



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF MERGER/AMALGAMATION OF M/S. DATA TEXTILES LIMITED
(DATM) WITH AND INTO M/S. LSE VENTURES LIMITED (LVL) & M/S. LSE PROPTech
LIMITED (LPL).

CASE: 1332/Merger-CCP/22

Commission

Ms. Rahat Kaunain Hassan
Chairperson



M. Mujtaba Ahmad Lodhi
Member

ML

ORDER

1. On 13 October, 2022 the Competition Commission of Pakistan ("Commission") received a pre-merger application ("Application") for a proposed merger/amalgamation 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. Data Textiles Limited ("DATM") intends to merge/amalgamate into M/s. LSE Ventures Limited ("LVL") & M/s. LSE PropTech Limited ("LPL") by transferring and vesting all its assets and liabilities, therefore ceasing to exist. All requisite information/documentation pertaining to the Application was completed on 28 October, 2022.
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 business activities of the undertakings concerned are:

The Acquirers:

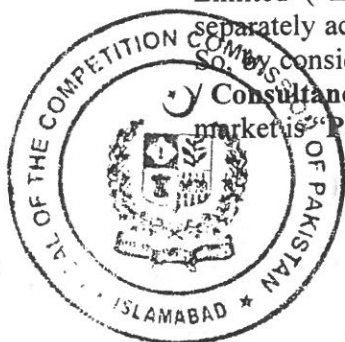
- a. LVL is a public limited company incorporated in Pakistan on July 18, 2022 as a public unlisted company limited by shares under the Companies Act, 2017, having its registered office in Lahore. The principle activity of the company is making strategic & long term investments and equity injections in other companies and undertakings in the form of equity, debentures, sukuks, commercial paper, hybrid instruments, warrants and any other type of shares or securities.
- b. LPL was incorporated in Pakistan on May 11, 2022 as a public unlisted company limited by shares under the Companies Act, 2017, having its registered office in Lahore. The principle business of the company is to develop, import, construct, maintain and offer software services for inter alia efficient real estate management and to provide online/e-commerce market places/networked warehouses and eco-systems for Internet of Things (IOT) for buildings, data centers and insulated construction methodologies, subject to the permission of relevant authorities.

The Target:


- c. DATM is a public listed company limited by shares, incorporated in Pakistan on December 1, 1987, and is listed on the Pakistan Stock Exchange (PSX), having its registered office in Lahore. The principle activity of DATM is manufacturing and sales of yarn, however, it has ceased to conduct its business operations since 2008 onwards.

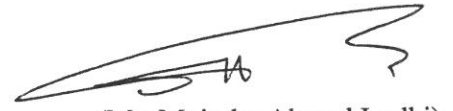
- ii. The proposed transaction involves the merger/amalgamation of DATM into LVL & LPL. The consideration for the same shall be in the form of share swaps, on the basis of swap ratio of 1 share each of LVL & LPL shall be issued against 1 share of DATM. Therefore sum of 1 ordinary shares (total 1 shares) at price of Rs. 10/share of each of both the entities LVL & LPL, in the same proportion and price will be issued to the shareholders of DATM.

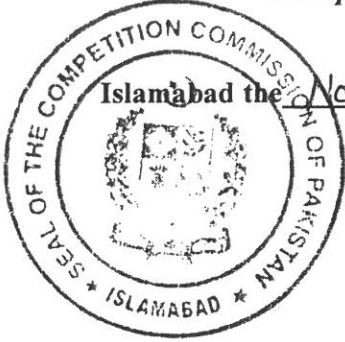
- iii. As far as the relevant product market is concerned, DATM is inactive and will be dissolved while LVL & LPL are newly incorporated companies that are a part of the LSE Financial Services Limited ("LSEFSL") group. Post-merger, LVL & LPL will start their business operations separately according to their respective principle objects, hence currently have no market shares. Considering the post-merger scenario, relevant markets have been identified as "Financial Consultancy Services & Software Development & Distribution" and the relevant geographic market is "Pakistan".



3. 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.
4. In the subject transaction, matters which may fall outside the scope of the Commission's purview shall be handled in accordance with the applicable laws.
5. It is so ordered.


(Ms. Rahat Kaunain Hassan)
Chairperson


(Mr. Mujtaba Ahmad Lodhi)
Member



Islamabad the November 2nd, 2022.