

BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF SUBSCRIPTION OF 79% ORDINARY SHARES IN M/S.  
THALNOVA POWER THAR (PVT.) LTD BY M/S. CMEC THALNOVA POWER  
INVESTMENTS LIMITED

CASE: 963/Merger-CCP/18

Commission

Ms. Vadiyya Khalil  
Chairperson



Dr. Shahzad Ansar  
Member

## ORDER

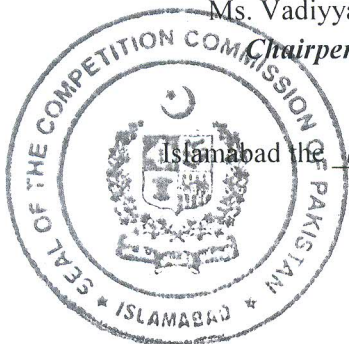
1. On the 30<sup>th</sup> of April, 2018, the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") sent by M/s. CMEC ThalNova Power Investments Limited ("**CMEC ThalNova**" or "**Acquirer**") notifying the Commission of its subscription of 49% ordinary shares in M/s. ThalNova Power Thar (Pvt.) Ltd ("**ThalNova Power**" or "**Target**"), pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**"). Certain information relevant to the case was submitted on 24th May 2018.
2. The Commission has examined the pre-merger application as well as all the documents attached therewith, the market scenario, and its observations on the basis of independent research/investigation in the relevant market. The Phase I competition assessment of the intended acquisition has resulted in the following findings:
  - i. The business activities of the concerned parties are:
    - a. For the Acquirer: Investment company.
    - b. For the Target: SPV to develop and operate a 330 MW mine mouth coal based power plant in Thar Coalfields, District Tharparkar, Sindh.
  - ii. As per the Application, CMEC ThalNova intends to subscribe to 49% ordinary shares in ThalNova Power. The aggregate cash purchase price for this transaction is US\$ (PKR /-), which is the transaction value in this case.
  - iii. The relevant product market is Power Generation, while the relevant geographic market is Pakistan. As the Target has yet to begin operations, its share of the relevant market is currently Nil. Once operational, the Target will have a market share of 100% (based on capacity).
  - iv. The transaction is not likely to result in the creation or strengthening of dominant position in the relevant market. The intended merger does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Act.
3. In conclusion, the proposed transaction is unlikely to substantially lessen competition through the creation or strengthening of a dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.

*Vadiya Khalil*

Ms. Vadiya Khalil  
Chairperson

*Dr. Shahzad Ansar*  
13/06/2018

Dr. Shahzad Ansar  
Member



Islamabad the 13<sup>th</sup> JUNE 2018