



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

EX POST FACTO FIRST PHASE REVIEW

IN THE MATTER OF JOINT VENTURE OF M/S. ORIENT OPERATING
COMPANY (PRIVATE) LIMITED AND M/S. PITCO (PRIVATE) LIMITED BY THE
NAME OF M/S. SHAMS POWER (PRIVATE) LIMITED


CASE: 1126/Merger-CCP/2020

Date of Hearing

April 13, 2021

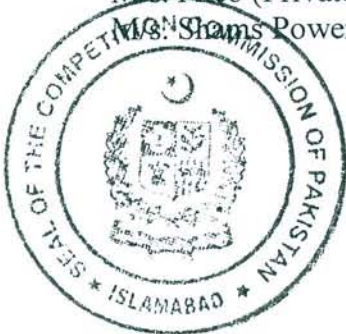
Commission


Ms. Shaista Bano
Member


Mr. Mujtaba Ahmad Lodhi
Member

On behalf of
M/s. Orient Operating (Private) Limited
M/s. Pitco (Private) Limited
M/s. Shams Power (Private) Limited

Faisal & Partners (Advocates and Legal
Advisers)



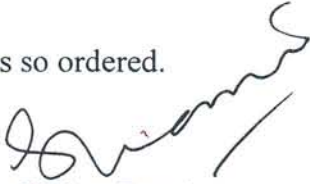
ORDER

1. On November 30, 2020 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a Joint Venture pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") whereby M/s. Orient Operating (Private) Limited ("**JV Party 1**") and M/s. Pitco (Private) Limited ("**JV Party 2**"), collectively as ("**JV Parties**") entered into a Sponsors Agreement ("**Agreement**") dated December 15, 2014 and have incorporated a Joint Venture company by the name of M/s. Shams Power (Private) Limited ("**SPL**").
 2. The JV Parties consummated the merger on December 15, 2014 without seeking clearance from the Commission whereby action was taken against the JV Parties under Section 11 (12) of the Act. Subsequently, a Hearing Notice was issued on March 26, 2021 to the JV Parties, for the, *prima facie*, violation of sub-section (1) to (4) of Section 11 of the Act read with Regulation 4 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**"). Two Member bench was formulated to conduct the hearing on April 13, 2021.
 3. The bench members directed the JV Parties and SPL to submit undertakings for future compliance which have been received on May 03, 2021.
 4. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and made its observations on the basis of an independent research/investigation in the relevant market. All requisite information/documentation pertaining to the application was completed on May 03, 2021. The Phase I competition assessment of the transaction has resulted in the following findings:
 - i. The business activities of the concerned undertakings are:
 - a. For JV Party 1: Power generation and oil exploration.
 - b. For JV Party 2: Rendering engineering and other consultancy services.
 - c. For SPL: Solar energy generation.
 - ii. The transaction involved JV Parties incorporating a joint venture company by the name of SPL on January 15, 2015. JV Party 1 currently own approximately _____ % shareholding while JV Party 2 has approximately _____ % shareholding in SPL. The transaction value is deemed to be PKR (_____).
 - iii. The relevant product market identified in this case is "**Renewable Energy – Sale of Solar Power Generation Units**" having a geographic market identified as **Pakistan**. SPL offers a complete range of solar energy services to commercial and industrial sector customers across Pakistan. Based on the data submitted, currently SPL has an estimated market share of less than _____ %.
- iv. Post-transaction, market conditions are likely to remain unchanged, as there are no overlapping between business areas of the JV Parties.



5. In conclusion, the transaction does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Act. The transaction is hereby authorized under Section 31 (1) (d) (i) of the Act, only to the extent of potential impact on competition in the relevant market.

6. It is so ordered.



(Ms. Shaista Bano)
Member



(Mr. Mujtaba Ahmad Lodhi)
Member



Islamabad the JUNE 2nd, 2021.