



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF APPROXIMATELY 10% OF THE  
PAID-UP ORDINARY SHARE CAPITAL OF M/S. ENGRO POWERGEN  
QADIRPUR 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: 1454/Merger-CCP/2024



Mr. Kabir Ahmed Sidhu  
*Chairman*

## ORDER

1. On 6<sup>th</sup> 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 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 Qadirpur Limited (hereafter the “**Target**”) from M/s. Engro Energy Limited (hereafter the “**Seller**”) pursuant to a Share Purchase Agreement dated 4<sup>th</sup> 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: A private limited company incorporated under the laws of Pakistan. It is a wholly owned subsidiary of M/s. Liberty Mills Limited, one of the largest exporters involved in the manufacturing and processing of textile-related products. The Acquirer 1 is recently established company whose main purpose is to manage the portfolio of power generation companies within Liberty Group being the holding company.
- (ii) The Acquirer 2: A private limited company incorporated under the laws of Pakistan, engaged in the manufacturing and sale of denim products (comprising of spinning, weaving and ready-made garments).
- (iii) The Acquirer 3: A private limited company incorporated under the laws of Pakistan, engaged in the manufacturing of automotive parts and components, non-woven fabric products and foam products.
- (iv) The Target: A public listed company incorporated under the laws of Pakistan, engaged in the business of power generation and supply of electricity to the national grid.

(v) The Seller: An unlisted public company incorporated under the laws of Pakistan and is a wholly owned subsidiary of M/s. Engro Corporation



Limited. It acts as a holding company for investments in the power sector and presently holds \_\_\_\_\_ % shareholding of the Target entity.

- 4.2. As submitted in the Application and set out in the Agreement, the proposed merger comprises of an acquisition by the Acquirers of total \_\_\_\_\_ shares (collective \_\_\_\_\_ % shareholding) of the Target from the Seller in accordance with the terms and conditions set forth in the Share Purchase Agreement.
- 4.3. Since the Target is listed on the Pakistan Stock Exchange, the Acquirers are required to make a public offer under the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 to acquire at least \_\_\_\_\_ % of the remaining shares (\_\_\_\_\_ shares). Consequently, an additional \_\_\_\_\_ shares may be acquired, subject to the acceptance of the public offer.
- 4.4. Acquirer 1 will purchase \_\_\_\_\_ shares (\_\_\_\_\_ % shareholding), Acquirer 2 will acquire \_\_\_\_\_ shares (\_\_\_\_\_ % shareholding) while Acquirer 3 will take possession of \_\_\_\_\_ shares (\_\_\_\_\_ % shareholding). The \_\_\_\_\_ % shares of the Target which will be acquired from the Seller, are valued at PKR \_\_\_\_\_, subject to specific adjustments outlined in the Share Purchase Agreement.
- 4.5. The relevant product market in this case has been identified as “**Power Generation - (CPPA-G system)**” and the relevant geographic market is “**Pakistan**”.
- 4.6. 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 Acquirers 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*

Islamabad the July 23, 2024.

