




BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

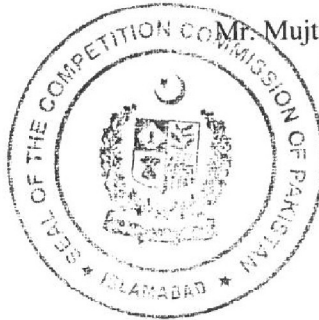
IN THE MATTER OF ACQUISITION OF 10% SHAREHOLDING OF
M/S. EMPIRIC AI (PRIVATE) LIMITED BY M/S. AVANCEON LIMITED FROM
M/S. DAWOOD HERCULES CORPORATION LIMITED BY TRANSFERING 10%
SHAREHOLDING OF M/S. OCTOPUS DIGITAL LIMITED.

CASE: 1337/Merger-CCP/22

Commission


Ms. Rahat Kaunain Hassan
Chairperson

ML.
Mr. Mujtaba Ahmad Lodhi
Member



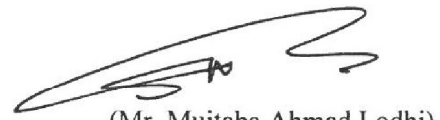
ORDER

1. On November 10, 2022 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**") whereby M/s. Avanceon Limited ("**AL**" or the "**Acquirer**") intends to acquire % shareholding of M/s. Empiric AI (Private) Limited ("**EAIPL**" or "**Primary Target**") from M/s. Dawood Hercules Corporation Limited ("**DHCL**" or "**Seller**") pursuant to a Share Purchase Agreement ("**SPA**"). The Transaction is a share swap arrangement, whereby as consideration for Primary Target shares, the Acquirer will transfer a minority stake (%) of its subsidiary, M/s. Octopus Digital Limited ("**Octopus**" or "**Secondary Target**"), to the Seller.
2. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Phase I competition assessment of the intended transaction has revealed the following facts:
 - i. The concerned undertakings are:
 - a. Acquirer: It is a public listed company incorporated under the laws of Pakistan. The principal activity of the company is to trade in products of automation and control equipment, and to provide related technical services. AL is the parent company of Octopus.
 - b. Primary Target: It is a private company limited incorporated under the laws of Pakistan. Primary Target provides artificial intelligence (AI) based advanced analytics services and solutions to industry and manufacturing in Pakistan and internationally to empower industries to improve yield, reduce costs, and improve reliability. Primary Target applies proprietary AI models to customers' plant data and delivers real, quantifiable outcomes through process optimization, energy conservation and asset reliability. Primary Target develops and innovates AI based industrial solutions that have global outreach. Its purpose-built applications ingest and analyze sensor data, transforming it into actionable insights and immediate outcomes.
 - c. Secondary Target: It is a public listed company incorporated under the laws of Pakistan. It is operating in the market for after-market support services including provision of parts, repair, maintenance and digital services to a wide range of clients both in Pakistan and internationally and helps businesses digitalize their manufacturing, supply chain and financial workflows that are backed by strategic and operational maintenance support services. The company is in the process of developing digital dashboards that allow to monitor business.
 - d. Seller: It is a public listed investment company incorporated, under the laws of Pakistan, and the Dawood group's flagship investment holding company. Seller is in the business of managing its investments in its subsidiaries and associated companies.



- ii. As per the submitted application, the Acquirer and Seller have entered into a SPA dated October 10, 2022, for the sale of Primary Target. The Transaction is a share swap arrangement whereby, as consideration for Primary Target shares, the Acquirer will transfer _____ shares of the Secondary Target, to the Seller. At closing of the Transaction, Acquirer will hold _____ % shareholding of the Primary Target, and the Seller will hold _____ % shareholding of the Secondary Target. So long as such shareholding is retained by the Seller, Seller will be entitled to one board seat on the board of directors of the Secondary Target. Around the date of signing of the SPA, the value of _____ % shares of the Secondary Target was PKR: _____.
 - iii. In the proposed transaction, Primary Target is engaged in the relevant market of “**Artificial Intelligence based advanced analytics services and solutions**” while the Secondary Target is operational in the relevant market of “**Digital Software Services and support services**”. The relevant geographic market for both is “**Pakistan**”.
 - iv. As per the information submitted, the market shares of Primary Target and Secondary Target are less than _____ % which are likely to remain unchanged post-transaction.
3. Ancillary restrictions have been reported in this transaction, which may require exemption under Section 5 of the Act, read with Regulation 4 of the Competition Commission (Exemption) Regulations 2020. This Order is without prejudice to any such requirements.
 4. The proposed transaction does not meet the presumption of dominance as determined under Section 2(1)(e) read with Section 3 of the Act. Hence, it is hereby authorized under Section 31(1)(d)(i) of the Act.
 5. In the subject transaction, matters which may fall outside the scope of the Commission’s purview, remain subject to applicable laws.
 6. It is so ordered.


(Ms. Rahat Kaunain Hassan)
Chairperson


(Mr. Mujtaba Ahmad Lodhi)
Member

Islamabad the 8th December, 2022.

