




**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S.
NATIONAL DATA CONSULTANT (PRIVATE) LIMITED, M/S. NATIONAL DATA
CONSULTANCY FZC AND M/S. NDCTECH APAC PTE. LIMITED BY M/S.
SYSTEMS LIMITED FROM SELLERS.**

CASE: 1305/Merger-CCP/2022

Commission


Ms. Rahat Kaunain Hassan
Chairperson




Ms. Muhtaba Ahmad Lodhi
Member

ORDER

1. On 5th July, 2022 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition under Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") whereby, M/s. Systems Limited ("**Systems**" or "**Acquirer**") is acquiring % shareholding of M/s. National Data Consultant (Pvt.) Limited ("**NDC**" or "**Target 1**"), M/s. National Data Consultancy FZC ("**NDC-FZC**" or "**Target 2**") and M/s. NDCTech Apac Pte. Limited ("**NDC-APAC**" or "**Target 3**") (collectively referred to as ("**NDC Group**") from Mr. Behram K. Ahmed ("**Mr. Behram**" or "**Seller 1**"), Ms. Ammara Masood ("**Ms. Ammara**" or "**Seller 2**") and Ms. Karen Chase Ahmed ("**Ms. Karen**" or "**Seller 3**"), respectively, in accordance with the Share Purchase Agreement dated 8th June, 2022 ("**Agreement**"). All requisite information/documentation pertaining to the Application was completed on 3rd August, 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:

- a. For Systems: It is principally engage in the business of software development, trading of software and business process outsourcing services.
- b. For NDC: Its principal activity is to provide Information Technology ("**IT**") services locally as well as abroad, which include software development, maintenance and system integration.
- c. For NDC-FZC: The principal activity is to provide IT consultancy services.
- d. For NDC-APAC: The principal activity is to provide IT consultancy services (except cyber-security).
- e. Mr. Behram: Natural person, has % shareholding in NDC, % shareholding in NDC-FZC and % shareholding in NDC-APAC.
- f. Ms. Ammara: Natural person, has % shareholding in NDC, % shareholding in NDC-FZC and % shareholding in NDC-APAC.
- g. Ms. Karen: Natural person, has % shareholding in NDC and % shareholding in NDC-FZC.

ii. As per the Agreement, the transaction is the % acquisition of three companies i.e. NDC, NDC-FZC and NDC-APAC from the current shareholders i.e. Mr Behram, Ms. Ammara and Ms. Karen. Total consideration for the proposed acquisition is the aggregate amount of (i) USD 1 , which is estimated to be PKR : 1 and (ii) PKR /-. The estimated value of the instant transaction is estimated to be PKR *.

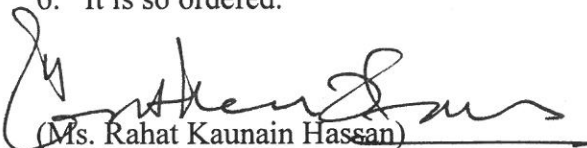
The relevant product market in this case has been identified as "**Information Technology Solutions**" and the relevant geographic market is "**Pakistan**".



sbp.org.pk/ecodata/rates/m2m/2022/Aug/04-Aug-22.pdf

*Transaction value may vary at the time of consummation due to forex exchange rate.

- iv. Currently, Systems and NDC Group both are active in the relevant market having estimated market share of 7% and 3% respectively. Post-transaction, their combined market share is estimated to be 10%.
3. Ancillary restrictions have been reported with 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 shall be handled in accordance with the applicable laws.
6. It is so ordered.


(Ms. Rahat Kaunain Hassan)
Chairperson


(Mr. Mujtaba Ahmad Lodhi)
Member



Islamabad the August 22nd, 2022.