



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN  
FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S.  
STANDPHARM PAKISTAN (PRIVATE) LIMITED BY M/S. CREST GARMENTS  
INTERNATIONAL (PRIVATE) LIMITED

CASE NO. 1565/Merger-CCP/2025



Commission:

Dr. Kabir Ahmed Sidhu  
*Chairman*

## ORDER

1. On 04 September 2025, M/s. Crest Garments International (Private) Limited (“**Acquirer**”) and M/s. Standpharm Pakistan (Private) Limited (“**Target**”), jointly submitted a pre-merger application (the “**Application**”) to the Competition Commission of Pakistan (the “**Commission**”). The Application pertains to the proposed acquisition of ordinary shares of the Target by the Acquirer, representing % of its issued and paid-up share capital, in accordance with the terms and conditions of a Term Sheet (the “**Agreement**”) dated 18 August 2025.
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**

3. Crest Garments International (Private) Limited (**Crest**) was incorporated on 27 August, 1991 in Pakistan. The company is presently inactive, however its core business is the manufacturing and sale of garments.

#### **Target**

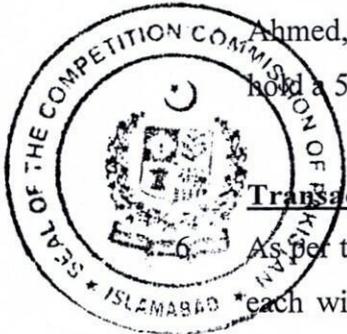
4. Standpharm Pakistan (Private) Limited (**Standpharm**) was incorporated on 26 March, 1969 in Pakistan. The company is engaged in the manufacturing and sale of pharmaceutical products.

#### **Seller**

5. The sellers in this Transaction are six individuals: Ms. Samia Ahmed, Dr. Munir Ahmed, Mr. Mumtaz Ahmed, Ms. Faiza Ahmed, Ms. Sadiya Ahmed, and Mr. Tahir Mustafa Ahmed, who are collectively referred to as the "Ahmed family" in the Agreement and hold a 50% shareholding in the Target.

#### Transaction

As per the Agreement, Crest intends to acquire ordinary shares of Standpharm, each with a face value of PKR , representing % of the issued share capital of



Standpharm, for a total consideration of PKR \_\_\_\_\_ - ( \_\_\_\_\_  
only) (the “**Transaction**”).

7. The Transaction involves the acquisition of shares of Standpharm by Crest, which is an associated company due to more than \_\_\_\_\_ % shareholding of Mr. Farooq Ahmed Alvi in both companies<sup>1</sup>. The acquisition essentially constitutes an internal restructuring within the group, as both the Acquirer and Target are under the common ownership and management control of the same individual shareholders.

### **Phase-I Competition Assessment**

#### **Procedural Review**

8. Based on the Application, the Commission undertook a Phase-I review to assess the competitive implications of the Transaction. The evaluation included an examination of the documentation, to determine compliance with the provisions of the Act and the Merger Regulations, with particular focus on potential competitive concerns, including the likelihood of the creation or strengthening of a dominant position post-Transaction.

#### **Relevant Market**

9. The Target is engaged in the manufacturing and selling of pharmaceutical and nutraceutical products. In pharmaceutical products, it is offering a broad portfolio across nineteen (19) Therapeutic Class II categories, including Anti-Rheumatics, Analgesics, Vitamins and Mineral Supplements, Gastrointestinal Drugs, Antibiotics, Psycholeptics, and others.
10. The pharmaceutical sector is classified under the Large-Scale Manufacturing (LSM) segment of the economy. In FY25, its weight was recorded at \_\_\_\_\_ % of the Quantum Index of Manufacturing (QIM)<sup>2</sup>. The pharmaceutical sector exhibited a resilient performance, recording revenues of PKR \_\_\_\_\_ in FY 2024, registering a \_\_\_\_\_ % increase from the preceding year.

The industry comprises approximately \_\_\_\_\_ companies, including \_\_\_\_\_ multinational firms, and is characterized by moderate market concentration. The top ten firms collectively account for \_\_\_\_\_ % of market share, while the remaining \_\_\_\_\_ % is distributed among local manufacturers<sup>3</sup>. Major players in the market include GlaxoSmithKline (Pakistan)

<sup>1</sup> Section 2(1)(4)(a) of the Companies Act, 2017

<sup>2</sup> <https://www.pbs.gov.pk/content/qim> (Summary of QIM July-2025)

<sup>3</sup> <https://docs.vis.com.pk/docs/PakistanPharmaceuticalSectorReport-Oct-2023.pdf>

Limited, Getz Pharma (Private) Limited, Abbott Laboratories (Pakistan) Limited, Sami Pharmaceuticals (Private) Limited, Hilton Pharma (Private) Limited, Searle Company Limited, and Highnoon Laboratories Limited, among others.

12. Pakistan's pharmaceutical sector operates under a comprehensive regulatory framework overseen by the Ministry of National Health Services, Regulations & Coordination (NHSR&C) and the Drug Regulatory Authority of Pakistan (DRAP). Established in 2012 under the DRAP Act, the Authority is responsible for ensuring that all drugs, medical devices, cosmetics, alternative medicines, and health products comply with prescribed standards of quality, safety, and efficacy prior to market entry.
13. The pharmaceutical industry has witnessed steady and sustained growth, driven primarily by an expanding population, rising healthcare awareness, and increased demand for affordable and quality medicines. Regulatory reforms and improvements in compliance mechanisms have enhanced the sector's competitiveness and export potential.
14. Market dynamics continue to reflect a balance between cost-efficient domestic manufacturers and innovation-led multinational firms, fostering a competitive and diverse pharmaceutical environment within Pakistan.
15. The nutraceutical segment represents an emerging sub-sector within Pakistan's healthcare industry, gaining momentum as consumers increasingly prioritize preventive health and wellness. Although smaller in scale relative to the traditional pharmaceutical segment, the nutraceutical market is expanding rapidly, driven by rising demand for dietary supplements, vitamins, and functional foods.
16. A growing number of local firms have entered this space, introducing products designed to promote preventive healthcare and overall well-being. Regulatory oversight for nutraceuticals also falls under DRAP, which enforces product registration, safety, and quality requirements analogous to those governing pharmaceuticals.

17. The sector's expansion is supported by shifting consumer preferences, lifestyle changes, and wider retail availability, presenting growth opportunities for both domestic and multinational enterprises to capitalize on the evolving demand for health and wellness products in Pakistan.



18. The Anatomical Therapeutic Chemical (ATC) classification system, developed by the World Health Organization (WHO), categorizes active pharmaceutical ingredients based on the organ or system they affect, as well as their therapeutic, pharmacological, and chemical properties. The classification is structured across five hierarchical levels (I-V), providing a globally consistent basis for product segmentation.
19. In Pakistan, IQVIA employs the ATC classification system to segment pharmaceutical products by therapeutic use, pharmacological characteristics, and target organ or system. This internationally recognized framework enables standardized reporting of sales, pricing, and market share data across therapeutic classes. IQVIA's methodology is acknowledged as the industry standard and is formally recognized by DRAP for market analysis and product classification purposes.
20. While DRAP does not maintain independent market definitions, it endorses IQVIA's therapeutic categorization, which is widely regarded as scientifically grounded and globally accepted. Furthermore, IQVIA is listed as a DRAP-approved Contract Research Organization on the Authority's official website.
21. Based on the information provided in the Application, the product segments relevant to the Target's business activities have been identified with reference to the Therapeutic Class II categories of Standpharm's product portfolio. Standpharm is engaged in the manufacturing and marketing of pharmaceutical and nutraceutical products across a broad spectrum of therapeutic classes, which, as per the Application, include Anti-Rheumatics (Non-Steroidal), Analgesics (Opioid), Vitamins and Mineral Supplements, Cough and Cold Preparations, Respiratory System Drugs (Anti-Asthmatic), Antiprotozoal and Anthelmintic, Antidiabetics, Systemic Antibiotics, Gastrointestinal Drugs, Gastrointestinal Anti-Infectives, Cardiovascular Drugs, Lipid Modifying Agents, Psycholeptics (including Antidepressants and Antipsychotics), Antiepileptics and Neuropathic Drugs, Muscle Relaxants, Urologicals, Antihistamines, Antiemetics, and Other Nervous System Drugs (Anti-Vertigo).

The products marketed by Standpharm under these categories include, inter alia, Blutdol, Mofaar, Tromit, Paracet, Agorid, Hadid, Nikal, Splash, Tri-D, Coldrex, Bronkeez, Protaxil, Ziabex-M, Cefidox, Cefix, Ci-Pyf, Deact, Neon, Resque, Stanflox, Staxin, Tizid, Viloc, Zolistat, Zomacin, Cisec, Omeplus, Saprime, Faxim, Monocor, Rovin,



Brolite, Elaxine, Escilam, Felice, Neuxam, Nirvanol, Orsidon, Oxepin, Vonder, Venalax, Eminant, Esmide, Gabiun, Levra, Lomogin, Fachico, Demur, Lorel, Sandem, and Vetinil.

23. Keeping in view the foregoing, the relevant product market in this case is determined as, **“Manufacturing and distribution of Pharmaceutical and Nutraceutical products in Pakistan.”** Within this market, Standpharm is primarily active in the aforementioned therapeutic sub-classes at Level II of the Anatomical Therapeutic Chemical (ATC) classification system. The relevant geographic market for all such product segments is **“Pakistan”**.

#### **Market Share**

24. According to the information submitted in the Application, the Target holds an estimated % share in the pharmaceutical market and % share in the nutraceutical market. These figures are based on the Target’s internal sales data as reported in the Application, whereas the therapeutic class segmentation of its product portfolio is aligned with the IQVIA Level-II (ATC) classification system recognized by DRAP.
25. The Target’s overall footprint in the pharmaceutical sector is therefore limited, representing a modest presence in the national market. Its market share is distributed across nineteen therapeutic sub-classes, including Anti-Rheumatics, Vitamins and Mineral Supplements, Gastrointestinal Drugs, Antibiotics, Psycholeptics, Antidiabetics, and others, with no single category exhibiting concentration sufficient to raise competition concerns. Within the nutraceutical segment, the company’s products including AlgiCal, Stanberi, and Testofin-F collectively account for an estimated 0.1% of total sector sales, reflecting a niche but expanding activity.
26. The Acquirer has no existing business operations or market presence in the pharmaceutical or nutraceutical sectors. The Acquirer’s principal line of business relates to the manufacture and sale of garments. However, such business activities are currently dormant and non-operational. Consequently, there is no horizontal overlap between the business operations of the merging entities. Both companies also fall under the common management and majority ownership of the same individual shareholders, implying that the post-transaction market structure will remain effectively unchanged.

Consequently, the proposed Transaction does not affect the overall level of market concentration nor does it modify the competitive structure of the relevant market. In this



context, the Target's market share remains minimal in comparison to the overall industry concentration, and the Transaction is therefore not expected to materially influence the existing balance among market participants or the prevailing competitive dynamics of the pharmaceutical and nutraceutical sectors.

### Competition Analysis

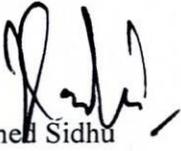
28. Based on the foregoing assessment, the Commission observes that the proposed Transaction constitutes an intra-group acquisition, intended primarily for corporate restructuring and consolidation of shareholding. There is no change in ultimate control, and both the Acquirer and the Target remain under the management of the same controlling shareholders.
29. Given the absence of horizontal, vertical, or conglomerate overlaps between the business activities of the merging parties, the Transaction does not result in any structural or behavioural change capable of lessening competition in the relevant market. The pharmaceutical and nutraceutical industries in Pakistan are characterized by a large number of players, moderate concentration, and ongoing entry of new firms, which collectively contribute to maintaining competitive pressures.
30. Given that the Acquirer does not operate within the relevant market, the proposed Transaction does not result in any aggregation of market shares or enhancement of market power. The Target's existing market share remains well below the statutory threshold for presumption of dominance as defined under Section 2(1)(e) of the Competition Act, 2010.
31. The proposed Transaction is not expected to give rise to unilateral effects, coordinated conduct, or any form of market foreclosure, nor is it likely to restrict the ability of existing or potential competitors to enter, operate, or expand within the relevant market. In view of the Acquirer's absence from the pharmaceutical and nutraceutical sectors, the Transaction does not alter existing competitive relationships or modify the prevailing market structure.

Accordingly, the Commission concludes that the proposed Transaction is not likely to substantially lessen competition, facilitate coordinated behaviour among undertakings, or create any appreciable adverse effect on the structure, dynamics, or efficiency of the relevant market.



**Determination**

33. Based on the information provided, the Commission concludes that the proposed Transaction does not create or strengthen a dominant position in the relevant market, as defined under Section 2(1)(e) read with Section 11 of the Act and the Merger Regulations. Accordingly, the proposed Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
34. Notwithstanding the above, matters which may fall outside the scope of the Commission's jurisdiction, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.
35. It is so ordered.

  
Dr. Kabir Ahmed Sidhu

(Chairman)



ISLAMABAD, 24<sup>th</sup> Oct, 2025.