



Fair Competition  
For Greater Good

## COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/12/233)

20.01.2015

**Notice u/s 6 (2) of the Competition Act, 2002 given by Nippon Life Insurance Company.**

### **Order under Section 31(1) of the Competition Act, 2002**

1. On 22.12.2014, the Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”) filed by Nippon Life Insurance Company (“**Acquirer**”).
2. The proposed combination is an acquisition of 9 per cent of the share capital of Reliance Capital Asset Management Limited (“**Target Enterprise**”) by the Acquirer from Reliance Capital Limited with an option to acquire up to 49 per cent of the equity shares of the Target Enterprise pursuant to the share purchase agreement and the shareholders’ agreement, entered into amongst the Acquirer, the Target Enterprise and Reliance Capital Limited, on 26.11.2014. (*Acquirer and Target Enterprise collectively hereinafter referred to as “Parties”*). It is noted that at present, the Acquirer holds 26 per cent of shareholding in the Target Enterprise and has joint control over it.
3. The Acquirer, a company incorporated under the laws of Japan, is at a worldwide level engaged, *inter alia*, in the business of (a) providing life insurance; (b) providing agency / administration services to other insurance companies (including foreign insurers) or financial institutions, (c) asset management related business; and (d) sale and purchase of government bonds. The Acquirer does not have presence in the asset management services or portfolio management services in India except through the Target Enterprise.



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4. The Target Enterprise, a company incorporated under the Companies Act, 1956, is a subsidiary of Reliance Capital Limited. It is primarily engaged in providing asset management services to Reliance Mutual Fund.
5. It is noted that the Acquirer and the Target Enterprise are engaged in similar services, i.e., asset management services and portfolio management services. However, it is observed that the Acquirer does not provide the said services in India, except through the Target Enterprise, and therefore, there is no horizontal overlap between the services provided by the Acquirer and the Target Enterprise, in India.
6. Further, it is noted that an acquisition by the Acquirer of up to 49 per cent shares in the Target Enterprise is not likely to give rise to any adverse effect on competition in India since the Acquirer already holds 26 per cent stake in the Target Enterprise and an increase in the shareholding up to 49 per cent by the Acquirer will not bring about a change in control over the Target Enterprise.
7. The proposed combination would, therefore, neither result in the elimination of a competitor, nor alter the structure of market for mutual funds, asset management services and portfolio management services.
8. Considering the facts on record and the details provided in the notice given under sub-section (2) of section 6 of the Act and assessment of the proposed combination on the basis of factors stated in sub-section (4) of section 20 of the Act, the Commission is of the opinion that the proposed combination is not likely to have an appreciable adverse effect on competition in India and therefore, the Commission hereby approves the same under sub-section (1) of section 31 of the Act.
9. This approval is without prejudice to any other legal/statutory obligations as applicable.
10. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.



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11. The Secretary is directed to communicate to the Acquirer accordingly.