26<sup>th</sup> September, 2024 the Competition Commission of Pakistan (the “**Commission**”) received a pre-merger application (the “**Application**”) from Coate & Co. (Private) Limited (the “**Applicant**”).
2. The Application was submitted pursuant to Section 11 of the Competition Act, 2010 (hereafter the “**Act**”) in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “**Merger Regulations**”).

### 3. **Subscribers/Merger Parties**

#### **LEL:**

4. Laraib Energy Limited (**LEL**) is a public limited company incorporated under the laws of Pakistan. It owns and operates the 84 MW New Bong Escape Hydropower Project and is engaged in generating and selling electricity to the Central Power Purchasing Agency (Guarantee) Limited (**CPPAG**).

#### **CCPL:**

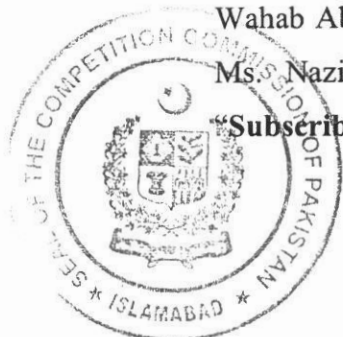
5. Coate & Co. (Private) Limited (**CCPL**) is a private limited company incorporated under Pakistani law. CCPL is a shareholder in LEL, holding \_\_\_\_\_ shares, which represent \_\_\_\_\_ % of LEL’s share capital. CCPL serves as an intermediary for managing long-term strategic investments in LEL on behalf of its beneficial owners.

#### **Hubco:**

6. The Hub Power Company Limited (**Hubco**) is a publicly listed company incorporated under Pakistani law. It operates in the electricity generation and sale sector and is the majority shareholder of LEL, owning \_\_\_\_\_ shares, which constitute \_\_\_\_\_ % of LEL’s share capital.

#### **Subscribers:**

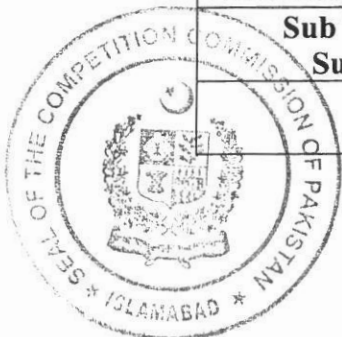
7. The individual shareholders of CCPL include Mr. Khalid Faizi, Mr. Naveed Khalid Faizi, Mr. Muneeb Khalid Faizi, Ms. Sundas Muneeb Faizi, Mr. Umar Khalid Faizi, Mr. Abdul Wahab Abbasi, Mr Abdul Qadir Abbasi, Ms. Maryam Abbasi Lodhi, Ms. Azra Mehtab, Ms. Nazia Abbasi, Ms. Sophia Abbasi, Ms. Zubaida Aziz and Ms. Reem (the “**Subscribers**”).



**Transaction**

8. The transaction involves the restructuring of LEL, governed by the Scheme of Reconstruction dated **24th April 2024** (the “Agreement”).
9. Under the terms of the Agreement, the scheme of restructuring entails transferring CCPL’s shareholding to the Subscribers. Before the transaction, CCPL owns : % of LEL’s shares. Post-transaction, these shares will be allocated among the Subscribers, without changing LEL’s total share count or affecting the shareholding of other entities (the “Transaction”).
10. As specified in the Agreement, the existing shareholding of the Merger Parties will be restructured and issued/distributed to the Subscribers as follows:

<b>Scheme of Reconstruction of LEL’s Shareholding</b>				
<b>Name</b>	<b>Pre-Transaction</b>		<b>Post-Transaction</b>	
	<b>No. of Shares</b>	<b>Shareholding (%)</b>	<b>No. of Shares</b>	<b>Shareholding (%)</b>
The Hub Power Company Limited		%		%
Asghar Ali & Co. LLC		%		%
Coate & Co (Private) Limited (CCL)		%		%
<b>Subscribers</b>				
Khalid Faizi	-	-		
Naveed Khalid Faizi	-	-		
Muneeb Khalid Faizi	-	-		
Omar Khalid Faizi	-	-		
Sundus Muneeb Faizi	-	-		
Abdul Wahab Abbasi	-	-		
Abdul Qadir Abbasi	-	-		
Maryam Abbasi Lodhi	-	-		
Azra Mehtab	-	-		
Nazia Abbasi	-	-		
Sophia Abbasi	-	-		
Zubaida Aziz	-	-		
Reem Abbasi	-	-		
<b>Sub Total of the Subscribers</b>				
<b>Total</b>				



### **Procedural Review**

11. The Commission reviewed the Application, supporting documentation, and submissions made by the parties to the proposed Transaction. A Phase I competition assessment was conducted to evaluate the proposed Transaction's compliance with the Act and Merger Regulations and its impact on the competitive structure of the relevant market.

### **Phase I Competition Assessment**

#### ***Relevant Market:***

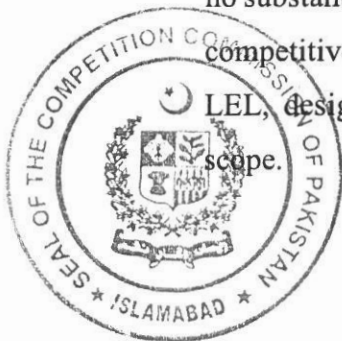
12. LEL and Hubco are both independent power producers and are engaged in the general and sale of electricity to CPPAG. Therefore, the relevant product market is defined as "**Power Generation,**" encompassing all activities related to the production, sale and supply of electricity. This includes various forms of power generation, such as hydropower, thermal, solar, and wind, which are considered substitutable and interchangeable for utility purposes, with the electricity ultimately being sold to CPPAG.
13. The relevant geographic market is identified as "**Pakistan**".

#### ***Market Share:***

14. As per the Applicant, LEL operates an \_\_\_\_\_ hydropower facility, representing a \_\_\_\_\_ % market share in Pakistan's power generation sector based on total installed generation capacity. This market share remains unchanged following the Transaction, maintaining the existing competitive dynamics within the power generation sector.

#### ***Type of Merger:***

15. The Transaction does not result in horizontal overlaps, as the Subscribers are individuals with no direct business operations in the relevant market. Moreover, there is no significant vertical integration between the Subscribers and other market participants post-merger, and no substantial concerns are likely to arise regarding potential foreclosure risks or other anti-competitive effects. Essentially, the Transaction represents an internal restructuring of LEL, designed to streamline its shareholding structure without altering its operational scope.



16. Moreover, the Transaction does not appear to pose any threat to existing competition conditions in the relevant market, or restrict consumer choice within the sector.

**Determination:**

17. Based on the Commission's Phase I assessment, the proposed Transaction does not appear to lead to the Subscribers or the relevant entities acquiring a dominant position and lessening of competition, as prescribed under Section 2(1)(e) read with Section 11 of the Act, within the relevant market. The Transaction is authorized under Section 31(1)(d)(i) of the Act.

18. 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.

19. It is so ordered.



Dr. Kabir Ahmed Sidhu

*Chairman*

ISLAMABAD, the January 16, 2025.

