



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2019/11/705)

13<sup>th</sup> December, 2019

**Notice under Section 6 (2) of the Competition Act, 2002 filed by Sanaka Growth SPV I Limited**

**CORAM:**

Mr. Ashok Kumar Gupta  
Chairperson

Ms. Sangeeta Verma  
Member

Mr. Bhagwant Singh Bishnoi  
Member

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

1. On 18<sup>th</sup> November, 2019, Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”), filed by Sanaka Growth SPV I Limited (“**Sanaka/Acquirer**”). The notice has been filed pursuant to the Share Subscription Agreement (**SSA**), executed between Edelweiss Securities Limited (**ESL**), Sanaka and Edelweiss Financial Services Limited (**EFSL**), holding company of ESL, dated 12<sup>th</sup> November, 2019.
2. The proposed combination relates to investment by Sanaka in ESL of up to USD 44 million in the EGIA Business, subject to fulfilment of certain identified milestones, as set out in the SSA (“**Proposed Combination**”). ESL and the Edelweiss Global Investment Advisory Subsidiaries (EGIA Subsidiaries) are collectively referred to as



the Target Entities. (Hereinafter, Acquirer and Target Entities are collectively referred to as the “**Parties**”).

3. Sanaka, incorporated under the laws of Mauritius, was set up by Sanaka Capital Growth Fund Limited (**SCGF**) in October 2019. It is mainly engaged in investment holding and related activities with the objective to achieve long term capital appreciation. Sanaka Capital Investment Managers Limited (**SCIM**) owns the management shares and controls the Acquirer. At present, it has no investments in any company in India.
4. The Target Entities belong to the Edelweiss Group, with EFSL as the ultimate holding company. The Edelweiss Group offers a gamut of financial services, which span across multiple asset classes and consumer segments across domestic and global geographies. Their service offerings are broadly divided into credit business (comprising retail finance / retail mortgage), small and medium-sized enterprises and business loans, loan against securities, agricultural and rural finance, and corporate credit comprising of structured collateralised credit to corporates and wholesale mortgages, franchise and advisory business (wealth management, asset management, asset reconstruction business and capital markets) and insurance (life and general insurance) and is engaged in the provision of stock broking services, advisory, distribution and research services.
5. As per the Notice, the Acquirer and the Target Group are not engaged in any business activities relating to similar or identical or substitutable products or services. Accordingly, there are no horizontal overlaps between Acquirer and Target Group in India.
6. With regard to vertical relationships, it is submitted that there are no such relationships between the Parties.



7. Considering the facts on record, 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 the 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 any 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. Further, the Commission observed that non-compete clause is not ancillary to the combination.
8. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
9. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
10. The Secretary is directed to communicate to the Acquirer accordingly.