



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

**IN THE MATTER OF
FIRST PHASE REVIEW**

**ACQUISITION OF % SHARES OF M/S. ANSAAR
MANAGEMENT (PVT.) LTD BY M/S. HOMELESS
INTERNATIONAL LIMITED
CASE: 786/Mergers-CCP/16**

Commission

Mr. Shahzad Ansar
Member

Mr. Ikram Ul Haque Qureshi
Member



ORDER

I. Background

1. On the 8th of January 2016 the Competition Commission of Pakistan ("Commission") received a pre-merger application submitted by M/s. Haidermota BNR Advocates & Corporate Counsel on behalf of M/s. Homeless International Limited ("Applicant" or "Acquirer") along with necessary information and processing fee applicable under Regulation 5(6) of the Competition (Merger Control) Regulations, 2007 ("Merger Regulations") notifying the Commission of an intended acquisition of 70% shares in M/s. Ansaar Management (Pvt.) Ltd ("Target") by way of two separate transactions, with the Applicant being the Acquirer.

II. Merger Parties

The Acquirer:

2. The Acquirer is a private company limited by guarantee organized under the laws of England and Wales as a not-for-profit business and is engaged in the provision of social housing and basic services for slum dwellers in Africa and Asia.
3. The Acquirer does not have any operations in Pakistan. The annual turnover of the Acquirer may be considered nil in Pakistan, while its turnover worldwide was GBP [redacted] (PKR [redacted]) for the period ended 31st March, 2015. Its assets remained at GBP 26 million (PKR [redacted]) for the same period.

The Target:

4. The Target is a private limited company incorporated in Pakistan. The company is a management consulting firm and is mainly active in the business of providing (a) affordable, quality housing to low-income for profit; and (b) management services for not-for-profit low income housing development. Its group companies include: Immersion Private Limited; Safiya Homes Private Limited; and Fateh Homes Private Limited - all incorporated in Pakistan.
5. The Target's total assets for the year ending on 30 June 2015 were PKR [redacted] while its turnover remained PKR [redacted] for the same period.

The Sellers:

First Transaction

6. Mr. Abdul Jawad Aslam is a director in the Target company.

Second Transaction

7. Acumen Funds Inc., is not-for-profit corporation organized under the laws of the State of New York, USA. The company is engaged in investing patient capital in businesses, ideas and leaders that are changing the way the world tackles poverty. Its annual



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turnover for the year 2014-15 was around USD (PKR approx.). Acumen group of companies include: Acumen Pakistan, a company limited by guarantee incorporated in Pakistan; Acumen Advisory Services India Private Limited, a wholly owned subsidiary of Acumen incorporated in India; Acumen Canada, a registered charitable organization in Canada; Acumen Capital Markets I, LP, a limited partnership organized in Delaware, USA; Acumen Capital Partners LLC and Acumen Capital Investments LLC, both wholly owned subsidiaries of Acumen organized in Delaware, USA.

III. The Transaction

8. The Applicant intends to acquire % shares, being shares, in the Target by way of two separate transactions and two distinct sellers, i.e., shares (representing of the issued and paid up capital) of the Target from Mr. Abdul Jawad Aslam for GBP (PKR) and shares (representing of the issued and paid up capital) of the Target from the Acumen Fund for GBP (PKR). The total transaction value amounts to GBP (PKR).

IV. Thresholds

9. The transaction meets the thresholds as prescribed in Regulation 4 (2) (a) & (d) of the Merger Regulations as the assets of the Acquirer stand at more than PKR 300 million and the combined assets are more than PKR 1 billion, and the percentage of shares intended to be acquired is more than 10%.

V. The Relevant Market

10. The relevant product/services market as submitted by the Notifying Parties is the provision of "affordable housing market" for low the low-income segment on Pakistan on a for profit basis.
11. The relevant geographic market has been identified as Pakistan.

VI. Findings of the Phase I investigation on competition assessment

12. The competition assessment in Phase-I has resulted in the following findings:
13. Reportedly, the Target is the first entrant in the for-profit, low-income housing sector in Pakistan since there is currently no one in the market that is operating in the similar line of business.



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14. The Target is only merger party present in the reportable markets in Pakistan. Since the relevant product market is fragmented, the Target's market share is unascertainable and can be left open for future determination. Nevertheless, the intended acquisition is not likely to result in concentration/dominance of the Target or the Acquirer in the relevant market.

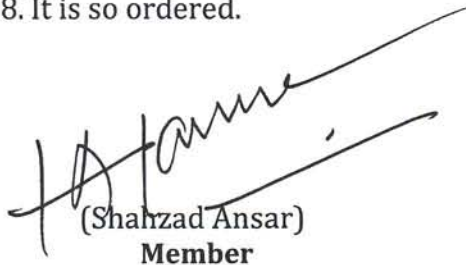
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16. Post merger the transaction does not meet the presumption of dominance as envisaged under Section 2 (1) (e) read with Section 3 of the Competition Act, 2010.

VII. Conclusion

17. There is no evidence that suggests a substantial lessening of competition by creating or strengthening of dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.

18. It is so ordered.


(Shahzad Ansar)
Member


(Ikram Ul Haque Qureshi)
Member



1st April, 2016.