



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**IN THE MATTER OF**

**FIRST PHASE REVIEW**

**ACQUISITION OF        SHARES OF LCC PAKISTAN  
(PRIVATE) LIMITED BY TALKPOOL AG  
CASE: 911/Merger-CCP/17**

Commission

**Ms. Vadiyya Khalil  
Chairperson**



**Mr. Ikram Ul Haque Qureshi  
Member**

## ORDER

### I Background

- 1 On 23<sup>rd</sup> August 2017, the Competition Commission of Pakistan (the “**Commission**”) received a pre-merger application (the “**Application**”) of a proposed acquisition pursuant to Section 11 of the Competition Act 2010 (the “**Act**”) read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “**Merger Regulations**”) through which Talkpool AG (“**Talkpool**”) and LCC Pakistan Private Limited (“**LCC Pakistan**”) (the “**Applicants**”) submitted an Application to the Commission, for the intended acquisition of \_\_\_\_\_ shares of LCC Pakistan( the “**Target**”) by Talkpool (the “**Acquirer**”) by way of share purchase.

### II Acquirer

- 2 Talkpool is a duly registered company under the laws of Switzerland. It delivers a comprehensive range of network design engineering, implementation and managed service designs for global telecommunication operators, system vendors, and prime contractors. Talkpool enables the Internet of Things (IOT) ecosystem by providing professional services and solutions of IOT and emerging cloud infrastructures. The Acquirer has no presence in the Pakistani market as none of its subsidiaries or group companies operate in Pakistan.
- 3 The value of total assets of the Acquirer as on 31st December 2016 were EUR \_\_\_\_\_ (PKR \_\_\_\_\_ @ 1EUR=PKR 126.39) its turnover for the above mentioned period remained at EUR \_\_\_\_\_ (PKR \_\_\_\_\_).

### III Target

- 4 LCC Pakistan is a private limited company incorporated in Pakistan in 2006. The Target is engaged in providing consultancy services to wireless operators relating to wireless network development, network operations, maintenance management and network performance optimization. The Target is owned by LCC Middle East FZ-LLC which is ultimately held by Tech Mahindra Limited (India). The Target has no subsidiary or group company operating in Pakistan.
- 5 The value of the Total assets of LCC Pakistan as on 31st March 2017 were PKR \_\_\_\_\_ while its turnover for 2016 remained at PKR \_\_\_\_\_.

### III Transaction

- 6 In the intended transaction the Acquirer intends to acquire \_\_\_\_\_ shareholding of the Target pursuant to the Share Purchase Agreement dated 21st June 2017. The consideration of the proposed transaction is USD \_\_\_\_\_ (PKR \_\_\_\_\_ @ 1 USD=PKR 105.39).



VSG #

- 7 The transaction meets the notification thresholds prescribed in Regulation 4(2) (a) (b) (c) & (d) of the Merger Regulations, by having undertakings assets valuing more than PKR 300 million and combined assets being more than PKR 1 billion and turnover of 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.

#### IV Relevant Market

- 8 The relevant product market is provision of consultancy and network services to telecommunication industry. It includes consultancy services to wireless operators relating to wireless network development, network operations, maintenance management and network performance optimization. The Acquirer is not present in Pakistan with none of its subsidiaries or group companies operating in Pakistan. Its customers include Telenor, Huawei and ZTE.
- 10 The conditions of competition remain sufficiently homogenous throughout the country, hence the Relevant Geographic Market is identified as the whole of Pakistan.

#### V Competition Assessment

- 11 The Phase I competition assessment of the intended acquisition have resulted in the following findings:
- i. The proposed transaction is an intended acquisition of \_\_\_\_\_ shares of the Target (LCC Pakistan) by the Acquirer (Talkpool). The Acquirer is a global company that is entering into the Pakistani market through the intended transaction and does not have any presence in the relevant geographic market.
  - ii. The Target is active in the relevant product and geographic market with \_\_\_\_\_ market share. However, the Acquirer is not a participant of the relevant geographic market therefore having nil market share. Therefore, post-merger there will be no creation or strengthening of dominant position.
  - iii. The relevant market has fair amount of competition with around six market players. The proposed transaction will not result in elimination of any competitor as the Target will continue to operate in the relevant product and geographic market. Therefore post-merger the dynamics of the relevant product and geographic market will remain unchanged.
  - iv. 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").



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**VI Conclusion**

10 In conclusion, the proposed transaction is unlikely to substantially lessen competition through the creation or strengthening of a dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31(1)(d)(i) of the Act.

11 It is so ordered.



Vadiyya S. Khalil  
(Chairperson)



Ikram Ul Haque Qureshi  
(Member)



ISLAMABAD October 5, 2017