



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

ACQUISITION OF % SHAREHOLDING OF M/S. UCH POWER (PRIVATE) LIMITED AND M/S. UCH-II POWER (PRIVATE) LIMITED BY M/S. SAPPHIRE FIBRES LIMITED AND M/S. MINDBRIDGE (PRIVATE) LIMITED FROM M/S. UPLHC-I LIMITED, M/S. UPLHC-II LIMITED AND M/S. INTERNATIONAL POWER UCH HOLDINGS B.V.

CASE: 1467/Merger-CCP/2024

Commissioner



**Dr. Kabir Ahmed Sidhu
Chairman**

ORDER

1. On 30th July, 2024 the Competition Commission of Pakistan (hereafter the “**Commission**”) received a pre-merger application (hereafter the “**Application**”) from M/s. Sapphire Fibres Limited (hereafter the “**Acquirer 1**”).
2. The Application was made pursuant to Section 11 of the Competition Act, 2010 (hereafter the “**Act**”) read in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (hereafter the “**Merger Regulations**”).
3. The proposed transaction entails combined acquisition by Acquirer 1 and M/s. Mindbridge (Private) Limited (hereafter the “**Acquirer 2**”) of % shareholding of both M/s. Uch Power (Private) Limited (hereafter the “**Target 1**”) and M/s. Uch-II Power (Private) Limited (hereafter the “**Target 2**”).
4. M/s. UPLHC-I Limited (hereafter the “**Seller 1**”), M/s. UPLHC-II Limited (hereafter the “**Seller 2**”) and M/s. International Power Uch Holdings B.V. (hereafter the “**Seller 3**”) are selling their shareholding in Target 1 and Target 2 pursuant to the Sale and Purchase Agreement (hereafter the “**Agreement**”).
5. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Commission carried out Phase I competition assessment of the intended transaction which has revealed business activities of the undertakings concerned as follows:
 - 5.1. The Acquirer 1: M/s. Sapphire Fibres Limited is a publicly listed company incorporated under the laws of Pakistan, engaged in the manufacturing and sale of yarn, fabrics and garments. The Acquirer 1 through its subsidiary M/s. Sapphire Electric Company is active in power generation.
 - 5.2. The Acquirer 2: M/s. Mindbridge (Private) Limited is a private limited company incorporated under the laws of Pakistan, engaged in export of information technology-enabled services such as inbound and outbound call centres.
 - 5.3. The Target 1: M/s. Uch Power (Private) Limited is a private limited company incorporated under the laws of Pakistan. Its principle activity is to operate and maintain a gas powered station having gross capacity of MW.
 - 5.4. The Target 2: M/s. Uch-II Power (Private) Limited is a private limited company incorporated under the laws of Pakistan. Its principle activity is to operate and maintain a gas powered station having gross capacity of MW.
 - 5.5. The Seller 1: M/s. UPLHC-I Limited is a private limited company incorporated under the laws of United Arab Emirates. Its principal activity is of a holding company.
 - 5.6. The Seller 2: M/s. UPLHC-II Limited is a private limited company incorporated under the laws of United Arab Emirates. Its principal activity is of a holding company.
 - 5.7. The Seller 3: M/s. International Power Uch Holdings B.V. is a private limited company incorporated under the laws of the Netherlands. Its principal activity is to invest in power generation and sale activities of power and gas.



6. As per the Agreement, Acquirer 1 and Acquirer 2 are proposing to collectively acquire % shareholding in Target 1 and Target 2 in the following manner:
- 6.1. Acquirer 1 is proposing to acquire shares representing % shareholding while Acquirer 2 intends to acquire representing % of the shareholding of Target 1 (remaining shares will be held by nominee directors). These shares will be acquired from Seller 1 and Seller 2 for a sum of USD (approx. PKR), and
- 6.2. Acquirer 1 is proposing to acquire shares representing % of the shareholding while Acquirer 2 intends to acquire representing % of the shareholding of Target 2 (remaining shares will be held by nominee directors). These shares will be acquired from Seller 3 for a sum of USD (approx. PKR)
7. The relevant product market, in this case, has been identified as “**Thermal Power Generation- Independent Power Producer**” while the relevant geographic market is “**Pakistan**”.
8. The Acquirer 1 through its subsidiary is active in the same relevant market as Target 1 and Target 2 making this transaction a horizontal merger.
9. The Acquirer 1 will increase its estimated market presence in thermal from % to % while Acquirer 2 will enter in the relevant market with an initial stake of % market share post merger.
10. The proposed transaction will not result in dominance of the Acquirers in the relevant market, post-transaction, as determined under Section 2(1)(e) read with Section 3 of the Act. Therefore, the said transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
11. Notwithstanding the above, matters which may fall outside the scope of the Commission’s purview, remain subject to applicable laws.
12. It is so ordered.



(Dr. Kabir Ahmed Sidhu)
Chairman



Islamabad the 7th DAY OF OCTOBER, 2024.