




BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW


ACQUISITION OF 1 % SHAREHOLDING OF M/S. FAUJI KABIRWALA POWER  
COMPANY LIMITED BY M/S. FAUJI FOUNDATION FROM M/S. ASIAN  
DEVELOPMENT BANK

CASE: 1245/Merger-CCP/2021

Commission

  
Mr. Mujtaba Ahmad Lodhi  
*Member*



  
Ms. Shaista Bano  
*Member*

## ORDER

1. On 3<sup>rd</sup> December, 2021 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 M/s. Fauji Foundation ("**FF**" or "**Acquirer**") whereby, the Acquirer is acquiring \_\_\_\_% shareholding M/s. Fauji Kabirwala Power Company Limited ("**FKPC**" or "**Target**") from M/s. Asian Development Bank ("**ADB**" or "**Seller**") in accordance with Share Purchase Agreement ("**Agreement**"). All requisite information/documentation pertaining to the application was completed on 27<sup>th</sup> December, 2021.
2. 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. The Phase I competition assessment of the intended transaction has resulted in the following findings:
  - i. The business activities of the undertakings concerned are:
    - a. For the Acquirer: A charitable trust set up in order to provide employment opportunities to Pakistani ex-military personnel and to generate for welfare of ex-servicemen and their families.
    - b. For the Target: Own, operate and maintain a gas-fired \_\_\_\_\_ Mega Watt power generation plant located at Kabirwala and to sell the electricity generated to WAPDA/CPPA-G on behalf of WAPDA.
    - c. For the Seller: Providing assistance to its members and partners by providing loans, technical assistance, grants and equity investments to promote social and economic development.
  - ii. As per the Agreement, the Acquirer intends to further acquire \_\_\_\_\_% shareholding of the Target constituting \_\_\_\_\_ shares. The total amount to be paid as a consideration for \_\_\_\_\_% shareholding is USD \_\_\_\_\_ (Approx. PKR (\_\_\_\_\_)).<sup>1</sup> Furthermore, it is pertinent to mention that the Acquirer already holds \_\_\_\_\_% shareholding of the Target.
  - iii. The relevant product market in this case have been identified as "**Thermal Power Generation (Market 1)** and **Private Power Generation (Market 2)**" and the relevant geographic market is "**Pakistan**" excluding areas served by K-electric.
  - iv. The market share of the Target based on it installed capacity can be estimated to be (\_\_\_\_% in Market 1 and market share for the Market 2 can be estimated to be \_\_\_\_\_%.

The Acquirer (via its shareholding) is active in the relevant markets whereas, its combined market share is estimated to be \_\_\_\_\_% for Market 1 and \_\_\_\_\_% for Market

Post-transaction stake of the Acquirer will increase in the Target and the relevant markets as the Acquirer is already present in the relevant markets via its shareholding, however, market share of the Target will remain unchanged.

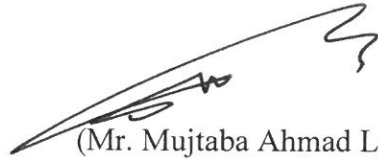


<sup>1</sup> <https://www.sbp.org.pk/ecodata/rates/m2m/2021/Dec/21-Dec-21.pdf>

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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.



(Mr. Mujtaba Ahmad Lodhi)  
*Member*



(Ms. Shaista Bano)  
*Member*



Islamabad the December 28<sup>th</sup>, 2021.