

BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF SHARES IN M/S. DHA COGEN
LIMITED BY M/S. PAKISTAN DEFENCE OFFICERS HOUSING AUTHORITY

CASE: 1067/Merger-CCP/19

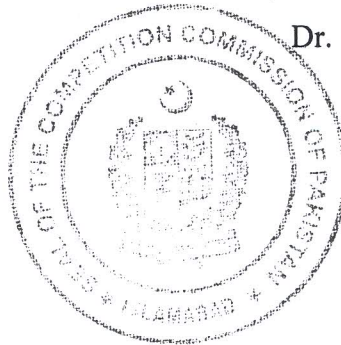
Commission

Ms. Vadiyya Khalil

Chairperson

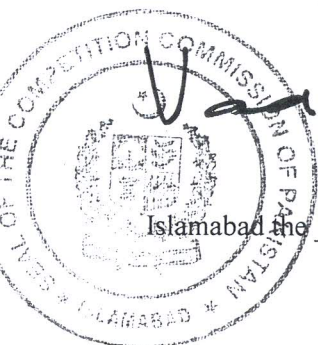
Dr. Shahzad Ansar

Member



ORDER

1. The Competition Commission of Pakistan ("**Commission**") is in receipt of a pre-merger application ("**Application**") sent by M/s. Pakistan Defence Officers Housing Authority ("**DHA**" or "**Acquirer**") notifying the Commission of the acquisition of _____ shares in M/s. DHA Cogen Limited ("**DHA Cogen**" or "**Target**") by DHA, pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**").
2. The Commission has examined the 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 transaction has resulted in the following findings:
 - i. The business activities of the concerned parties are:
 - a. For the Acquirer: Public benefit corporation that governs housing, commercial and municipal services for Defence neighborhoods across Pakistan.
 - b. For the Target: Design, build, own and operate a _____ gross combined-cycle gas-fired power plant and water desalination co-generation facility in Phase VIII of Karachi Defense Housing Authority.
 - ii. As per the Application, DHA intends to acquire _____ shares in DHA Cogen. The transaction is a discharge of liabilities and transfer of shares whereby the Acquirer is settling the outstanding liabilities of the Target. The consideration for this acquisition is PKR _____, which is the transaction value in this case.
 - iii. The relevant product markets in this case have been identified as that of "Power Generation" and "Water Desalination." In the market for Power Generation, the relevant geographic market is Pakistan, while in the market for Water Desalination, the relevant geographic market is that of the area of Defence Housing Authority, Karachi. The Target has been non-operational since 2010, therefore its share of both markets is currently nil.
 - iv. The transaction is not likely to result in the creation or strengthening of dominant position in the relevant market. The intended transaction 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.



(Ms. Vadiyya Khalil)
Chairperson

Islamabad the

January 24, 2020

(Dr. Shahzad Ansari)
Member