



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF SHAREHOLDING OF M/S. MUGHAL
ENERGY LIMITED BY M/S. MUGHAL IRON & STEEL INDUSTRIES LIMITED.

(EX-POST FACTO)

CASE: 1438/Merger-CCP/2024

Date of Hearing

25 February 2026

Commission



Ms. Bushra Naz Malik

Member

Represented on behalf of:

ACQUIRER & TARGET (APPLICANTS)

M/s. Mughal Iron & Steel Limited

M/s. Mughal Energy Limited

Mr. Abdul Rehman Qureshi, Legal Counsel.

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ORDER

1. This order disposes of the proceedings emanating from hearing notices number F.NO 1438/MERGER-CCP/2024/1875 and F.NO 1438/MERGER-CCP/2024/1876 dated 12 February 2026 (the "Notice"), under Section 11(12) of the Competition Act, 2010 (the "Act"). The aforesaid Notices were issued to M/s. Mughal Iron & Steel Limited (the "MISIL" or "Acquirer") and M/s. Mughal Energy Limited (the "MEL" or "Target") (collectively referred as the "Applicants" or "Merger Parties") for *prima facie* violation of sub-sections (1) to (4) of Section 11 of the Act read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the "Merger Regulations").

Factual Background

2. The Competition Commission of Pakistan (the "Commission"), pursuant to Section 11 of the Act, received an application dated 20 March 2024 jointly filed by the Applicants (the "Application") seeking *ex post facto* authorization for the acquisition of shares of the Target by the Acquirers pursuant to the Share Sale Agreement dated 23 October 2023 executed with sellers (the "Agreement"). Consequently, pursuant to the Agreement, the Acquirer purchased common shares of the Target from the Sellers (the "Transaction").
3. The Commission noted that the Transaction was consummated without obtaining the requisite approval of the Commission. Accordingly, a hearing in the matter was held on 25 February 2026 at the Commission's office, Islamabad.
4. During the hearing, the Counsel for the Applicants explained the nature and structure of the Transaction and contended that it shall not have any adverse effect on competition within the relevant market in Pakistan. During the hearing, the Bench directed the Merger Parties to submit an undertaking that the Merger Parties did not obtain the requisite pre-merger approval as mandated under the Act and directed the Applicants to ensure compliance with the relevant provisions of the Act regarding any merger in future.



Merger Parties

Acquirer

5. MISIL is a public listed company incorporated under the laws of Pakistan on 16 February 2010. The principal activity of MISIL is the business as manufacturers, toll manufacturers, exporters, traders, distributors, dealers, wholesalers, retailers, importers, e-commerce market place of all kinds of iron & steel items and products including but not limited to iron and steel scrap, billets, ingots, rebars, girders, tee iron, channels, angles etc.

Target

6. MEL is a publicly unlisted company incorporated under the laws of Pakistan on 29 August 2012. The principal activity of MEL is the businesses of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity and all other forms of energy and products or services associated therewith and of promoting the conservation and efficient use of electricity and to perform all other acts which are necessary or incidental to the business of electricity generation, transmission, distribution and supply. However, the Target has not yet commenced operations.

Sellers

7. Sellers are eight (08) individuals and collectively owned shareholding of the Target.

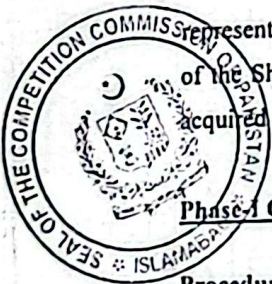
Transaction

8. As set out in the Application, the Transaction involves the acquisition by the Acquirer of ordinary shares and Class-B shares of the Target from the Sellers, representing shareholding of the Target, in accordance with the terms and conditions of the Share Sale Agreement dated 23 October 2023. The aggregate consideration for the acquired shares amounts to PKR which is considered the transaction value.

Phase-I Competition Assessment

Procedural Review

9. Based on the Application and the subsequent information obtained thereto, the Commission conducted a Phase-I competition assessment of the Application, including supporting



documentation, to evaluate compliance with the Act and the Merger Regulations, particularly focusing on potential competition concerns post-merger.

Relevant Market

10. The Acquirer is engaged in manufacturing of steel products and the Target has not commenced its operations, however, once operational it will be engaged in production of electric power which will be provided to the Acquirer. Electricity generation is defined as electricity generated from fossil fuels, nuclear power plants, hydro power plants (excluding pumped storage), geothermal systems, solar panels, biofuels, wind, etc. It includes electricity produced in electricity-only plants and in combined heat and power plants.
11. Taking the above into account, the relevant market determined in this case comprises of "Power Generation - Captive" as product market and the geographic market is identified as "Sheikhupura - Punjab".

Market Share

12. Currently the Target has not commenced operations, while it has a license for generating power up to 55 MW. Nevertheless, after commencing operations, the Target will not distribute power to the national grid but will only supply power to the Acquirer.
13. The Transaction will not affect market shares, as the Target will supply electricity exclusively to the Acquirer and will not commercially provide power to any other undertaking. Accordingly, the Transaction will result solely in a change of control at the level of the Target and the Acquirer.

Competition Analysis

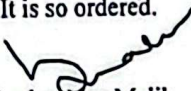
14. The Transaction does not involve any horizontal integration. While a vertical integration between the Target and the Acquirer will arise once the Target becomes operational, such integration will not give rise to any appreciable adverse effect on competition in the relevant market in Pakistan. Accordingly, the Transaction is unlikely to substantially lessen competition or result in the creation or strengthening of a dominant position.



Determination

15. The Commission concludes that the 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. The Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
16. Notwithstanding the above, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.

17. It is so ordered.


Ms. Bushra Naz Malik

Member

ISLAMABAD, March 06, 2026.

