



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**IN THE MATTER OF**

**FIRST PHASE REVIEW**

**ACQUISITION OF      -MILLION SHARES OF M/S. APPOLLO  
PHARMA (PVT.) LIMITED BY M/S. BALTORO GROWTH FUND  
FROM M/S. BANK ALFALAH.**

**CASE: 839-Mergers/CCP/16**

Commission

Ms. Vadiyya Khalil  
**Chairperson**

Mr. Shahzad Ansar  
**Member**



# ORDER

## I. Background

1. The Competition Commission of Pakistan ("Commission") is in receipt of a pre-merger application ("Application") dated 1<sup>st</sup> September, 2016 (received by the Commission on 19<sup>th</sup> September, 2016) sent by M/s. Baltoro Growth Fund ("BGF" or "Acquirer") notifying the Commission of the acquisition of: [redacted] shares of M/s. Appollo Pharma (Pvt.) Limited ("APL" or "Target") from M/s. Bank Alfalah (Pvt.) Limited ("Seller") pursuant to a Share Purchase Agreement ("Agreement").

## II. Parties

### Acquirer:

2. The Acquirer is a fund established under the laws of Mauritius, located in Ebene, Mauritius. It is active in the non-banking financial sector and is engaged in the business of making investments. It has been newly incorporated, in December 2015, and has not achieved financial closing, therefore its assets and turnover are nil.

### Seller:

3. The Seller is a private limited company incorporated under the laws of Pakistan, with its principal office located in Karachi, Pakistan. It is engaged in the provision of banking services. Its income for the financial year ended December 31<sup>st</sup> 2015 was PKR [redacted], whereas its assets stood at PKR [redacted] for the same period.

### Target:

4. The Target is a public unlisted company incorporated under the laws of Pakistan. It is engaged in the business of manufacturing, marketing and sales of pharmaceuticals and



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healthcare products. Its turnover for the financial year ended December 31<sup>st</sup> 2015 was PKR 3.747 billion, whereas its assets stood at PKR \_\_\_\_\_ for the same period.

### III. Transaction

8. As per the Application, BGF intends to acquire \_\_\_\_\_ shares of APL from the Seller pursuant to the Agreement. The transaction value in this case is PKR \_\_\_\_\_
9. The transaction meets the thresholds prescribed in Regulation 4 (2) (a), (b), (c) and (d) of the Merger Regulations as the combined assets of the undertakings are greater than PKR 1 billion. The combined annual turnover of the undertakings is greater than PKR 1 billion. The transaction relates to the acquisition of shares or assets of more than PKR 100 million and the percentage of shares to be acquired are more than 10%.

### IV. The Relevant Market

11. The relevant product market in this case has been identified as that of manufacturing, marketing and sales of pharmaceuticals and healthcare products.
12. This relevant product market includes, *inter alia*, products ranging from antibiotics and allergy medications to antidepressants, medical food supplements, muscle relaxants, and vitamins.
13. As the Target distributes, promotes and markets the relevant products across Pakistan, the Commission has deemed the relevant geographic market to be national in scope, as the conditions of competition are sufficiently homogenous throughout Pakistan.


14. The Target has a market share of \_\_\_\_\_ of the relevant market.




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**V. Findings of the Phase 1 investigation on Competition Assessment**

14. The Acquirer is a fund active in the non-banking financial sector and is engaged in the business of making investments whereas the Target is a public unlisted company engaged in the business of manufacturing, marketing and sales of pharmaceuticals and healthcare products. The Acquirer is not active in the relevant product market, therefore this acquisition is conglomerate in nature. Post merger, the market share of the Target will remain the same.
15. The transaction does not meet the presumption of dominance as determined under Section 2 (1) (e) read with Section 3 of the Competition Act, 2010.
16. In conclusion, there is no evidence that suggests a substantial lessening of competition by the creation or strengthening of dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
17. It is so ordered.

  
(Vadiyya Khalil)  
**Chairperson**

  
(Shahzad Ansar)  
**Member**

