



COMPETITION COMMISSION OF INDIA

(Combination Registration No. C-2019/08/681)

15th October, 2019

Notice under Section 6 (2) of the Competition Act, 2002 filed by Kora Master Fund LP.

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 30th August, 2019, the Competition Commission of India (**Commission**) received a notice under sub-section (2) of Section 6 of the Competition Act, 2002 (**Act**) filed by Kora Master Fund LP (**“Kora” / “Acquirer”**). The notice was given pursuant to Share Subscription Agreement (**SSA**), executed between Edelweiss Securities Limited (ESL), Kora and Edelweiss Financial Services Limited (**EFSL**), holding company of ESL, dated 14th August 2019.
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, a letter dated 19th September 2019, was issued to the Acquirers seeking information relating to the investment by the Acquirers. The complete response to the same was submitted by the Acquirer on 30th September, 2019
3. The proposed combination relates to a investment by Kora in Edelweiss Securities Limited (ESL) of up to USD 75 million (INR equivalent to 525 Crores), in the



Edelweiss Global Investment Advisory business (EGIA Business), which shall be disbursed in three tranches subject to fulfilment of certain identified milestones, as set out in the SSA (“**Proposed Combination**”). ESL and the Edelweiss Global Investment Advisory Subsidiaries (EGIA Subsidiaries) are collectively referred to as the Target Entities. (Hereinafter, Acquirer and Target Entities are collectively referred to as the “**Parties**”).

4. The Acquirer, incorporated under the laws of the Cayman Islands, is a foreign portfolio investor (*FPI*) registered with the Securities Exchange Board of India (*SEBI*). Its principal activity is that of investment holding and related activities.
5. The Target Entities belong to the Edelweiss Group, with EFSL as the ultimate holding company. The Edelweiss Group offers a wide gamut of financial services, which span across multiple asset classes and consumer segments across domestic and global geographies. The Target Entities are collectively, inter alia, engaged in the Edelweiss Global Investment Advisory business (EGIA) which means the business of asset management, wealth management, capital markets and advisory and asset reconstruction.
6. As per the Notice, the Acquirer and the Target Group are not engaged in any business activities relating to similar or identical or substitutable products or services. However Acquirer has a minority investment in some companies in India engaged in provision of loans/credit. It is submitted that the Parties (including their respective group companies) to the Proposed Combination have very limited presence in the Market of loans / credit, individually as well as collectively. Further there are no overlap in the EGIA business as per the submission of Parties.
7. It is submitted with regard to vertical relationships that there is no such relationships between the Parties.
8. 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 the 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 any 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. Further, the Commission observed that non-compete clause is not ancillary to the combination.

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