



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

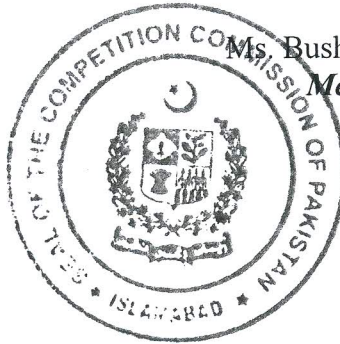
IN THE MATTER OF ACQUISITION OF 100% SHAREHOLDING IN M/S.
NEXPHARM HEALTHCARE (PVT.) LIMITED BY M/S. CCL PHARMACEUTICALS
(PRIVATE) LIMITED FROM INDIVIDUAL SELLERS

CASE: 1217/Merger-CCP/2021

Commission

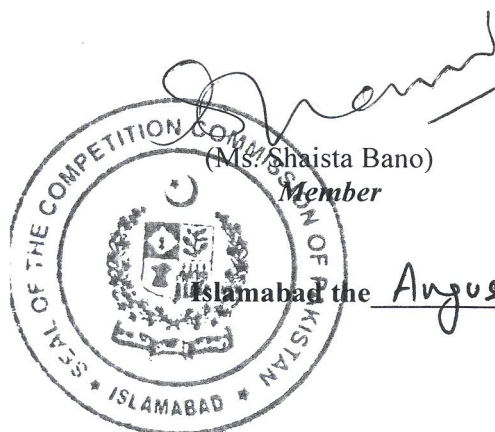
Ms. Shaista Bano 
Member

Ms. Bushra Naz Malik 
Member



ORDER

1. On 13th 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. Nexpharm Healthcare (Pvt) Limited ("**Nexpharm**" or "**Target**") whereby, CCL intends to acquire % shareholding in Nexpharm 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: engaged in manufacturing and sale of all sorts of medicines, drugs, and allied activities
 - b. For the Target: engaged in manufacturing, wholesale, distribution, and sale of pharma & consumer health products.
 - c. For the Sellers: individuals
 - ii. The proposed transaction involves the Acquirer proposing to buy % of the issued share capital (comprising of ordinary shares) of the Target Company from the Sellers. The Acquirer will issue shares valuing PKR to the existing shareholders of the Target. Hence, the transaction value can be estimated to be PKR for the share swap arrangement.
 - iii. The relevant market, in this case, has been identified as "**Manufacture, wholesale, distribution and sale of pharma & allied 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 ₹. The pre-merger estimated market share of the Acquirer is % whereas the market share of the Target is %. Post-transaction, the market share of the Acquirer will be %.
 - v. Although there are overlaps between the Merger Parties 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

Islamabad the August 23rd, 2021.

(Ms. Bushra Naz Malik)
Member