



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2016/02/372)

30th March 2016

Notice under Section 6 (2) of the Competition Act, 2002 jointly given by:

- **LIC Housing Finance Limited,**
- **Corporation Bank and**
- **GIC Housing Finance Limited**

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. S.L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. M. S. Sahoo
Member

Mr. G.P. Mittal
Member

Legal Representative: Ms. Ramni Taneja, Little & Co.

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

1. On 1st February 2016, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice jointly given by LIC Housing Finance Limited (“**LICHFL**”), Corporation Bank (“**Corp Bank**”) and GIC Housing Finance Limited (“**GICHF**”) under Section 6 (2) of the Competition Act, 2002 (“**Act**”). (Hereinafter LICHFL, Corp Bank and GICHF are together referred to as ‘**Acquirers**’)



2. The proposed combination relates to acquisition of 35% equity shares each of the LIC Nomura Mutual Fund Asset Management Company Limited (“**AMC**”) and the LIC Nomura Mutual Fund Trustee Company Private Limited (“**Trustee Company**”) by LICHFL, Corporation Bank and GICHF from Nomura Asset Management Strategic Investments Pte. Limited (“**Nomura**”/ “**Seller**”). (Hereinafter AMC and Trustee Company are together referred to as ‘**Targets**’ and Acquirers, Sellers and Targets are together referred to as ‘**Parties**’)
3. The proposed combination is pursuant to a share purchase agreement dated 6th January 2016 entered into and between Acquirers and Targets. As stated in the notice, Acquires shall acquire shares in the following manner: (a) LICHFL, Corp Bank and GICHF shall acquire 19.3%, 4% and 11.7% shares in AMC, respectively; (b) LICHFL and GISHF shall acquire 19.3% and 15.7% shares in the Trustee Company respectively.
4. LICHFL, a public listed company in India, is engaged in provision of long-term housing finance. Corp Bank, a public sector bank, is engaged in the business of providing banking services in India. GICHF, a public listed company, is engaged in provision of housing loans in India.
5. The AMC, a joint venture between LIC, LICHFL and Seller, is engaged in asset management of LIC Nomura Mutual Fund and portfolio management services in India, in accordance with the relevant regulations of Securities and Exchange Board of India (‘**SEBI**’).
6. The Trustee Company, a joint venture between LIC, LICHFL and Seller, is engaged in the business of trusteeship of the schemes of LIC Nomura Mutual Fund, in accordance with the relevant regulations of SEBI.
7. Based on the submission of the Acquirers, it is observed that there are no horizontal overlaps between the activities of the Parties. With regard to vertical relationship, it has been submitted that LICHFL Financial Services Limited, a wholly owned subsidiary of LICHFL, distributes mutual fund products, including those of LIC Nomura Mutual Fund. Similarly, Corp Bank and its subsidiary CorpBank Securities Limited also distribute mutual fund products, including those of LIC Nomura Mutual Fund. In this regard, it is observed that there are a number of competitors providing services relating to distribution of mutual fund products and the presence of the above stated subsidiaries of LICHFL and Corp Bank in the segment of distribution of mutual funds is negligible.
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 appreciable adverse effect on



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For Greater Good*

competition in India and therefore, the Commission hereby approves the same under subsection (1) of Section 31 of the Act.

9. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.
10. The Secretary is directed to communicate to the Acquirers accordingly.