

COMPETITION COMMISSION OF INDIA

8<sup>th</sup> November, 2012

Combination Registration No. C-2012/10/86

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

1. On 25<sup>th</sup> October, 2012, the Competition Commission of India (hereinafter referred to as the “**Commission**”) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (hereinafter referred to as the “**Act**”) of a proposed combination given by Invesco Hong Kong Limited (hereinafter referred to as “**Invesco/Acquirer**”), Religare Asset Management Company Private Limited, Religare Trustee Company Private Limited and Religare Securities Limited (hereinafter referred to as “**RSL**”).
2. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011(hereinafter referred to as “**Combination Regulations**”), vide letter dated 29<sup>th</sup> October, 2012, the Acquirer was required to remove certain defects and provide information/document(s). The reply to the said letter was filed by the Acquirer on 1<sup>st</sup> November, 2012.
3. The notice was filed pursuant to execution of a Share Purchase Agreement (“hereinafter referred to as “**SPA**”) dated 27<sup>th</sup> September, 2012 entered into between RSL, Religare Enterprises Limited (hereinafter referred to as “**REL**”), Invesco, Religare Asset Management Company Limited [now known as Religare Asset Management Company Private Limited (hereinafter referred to as “**Religare AMC**”) and Religare Trustee Company Limited [now known as Religare Trustee Company Private Limited (hereinafter referred to as “**Religare Trustee**”) and Shareholders’ Agreement(s) executed on 27<sup>th</sup> September, 2012 between RSL, Invesco & Religare AMC and between RSL, Invesco & Religare Trustee, respectively. The proposed combination relates to the acquisition by Invesco of 49 per cent of the equity share capital in each of Religare AMC and Religare Trustee from RSL, in accordance with the provisions contained in the SPA.
4. The proposed combination falls under Section 5(a) of the Act.
5. Invesco, a company incorporated under the laws of Hong Kong, is engaged in the business of providing assets management, dealing and advising on securities and advising on futures contracts. Invesco is stated to be a subsidiary of Invesco Limited, which is a company organised under the laws of Bermuda and listed on the New York Stock Exchange. Invesco Limited is a global investment manager and provides a wide range of investment products, strategies and vehicles to retail and institutional investors around the world. Invesco manages assets on behalf of retail investors.



pension funds and corporates from Asia, Europe, Japan, Middle East and North America. However, it is stated that Invesco currently does not engage in any of these businesses in India. WL Ross (India) Private Limited, an affiliate of Invesco in India, which provides advisory services in relation to private equity investment, does not operate in the market for mutual fund and portfolio management services in India. Another affiliate of Invesco i.e. Invesco (Hyderabad) Private Limited is stated to provide IT enabled services.

6. Religare AMC, a private limited company incorporated under the provisions of the Companies Act, 1956, is a wholly-owned subsidiary of RSL. Religare AMC is approved by the Securities and Exchange Board of India (hereinafter referred to as "SEBI") under the SEBI (Mutual Funds) Regulations, 1996, as an assets management company of Religare Mutual Fund (hereinafter referred to as "RMF") and is also registered with SEBI as a portfolio manager under the SEBI (Portfolio Managers) Regulations, 1993. Religare Trustee, a private limited company incorporated under the provisions of the Companies Act, 1956, is also a wholly-owned subsidiary of RSL and is approved by SEBI to act as the trustee of RMF.
7. RSL, a public limited company incorporated under the provisions of the Companies Act, 1956, is a wholly-owned subsidiary of REL. It has been stated in the notice that RSL is the current sponsor of RMF and is engaged in the business of equity broking in the cash and derivatives segments, currency futures and options broking and depository participant services. As stated in the notice, RSL is a depository participant with National Securities Depository Limited and Central Depository Services (India) Limited and is a member of the National Stock Exchange of India Limited, Bombay Stock Exchange Limited and MCX Stock Exchange Limited.
8. It is observed that Invesco does not have any direct or indirect presence in the market for mutual funds and portfolio management services in India. As per the information available on the SEBI website, there are more than forty other AMCs, registered with the SEBI providing asset management services and more than two hundred and fifty portfolio managers providing portfolio management services in India, thus implying significant competition prevailing in the market of mutual funds as well as portfolio management services in India. The market share of RMF is also insignificant in comparison to other players who have larger market shares in the Indian mutual funds industry.
9. Considering the facts on record and the details provided in the notice and the assessment of the proposed combination, 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 proposed combination under sub-section (1) of Section 31 of the Act.
10. This approval is without prejudice to any other legal/statutory obligations, as applicable.

11. This order shall stand revoked if, at any time, the information provided by the parties to the combination is found to be incorrect.
12. The Secretary is directed to communicate to the Acquirer accordingly.



Certified True Copy

  
ANIL K. VASHISHTHA 19/11/12  
Office Manager  
Competition Commission of India  
New Delhi