



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S.
RAFHAN MAIZE PRODUCTS COMPANY LIMITED BY M/S. NISHAT HOTELS
AND PROPERTIES LIMITED, M/S. D.G KHAN CEMENT COMPANY LIMITED,
M/S. NISHAT MILLS LIMITED, M/S. LALPIR POWER LIMITED, M/S. PAKGEN
POWER LIMITED, M/S. NISHAT POWER LIMITED, M/S. NISHAT CHUNIAN
POWER LIMITED, BEGUM NAZ MANSHA, MR. RAZA MANSHA, MR. UMER
MANSHA AND MR. HASSAN MANSHA.

CASE: 1586/Merger-CCP/2026




Ms. Bushra Naz Malik
Member

ORDER

1. The Competition Commission of Pakistan (the “**Commission**”) received a pre-merger application (the “**Application**”), jointly submitted by M/s. Nishat Hotels and Properties Limited (the “**Acquirer 1**), M/s. D.G Khan Cement Company Limited (the “**Acquirer 2**), M/s. Nishat Mills Limited (the “**Acquirer 3**), M/s. Lalpir Power Limited (the “**Acquirer 4**), M/s. Pakgen Power Limited (the “**Acquirer 5**), M/s. Nishat Power Limited (the “**Acquirer 6**), M/s. Nishat Chunian Power Limited (the “**Acquirer 7**), Begum Naz Mansha (the “**Acquirer 8**), Mr. Raza Mansha, (the “**Acquirer 9**), Mr. Umer Mansha (the “**Acquirer 10**), and Mr. Hassan Mansha (the “**Acquirer 11**), (collectively referred as the “**Acquirers**”) pertaining to the proposed acquisition of % shareholding of M/s. Rafhan Maize Products Company Limited (the “**Target**”) from M/s. Ingredion Incorporated (the “**Majority Seller**”) and 28 Individual Sellers (the “**Other Sellers**”) pursuant to Share Purchase Agreement (the “**Agreement**”). The requisite information was subsequently furnished by the Applicants on 23rd April, 2026.
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**”).

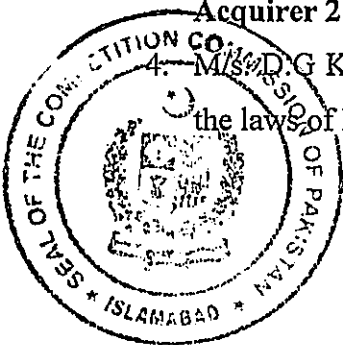
Merger Parties

Acquirer 1

3. M/s. Nishat Hotels and Properties Limited is a public limited company incorporated under the laws of Pakistan. It operates and manages a diverse portfolio of properties, including a shopping mall, hotel and banquet halls under the name of Nishat Emporium and Nishat Hotel. It also operates in the business of real estate development under the name and style of Nishat Residencies that comprise of residential apartments.

Acquirer 2

4. M/s. D.G Khan Cement Company Limited is a public listed company incorporated under the laws of Pakistan. It manufactures and sells cement and clinker products.



[Handwritten signature]

Acquirer 3

5. M/s. Nishat Mills Limited is a public listed company incorporated under the laws of Pakistan. It is engaged in manufacturing of yarn, greige cloth, processed cloth, garments and towels.

Acquirer 4

6. M/s. Lalpir Power Limited is a public listed company incorporated under the laws of Pakistan. Its principal activity is to own, operate and maintain a fuel fired power station having gross capacity of MW in Mehmood Kot, Muzaffargarh, Punjab.

Acquirer 5

7. M/s. Pakgen Power Limited is a public listed company incorporated under the laws of Pakistan. Its principal activity is to own, operate and maintain a fuel fired power station having gross capacity of MW in Mehmood Kot, Muzaffargarh, Punjab.

Acquirer 6

8. M/s. Nishat Power Limited is a public listed company incorporated under the laws of Pakistan. Its principal activity is to build, own, operate and maintain a fuel fired power station having gross capacity of MW in Jamber Kalan, Pattoki, Punjab.

Acquirer 7

9. M/s. Nishat Chunian Power Limited is a public listed company incorporated under the laws of Pakistan. Its principal activity is to build, own, operate and maintain a fuel fired power station having gross capacity of MW.

Acquirer 8

10. Begum Naz Mansha is a wife of Mr. Mian Muhammad Mansha, who is a Pakistani industrialist, entrepreneur, and founder of the Lahore-based Nishat Group.

Acquirer 9

11. Mr. Raza Mansha is the Chairman of the Acquirer 1 and Chief Executive Officer of the



Acquirer 10

12. Mr. Umer Mansha is the CEO of the Acquirer 3.

Acquirer 11

13. Mr. Hassan Mansha is the Chairman of the Acquirer 4 and the Acquirer 6 while also being CEO of the Acquirer 5.

Target

14. M/s. Rafhan Maize Products Company Limited is a public listed company incorporated under the laws of Pakistan. It is engaged in the production of starch, glucose, sweeteners and other value added products in diverse sectors including food, beverages, textile, paper and pharmaceuticals.

Majority Seller

15. M/s. Ingredion Incorporated is a public listed company incorporated under the laws of United States of America. It is a fortune 500 company and one of the world's leading providers of ingredient solutions. It is selling % of the Target paid up ordinary share capital.

Other Sellers

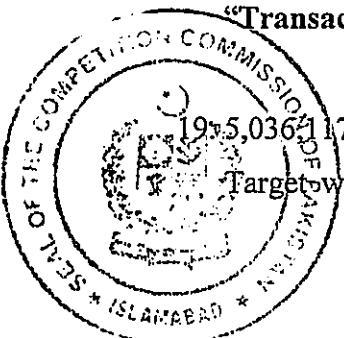
16. There are 28 individual sellers who are selling their shares to the Acquirers. They are collectively selling % of the Target paid up ordinary share capital.

Transaction

17. In accordance with the Agreement, the Acquirers will acquire up to ordinary shares of the Target constituting % of the paid up ordinary share capital of the Target at a purchase price of PKR - per share.

18. Total consideration for the proposed acquisition representing % shareholding of the Target is PKR /- which is deemed to be the transaction value (the "Transaction").

19. 5,036,117 ordinary shares representing % of paid up ordinary share capital of the Target will be acquired from the Majority Seller. Whereas, ordinary shares



representing 20.58% of paid up ordinary share capital of the Target will be acquired from the Other Sellers.

20. Shares would be acquired as per the detail stated in table below.

Name	No of shares to be acquired
Nishat Hotels and Properties Limited	
Nishat Mills Limited	
D.G Khan Cement Company Limited	
Nishat Power Limited	
Nishat Chunian Power Limited	
Lalpir Power Limited	
Pakgen Power Limited	
Begum Naz Mansha	
Umer Mansha	
Raza Mansha	
Hassan Mansha	
Total	

21. The Transaction will trigger a Mandatory Public Offer (Offer) to be made in accordance with the Securities Act 2015 and the Listed Companies Regulations 2017. Therefore, as a result of the Offer, shareholding of the Acquirers in the Target may increase further.

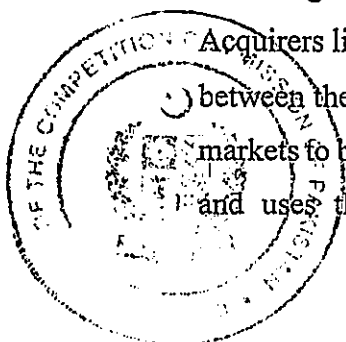
Phase-I Competition Assessment

Procedural Review

22. Based on the Application and information obtained subsequent to the Application, the Commission conducted a Phase-I competition assessment of the Application including supporting documentation, to evaluate compliance with the Act and Merger Regulations. The assessment particularly focused on potential competitive concerns, including issues related to market dominance and the overall impact on competition post-merger in the relevant market.

Relevant Market

23. The Target is involved in the production and sale of Maize derivative products. The Acquirers line of business is different from the Target. However, there is a vertical overlap between the Acquirer 3 and the Target, which necessitates that upstream and downstream markets to be looked at separately. The Acquirer 3 is involved in production of textile goods and uses the maize derivative products as sizing agent in weaving stage of textile



production. Therefore, for purposes of competition assessment, the relevant product markets are defined as i) Relevant upstream product market comprising of “Starch”, “Liquid Glucose”, “Dextrose”, “Dextrin”, “Gluten Meals” and ii) Relevant downstream product market comprising of “woven fabric/cloth” while the relevant geographic market is “Pakistan”.

Market Share

24. As per the Application and subsequent information provided, in CY 2025, total industrial production¹ for Starch, Glucose, Dextrose, Dextrin, and Gluten Meals was 250,685 MT, MT, MT, MT, and MT, respectively. During the same period, the Target’s production reached MT, MT, MT, MT, and MT. This corresponds to market shares of %, %, %, %, and % across these categories.

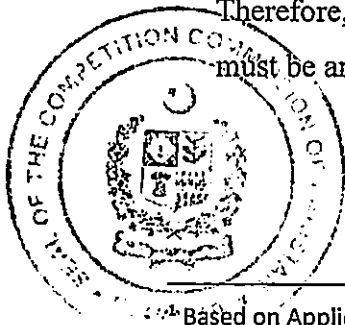
25. M/s. Starchpack (Pvt) Limited (Starchpack) and M/s. Matco Foods Limited (Matco) are other prominent competitors occupying 9-10% market shares each in relevant upstream product market.

26. In relevant downstream product market, the Acquirer 3 produced Sq. meters² of woven fabric/ cloth in FY 2025. Whereas for the same period, total country production was Sq. meter³ resulting in the market share of around %.

Competition Analysis

27. The Transaction entails no horizontal overlap between the Acquirers and the Target as line of business of each is distinct and unique. However, there is a vertical overlap between the Acquirer 3 and the Target as the Acquirer 3 sources Starch from the Target to be used as sizing agent at weaving stage in production of woven fabric/cloth. The Target is an upstream supplier of Starch, whereas the Acquirer 3 is a downstream user of Starch.

Therefore, presence of vertical overlap necessitates that risk of foreclosure (total or partial) must be analyzed.



¹ Based on Applicants estimates and market information

² Annual report 2025

³ PACRA sector report

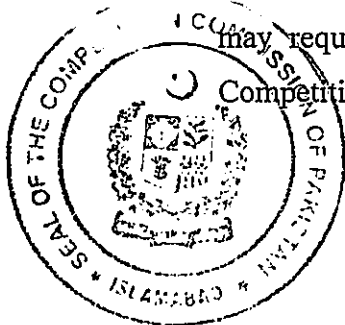
28. Relevant upstream product market is highly concentrated with few players operating with the Target dominating it. Meanwhile, relevant downstream product market is highly competitive and fragmented with multiple large players and hundreds of smaller ones.
29. The Target holds a significant and dominant position in the relevant upstream product market where it has a production capacity more than five times as compared to its nearest competitor. This fact implies the Target having significant market power and gives the Target the ability to foreclose the Starch supply to downstream market participants. However, its ability is restricted and reduced by the spare production capacity of the Target itself and other main competitors such as Starchpack and Matco in relevant upstream product market. Further downstream product market players can also import Starch from abroad to fulfill their needs. Therefore, in presence of multiple alternative domestic and imported sources of Starch, downstream textile manufacturers face can multi-source or substitute inputs within a reasonable timeframe.
30. The volume of Starch supplied to the Acquirer 3 by the Target is negligible compared to the combined volume provided to other industrial customers. Therefore, the Target lacks both the ability and the economic incentive to engage in input foreclosure. Consequently, there is no risk of starving downstream textile competitors of Starch as the vast majority of production remains accessible to the merchant market.
31. The Acquirer 3 does not have enough spare production capacity⁴ to give it an incentive to use input foreclosure at relevant downstream product market to increase its production. Even if the Acquirer 3 operates at full capacity by acquiring more Starch from the Target, it will not have any significant impact on the relevant upstream product market. Given the limited spare production capacity available with the Acquirer 3, it can only consume limited amount of Starch as it cannot go beyond its production capacity.
32. As Starch represents insignificant portion of total cost of woven fabric/cloth for textile manufacturers, any potential price-related partial foreclosure would not result in anti-competitive conditions and the impact on the market would not be strong enough to substantially harm competition as it would not materially alter the cost structure or competitive standing of downstream rivals.



33. The Target enjoys higher profit margins in relevant upstream product market compared with the Acquirer 3 in relevant downstream product market. Therefore, the Acquirer 3 would achieve maximum shareholder value by expanding high-margin sales in the relevant upstream product market rather than diverting volume to the lower-margin downstream product market.
34. The Transaction does not result in creating any barriers to entry in relevant upstream product market or downstream product market. The relevant upstream product market requires high capital investment and economies of scale already achieved by the Target. However prominent new competitors such as Matco and Starchpack have entered in market during last 5 years. Further, most recently the Premier Group has entered in the relevant upstream product market through its Premier Agri Division. The Target market share in relevant upstream product market has declined during the last 3 years. The relevant downstream product market is already very competitive with low barriers to entry.
35. Post-Acquisition, the market share of the Target will remain unchanged in the relevant upstream product market. Therefore, the Transaction is not likely to have any impact on the market competition.
36. In conclusion, the Target lacks the incentive to substantially foreclose access to upstream inputs. This is due to the Target's own spare production capacity, competitors spare production capacity, the availability of alternative suppliers, the feasibility of importing Starch, and the negligible impact of Starch on the total cost of woven fabric. Furthermore, low profit margins and intense competition in relevant downstream product market make such a strategy unfeasible. Total or sustained partial foreclosure is neither technically nor commercially feasible on a scale that would harm competition.
37. In light of the foregoing, the Transaction does not raise any competition concerns. Further, the Transaction would not result in Substantial Lessening of Competition (SLC).

Ancillary Restrictions

38. Application revealed presence of certain ancillary restrictions within the Agreement which may require exemption under Section 5 of the Act, read with Regulation 4 of the Competition Commission (Exemption) Regulations 2020.



Determination

39. Considering the vertical market structures, it is directed that the Acquirer 3 and the Target shall not impose any input and customer foreclosure conditions i.e. where the Target refuses to supply Starch to the rival undertaking of the Acquirer 3 in the relevant downstream product market.
40. Based on the information provided, the Commission concludes that while the transaction entails a vertical overlap, the Target's ability and incentive to engage in input foreclosure is limited. Although the Target is dominant in relevant upstream product market, the Proposed Transaction does not strengthen its dominant position in the relevant upstream product market, as defined under Section 2(1) (e) read with Section 11 of the Act and the Merger Regulations. The Proposed Transaction is hereby authorized under Section 31(1) (d) (i) of the Act.
41. It is hereby clarified that the present assessment is strictly limited to the review of the Transaction under Section 11 of the Act.
42. Without prejudice to sub-section (13) of Section 11, or any other provisions of the Act and Merger Regulations (as amended from time to time), the Commission reserves the right to assess and review the effects of the subject transaction on the relevant market on its own or upon application by any other concerned undertaking (s).
43. 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.

44. It is so ordered,



Ms. Bushra Naz Malik

Member

ISLAMABAD, APRIL 28, 2026

