



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

**IN THE MATTER OF ACQUISITION OF SHARE IN M/S. KANDIAH HYDRO  
POWER (PVT.) LTD BY M/S. SK ENGINEERING AND CONSTRUCTION COMPANY  
LTD FROM M/S. ASSOCIATED TECHNOLOGIES (PVT.) LTD.**

**CASE: 944/Merger-CCP/18**

Commission

Ms. Vadiyya Khalil  
*Chairperson*



*M. Jaleel*  
Dr. Muhammad Saleem  
*Member*

## ORDER

1. The Competition Commission of Pakistan ("**Commission**") is in receipt of a pre-merger application ("**Application**") dated 7<sup>th</sup> February 2018 sent by M/s. SK Engineering and Construction Company Ltd ("**SKECCL**" or "**Acquirer**") notifying the Commission of their acquisition of \_\_\_\_\_ shareholding in M/s. Kandiah Hydro Power (Pvt.) Ltd ("**KHPPL**" or "**Target**") from M/s. Associated Technologies (Pvt.) Ltd ("**ATPL**" or "**Seller**") pursuant to a Share Purchase Agreement ("**Agreement**").
2. The Commission has examined the pre-merger 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 acquisition has resulted in the following findings:
  - i. The business activities of the undertakings concerned are:
    - a. For SKECCL: Engineering and construction.
    - b. For KHPPL: Power Generation.
    - c. For ATPL: Developing and operating infrastructure projects.
  - ii. As per the Application, SKECCL intends to acquire \_\_\_\_\_ shareholding in KHPPL from ATPL pursuant to a Share Purchase Agreement. The consideration for this purchase is PKR \_\_\_\_\_ which is the transaction value in this case.
  - iii. The relevant product market in this case is that of power generation, whereas the relevant geographic market is Pakistan (*save for areas served by K-Electric*). The Target is not active as yet, therefore its share of the relevant market is currently nil. Once operational, the Target will have a market share of \_\_\_\_\_ in terms of capacity. Since the Acquirer is not active in the market for power generation in Pakistan, this transaction is conglomerate in nature.
  - iv. The transaction is not likely to result in the 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 Act.
3. In conclusion, the proposed transaction is unlikely 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.
4. It is so ordered.



Ms. Vadiyya Khalil

*Chairperson*



Dr. Muhammad Saleem

*Member*

Islamabad the 14<sup>th</sup> March 2018

