



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF APPROXIMATELY % OF THE
PAID-UP ORDINARY SHARE CAPITAL OF M/S. ENGRO POWERGEN THAR
(PRIVATE) LIMITED BY M/S. LIBERTY POWER HOLDING (PRIVATE)
LIMITED, M/S. SOORTY ENTERPRISES (PRIVATE) LIMITED, M/S. PROCON
ENGINEERING (PRIVATE) LIMITED FROM M/S. ENGRO ENERGY LIMITED.

CASE: 1456/Merger-CCP/2024



Mr. Kabir Ahmed Sidhu
Chairman

ORDER

1. On 12th June, 2024 the Competition Commission of Pakistan (hereafter the “**Commission**”) received a pre-merger application (hereafter the “**Application**”) from the following:
 - (i) M/s. Liberty Power Holding (Private) Limited (hereafter the “**Acquirer 1**”);
 - (ii) M/s. Soorty Enterprises (Private) Limited (hereafter the “**Acquirer 2**”); and
 - (iii) M/s. Procon Engineering (Private) Limited (hereafter the “**Acquirer 3**”), hereinafter all parties collectively referred to as “**Acquirers**”).
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 intended acquisition of approximately % shareholding of M/s. Engro Powergen Thar (Private) Limited (hereafter the “**Target**”) from M/s. Engro Energy Limited (hereafter the “**Seller**”) pursuant to a Share Purchase Agreement dated 4th April 2024 (hereafter the “**Share Purchase Agreement**”).
4. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Phase I competition assessment of the intended transaction has revealed the following facts:

4.1. The business activities of the undertakings concerned are:

- (i) The Acquirer 1: It is a private limited company incorporated under the laws of Pakistan. It is a wholly owned subsidiary of M/s. Liberty Mills Limited, which is one of the largest exporters involved in the manufacturing and processing of textile-related products. The Acquirer 1 is a recently established company which main purpose is to manage the portfolio of power generation companies within Liberty Group being the holding company.
- (ii) The Acquirer 2: It is a private limited company incorporated under the laws of Pakistan. The main business of the company is manufacturing and sales of denim products (comprising of spinning, weaving and ready-made garments).
- (iii) The Acquirer 3: It is a private limited company incorporated under the laws of Pakistan. The company is engaged in the manufacturing of automotive parts and components, non-woven fabric products and foam products.
- (iv) The Target: It is a private limited company incorporated under the laws of Pakistan. The Target is engaged in the business of power generation and supplying electricity to the national grid through its MW mine mouth coal-based power plants.



(v) The Seller: It is an unlisted public company incorporated under the laws of Pakistan and is a wholly owned subsidiary of M/s. Engro Corporation Limited and acts as a holding company for investments in the power sector. It presently holds _____ % shareholding of the Target entity.

- 4.2. As submitted in the Application and set out in the Share Purchase Agreement, the proposed merger comprises of an acquisition by the Acquirers of total _____ shares (collective _____ % shareholding) of the Target company from the Seller in accordance with the terms and conditions set forth in the Share Purchase Agreement.
- 4.3. Acquirer 1 will purchase _____ shares (_____ % shareholding), Acquirer 2 will acquire _____ shares (_____ % shareholding) while Acquirer 3 will take possession of _____ shares (_____ % shareholding). The Seller's stake in the Target is valued at PKR _____, subject to specific adjustments outlined in the Share Purchase Agreement.
- 4.4. The relevant product market in this case has been identified as "Power Generation - (CPPA-G system)" and the relevant geographic market is "Pakistan".
- 4.5. As per the Application, the Target's market share as per its capacity is _____ % which shall remain the same post-transaction. The Acquirers will have an increased presence in the Power Generation sector and their stake will be raised from _____ % to _____ %.
5. The proposed transaction will not result in dominance of the Acquirer 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.
6. Notwithstanding the above, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws
7. It is so ordered.

Dr. Kabir Ahmed Sidhu
Chairman



July 23, 2024.