



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**IN THE MATTER OF**

**FIRST PHASE REVIEW**

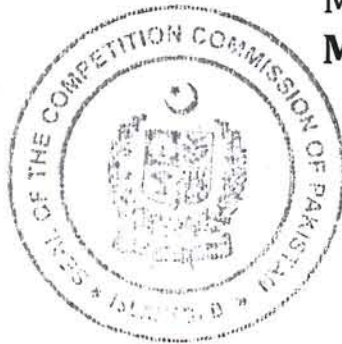
**ACQUISITION OF           SHARES OF OPAL  
LABORATORIES (PRIVATE) LIMITED BY WELLINNOVA  
LIFE SCIENCES (PRIVATE) LIMITED.**

**CASE: 856/Merger-CCP/16**

Commission

Ms. Vadiyya Khalil  
Chairperson

Mr. Ikram ul Haque Qureshi  
Member



# ORDER

## I Background

1 On 28<sup>th</sup> November, 2016, Wellinova Life Sciences (Private) Limited ("WLSPL") (the "Applicant") through their legal advisor Mohsin Tayebaly & Co, submitted a pre-merger application (the "application") to the Commission, for the intended acquisition of \_\_\_\_\_ shares of Opal Laboratories (Private) Limited ("OLPL") (the "Target") by Wellinova Life Sciences (Private) Limited ("WLSPL") (the "Acquirer"), along with the necessary information.

The case is examined as under:-

## II Merger Parties

### Acquirer

2 WLSPL is a recently incorporated (2016) private limited company. It has been incorporated for the execution of the proposed transaction. The holding company of WLSPL is Ijara Holdings (Private) Limited.

3 WLSPL is a recently incorporated undertaking therefore its Turnover is nil, however, the Total Assets of its parent company i.e. Ijara Holdings (Private) Limited as on 30<sup>th</sup> June 2016 were PKR \_\_\_\_\_ while the Turnover remained at PKR \_\_\_\_\_ for the above mentioned period.

### Target

4 OLPL is a private limited company. The principal activity of the company is manufacturing and sales of medicines and drugs.

5 The Total Assets of the Target for the year ended June 30<sup>th</sup> 2016 is PKR \_\_\_\_\_ while the Turnover for the same period remained at PKR \_\_\_\_\_

## III Transaction

6 In the proposed transaction the Acquirer will acquire 100% shares in the Target. The Target will become a wholly owned subsidiary of the Acquirer as a result of execution of the proposed transaction. The Transaction value of the proposed transaction is PKR \_\_\_\_\_

7 The transaction meets the notification thresholds prescribed in Regulation 4(2) (a) (b) (c) & (d) of the Merger Regulations, by having undertaking's assets valuing more than PKR 300 million and turnover of the undertaking being more than PKR 500 million. The transaction value also exceeds PKR 100 million and percentage of shares to be acquired exceeds 10% of the total shareholding of the Target.

### Relevant Market:

The major products of the Target are pharmaceutical products that is why the product market in this case is defined "manufacturing of pharmaceutical products". The Target produces a range of pharmaceutical products. The



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Target has a market share of \_\_\_\_\_ and \_\_\_\_\_ simultaneously for its top three products. The Acquirer is not a participant of the relevant product market.

9 The Relevant Geographic market is Pakistan.

**V Findings of the Phase I investigation on the competition assessment**

10 The competition assessment in Phase I have resulted in the following findings:

- The proposed transaction involves acquisition of 100% shares of the Target (OLPL) by the Acquirer (WLSPL). The Acquirer is a subsidiary of Ijara Holdings (Private) Limited which provides business consulting services. The Target is a participant of the relevant product market. The Target will become a wholly owned subsidiary of the Acquirer as a result of execution of the proposed transaction.
- The merger represents a conglomerate as the merger parties do not belong to the same line of business.
- The Target manufactures a range of pharmaceutical products. Market share of the top three products of the Target are 23.92%, 3.26% and 0.79% simultaneously.
- The relevant product market is a highly competitive market with a large number of participants. Post-merger there will be no change in the market dynamics as the Acquirer will not add any market power to the collective market share of the Acquirer and Target.
- The transaction is not likely to result in creation or strengthening of dominant position in the relevant market. The intended merger does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("the Act").

**VI Conclusion**

11 In conclusion, there is no evidence that suggests a substantial lessening of competition by creating or strengthening of dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31(1) (d) (i) of the Act.

12 It is so ordered.



Vadiyya Khalil  
(Chairperson)



Ikram ul Haque Qureshi  
(Member)



Islamabad 6<sup>th</sup> February, 2017