




BEFORE THE
COMPETITION COMMISSION OF PAKISTAN
FIRST PHASE REVIEW


IN THE MATTER OF ACQUISITION OF 1% SHAREHOLDING IN
M/S. ORIENT POWER COMPANY (PRIVATE) LIMITED BY
M/S. GRINDLEWALD FZE AND M/S. ORIENT OPERATING COMPANY
(PRIVATE) LIMITED FROM MR. NADEEM BABAR.

CASE: 1314/Merger-CCP/22

Commission


Ms. Rahat Kaunain Hassan
Chairperson




Mr. Mujtaba Ahmad Lodhi
Member

ORDER

1. On August 17, 2022 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**") from Mr. Nadeem Babar ("**NB**" or "**Seller**"), M/s. Grindewald FZE ("**GFZE**" or "**Acquirer 1**") and M/s. Orient Operating Company (Private) Limited ("**OOCP**" or "**Acquirer 2**") whereby NB intends to sell his shareholding of % in M/s. Orient Power Company (Private) Limited ("**OPCPL**" or "**Target**") to GFZE and OOCPL. All requisite information/documentation pertaining to the Application was completed on September 12, 2022.
2. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Phase I competition assessment of the intended transaction has revealed the following facts:

- i. The concerned undertakings are:

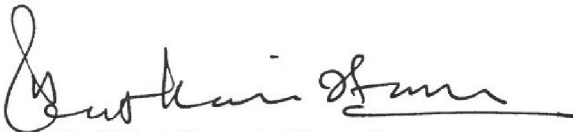
- a. Acquirer 1: The entity was registered in Ras Al Khaimah Economic Free Zone on October 29, 2017. The principal activity for which the company was established is to act as an investment in industrial Enterprises & Management and to engage in any lawful act or activity as permitted by RAK Economic Zone Authority. The company is solely controlled by Mr. Nadeem Babar.
- b. Acquirer 2: The undertaking was incorporated in Pakistan as Quetta Operating Company (Private) Limited on January 15, 2007 as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and its name was changed to OOCPL on May 24, 2008. The principal activities of the company are to operate, maintain and manage power generation facilities, power station, power houses and grid stations and provide services together with all machinery, equipment and ancillary works. Additionally, it can also undertake and perform all activities for the purpose of petroleum exploration and production.
- c. Target: It is a private limited company incorporated on June 16, 2003 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Target was established to set up and operate a _____ MW power generation plant for generation of electricity and onward to sale to the power purchaser. The principal objective of the company is to develop, design, own, operate and maintain electric power generation plant(s) and in connection therewith to engage in the business of generation, sale and supply of electricity. The company commenced its Commercial Operations (COD) on May 24, 2010. The Target's plant is located at Balloki, District Kasur.

- ii. As per the submitted application, NB intends to transfer _____ shares representing % in the Target to GFZE. Additionally, _____ shares reflecting % shareholding in the Target are also to be transferred from NB to OOCPL. The total value for these shares is considered as PKR _____/- being PKR _____ par value per share. In this regard, GFZE will have its shareholding increased from % to % in the Target.

The relevant product market in this case has been identified as "**Thermal Power Generation**", and the relevant geographic market is "**Pakistan, excluding areas served by K-Electric**".

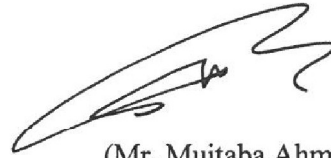


- iv. As per the information published in the State of Industry Report 2021 by National Electric Power Regulatory Authority (NEPRA), the total installed generation capacity in CPPA-G System comprised of 9,915 MW hydroelectric, 22,497 MW thermal, 1,248 MW wind, 430 MW solar, 369 MW bagasse and 2,475 MW nuclear.
 - v. The Merger Parties operate in different markets, however, Acquirer 2 is mainly engaged in Operations and Maintenance Services for power generation facilities and is presently in contract with M/s. Saba Power Company Private Limited (“Saba”) which is an IPP located in Sheikhpura, 40 km from Lahore.
 - vi. Based on the dependable power generation capacity of the Target, 1,000 MW, the market share of OPCPL is 10% in thermal power generation which will remain unchanged post-transaction.
3. The proposed transaction does not meet the presumption of dominance as determined under Section 2(1)(e) read with Section 3 of the Act. Hence, it is hereby authorized under Section 31(1)(d)(i) of the Act.
 4. In the subject transaction, matters which may fall outside the scope of the Commission’s purview shall be handled in accordance with the relevant laws and regulations.
 5. It is so ordered.



(Ms. Rahat Kaunain Hassan)

Chairperson



(Mr. Mujtaba Ahmad Lodhi)

Member



Islamabad the September 28th, 2022.