




BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW


IN THE MATTER OF ACQUISITION OF ADDITIONAL % SHAREHOLDING
OF M/S. ETIHAD POWER GENERATION LIMITED BY MR. MOHAMMAD MUNIR
FROM SELLERS.

CASE: 1286/Merger-CCP/2022

Commission


Ms. Rahat Kaunain Hassan
Chairperson




Mr. Mujtaba Ahmad Lodhi
Member

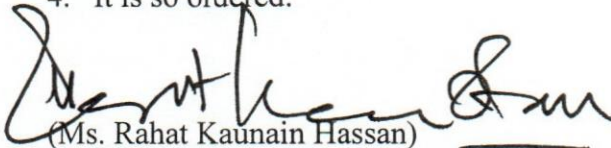
ORDER

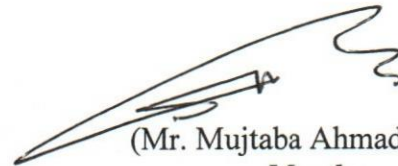
1. On 26th April, 2022 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition of shares under Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") whereby, Mr. Mohammad Munir ("**Mr. Munir**" or "**Acquirer**") is acquiring additional % shareholding of M/s. Etihad Power Generation Limited ("**EPG**" or "**Target**") from M/s. Etihad Sugar Mills Limited ("**ESM**" or "**Seller 1**"), Mr. Mian Amer Mahmood ("**Mr. Mian**" or "**Seller 2**"), Mr. Makhdum Omar Shehryar and ("**Mr. Makhdum**" or "**Seller 3**"), in accordance with Share Purchase Agreement ("**Agreement**"). All requisite information/documentation pertaining to the Application was completed on 20th May, 2022.
2. The Commission has examined the Application as well as all the documents attached therewith, the information provided by the concerned undertaking and the market scenario. The Phase I competition assessment of the intended transaction has resulted in the following findings:
 - i. The undertakings concerned are:
 - a. Acquirer: Natural person, has % shareholding in the Target.
 - b. Target: Bagasse-based power generation and provision of electricity to its sister concern.
 - c. Seller 1: Production and sale of crystalline sugar and its allied products.
 - d. Seller 2: Natural person, has % shareholding of the Target.
 - e. Seller 3: Natural person, has % shareholding of the Target.
 - ii. Currently, the Acquirer owns shares (% shareholding) of the Target.
 - iii. As per the Agreement, the transaction is acquisition of shares (% shareholding) of the Target of which shares will be acquired from Seller shares will be acquired from Seller 2 and shares will be acquired from Seller 3. Total consideration to be paid for shares is estimated to be PKR.
 - iv. The relevant product market in this case has been identified as "**Private – Power Generation**" while the relevant geographic market is "**Rahim Yar Khan- Punjab**" as power is provided in the specified region.
 - v. As per the Application, currently the Target has not commenced operations yet and the Target has an estimated power production capacity of MW, however, after operations, the Target will not distribute generated power through distribution company as an IPP but will only supply to its sister concern M/s. Etihad Alloys (Private) Limited (manufacturing of steel and other alloys).
 - vi. Therefore, post-transaction, the market condition will remain unchanged.



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 Act. The proposed transaction is hereby authorized under Section 31(1)(d)(i) of the Act.

4. It is so ordered.


(Ms. Rahat Kaunain Hassan)
Chairperson


(Mr. Mujtaba Ahmad Lodhi)
Member



Islamabad the JUNE 20th, 2022.