



**COMPETITION COMMISSION OF INDIA**  
(Combination Registration No. C-2019/09/686)

**24<sup>th</sup> October, 2019**

**Notice under Section 6(2) of the Competition Act, 2002 filed by Jomei Investments 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 11<sup>th</sup> September, 2019, the Competition Commission of India (**Commission**) received a notice (**Notice**) under Section 6(2) of the Competition Act, 2002 (**Act**), filed by Jomei Investments Limited (**JIL/Acquirer**). The Notice has been given pursuant to the execution of a Subscription Agreement (**SA**) between JIL and Aditya Birla Capital Limited (**ABCL**) on 5<sup>th</sup> September, 2019. JIL, ABCL and their affiliates are hereinafter collectively referred to as **Parties**.
2. The Commission *vide* letter dated 20<sup>th</sup> September, 2019, issued under Regulation 14(3) of the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011, required JIL to remove defects in the Notice and furnish certain information. In response, JIL filed its submissions on 30<sup>th</sup> September, 2019 and 16<sup>th</sup> October, 2019.
3. The Proposed Combination entails subscription to the shares of ABCL by the Acquirer resulting in it holding around 4.15% of the total issued and paid-up equity share capital of ABCL, on a fully diluted basis.



4. JIL, incorporated in Cyprus, is wholly-owned by Advent International GPE IX Limited Partnership (**Advent GPE**), whose investment manager is Advent International Corporation (**Advent International**). Currently, JIL does not have any business presence in India. However, Advent International has presence in India through its indirect subsidiary *viz.* Advent PE Advisors Private Limited (**Advent India**). Advent India is said to advise on investments in projects in India in sectors such as business and financial services, healthcare, industrial, retail, *etc.*
5. ABCL is part of the Aditya Birla Group and holds all of its financial service businesses. Through its subsidiaries/joint ventures, ABCL is said to have presence in the areas of asset management, life insurance, housing finance, health insurance, general insurance broking, NBFC services, wealth management, equity, currency and commodity broking, pension fund management and asset reconstruction businesses.
6. The Acquirer has submitted that there is no direct horizontal overlap between the activities of JIL and the Target. However, Advent Group has shareholding in ASK Investment Managers Limited (**ASK Investment**). ASK Investment is the ultimate holding company of ASK Group and is engaged in asset and wealth management services in India. It is said to focus on investments in listed equities in India for its domestic and offshore clients. Both ASK Investment and ABCL are seen to offer portfolio management services (**PMS**), wealth advisory/ management related services and real estate investment services.
7. PMS involves management of portfolio investments in stocks, fixed income, debt, cash, structured products and other individual securities. PMS can be classified into the three categories *viz.* discretionary, non-discretionary and advisory. While ABCL offers all these services, ASK Investments is present in discretionary and advisory PMS. It is observed that PMS can be further classified based on type of investment asset such as equity, debt *etc.* However, precise identification of the overlapping business segment is not necessary as the incremental market share, as a result of the Proposed Combination, in any of the plausible market segmentation is not significant. Further, the business of PMS in India is characterised by presence of several other players including Motilal Oswal, ENAM Securities, Kotak and ICICI Prudential.



8. Wealth advisory and management services refer to professional investment advice and assistance to manage finances of a person. These services are aimed to ensure the growth and safety of the existing investments and wealth of individuals. The wealth manager earns a fee or a commission based on the investment made. The Commission notes that ABCL does not have a presence of significance in wealth advisory and management services. Thus, the incremental market share as a result of the Proposed Combination in this segment is not significant to raise any competition concerns. Similar is the case for real estate investment services as ABCL has insignificant presence in this segment.
9. The activities of Parties are vertically placed in the business of mutual funds. While ABCL offers mutual fund products, ASK group distributes such products as part of its wealth advisory business. Similarly, ABCL is engaged in business of PMS and such services are distributed by ASK group. However, presence of ASK group in business of wealth advisory and management service as well as distribution of PMS, is not significant to raise any competition concern.
10. Considering the facts on record, details provided in the Notice and the assessment of the Proposed Combination on the basis of 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.
11. This order shall stand revoked if, at any time, information provided by Parties is found to be incorrect.
12. The Secretary is directed to communicate to the Parties, accordingly.