



COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2019/06/669)

17th July, 2019

Notice under Section 6 (2) of the Competition Act, 2002 filed by Nippon Life Insurance Company

CORAM:

Mr. Ashok Kumar Gupta

Chairperson

Mr. U.C. Nahta

Member

Ms. Sangeeta Verma

Member

Mr. Bhagwant Singh Bishnoi

Member

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

1. On 26th June, 2019, Competition Commission of India (“**Commission**”) received a notice under Section 6(2) of the Competition Act, 2002 (“**Act**”), filed by Nippon Life Insurance Company (“**Nippon/Acquirer**”). The notice has been filed pursuant to the execution of Share Purchase Agreement (“**SPA**”), on 23rd May, 2019, between Reliance Nippon Life Asset Management Limited (“**RNAM/Target-1**”), Nippon and Reliance Capital Limited (“**RCL**”).
2. The proposed combination envisages acquisition by Nippon of certain shares of RNAM from (i) public through Open Offer and (ii) RCL as per SPA, such that total shareholding of Nippon in RNAM will not exceed 75 per cent. As on 31st March, 2019, both Nippon and RCL hold 42.88 per cent shareholding each in RNAM, aggregating to 85.76 per cent and the rest being held by public.



3. The proposed combination also envisages acquisition of 100 per cent shareholding in Reliance Capital Trustee Company Limited (“**RCTC/Target-2**”) and acquisition of 100 per cent shareholding of Reliance Capital AIF Trustee Company Private Limited (“**RAIF/Target-3**”) by Nippon. (Hereinafter, Nippon, RNAM, RCL, RCTC, and RAIF are collectively referred to as the “**Parties**” and Target-1, 2 and 3 collectively referred to as the “**Targets**”).
4. In terms of Regulation 14 of the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, a letter, dated 11th July, 2019, was issued to the Acquirer to seek certain information *inter alia* pre and post shareholding pattern, purchase considerations and modifications in transaction, complete response to which was received on 15th July, 2019.
5. Nippon, a mutual insurance company incorporated in Japan, is global financial services company with presence in several countries. Nippon, its subsidiaries and affiliates are *inter alia* engaged in the business activities of (a) providing life insurance; (b) providing insurance related services including agency work; (c) providing asset management services such as investment advisory, trust banking, investment financing services, real asset management services and general asset management services; and (d) general affairs related services such as temporary staffing services and information processing services.
6. RNAM, a publicly listed company incorporated under the Companies Act, 1956, is primarily engaged in providing Asset Management Services to Reliance Mutual Fund (**RMF**). RNAM is registered with Securities and Exchange Board of India (**SEBI**) as a portfolio manager and through its subsidiaries also undertakes the business of rendering investment management & advisory services to Alternative Investment Funds (**AIFs**), registered with SEBI.
7. RCTC, a company incorporated under the Companies Act, 1956, is a wholly owned subsidiary of RCL and has been acting as the trustee to RMF.



(Combination Registration No. C-2019/06/669)



8. RAIF, a company incorporated under the Companies Act, 1956, is a wholly owned subsidiary of RCL and is acting as a trustee to various AIFs, which are being managed by Reliance AIF Management Company Limited, a wholly owned subsidiary of RNAM.
9. It is submitted by the Acquirer that there are no horizontal overlaps between the Acquirer, either directly or indirectly through its affiliates, and the Targets in terms of the activities carried on by them and also are not engaged in the provision of goods/services that are at a different level in the production chain.
10. 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 and therefore, the Commission, hereby, approves the same under sub-section (1) of Section 31 of the Act.
11. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.
12. The information provided by the Acquirer 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 Acquirer accordingly.