



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF SUBSCRIPTION OF % SHAREHOLDING OF M/S.  
NEXGEN AUTO (PRIVATE) LIMITED BY M/S. NISHAT POWER LIMITED AND  
M/S. NISHAT CHUNIAN POWER LIMITED

CASE NO. 1555/Merger-CCP/2025



Dr. Kabir Ahmed Sidhu  
*Chairman*

## ORDER

1. On 30 July 2025, M/s. Nishat Power Limited (“**Acquirer 1**”) and M/s. Nishat Chunian Power Limited (“**Acquirer 2**”) (collectively, the “**Acquirers**”) jointly submitted a pre-merger application (the “**Application**”) to the Competition Commission of Pakistan (the “**Commission**”). The application is related to subscription of % shareholding in M/s. Nexgen Auto (Private) Limited (the “**Target**”) by the Acquirers. The transaction is proposed to be carried out in accordance with the terms and conditions of an Ordinary Shares Subscription Arrangement (the “**Agreement**”) dated 21 July, 2025.
2. The Application was filed under Section 11 of the Competition Act, 2010 (the “**Act**”) read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “**Merger Regulations**”).

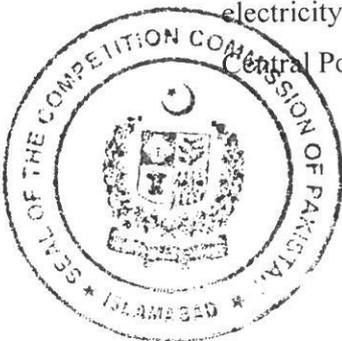
### Merger Parties

#### **Acquirer 1**

3. Nishat Power Limited (**NPL**) is a public limited company incorporated in Pakistan on 23 February 2007 and is listed on the Pakistan Stock Exchange (**PSX**). It operates as an Independent Power Producer (**IPP**) under Pakistan’s Power Policy 2002.  
NPL is a subsidiary of Nishat Mills Limited, a flagship company of the Nishat Group. The company owns and operates a 200 MW furnace oil-based thermal power plant located near Kasur in Punjab. Its primary business is the generation and sale of electricity to the national grid under a long-term Power Purchase Agreement with the National Transmission and Dispatch Company (**NTDC**).

#### **Acquirer 2**

4. Nishat Chunian Power Limited (**NCPL**) is a public limited company incorporated in Pakistan on 23 February 2007 and is listed on the PSX. It operates as an IPP under Pakistan’s Power Policy 2002. NCPL is a subsidiary of Nishat Chunian Limited, which is part of the broader Nishat Group. The company owns and operates a 200 MW residual fuel oil (**RFO**) based thermal power plant located near Jambar Kalan, Punjab. It supplies electricity to the national grid under a 25-year Power Purchase Agreement with the Central Power Purchasing Agency (**CPPA-G**), which became effective in July 2010.



### **Target**

5. Nexgen Auto (Private) Limited (**NexGen**) is a private limited company incorporated in Pakistan on 9 August 2024. It is a part of the Nishat Group and is engaged in the automobile sector with a focus on the assembly and distribution of New Energy Vehicles (**NEVs**) within Pakistan.
6. NexGen has entered into strategic agreements, including a technical collaboration with Chery Automobile Co. Ltd. of China (**Chery**), to introduce the Omoda and Jaecoo NEV brands into the local market. The company is currently establishing its local assembly operations with Completely Knocked Down (**CKD**) units, and commercial production is scheduled to commence by October–November 2025.

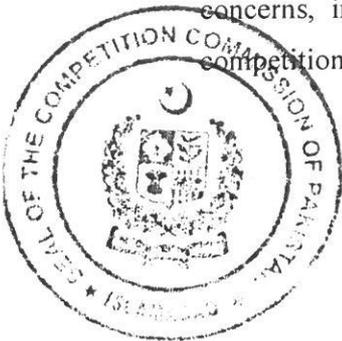
### **Transaction**

7. The transaction entails the subscription of new shares by the Acquirers in the Target. The Target shall issue a total of \_\_\_\_\_ ordinary shares with a value of PKR 10 each, of which \_\_\_\_\_ shares shall be subscribed by Acquirer 1, and \_\_\_\_\_ shares shall be subscribed by Acquirer 2 (**Transaction**). The aggregate value of the transaction amounts to PKR \_\_\_\_\_.
8. Following completion, the Acquirers will jointly hold approximately \_\_\_\_\_ % of the issued and paid-up share capital of the Target.

### **Phase-I Competition Assessment**

#### **Procedural Review**

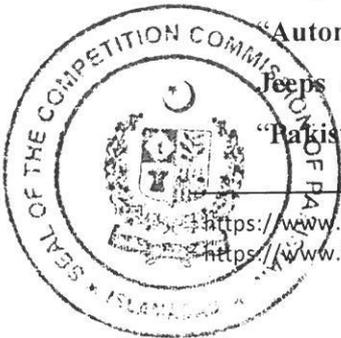
9. Based on the Application, the Commission undertook a Phase-I review to assess the competitive implications of the Transaction. The evaluation included an examination of the documentation, to determine compliance with the provisions of the Act and the Merger Regulations. The assessment specifically focused on potential competitive concerns, including issues related to market dominance and the overall impact on competition post-merger.



### Relevant Market

10. The automobile sector is a vital segment of Pakistan’s manufacturing industry, contributing approximately % to the national GDP.<sup>1</sup> It encompasses the production and import of passenger vehicles, light and heavy commercial vehicles (LCVs and HCVs), tractors, two-/three-wheelers, and electric vehicles (EVs). According to the Pakistan Economic Survey 2024–25<sup>2</sup>, the sector has demonstrated a strong recovery, recording overall growth of %. This rebound is attributed to improved macroeconomic indicators, exchange rate stability, and reduced borrowing costs, which have collectively enhanced market confidence and industry performance.
11. In tandem with this sector-wide recovery, the electric and hybrid vehicle ecosystem has gained significant traction. The electric two- and three-wheeler segment remains the most active in the broader EV landscape. In the first nine months of FY2025, production reached units, with cumulative output since FY2022 totaling units. As of March 2025, 57 manufacturers held licenses for these vehicles, with 13 new certificates issued during this period. This growth is supported by the Automotive Industry Development and Export Policy 2021–26 (AIDEP 21-26), which offers fiscal incentives, tax exemptions, and reduced electricity tariffs, aligning with national strategies like Clean Green Pakistan and Make in Pakistan.
12. Within this evolving landscape, the Target has adopted a forward-looking strategy centered on NEVs, with a particular focus on hybrid and electric models, in alignment with the Government of Pakistan’s National Energy Vehicle Policy and global automotive trends. However, the Target’s operational scope is not confined exclusively to NEVs. The selection and introduction of vehicle types, models, and variants will be responsive to consumer demand, global supply chain dynamics, and domestic regulatory frameworks.
13. In light of the above, the relevant product market in this case has been identified as **“Automobiles – Passenger Cars, Light Commercial Vehicles (LCVs), Vans and Jeeps including New Energy Vehicles”** and the relevant geographic market is **“Pakistan”**.

<sup>1</sup>[https://www.invest.gov.pk/automobiles?language\\_id=en](https://www.invest.gov.pk/automobiles?language_id=en)  
<sup>2</sup>[https://www.finance.gov.pk/survey/chapter\\_25/Highlights.pdf](https://www.finance.gov.pk/survey/chapter_25/Highlights.pdf)



### Market Share

14. Considering the fact that the Acquirers are part of the Nishat Group, which is already active in the automobile sector, mainly in passenger vehicle segment through Hyundai Nishat Motor (Private) Limited (**Hyundai**), it is considered pertinent to first examine Hyundai's position and market share within the said segment as part of the competitive assessment.
15. Hyundai is actively engaged in the passenger vehicle segment of automobile sector in Pakistan, involved in the assembly, manufacturing, marketing, distribution, and sales of passenger cars. It operates across multiple segments of the passenger vehicle market in Pakistan, including sedans, sport utility vehicle (**SUVs**), and LCVs powered by internal combustion engines, as well as hybrid and battery electric vehicles imported as completely built units (**CBUs**).
16. Its product portfolio includes locally assembled models such as the Elantra, Sonata, Tucson, Santa Fe (hybrid SUV), and Porter H-100 (LCV), along with imported electric vehicles such as the Ioniq 5 and Ioniq 6, which are fully electric models. As per the application, Hyundai holds an estimated % market share in the passenger vehicle sector mainly focused on mid to high-end sedans and SUVs through a combination of local assembly and imports in FY2024–25.
17. The passenger automobile sector in Pakistan is currently dominated by a few large incumbents, with a growing presence of new entrants. Based on production and sales data for 2024–25 submitted in the Application, Pak Suzuki Motor Company Limited (**Suzuki**) continues to be the largest player, holding approximately % share in both production and sales. Indus Motor Company Limited (**Toyota**) follows with around %, while Honda Atlas Cars (Pakistan) Limited (**Honda**) maintains a % share. Hyundai accounts for about %, whereas other players such as Sazgar Engineering Works Limited, Dewan Farooque Motors Limited, and Gandhara Automobiles Limited collectively contribute the remaining %.

18. Within the NEV market segment, encompassing both hybrid and fully electric passenger vehicles, market penetration remains at a nascent stage but is gradually advancing in alignment with government policy initiatives. In 2024. As per applicant, Hyundai



recorded sales of units in 2024 through its models such as Ioniq 5, Ioniq 6, Santa Fe Hybrid and Elantra Hybrid. The aforementioned Hyundai sales account for % of the total market share in the passenger vehicle segment. The Target has yet to commence commercial operations and, as such, currently does not contribute to the market share in the relevant market.

### Competition Analysis

19. Although, the Acquirers do not hold a direct shareholding in Hyundai, it is noted that Hyundai is a part of the Nishat Group. Furthermore, Hyundai imports and markets the Ioniq 5 and Ioniq 6 models, which are fully electric SUVs. In parallel, upon the commencement of the Target's commercial operations, given its intended focus on the assembly and distribution of electric SUVs under the Omoda and Jaecoo brands, in partnership with Chery. In view of the foregoing, a potential indirect horizontal overlap has been identified between Hyundai and the Target within the relevant market.
20. Notwithstanding the existence of a horizontal overlap between the Target and Hyundai, the associated risks of unilateral and/or coordinated effects are considered inherent in intra-group structures. Nevertheless, the proposed transaction is not anticipated to increase these risks or significantly change the current competitive landscape.
21. Furthermore, post transaction, the combined market share of the Acquirers' group entities, including Hyundai and the Target, will remain significantly below the statutory threshold for a presumption of dominance as defined under Section 2(1)(e) of the Competition Act, 2010.
22. The Target's entry into the NEVs segment is consistent with the Government of Pakistan's National Electric Vehicle Policy 2025–2030. The transaction is expected to contribute to broader policy objectives by enhancing consumer choice, fostering innovation, and accelerating the adoption of hybrid and electric vehicles in the country.
23. The passenger vehicle segment in Pakistan is presently dominated by established incumbents such as Suzuki, Toyota, and Honda. However, the market is witnessing the entry of new participants establishing local assembly operations, thereby enhancing competitive dynamics. Despite high entry barriers such as capital intensity, regulatory



requirements, and scale economies, the entry of new players and supportive NEV policies suggest increasing competitive pressure in the sector.

24. It is further noted that the Acquirers' principal business activities lie within the power generation sector. Their diversification into the automotive sector through investment in the Target is not anticipated to result in the foreclosure of inputs or customers, nor is it likely to confer any conglomerate advantages that would adversely affect competition in the relevant market.
25. In light of the foregoing, the Commission is of the view that the proposed Transaction is not likely to substantially lessen competition or facilitate coordinated behaviour among undertakings in the relevant market.

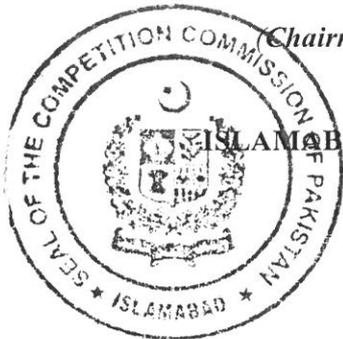
**Determination**

26. Based on the information provided, the Commission concludes that the proposed Transaction does not create or strengthen a dominant position in the relevant market, as defined under Section 2(1)(e) read with Section 11 of the Act and the Merger Regulations. Accordingly, the proposed Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
27. Notwithstanding the above, matters which may fall outside the scope of the Commission's jurisdiction, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.
28. It is so ordered.



Dr. Kabir Ahmed Sidhu

(Chairman)



ISLAMABAD, Sept 30<sup>th</sup>, 2025.