



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF % SHAREHOLDING IN M/S. CCL  
PHARMACEUTICALS (PRIVATE) LIMITED BY M/S. DHS PHARMA (PVT.)  
LIMITED FROM INDIVIDUAL SELLERS

CASE: 1175/Merger-CCP/2021

Commission

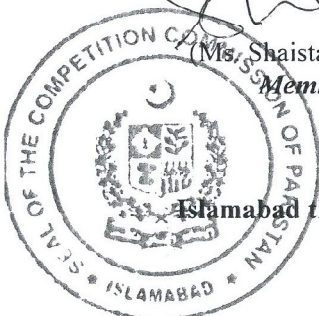
Ms. Shaista Bano  
*Member*



Ms. Bushra Naz Malik  
*Member*

## ORDER

1. On 13<sup>th</sup> August, 2021 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") from M/s. CCL Pharmaceuticals (Private) Limited ("**CCL**" or "**Acquirer**") and M/s. DHS Pharma (Pvt.) Limited ("**DHS**" or "**Acquirer**") whereby DHS intends to acquire 100% shareholding in CCL from Mr. Kashif Sajjad Sheikh ("**Seller 1**"), Mr. Asim Dilawar Sheikh ("**Seller 2**"), Nadeem Bin Javaid Sheikh ("**Seller 3**") and Mr. Hassan Zubair Sheikh ("**Seller 4**") (collectively as "**Sellers**"). All requisite information/documentation pertaining to the application was completed on August 17, 2021.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and made its observations on the basis of an independent research/investigation in the relevant market. The Phase I competition assessment of the intended transaction has resulted in the following findings:
  - i. The business activities of the undertakings concerned are:
    - a. For the Acquirer: import and sale of all sorts of medicines and drugs.
    - b. For the Target: manufacturing and sale of all sorts of medicines, drugs and allied activities.
    - c. For the Sellers: individuals.
  - ii. The proposed transaction involves the Acquirer proposing to buy 100% of the issued share capital (comprising of 100% ordinary shares) of the Target Company from the Sellers. The Acquirer will issue 100% shares valuing PKR 100 to the existing shareholders of Target. Hence, the transaction value can be estimated to be PKR 100 for the share swap arrangement.
  - iii. The relevant market in this case has been identified as "**Manufacture, Sale, and Marketing of Pharmaceutical Products**" and the geographic market is "**Pakistan**".
  - iv. Based on the data provided by *IQVIA Solutions Database for the year ended May 31, 2021*, the estimated market size for the year is approx. PKR 100. The pre-merger estimated market share of the Target is 100% whereas the market share of the Acquirer is nil%. Post-transaction, the market share of the Acquirer will be 100%.
  - v. Currently, there are no overlaps between the merger parties but post-transaction the market conditions may change slightly after the Acquirer starts its operations. However, both undertakings have common shareholding. Post-transaction they will also belong to the same group as the sellers will remain the ultimate beneficiaries.
3. In conclusion, the proposed transaction does not meet the presumption of dominance as determined under Section (2) (1) (e). The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.



(Ms. Shaista Bano)  
Member

(Ms. Bushra Naz Malik)  
Member

Islamabad the August 23<sup>rd</sup>, 2021.