



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2020/02/725)

11th March, 2020

Notice under Section 6(2) of the Competition Act, 2002 jointly filed by Otter Limited and Link Investment Trust for acquisition of additional equity shares in Hero FinCorp 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 14th February, 2020, the Competition Commission of India (**Commission**) received a notice (**Notice**) under Section 6(2) of the Competition Act, 2002 (**Act**), jointly filed by Otter Limited (**Otter**) and Link Investment Trust (**Link**) (hereinafter Otter and Link are collectively referred to as the **Acquirers**). The Notice was given pursuant to the execution of the Share Subscription Agreement (**SSA**) *inter alia* between Hero Fincorp Limited (**HFL/ Target**), Otter, Link, Credit Suisse (Singapore) Limited, Apis Growth II (Hibiscus) Pte. Limited, Hero InvestCorp Private Limited, Bahadur Chand Investments Private Limited, Munjal Acme Packaging Systems Private Limited and other subscribers, on 24th January, 2020. The Agreement *inter alia* entered into between HFL and Otter, in respect of the earlier investment of the latter, has also been amended on 31st January 2020. Hereinafter, the Acquirers and HFL are collectively referred to as the **Parties**.



2. The Commission *vide* its letter dated 21st February, 2020, issued under Regulation 14(3) of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 (**Combination Regulations**), required the Acquirers to remove defects in the Notice and furnish certain information. In response, the Acquirers filed its submissions dated 28th February, 2020.
3. The Proposed Combination envisages acquisition of certain equity shares of HFL by the Acquirers.
4. Otter is an investment company registered in Mauritius owned and controlled by ChrysCapital VII, LLC. ChrysCapital is a private equity group with funds incorporated in Mauritius. It is focused on making investments in sectors such as business services, consumer goods and services, financial services, healthcare and pharmaceuticals. Link, an affiliate of ChrysCapital VII, LLC, is a private trust engaged in the business of making investments.
5. HFL, is a systematically important non-deposit taking non-banking financial company registered with RBI. It is primarily engaged in the businesses of consumer finance and different types of commercial lending. Hero Housing Finance Limited, a subsidiary of HFL, is engaged in provision of a range of housing loans and loans against property.
6. It is observed that Otter and Link are existing shareholders of HFL. However, HFL proposes to raise further capital from various investors, which is likely to reduce the extent of shareholding held by Otter and Link. Therefore, the Proposed Combination is envisaged to maintain their shareholding at a particular level and reduce the extent of dilution that would result otherwise. It has been submitted by the Acquirers that they would not be acquiring any additional rights in HFL. Given these factors, the Proposed Combination is not likely to raise any competition concerns.
7. Considering the material on record including the details provided in the Notice and the 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.

8. This order shall stand revoked if, at any time, the information provided by Acquirers is found to be incorrect.
9. The information provided by Acquirers is confidential at this stage, in terms of and subject to the provisions of Section 57 of the Act.
10. The Secretary is directed to communicate to the Acquirers, accordingly.