

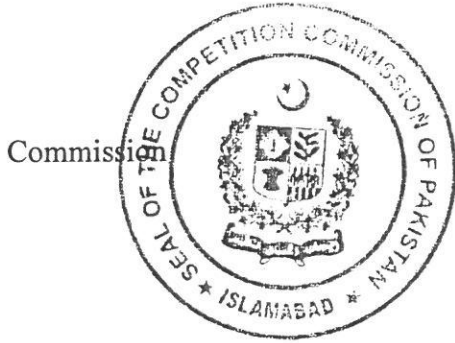


**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S. INTEGRATION
XPERTS (PRIVATE) LIMITED BY M/S. ATLAS PRIVATE EQUITY FUND FROM M/S.
SHIRAZI INVESTMENTS (PRIVATE) LIMITED.**

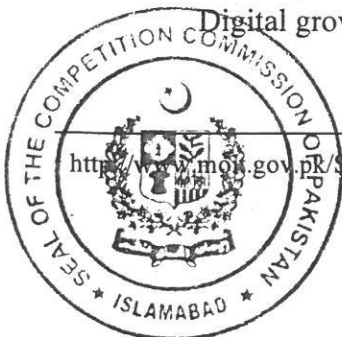
CASE: 1359/Merger-CCP/2023



[Signature]
**Ms. Rahat Kaunain Hassan
Chairperson**

ORDER

1. On March 10, 2023 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") M/s. Atlas Private Equity Fund ("**Acquirer**" or "**Applicant**"), concerning the proposed acquisition of % shareholding of the M/s. Integration Xperts (Private) Limited ("**Target**") by the Acquirer from M/s. Shirazi Investments (Private) Limited ("**Seller**"). All requisite information/documentation pertaining to the Application was completed on April 13, 2023.
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:
 - a. For the Acquirer: a private equity and venture capital fund established in a closed-end structure under private fund regulations, 2015 by M/s. Atlas Asset Management Limited for investment mainly in securities or financial assets other than derivatives of an unlisted company or for turning around a listed company or listed and unlisted SME or an unlisted company engaged in business of investing in developing a new product or process or expansion of business.
 - b. For the Target: a private limited company incorporated in Pakistan that is engaged in rendering services as a software developer and consultancy in the field of information technology ("**IT**").
 - c. For the Seller: a private limited company incorporated in Pakistan that is engaged in trading and investment in equity and debt securities, underwriting, real estate and warehousing.
 - ii. The transaction under consideration is the acquisition of ordinary shares (% shareholding) of the Target by the Acquirer. The total estimated amount under consideration to be paid for shares is PKR
 - iii. IT sector is highly fragmented as there are more than IT & IT enabling services ("**ITES**") companies currently registered with Securities and Exchange Commission of Pakistan ("**SECP**") comprising of both domestic and export-oriented enterprises¹. Besides this IT professional are also engaged as freelancer to provide IT or ITES services or both. Digital growth in Pakistan is going through a rapid evolution. IT/ITES Sector is one of the



fastest growing sectors of Pakistan contributing about % of GDP of Pakistan at about USD². The IT sector can broadly be segregated into IT services³ and ITES⁴.

- iv. The relevant product markets in this case have been identified as “IT Services” & “IT Enabling Services” and the relevant geographic market is “Pakistan”. The relevant market has been defined as such because the Target currently provides enterprise resources planning consultancy (implementation and integration), software and application development services.
 - v. As per the Application, service specific market size and market share are not available. However, Applicant has estimated Target’s market share to be less than % based on Target’s sales (i.e., PKR for the year 2022 compared with total exports revenue of IT sector PKR for the same period).
 - vi. The market position of Target will remain unchanged post-transaction as there are no overlaps between the Target and the Acquirer.
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, remain subject to applicable laws.
 5. It is so ordered.


(Ms. Rahat Kaunain Hassan)
Chairperson



Islamabad the 13th April, 2023.

<https://invest.gov.pk/sites/default/files/inline-files/IT.pdf>

³ 4 [(30AD) Information Technology (IT) services include 5 [but not limited to] software development, software maintenance, system integration, web design, web development, web hosting and network design; (Section 2(30AD) of Income Tax Ordinance 2001).

⁴ IT enabled services include 6 [but not limited to] inbound or outbound call centres, medical transcription, remote monitoring, graphics design, accounting services, Human Resource (HR) services, telemedicine centers, data entry operations, cloud computing services, data storage services, locally produced television programs and insurance claims processing;]; (Section 2(30AE) of Income Tax Ordinance 2001).