



सत्यमेव जयते



Fair Competition
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COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2018/02/559)

9th April, 2018

Notice under Section 6 (2) of the Competition Act, 2002 given by Bank of Baroda

Coram:

Mr. Devender Kumar Sikri
Chairperson

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U. C. Nahta
Member

Mr. G.P. Mittal
Member

Legal Representatives of the parties: M/s Cyril Amarchand Mangaldas

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

1. On 28th February, 2018, the Competition Commission of India (“**Commission**”) received a notice filed by Bank of Baroda (“**BoB**”/ “**Acquirer**”) under sub-section (2) of Section 6 of the Competition Act, 2002 (“**Act**”) read with sub-section (a) of section 5 of the Act. The notice has been given pursuant to execution of Share Purchase Agreement (“**SPA**”) dated 28th December, 2017 executed between BoB, UniCredit, S.p.A (“**UniCredit**”), Baroda Pioneer Asset Management Company Limited (“**BPAMCL**”) and Baroda Pioneer Trustee Company Private Limited (“**BPTCPL**”) (hereinafter BPAMCL and BPTCPL are jointly referred to as “**Target**”) and Acquirer and Target are collectively referred to as the “**Parties**”).



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2. The proposed combination relates to acquisition by BoB of 51% stake each in BPAMCL and BPTCPL from Unicredit. (“**Proposed Combination**”).
3. BPAMCL is an asset management company (“**AMC**”) of Baroda Pioneer Mutual Fund (“**Baroda Mutual Fund**”). It manages mutual fund investments in equity-oriented, debt-oriented and hybrid (balanced) schemes of Baroda Mutual Fund. BPTCPL has been approved by the SEBI to act as the trustee for Baroda Mutual Fund. As a trustee, BPTCPL oversees the operations as well as the manner of management of assets of Baroda Mutual Fund.
4. The Commission observed that the Proposed Combination is a case of joint to sole control and it is not leading to elimination of any market player or change in market structure. Further, there is no direct horizontal overlap between the Acquirer and the Target. However, the Acquirer has a 18.25 per cent shareholding in each of UTI Asset Management Company Limited (“**UTI AMC**”) and UTI Trustee Company Private Limited (“**UTI Trustee**”). Accordingly, at the scheme level, there are overlaps in the business operations of the Acquirer (through its investment in UTI AMC) and the Target in the *equity-oriented, debt-oriented and hybrid mutual funds* schemes.
5. Considering the fact that the Proposed Combination is not likely to result in AAEC, either in the broad market of “Mutual funds in India” or in the sub-segments of “the market for equity-oriented mutual funds schemes”, “the market for debt-oriented mutual funds schemes” and “the market for hybrid mutual funds schemes”, as explained in the following paragraph, the definition of relevant market is kept open.
6. The Commission noted that the combined market share of Acquirer, Target and UTI, in each overlapping product segment i.e equity-oriented mutual funds schemes (less than 6 percent), debt-oriented (less than 9 percent) and hybrid mutual funds schemes (less than 4 percent) and the overall mutual funds schemes (less than 8 percent), is insignificant. Further, the mutual funds sector is characterized by the presence of significant players such as ICICI Prudential Mutual Fund, HDFC Mutual Fund, Reliance Mutual Fund, Aditya Birla Sun Life Mutual Fund, etc.
7. Considering facts on record and details provided in the notice given under sub-section (2) of Section 6 of the Act and on basis of the assessment of the proposed combination in terms of sub-section (4) of Section 20, the Commission is of the opinion that the Proposed



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Combination is not likely to have 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.

8. This order shall stand revoked if, at any time, the information provided by the Parties is found to be incorrect.
9. The information provided by the Parties is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
10. The Secretary is directed to communicate to the Parties accordingly.