



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2020/12/793)

20th January 2021

Notice under Section 6 (2) of the Competition Act, 2002 jointly given by India Special Situations Scheme II (ISSS II), Investment Opportunities V Pte. (IOV) and Assets Care & Reconstruction Enterprise Ltd (ACRE)

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 2nd December 2020, the Competition Commission of India (**‘Commission’**) received a Notice under Section 6(2) of the Competition Act, 2002 (**‘Act’**), jointly given by India Special Situations Scheme II (**‘ISSS II’**), Investment Opportunities V Pte. Limited (**‘IOV’**) and Assets Care & Reconstruction Enterprise Ltd. (**‘ACRE’**) [Hereinafter ISSS II, IOV and ACRE are collectively referred to as **‘Acquirers’**]. The Notice was filed pursuant to the execution of a Letter of Intent dated 24th March 2020 issued by the lenders of Altico Capital India Ltd. (**‘Altico’** / **‘Seller’**), after unanimously accepting the Resolution Plan submitted by Ares SSG for the resolution of Altico's debt.
2. The Proposed Combination contemplates acquisition of the loan assets of Altico by the Acquirers, which have been identified by Ares SSG, a Singapore based alternative asset management firm that focuses on opportunities in the Asia Pacific region. [Hereinafter, the Acquirers and Seller are collectively referred to as **‘Parties’**].



3. In terms of Regulations 14(3) of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (**‘Combination Regulations’**), *vide* email dated 15th December 2020, the Acquirers were required to furnish certain information and clarifications. In response, the Acquirers filed their written submission on 4th January 2021.
4. ISSS II is a scheme under the India Special Situations Trust, which is registered with the Securities and Exchange Board of India (**‘SEBI’**) as a Category II Alternative Investment Fund. It primarily invests in credit and/or credit related assets and other opportunistic investments in companies of stressed or distressed nature that are based in or have substantial operations / business relations, in India. SSG Advisors LLP acts as the Investment Manager of ISSS II and responsible for managing its investments and divestments.
5. IOV is registered with SEBI as a Category I Foreign Portfolio Investor. Ares SSG is the investment advisor to IOV.
6. ACRE is registered with Reserve Bank of India, as an Asset Reconstruction Company under the provisions of Securitization and Reconstruction of the Financial Assets and Enforcement of Security Interest Act, 2002. It is primarily engaged in acquisition and recovery from bad loans, of banks and financial institutions. Ares SSG holds 49% of the equity shares of ACRE.
7. Ares SSG, alternative investment manager, is ultimately (majority) held by Ares Management Corporation (**‘AMC’**). AMC has no direct presence in India except the investments made by Ares SSG and one other back office. Ares SSG and other entities/funds advised by Ares SSG, has invested in India in the past.
8. The Seller *viz.* Altico is a wholly-owned subsidiary of India Credit Pte. Ltd. (**‘ICPL’**). Altico is a non-deposit taking non-banking financial company and is engaged in providing loans and financing to small and medium sized corporates in the real-estate sector in India. It focuses on senior secured lending to mid-income residential projects



and commercial real estate sector across Tier-1 cities in India, which include Mumbai, Delhi-NCR, Chennai, Bangalore, Pune and Hyderabad. Altico has one wholly-owned subsidiary in India, viz. Altico Housing Finance India Limited ('AHFIL'), which currently does not have any operation.

9. It is observed that the activities of Altico and certain investee companies of Ares SSG Group exhibit horizontal overlap in real estate financing segment, in India. However, the market share of each of them is negligible. The real estate financing segment is highly fragmented with many competitors. In view of these, the Commission is of the view that the Proposed Combination is not likely to raise any competition concern.
10. Considering the material on record including the details provided in the Notice and assessment of the Proposed Combination based on factors stated in Section 20(4) 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. Therefore, the Commission approves the Proposed Combination under Section 31(1) of the Act.
11. This order shall stand revoked if, at any time, the information provided by the Acquirers is found to be incorrect.
12. The information provided by the Acquirers shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
13. The Secretary is directed to communicate to the Acquirers accordingly.