BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF SUBSCRIPTION OF SHARES OF M/S. SAAKH PHARMA LIMITED BY M/S. SGM SUGAR MILLS LIMITED AND MR. JUGDESH KUMAR ESSARANI

CASE: 1618/Merger-CCP/2026

Commission

Ms. Bushra Naz Malik
Member

ORDER

1. The Competition Commission of Pakistan (the "**Commission**") received a pre-merger application (the "**Application**") pertaining to the subscription of new ordinary shares of M/s. Saakh Pharma Limited (the "**Target**") by M/s. SGM Sugar Mills Limited (the "**Acquirer 1**") and Mr. Jugdesh Kumar Essarani (the "**Acquirer 2**") (Acquirer 1 and Acquirer 2 shall hereinafter collectively be referred to as the "**Acquirers**") pursuant to Share Purchase Agreement (the "**Agreement**"). The Application was jointly submitted to the Commission by the Acquirers.

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 1

3. M/s. SGM Sugar Mills Limited is public limited company incorporated on 11th September, 2007 under the laws of Pakistan. It is engaged in production and sale of white sugar and related by products. In addition, it undertakes sugar cane farming activities to support its production operations.

Acquirer 2

4. Mr. Jugdesh Kumar Essarani is a Chief Executive Officer of M/s. Synergy Packaging (Pvt) Limited. He is also the major sponsor and Director of the M/s. Agro Trade (Pvt) Limited and M/s. United Commodities (Pvt) Limited.

Target

5. M/s. Saakh Pharma Limited is a public limited company incorporated on 9th June, 2014 under the laws of Pakistan. It is engaged in manufacturing and sale of Active Pharmaceutical Ingredients (APIs) under license granted by M/s. Drug Regulatory Authority of Pakistan.

Transaction

6. It is a subscription of new ordinary shares by the Acquirers thereby enhancing the share capital of the Target.

7. In line with the Agreement, the Acquirers will subscribe to [1] new ordinary shares of the Target. Upon closing of the Transaction, the Acquirer 1 and the Acquirer 2 shall hold approximate equity stakes of % and %, respectively, in the Target's issued share capital.

8. Total consideration paid for the subscription of new ordinary shares is PKR /- which is deemed to be the transaction value. (the "**Transaction**").

<u>Phase-I Competition Assessment</u>

Procedural Review

9. Based on the Application and information obtained subsequent to the Application, the Commission conducted a Phase-I competition assessment of the Application including supporting documentation, to evaluate compliance with the Act and Merger Regulations. The assessment particularly focused on potential competitive concerns, including issues related to market dominance and the overall impact on competition post-merger in the relevant market.

Relevant Market

10. As the Target is involved in manufacturing and sale of Active Pharmaceutical Ingredients (APIs). Therefore, for purposes of competition assessment, the relevant product market is defined as **"Antibiotic API"**, **"Palletisation & Taste masking API"**, and **"General API"** while the relevant geographic market is **"Pakistan"**.

Market Share

11. As per information contained in the Application, the Target produced Tonnes of Antibiotic API, Tonnes of General API and Tonnes of Palletization & Taste masking API in FY 2025. During the same period, industry consumption was Tonnes of Antibiotic API, Tonnes of General API and Tonnes of Palletization & Taste masking API. Accordingly, market share of the Target in Antibiotic API, General API and Palletization & Taste masking API is estimated to be %, % and % respectively.

<u>Competition Analysis</u>

12. The proposed Transaction is related to subscription of new ordinary shares of the Target by the Acquirers implying an equity injection in the Target.

[1] Acquirer 1 and Acquirer 2 will subscribe to and ordinary shares of the Target respectively.

13. The proposed Transaction would not impact the existing market shares in the Relevant Market as the Acquirers are not engaged in operations in the Relevant Market. No horizontal overlap is found to exist. Therefore, proposed transaction would not affect the market competition in the Relevant Market.

14. The fact that the majority of APIs are imported, combined with the presence of only a few local manufacturers, implies high demand-side substitutability.

15. The Transaction does not create entry barriers and is not anticipated to limit the ability of existing or potential competitors or to exclude them from competing effectively.

16. In light of the foregoing, the Commission concludes that the Transaction doesn't raise any competition concerns. Further, the Transaction would not result in Substantial Lessening of Competition (SLC).

Determination

17. 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. The Proposed Transaction is hereby authorized under Section 31(1) (d) (i) of the Act.

18. Without prejudice, it is hereby clarified that the present assessment is strictly limited to the review of the Transaction under Section 11 of the Act.

19. Notwithstanding the above, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.

20. It is so ordered.

Ms. Bushra Naz Malik
Member

ISLAMABAD, 1st Sept **, 2026**

SEAL OF THE COMPETITION COMMISSION ISLAMABAD