



सत्यमेव जयते



Fair Competition
For Greater Good

COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2014/06/182)

03.07.2014

Notice u/s 6 (2) of the Competition Act, 2002 given by:

- Birla Sun life Trustee Company Private Limited and
- Birla Sun life Asset Management Company Limited

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

1. On 13th June, 2014, 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 (“**Act**”) given by Birla Sun life Trustee Company Private Limited (“**Birla Sun life Trustee**”) and Birla Sun life Asset Management Company Limited (“**Birla Sun Life AMC**”) (Birla Sun Life Trustee and Birla Sun Life AMC are hereinafter collectively referred to as “**Acquirers**” or “**Parties**”).
2. The proposed combination relates to the acquisition inter-alia of the trusteeship, right to manage and administer the schemes of ING Mutual Fund (“**ING Schemes**”) and right to manage Portfolio Management Services accounts of portfolio management services clients (“**PM clients**”) of ING Investment Management (India) Private Limited (“**ING AMC**”) by the Acquirers pursuant to the Transfer Agreement (“**TA**”) entered into between Birla Sun life Trustee, Birla Sun Life AMC, ING AMC, ING Investment Management Holdings N.V. and the Board of Trustees of the ING Mutual Fund (“**ING Trustees**”) on 15th May, 2014. Post combination, the ING Mutual Fund (“**ING MF**”) schemes would become schemes of Birla Sun Life Mutual Fund (“**Birla Sun Life MF**”) and PM clients of ING AMC will continue as the clients of Birla Sun Life AMC.
3. Birla Sun Life Trustee, incorporated under the Companies Act, 1956, acts as the trustee company of Birla Sun Life MF. This was constituted as a trust under the Indian Trusts Act, 1882 (“**Trusts Act**”). Birla Sun Life MF is registered with the Securities and Exchange Board of India (“**SEBI**”) under the SEBI (Mutual Funds) Regulations, 1996 (“**MF Regulations**”). Birla Sun Life AMC, incorporated under the Companies Act 1956, is the asset management company



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for Birla Sun Life MF. It is registered with SEBI as the Portfolio Manager under the SEBI (Portfolio Managers) Regulations, 1993 (“**PMS Regulations**”). (Birla Sun Life MF, Birla Sun Life AMC and Birla Sun Life Trustees are hereinafter collectively referred to as “**BS entities**”).

4. ING Trustees act as trustees of ING MF. ING MF is constituted as a trust under the Trusts Act and is registered with the SEBI under the MF Regulations. ING AMC, incorporated under the Companies Act, 1956 is the asset management company of ING MF. It is also registered with the SEBI as a Portfolio Manager under the PMS Regulations. (ING MF, ING AMC and ING Trustees are hereinafter collectively referred to as “**ING entities**”).
5. The Mutual Funds in India are primarily regulated by the SEBI’s MF Regulations. There are around 47 mutual funds (along with their respective asset management companies) registered with the SEBI in India. Each of the mutual funds has several types of schemes under it which are floated in the market. The investors have multiple choices in selection of the mutual funds and their schemes. There also seems to be no significant barriers for the customers to switch from one mutual fund to another without incurring any significant cost. As per the report issued by the Association of Mutual Funds of India (“**AMFI**”), the total size of the market in terms of the average asset under management (“**AAUM**”) for all the mutual funds in India was INR 9,05,120 crore as on 31st March, 2014. It is observed that the share of the ING MF schemes in the total AAUM for all the mutual funds in India is insignificant.
6. The portfolio managers in India are regulated by the SEBI’s PMS Regulations. The clients of the portfolio manager can also terminate their contracts or arrangement with the Portfolio Manager any time. The total size of the market in terms of the asset under management (“**AUM**”) for all the portfolio management services in India was stated to be around INR 7,68,326 crore as on 31st March, 2014. It is observed that the share of the ING Portfolio Management Services in the total AUM is also insignificant.
7. Therefore, the acquisitions of ING entities by the Acquirers do not provide any significant addition in the market share of the Acquirers.
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



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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 an 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.

9. This approval is without prejudice to any other legal/statutory obligations as applicable.
10. This order shall stand revoked if, at any time, the information provided by the parties is found to be incorrect.
11. The Secretary is directed to communicate to the Acquirers accordingly.

(Ashok Chawla)
Chairperson

(Anurag Goel)
Member

(M.L. Tayal)
Member

(S.L. Bunker)
Member

(Sudhir Mital)
Member

(Augustine Peter)
Member