



COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2019/02/646)

9th April, 2019

Notice under Section 6 (2) of the Competition Act, 2002 filed by PGLH of Delaware, Inc.

CORAM:

Mr. Ashok Kumar Gupta
Chairperson

Mr. U.C. Nahta
Member

Ms. Sangeeta Verma
Member

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

1. On 27th February, 2019, Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”), filed by PGLH of Delaware, Inc. (“**PGLH**” / “**Acquirer**”) for the proposed acquisition of 50% of the entire paid up share capital each of DHFL Pramerica Asset Managers Private Limited (“**DPAML**”) and DHFL Pramerica Trustees Private Limited (“**DPTPL**”) along with sole control over DHFL Pramerica Mutual Fund (“**DPMF**”) (Hereinafter DPAML, DPTPL and DPMF are collectively referred to as “**Targets**”).
2. The notice was filed pursuant to the Purchase Agreement, dated 21st February, 2019, executed between PGLH, Dewan Housing Finance Corporation Limited (“**DHFL**”), DHFL Advisory & Investments Private Limited (“**DAIPL**”), DPAML and DPTPL.
3. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (“**Combination Regulations**”), a letter dated 15th March, 2019 was issued to the Acquirer for removing certain defects in the notice, response to the same was received on 22nd March, 2019.



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4. PGLH is stated to be a wholly-owned subsidiary of Prudential Financial, Inc. (“PFI”). PFI is a publicly – held corporation, is listed on the New York Stock Exchange and is present in India by way of its shareholding in Targets and DHFL Pramerica Life Insurance Company, Ltd. (a joint venture between DHFL and Prudential International Insurance Holdings, Ltd., a wholly owned subsidiary of PFI).
5. DPAML is stated to be a joint venture between PGLH and DHFL, with PGLH holding 50% of the paid up share capital of DPAML; and DHFL along with DHFL Advisory & Investments Private Limited, holding the remaining 50% of the paid up share capital of DPAML. DPAML has been established as a full service asset management company (“AMC”) providing investment solutions to both domestic and international retail as well as institutional clients.
6. DPTPL is stated to be a private company that ensures that the DPMF and the schemes floated thereunder are managed by DPAML in accordance with the trust deed, the regulations, directions and guidelines issued by the SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies. Both, DPAML and DPTPL are stated not to have any business operations outside India.
7. DPMF is stated to have been constituted as a trust in accordance with the Indian Trusts Act, 1882 and does not have any shareholders. DPTPL acts as a trustee of DPMF and has entered into an Investment Management Agreement with DPAML for DPAML to function as the investment manager for all the schemes of DPMF.
8. While assessing the competition concerns in the said matter, the Commission noted that none of the group entities of PFI group are engaged in the business of mutual funds, portfolio management and related advisory services, in which the Targets operate. The Commission also noted that the parties are not engaged in any activity relating to the production, supply, distribution, storage, sale and service or trade in products or provision of services which is at different stages or levels of the production chain in which any other party to the combination is involved Accordingly, the Commission notes that the proposed combination is not likely to raise any competition concern.
9. Considering the facts on record, 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 an appreciable adverse effect on competition in India.

10. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
11. The information provided by the Acquirer shall be treated as confidential in terms of and subject to provisions of Section 57 of the Act.
12. The Secretary is directed to communicate to the Acquirer accordingly.