



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**IN THE MATTER OF  
FIRST PHASE REVIEW**

**ACQUISITION OF      SHARES BY PLACES FOR PEOPLE  
GROUP LIMITED FROM ACUMEN FUNDS INC., IN ANSAAR  
MANAGEMENT PRIVATE LIMITED**

**CASE: 787/Merger-CCP/16**

Commission:

Mr. Shahzad Ansar   
Member

Mr. Ikram Ul Haque Qureshi  
Member 





## ORDER

### I Background

- 1 On 27 January 2016, the Commission received a pre-merger application dated 22 January 2016 pursuant to Section 11 of the Competition Act 2010 (the "Act") and Regulation 5 of the Competition (Merger Control) Regulations 2007 (the "Merger Regulations") by which Places for People Group Limited ("PfP" or the "Acquirer") incorporated in England, United Kingdom intends to acquire shares in Ansaar Management Company Private Limited ("AMCPL" or the "Target"), which are currently held by Acumen Funds, Inc., incorporated in United States ("Acumen" or the "Seller"). The application is jointly submitted by PfP and AMCPL along with the necessary information and applicable fee in accordance with the provisions of the Act and the Merger Regulations (the "Application").

### II Merging Parties

#### The Acquirer

- 2 PfP is a private company limited by guarantee and is organized under the Laws of England & Wales, the United Kingdom. The company's main activities include: social lettings; leisure facilities; non-social housing facilities property development and sales; and other social housing activities. PfP has several subsidiaries: namely, Places for People Homes; Cotman; Castle Rock Edinver; Places for People Individual Support; Places for People Neighborhoods; Places for People Leisure, Residential Management Group; Touchstone; Places for People Development; Allenbuild; ZeroC; Girlings Retirement Rentals; Places for People Financial Services; Places for People Green Services; Places for People Energy; Places for People Capital Markets - all incorporated in the United Kingdom.
- 3 PfP's total assets for the year ending on 31 March 2015 were around GBP (PKR approx.), while its turnover remained around GBP (PKR 83 ) for the same period.

### III The Target

- 4 AMCPL 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 AMCPL's total assets for the year ending on 30 June 2015 were PKR while its turnover remained PKR for the same period.

### IV The Seller

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



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businesses, ideas and leaders that are changing the way the world tackles poverty. Its annual turnover for the year 2014-15 was around USD

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.

## V The Transaction

- 7 Acumen holds up to \_\_\_\_\_ shares in the Target. Pursuant to the Head of Terms dated 17 June 2015, PfP has agreed to acquire \_\_\_\_\_ ordinary shares (representing \_\_\_\_\_ of the issued capital) of the Target from the Seller (the "Transaction"). As consideration PfP shall pay GBP \_\_\_\_\_ (PKR \_\_\_\_\_ approx.) to the Seller.

## VI Thresholds

- 8 The intended acquisition meets the notification threshold prescribed under Regulation 4 (2)(a)(b)(c) and (d) of the Merger Regulations as the value of the Acquirer's assets exceeds PKR 300 million and the combined assets of the merging parties exceeds PKR 1 billion. The total turnover of the Acquirers exceeds PKR 500 million; the combined turnover of the merging parties exceeds PKR 1 billion, while the Transaction value exceeds PKR 100 million and acquisition of shares by the Acquirer also exceeds 10% voting shares of the Target.

## VII Relevant Market

### Relevant Product Market

- 9 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.<sup>2</sup>

### Relevant Geographic Market

- 10 The relevant geographic market is also determined to be the whole of Pakistan.

## VIII Competition Assessment

- 11 The competition assessment in Phase-I has resulted in the following findings:
- 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 (paragraph 8.2 of the Application).
  - 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.

\_\_\_\_\_  
Paragraph 6.1 of the Application




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- d. The intended acquisition does not meet the presumption of dominance as is envisaged under section 2(1)(e) read with section 3 of the Act.

## IX Conclusion

- 12 There is no evidence to suggest substantial lessening of competition by creating or strengthening a dominant position in the relevant market. Hence, the intended acquisition is hereby authorized under section 31(1)(d)(i) of the Act.
- 13 It is so ordered.

  
Shahzad Ansar  
Member

  
Ikram Ul Haque Qureshi  
Member



Islamabad, 1st April, 2016.