



**COMPETITION COMMISSION OF INDIA
(Combination Registration No. C-2016/07/417)**

21st September 2016

Notice under Section 6 (2) of the Competition Act, 2002 given by CDC Group Plc.

CORAM:

Mr. Devender Kumar Sikri
Chairperson

Mr. S. L. Bunker
Member

Mr. Sudhir Mital
Member

Mr. Augustine Peter
Member

Mr. U.C. Nahta
Member

Mr. M.S. Sahoo
Member

Legal Representative: M/s Platinum Partners

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

1. On 29th July 2016, the Competition Commission of India (hereinafter referred to as the "**Commission**") received a notice from CDC Group Plc ("**CDC**") under sub-section (2) of Section 6 of the Competition Act, 2002 ("**Act**") in relation to subscription¹ by CDC of approximately upto 15.45 percent of the total share capital of India Infoline Finance Limited ("**IIFL**"). (Hereinafter, CDC and IIFL are collectively referred to as "**Parties**".) The proposed combination has been filed pursuant to execution of an Investment Agreement ("**IA**") dated 20th July 2016 executed by and between CDC and IIFL and IIFL Holdings Ltd.² ("**IIFL Holdings**").
2. It is observed that the IA provides that prior consent of CDC would be required for, *inter alia*,

¹ As per notice, CDC shall subscribe to around 43,334,409 compulsorily convertible preference shares and 100 Equity Shares.

² IIFL Holdings, itself and through its nominees holds 100 percent of the paid-up equity share capital of IIFL.



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commencement of any new business by IIFL and/or its subsidiaries and/or cessation of any portion of business or variance of more than 20 percent in the product mix of the business from the business plan.

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'**), the Acquirer, vide Commission's letter dated 12th August 2016, was required to provide certain information. Response to the same was provided on 18th August 2016. Thereafter, Acquirer, through emails at different times, made certain submissions relating to non-compete covenants, its stake and control in other entities engaged in similar business.
4. CDC, a public limited company wholly owned by United Kingdom Government, is a Development Finance Institution. It is present in India through CDC India Advisors Private Limited, CDC Emerging Markets Ltd. and CDC India Opportunities Ltd.
5. IIFL, a wholly owned subsidiary of IIFL Holdings, is a non-deposit accepting systemically important NBFC registered with the RBI. It has been stated in the notice that IIFL provides various loans including home loans, loans against property, loans secured against gold, commercial vehicle finance, medical equipment finance, small and medium enterprise loans, corporate loans and capital market finance.
6. With regards to the horizontal overlaps, it has been submitted that the Parties to the combination do not provide identical or substitutable products or services either directly or indirectly. However, CDC, currently, hold a non-controlling stake in certain NBFC-Micro Finance Institutions and in a scheduled commercial bank.
7. It has also been submitted that none of the Parties to the combination have direct or indirect shareholding and/or control over another enterprise engaged in any activity relating to the production, supply, distribution, storage, sale and service or trade in products or provision of services which are at different stages or levels of the production chain.
8. Considering facts on record, details provided in the notice and assessment of the combination on the basis of factors stated in sub-section (4) of Section 20 of the Act, the Commission is of the opinion that combination is not likely to have an appreciable adverse effect on competition in India and therefore, the Commission hereby approves the same under-section (1) of section 31 of the Act.
9. This order shall stand revoked if, at any time, the information provided by the Acquirer is found to be incorrect.



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10. The information provided by the Acquirer is confidential at this stage in terms of and subject to provisions of Section 57 of the Act.
11. The Secretary is directed to communicate to the Acquirer accordingly.