



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

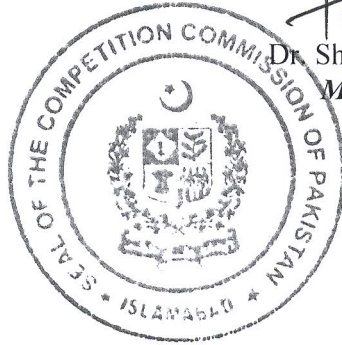
IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S. THAR  
ENERGY LIMITED BY M/S. CMEC TEL POWER INVESTMENTS LIMITED

CASE: 964/Merger-CCP/18

Commission

Ms. Vadiyya S. Khalil  
*Chairperson*

Dr. Shahzad Ansar  
*Member*

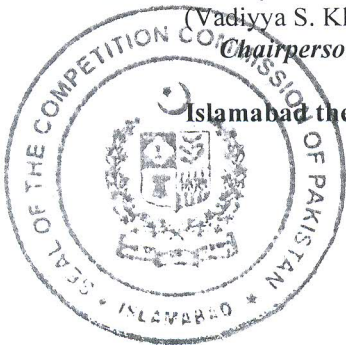


## ORDER

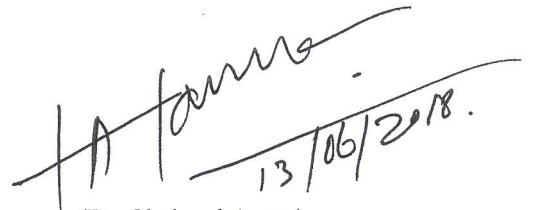
1. On 30<sup>th</sup> April 2018 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") through which M/s. CMEC TEL Power Investments Limited ("**Acquirer**" or "**Applicant**") intends to acquire at least ...% shareholding in M/s. Thar Energy Limited ("**Target**") by way of share subscription. All the requisite information/documents pertaining to the application was completed by the applicant on 24<sup>th</sup> May, 2018.
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 acquisition has resulted in the following findings:
  - i. The business activities of the undertakings concerned are:
    - a. For the Acquirer: Investments in Industrial Enterprises & Management
    - b. For the Target: A Special Purpose Vehicle formed to construct, own and operate, coal-fired power generation unit.
  - ii. The proposed transaction is an acquisition of ...% shares of the Target by the Acquirer. The relevant product market has been identified as of "**Power Generation**" having a geographic market identified as of "**Pakistan**" excluding area served by K-Electric. Currently, the Acquirer is inactive in the reportable market while the Target is still under development
  - iii. Neither the Acquirer nor the Target have a dominant position in the relevant market. As per current installed power generation capacity of the country, Target's capacity results in a mere ...% share of power generation. The proposed transaction will not result in elimination of any competitor and the market dynamics of the relevant market will change insignificantly.
  - iv. The transaction is not likely to result in the creation or strengthening of a 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 ("**Act**").
3. In conclusion, the proposed transaction is not 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.
4. It is so ordered.



(Vadiyya S. Khalil)  
Chairperson



Islamabad the 13<sup>th</sup> JUNE 2018.

  
13/06/2018.

(Dr. Shahzad Ansar)  
Member